

**CULTURAL MINISTERS
COUNCIL**

Statistics Working Group

The Strategic Direction
in Corporate Sponsorships:
Practical Implications
for the Arts

Prepared by the Australia
Business Arts Foundation

PREAMBLE

This research report on cultural sponsorship in Australia has been commissioned by the Cultural Ministers' Council (CMC) Statistics Working Group. It is a qualitative survey which supplements quantitative information collected by the Australian Bureau of Statistics.

The research has been undertaken by the Australia Business Arts Foundation (AbaF), a company of the Commonwealth with a mission to increase private sector support for Australia's arts and culture and to encourage reflection on what it means to be Australian.

AbaF carried out the project in the six months between April 20th and October 31st 2001. AbaF appreciates the valuable assistance received from:

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EXECUTIVE SUMMARY

This report has been commissioned at an opportune time. Important changes in sponsorships by corporations are occurring in the context of economic pressures in the global economy and growing expectations of corporate citizenship.

The information collated here – from a review of relevant research and information from 62 companies in 7 States and Territories and 12 industry sectors – demonstrates that trends are under way which present both impediments and opportunities in regard to the sponsorship of arts and culture by corporations.

1 OVERALL TRENDS IN THE SPONSORSHIP MARKET PLACE

1.1 COSTS ARE RISING.

The cost of securing and maintaining individual sponsorships is increasing, particularly in regard to major sponsorships in sport.

At the same time corporations are finding that they have to put more resources into leveraging sponsorships.

For many companies, major sponsorship activities are demanding an increasing proportion of sponsorship budgets.

1.2 MANY SPONSORS ARE INVESTING IN FEWER, MORE FOCUSED, LONGER-TERM SPONSORSHIPS.

Companies are reviewing their sponsorships in terms of focus and fit, in order to achieve maximum benefits from sponsorship expenditure.

Many companies are consolidating their sponsorship portfolios to concentrate on fewer activities, in many instances to the detriment of smaller scale and variegated involvements.

Faced with increasing requests for sponsorships and constrained budgets, companies are more rigorous in costing activities and quantifying potential benefits. Those companies which have not so far measured sponsorship requests in terms of commercial return are now being forced to do so, in part at least to cope with the volume of requests received. Previously gratis support such as free product is now rigorously costed.

With this trend comes increased expectations of shared accountability between the partners for achieving outcomes.

- 1.3 **SHORT-TERM SPONSORSHIPS OF PROJECTS REMAIN ATTRACTIVE TO COMPANIES EITHER ENTERING/TESTING THE SPONSORSHIP SCENE OR WITH POLICIES TO REGULARLY CHANGE THEIR SPONSORSHIPS.** Some companies incline to short-term sponsorships because they are testing the sponsorship scene, wish to avoid overcommitting or seek to give specific projects a short-term “kick start”.

Short-term sponsorships can also be the avenue to longer-term arrangements. It is important for sponsored organisations to work to keep sponsors involved beyond the expiration of individual projects. One reason reported by companies for ceasing cultural sponsorship was that the *specific project came to an end and there was no follow-up project*.

2 TRENDS IN WHAT BUSINESS EXPECTS AND WANTS FROM CULTURAL SPONSORSHIPS

- 2.1 **BUSINESSES ARE SEEKING TO MAXIMISE THE BENEFITS COMING BACK TO THE BUSINESS, I.E. THE “RATIONALE” OR BUSINESS CASE FOR CULTURAL INVESTMENT.**

Companies want sponsorships that will bring:

- Benefits that are tailored/customised to a corporation’s needs
- Benefits that are measurable.

Measuring and evaluating benefits is an issue of increasing importance to cultural sponsors. Seventy-five per cent of respondents who had established or renewed cultural sponsorships in the last three years nominated *identifying and valuing the benefits* as the most important challenge they had had to meet.

2.2 DELIVERING CORPORATE BENEFITS.

Businesses attest to cultural sponsorships being uniquely placed to meet *corporate* needs. They mean thereby not only enhancing corporate reputation and standing, but also delivering benefits throughout the business and underscoring core values of the corporation. Achieving market or employment advantages is often an accompanying aim in cultural sponsorships.

The dominant factor in companies' decisions on which arts and cultural organisation to sponsor is that the sponsored organisation *reflects the values or identity of the company*.

2.3 DELIVERING COMMUNITY BENEFITS IS AN IMPORTANT OBJECTIVE IN CULTURAL SPONSORSHIPS AND IS CONSIDERED PART OF SPONSORSHIP EFFECTIVENESS.

Companies also want sponsorships to:

- demonstrate there is a “public service” or “public good”
- achieve social approval and clear community benefits
- add value to the cultural organisation in a way that cannot be achieved by other means.

Businesses seek arts and cultural partners who can demonstrate that they have support – and contribute to community life – in areas where the business has operations and employees.

3 TRENDS IN BUSINESS EXPECTATIONS OF SPONSOR RELATIONSHIPS

3.1 COMPANIES ARE NOW INVESTING IN SPONSORSHIPS THAT:

- reflect the values or identity of the company
- offer reciprocal benefits to the sponsor and the sponsored body
- are cost-effective and have benefits that can be costed and measured
- are inclusive not exclusive.

3.2 BUSINESSES STATE THAT THE KEY INGREDIENTS IN SUCCESSFUL SPONSORSHIPS RELATE ABOVE ALL TO GOOD UNDERSTANDING BETWEEN THE PARTIES, EXEMPLIFIED BY SUCH FEATURES AS:

- “good and continuous communication”
- “cooperative nature of sponsorship and the commitment of key individuals”
- “mutual understanding through clear communication”
- “partnership approach with clearly defined benefits”.

3.3 COMPANIES EXPECT THAT THE SPONSORED BODY WILL:

- service and “nurture” the relationship
- budget to spend back part of the financial support they receive on servicing the relationship
- maintain excellent communication
- clearly articulate the outcomes to be achieved from the sponsorship and take responsibility for achieving them
- offer distinctive benefits, beyond mere logo exposure.

3.4 COMPANIES ARE INCREASINGLY PROVIDING SUPPORT IN-KIND AND INVOLVING STAFF IN SPONSORED ACTIVITIES.

Over eighty per cent of respondents provide in-kind support as part of their sponsorship commitment. Companies are beginning to more comprehensively measure the value of such support.

4 CONCLUSIONS AND PRACTICAL IMPLICATIONS FOR THE ARTS

4.1 IMPEDIMENTS AND CONSTRAINTS. THE MAIN CONSTRAINTS TO INCREASED CULTURAL SPONSORSHIP EXIST AT A NUMBER OF LEVELS.

For those businesses that *do* already sponsor cultural activities:

- it can be difficult to *identify* all the benefits the arts can bring to a sponsorship;
- therefore, it is difficult to justify internally to fellow managers and to directors the value of sponsoring the arts;
- it is difficult to *measure* the benefits the arts can bring to a sponsorship;
- therefore it is difficult to *justify* a continuation of the sponsorship to shareholders and other stakeholders - who are becoming increasingly attentive to all corporate expenditure;
- it is difficult to demonstrate that supporting the arts is good for the community because the social impact of cultural activities is hard to pin down and to measure.

For those businesses that *do not* already sponsor the arts, the constraints are:

- they just cannot see that there are any benefits in doing so any way;
- they think it is only going to attract a small minority, not the ordinary Australians in key target markets.

For arts and cultural organisations that are *not familiar* with the business needs and expectations of the corporate sector, the above problems have important implications:

- they tend to approach businesses as though they were public funding agencies with funds to hand out rather than as businesses seeking specific returns;
- they tend to lack the skills and knowledge to identify the assets they have that might be of interest to business;

- they tend to lack the skills and capacities to identify those businesses that might be interested in the particular assets they have to offer and who the decision makers are.

4.2 OVERCOMING THE CONSTRAINTS. ADDRESSING THE CONSTRAINTS REQUIRES BOTH INDIVIDUAL AND COORDINATED ACTION.

4.2.1 CULTURAL ORGANISATIONS INDIVIDUALLY NEED TO:

- promote the value of their activities to the community at large and articulate and demonstrate the ways in which they can bring social benefits and enhance the sustainability of communities;
- move beyond providing mere logo exposure to identify their full business cases for a partnership with the business sector; and
- raise their professional management standards in relation to their own internal core business activities.

4.2.2 COLLECTIVELY, CULTURAL ORGANISATIONS NEED TO COLLABORATE WITH ONE ANOTHER

- within their localities, to promote the contribution they make to their local area and the benefits they can continue to bring to community life with new business support;
- within and across sectors to offer appealing and attractive packages to one or more businesses.

4.2.3 TO SUPPORT CULTURAL ORGANISATIONS

In such endeavours governments at all levels and businesses supportive of the arts need to assist organisations in raising awareness of the community contribution they make. This might occur through Chambers of Commerce, industry associations and local business groups. Raising public recognition of the contribution of sponsors is also important to ensuring their continuing support.

4.3 THE FINAL SECTION OF THE REPORT

Provides a checklist of main actions for arts and cultural organisations. The Australia Business Arts Foundation provides other training and practical assistance to arts and cultural organisations seeking to develop their specific business cases for a corporate partnership.

1. INTRODUCTION

This is the first research report on business attitudes to cultural sponsorships in Australia since surveys of expenditure and attitudes pertaining to 1996-97. Key findings from the earlier surveys indicated that

- business sponsorship and support for arts and culture was flat in the first half of the 1990s and lagging far behind sport
- those businesses which did support arts and culture did so mainly in the name of public good or as a public service
- on the whole business attitudes towards supporting arts and culture had been remarkably consistent in the decade 1986-96
- one area where a change in approach had emerged was the decreasing importance accorded to the personal interest of company board members and senior executives in sponsorship decisions.¹

The present report addresses the need for current information on business attitudes and approaches to cultural sponsorships. Its purpose is to identify and report on current trends in business sponsorships and their implications for arts and cultural organisations, focussing on business attitudes and expectations. One of the major findings of the report is that the sponsorship scene is changing rapidly. An indication of this is that sponsorships made solely according to the personal interest of company board members and senior executives are now widely regarded as a thing of the past and are dismissed as flights of the “chairman’s whim”. The evidence from this project is that CEOs have new roles in respect of sponsorships.

¹ Department of Communications, Information Technology and the Arts. 1999. *Cultural Trends in Australia No.8 – Business Sponsorship of Arts and Cultural Activities 1996-97*, prepared with the assistance of the National Centre for Culture and Recreation Statistics, Australian Bureau of Statistics, especially 14. Australia Council for the Arts. 1996. *Corporate Support for the Arts 1996: Report of a National Business Survey, with Comparisons to Earlier Surveys in 1986, 1989 and 1993*, prepared by Yann Campbell Hoare Wheeler, especially 28f.

1.1 The research base

There is a growing literature devoted to developments in the sponsorship scene bearing on corporate arts and cultural sponsorships. The first stage of the present project reviewed this literature. Broadly, two trends are crucial.

MAXIMISING RETURNS

First, global competition and economic rationalism have sharpened scrutiny of returns from all areas of business expenditure. Since the 1990s capital markets have increasingly operated on a global basis. In order to attract and retain the support of institutional investors, local corporations need to match the profitability of leading corporations worldwide. All areas of corporate expenditure need to demonstrate the contribution they make to profitability. Sponsorships are under pressure to demonstrate that they produce quantifiable commercial returns and competitive advantage.

Moreover, many corporations are configuring their core business more narrowly and reviewing all activities in regard to that core business. Non-core activities are being sold or out-sourced. In this context sponsorships are under review constantly to ensure that they are relevant to, and reflective of, the business.

CORPORATE REPUTATION AND SOCIAL RESPONSIBILITY

The second main contextual factor is corporate reputation and social responsibility (or CSR). The triple bottom line philosophy requires corporations to be aware of their social impact and of the value of their reputation and image as an intangible asset. A growing number of corporations are consolidating policies to cover all their engagements with activities in the community. Bringing benefits to the community as well as back to the business is an emerging agenda in sponsorships. It intersects here with the agenda of strategic philanthropy, which aims to achieve social improvement through “transforming

traditional philanthropic relationships into strategic alliances that generate benefits for their partners and society in general.”²

Terms gaining currency in this context include: socially responsible sponsorships, corporate community involvement and social investment. The scrutiny of such expenditure is intense and brings together a number of factors. As “strategic philanthropy becomes part of marketing strategy, sponsorship is subject to a different scrutiny, an analysis with a direct effect on revenue.”³

CONFLUENCE OF FACTORS

In this context there are signs that previously distinct strands of altruism (philanthropy or donation) and self-interest (marketing or public relations) are converging. Corporations are seeking to meet social expectations in new ways that simultaneously contribute to shareholder wealth. Chief among these is building the relationships required for sustainable business development. Long-term community partnerships, aligned with core business strategies, are emerging – “economic-based partnerships between mutually dependent organisations.”⁴ Increasingly, corporations are putting more into a few strategic partnerships and expecting more from them.

What implications do such developments have for cultural sponsorships? Do they present new impediments or opportunities? These were key issues explored in questions put to specific businesses. Key concepts arising from the literature review were integrated into the questions put to businesses.

² Austin, J. 2000. ‘The age of ethical alliances: philanthropy has evolved into strategic relationships with benefits for both parties.’ *Financial Times* (London), 19/12/2000, 10.

³ Gingold, D. 1999. ‘Art and business: an international perspective on sponsorship (review)’. *Journal of Arts Management, Law and Society*, 29 (2), 142.

⁴ Meenaghan, T. 1998. ‘Current developments and future directions in sponsorships’. *International Journal of Advertising*, 17 (1), 10.

1.2 Information from corporations

Large businesses are the focus of this project because they supply the lion's share of cultural sponsorship in Australia.⁵ Information on cultural sponsorships by small business is contained in a recent study by the Council of Small Business Organisations of Australia (COSBOA). Importantly, COSBOA recommends greater recognition of the differences between small and large businesses in regard to community involvement and sponsorships. Indeed, the use of different terminologies is recommended because of the distinct approaches by each sector. COSBOA reports that the cultural area is the fifth most popular area of support by small businesses involved in community organisations and activities. Thirty per cent of these businesses support cultural activities, behind education (just over 60%), charity (56%), sports (54%) and health (47%).⁶

The aim of the present study was not to survey a vast number of companies, nor to use a random sample. Rather, a cross section of major arts sponsors was surveyed, along with new sponsors in the field and companies which do not sponsor arts and cultural activities. Companies were not asked to divulge the amount of their sponsorship spending.

Information was gathered from companies in three ways.

CULTURAL SPONSORSHIP QUESTIONNAIRE

A cultural sponsorship questionnaire was sent to companies active in cultural sponsorships, either as established or as new sponsors. The questionnaire sought information, among other things, on companies' overall sponsorship policies, the specific features they seek in cultural sponsorships and the ingredients of successful cultural sponsorships (see appendix iv). Businesses were also questioned on their philanthropy policies due to the convergence referred to above.⁷ Valuable assistance in identifying

⁵ Department of Communications, Information Technology and the Arts. 1999. 7.

⁶ Council of Small Business Organisations of Australia Ltd. 2000. *Final Report to The Department of Family and Community Services on Small Business and Community Participation*. www.cosboa.com.au/partners/report.htm, Figure 1.

⁷ See also Gonski, D. interviewed by Hooper, N. 2001. 'Charity begins in the board room.' *The Business Report*. Radio National. 14/4/2001. ABC Radio Tapes.

prospective participants was obtained through AbaF Chapters and State and Territory Arts Units represented on the Statistical Working Group of the Cultural Ministers' Council. Forty-three companies responded to the questionnaire, a response rate of just over 50%. Respondents were typically corporate affairs or communications managers, state or regional managers or marketing managers.

INTERVIEWS

Twelve one-on-one interviews were conducted for the project, predominantly with companies which do not sponsor arts and cultural activities. Some sponsor activities other than the arts – mainly sport; others have had experience in cultural sponsorships; and others are not active sponsors in any field. Their responses reflect the reasons for sponsoring other activities in preference to arts and culture, and the issues that companies face as they contemplate what cultural sponsorships might offer them. The interviews were conducted by an independent interviewer. A standard format was used for interviews (appendix v) and issues were fleshed out and explored around this. Where possible, interviews were conducted in person; where time or distance precluded this, they were conducted by telephone.

CASE STUDIES

Detailed case studies were gathered from a further seven companies and two respondents to the cultural sponsorship questionnaire provided shorter case studies of cultural sponsorships they are involved in. Nine summary case profiles are included in the present report to illustrate key points about directions in sponsorships.

Altogether sixty-two companies provided information. Of these, one-sixth are new sponsors in arts and culture, having not had sponsorships in this field three years ago, and one-fifth are non-arts sponsors.

The following table breaks down the informant companies by principal industry sector and by State and Territory. A full list of respondent companies appears at appendix ii.

Mining	4
Manufacturing: Petroleum, Coal, Chemical, Associated Products	5
Manufacturing: Other	10
Electricity, Gas and Water Supply	6
Construction	3
Wholesale Trade	5
Retail Trade	3
Accommodation, Cafes and Restaurants	1
Transport and Storage	1
Communication Services	3
Finance and Insurance	10
Property and Business Services	10
Culture and Recreational Services	1
	62

New South Wales	17
Northern Territory	5
Queensland	7
South Australia	7
Tasmania	3
Victoria	16
Western Australia	7
	62

Results arising from the study are reported according to six major themes. These were found to be pertinent to established, new and non-arts sponsors alike, although important points of comparison are drawn out in the discussion. Where possible, direct comments by respondents are used to illustrate points and these comments are italicised.

The thematic sections following are:

- 2) Sponsorships, alignments and partnerships
- 3) Measurement and evaluation
- 4) Impediments and constraints in cultural sponsorships
- 5) Key factors and benefits in selecting and developing cultural sponsorships
- 6) In-kind support and staff involvement
- 7) Industry sectors and regions.

2. SPONSORSHIPS, ALIGNMENTS AND PARTNERSHIPS

On the evidence of this project, many businesses are thinking rigorously about the rationale for sponsorships. It is therefore important to foreground a number of fundamental points.

- Sponsorships form part of commercial business operations and their purpose is to bring benefits back to the business. Typically these are advertising and promotional benefits, involving brand exposure at the sponsored event or venue, in the media and at hospitality occasions.
- Sponsorships potentially involve more dynamic relationships than advertising and promotions. Sponsors engage with an independent other party and depend on what that party does or stands for. Sponsorships can lead into two-way partnerships, especially as they are extended and deepened.
- Many major sponsorships are developing into partnerships as sponsors seek extra value over the long-term. Smaller sponsorships can coexist with major sponsorships of large events or can be single sponsorships of smaller events. Smaller sponsorships remain important points of entry for companies into the sponsorship field.

In many ways, the benchmarks for achieving advertising and promotional benefits in sponsorships have come from major sponsorships of sporting events. The Sydney Olympics represented a high watermark in sponsorship expenditure and exposure. A number of the companies in this study have major sporting sponsorships of this type. In interviews they provided information on the costs and benefits of these sponsorships.

2.1 Major sponsorships in sport

Managers with major sponsorships in sport look to tie the sponsorship to the specific brand they are marketing. They see this as providing more concrete marketing outcomes than sponsorships that more generally promote their company or corporation.

Sport is seen as an effective vehicle for mass marketing because of its popularity and audience reach. Major sponsorships are attractive to marketers because they can offer more continuous and consistent exposure of a brand than an advertising campaign. Moreover, marketers regard brand associations built through these types of sponsorships as particularly strong because they attach emotion or experience to the brand. Therefore they seek as close an alignment as possible between the marketing brand and the sponsored event. For those who can achieve it, a naming rights sponsorship with wide media exposure can represent powerful and cost-effective marketing. *“It is a cost-effective way to get your brand out there with multiple benefits.”*

However, there are more and more sponsorships, particularly in sport so it is harder for the sponsors to become distinctive. *“It is a challenge to get a point of difference. Sponsorship may be becoming like wallpaper now.”* This is leading some companies to reconsider sponsorships. It is also leading to an insistence on sponsorships offering something more than the event itself. Sponsors want invited clients to “feel spoiled” and are increasingly requiring additional opportunities to underline the “fit” between their brand and the sponsored event, e.g. fun occasions where products can be experienced or consumed, or a unique hospitality opportunity providing “ownership” of the occasion. Sponsored organisations are expected to work with the sponsor to offer new opportunities and adapt arrangements where possible. *“There must be a commitment by the sponsored person to work for the sponsor.” “There needs to be a continuing dialogue about how we are progressing.”*

Some interviewees believe that some arts organisations have failed to understand that the sponsor must benefit from the sponsorship to the maximum available, whereas sporting organisations have become much more professional in these terms in recent years.

Managers are very conscious that making the best of major sponsorships costs the company significant time and effort. *“To make it work, you have to leverage it.”* Moreover, managers note that the cost of major sport sponsorships is escalating – *“the*

costs of entry are through the roof”. “The price is going up so only some companies can afford it.”

At the same time as the costs of securing and maintaining individual sponsorships are increasing, sponsorship budgets are constrained. Many organisations interviewed for this study expect to have a reduced sponsorship budget for the foreseeable future. In part, this follows from general economic pressures on corporations or industry downturn, but in some cases sponsorship budgets have been specifically reduced, reflecting a belief amongst some senior executives and board members that past sponsorship funds have not delivered value for money.

The sum result of these pressures is that some companies are questioning whether commercial sponsorship is an appropriate activity for them at all, whilst others are consolidating their activities. Some minor sponsorships are being dispensed with to accommodate the increased costs of major sports sponsorships. Similarly, sponsorships which merely give exposure to a brand name, let alone a corporate name, are no longer considered worthwhile by many companies - *“I don’t want us to be just a logo on a banner.”*

2.2 Trends in cultural sponsorships

Many responses to the cultural sponsorship questionnaire echo the trend evident in interviews with non-arts sponsors. A number of respondents specifically refer to *fewer but more significant or longer projects*. Importantly, such concentration is considered conducive to achieving clearer outcomes, not only in regard to the company, but also the community. *“Can make more of a difference this way and leverage better.” “Size of sponsorship (in \$) determines commitment of parties; small sponsorship does not create value for either.”*

“Focus” is a key word for many respondents - *“refocussed on sponsorships closer to the heart” of the company.*” *“Focus on having only 3 strategic partnerships in*

future...result of new management team and dwindling budget.” “More focussed due to continual ‘honing’ of the sponsorship strategy.” “Increasing emphasis upon community merit and benefit embodied in the sponsorship due to more focussed ‘community’ aspects of desired corporate positioning.”

The challenge for organisations seeking sponsorship is to draw on their strengths to develop deeper relationships and offer something more than the customary. Some cultural sponsors concur with non-arts sponsors that some cultural organisations have fallen short in this regard: *“Sponsors are not well looked after. Many arts organisations I know do little, once they get the money in the bank, to ensure that their major sponsors are happy and continue to be involved with the institutions.”* Other companies suggest that cultural sponsorships are among the first casualty of cost cutting; as smaller sponsorships fall away arts and cultural sponsorships are inordinately effected: *“There is a tightening of the belt across all sponsorship and the arts are suffering because of that. The larger companies still value it but when you get to the smaller companies it is perceived as an addition not as a necessity.”*

To flourish cultural sponsorship needs to become embedded in businesses. Relationships are expected to go deeper than before. *“Now seek win/win benefits...and are attracted by sophisticated proposals that go beyond ‘logo’ use.”* For many companies a fundamental alignment of values with the sponsored organisation is essential (see section 4). As one scholar in the field summarises: *“New-style business/arts partnerships achieve much more than the promotional or marketing benefits of commercial sponsorship. They allow for an interaction, exchange of resources and continuous dialogue between partners and provide opportunities for the arts to go right into the heart of a business.”*⁸

⁸ Potter, F. 2001. ‘Business/Arts partnerships as a mechanism for developing new audiences for the arts’. *Sixth International Conference on Arts and Cultural Management*, Brisbane.

2.3 Partnerships

The increased currency of “partnership” summarises many of the matters referred to here.

Some sponsors describe themselves in transition:

- *“desire for genuine partnership”*
- *“move towards longer-term partnerships and partnerships with sustainable development theme”*
- *“Moving from pure client entertainment / one off / short-term arrangements to longer-term “partnerships” which offer sustainable long-term benefits.”*

Other sponsors see establishing strong partnerships as an important outcome of change, bringing together many of their concerns, such as focus, strategy and cost-effectiveness:

- *“Strong focus on partnerships and leverage”*
- *“more money/support to fewer, more carefully chosen projects [of] ongoing mutual benefit”*
- *“More strategic focus; more driven by customers/stakeholders; more cost-effective.”*

Case profile – Normandy Mining and the Aboriginal Cultures Gallery

Normandy Mining’s involvement in the development of the Australian Aboriginal Cultures Gallery (AACG) at the South Australian Museum, hailed initially as a “million dollar handshake”, has evolved into a strategic relationship based on several years of mutual effort and community consultation. Normandy was closely involved with the development of the Gallery, contributing its project management expertise – although the content of the exhibition was entirely the responsibility of the Museum.

According to Normandy’s Executive General Manager of Public Affairs, Dr Chris Anderson: “Normandy invested in the project because intelligent and strategic-thinking private companies in Australia are finally realising that sustainable profit means taking seriously their relationship with key segments of the community.”

There were striking synergies between the organisations. The Museum has a world class resource in its collection and knowledge of minerals and geology, of relevance to Normandy as a miner and prospector.

Another link was the company's relationships with Aboriginal Australia. Normandy operates on Indigenous owned land in several areas, and employs a significant percentage of Aboriginal people (15 per cent in some sites). Access to the Museum's expert knowledge of Indigenous culture helps the company work with Indigenous communities in a culturally appropriate way. The Museum has an educational role with respect to Indigenous people, as does Normandy. "Normandy was aware that many people do not understand or appreciate Aboriginal culture," said Chris Anderson. "Given our experience with Indigenous communities, we saw it as our responsibility to assist with this educational function."

Employees of Normandy have benefited, with the Museum and its resources available for cross-cultural training, guided tours, shop discounts and bush tours. Indigenous communities that Normandy works with have gained access to the Museum's collections, including sacred objects, information and photographs.

Chris Anderson summarises: "Our case study tells us that the traditional reasons given for involvement by a business in a public venture (e.g. a museum or gallery): buying some good will and a positive image from the general public are not always the primary reasons or even reasons at all for sponsorship. Normandy did not sponsor the Australian Aboriginal Cultures Gallery for warm and fuzzy reasons: it was a business decision based on a hard-nosed business case. This does not diminish its excellent outcomes for particular indigenous people and communities nor for Normandy and its employees. The success factors in the case revolve around it being an active partnership of substance where the relationship is constantly fed and kept alive on both sides."

3. MEASUREMENT AND EVALUATION

Sponsorships are not exempt from the pressures throughout companies to measure returns on all their activities. The tight budgetary situation for sponsorships is exacerbating these pressures. There are two significant elements involved in proving sponsorship effectiveness. First, managers must justify their spending internally to senior management and prove that it is benefiting the company. Second, sponsored organisations must prove to their corporate funders that their programs are effective. Together these measures involve an assessment not only of business benefits but also of the broader impact of sponsored events.⁹

Information from companies indicates that this has important implications for the way that they go about selecting and assessing sponsorships. Measurement is essential not only in renewing sponsorships, but also in establishing them. Potential sponsors require up-front information, based on research, about predicted outcomes and audience reach.

Case profile – Leighton Holdings’ partnership approach

Leighton Holdings Limited has a sponsorship policy to develop “long-term partnerships” with peak bodies, whilst each of the company’s groups maintains its own sponsorship program, often with a local flavour. Sponsorship proposals must clearly demonstrate the ability to deliver measurable benefits. Applicants for sponsorship need to describe the project’s predicted outcomes, the benefits of involvement to the Leighton Group and how performance is to be measured. Applicants pre-evaluate their proposal in terms of its audience appeal, geographic spread and the business benefits that it will provide. Since 1995 Leighton Holdings’ partnership with the National Trust has been integral to its social and environmental commitments. Recently the company has extended all shareholders a special offer to join the National Trust.

⁹ Meenaghan, T. 1998. 16.

Reiss, A. 2000. ‘Corporate sponsorship: a growing area of arts concern’. *Fund Raising Management*, 31 (8), 46f.

For the Leighton Group the benefits include:

- Enhanced profile through media stories
- Recognition of Leighton's commitment to heritage
- Significant networking opportunities
- Extension of benefits to shareholders
- Shared expertise.

And for the National Trust:

- Financial support in its mission of conserving and celebrating national culture
- Networking opportunities
- Media coverage
- Shared expertise.

3.1 Measures in major sports sponsorships and the pressure to measure outcomes

The direct effects of sponsorship are notoriously hard to measure. Evaluation is complex and many such measures are still described as “experimental”.¹⁰ It can be very difficult, if not impossible, to attribute any gain in brand name or image to an individual sponsorship. Moreover, the multiple target audiences of many sponsorships – consumers, the company’s own distribution channel, business contacts and other stakeholders – complicate measurement.

There are some “hard” quantitative measures. Companies interviewed for this study with major sports sponsorships track sales results in conjunction with sponsorships. Media exposure is also an ubiquitous measure. It forms a key criterion for evaluating requests for major sponsorships, favouring events with significant media coverage. Free media exposure has now become an almost mandatory part of a sponsorship offer. Can the organisation requesting sponsorship deliver the benefits of naming rights and media exposure of other major sponsors? Can these benefits be quantified?

¹⁰ Cornwell, B and Maignan, I. 1998. ‘An international review of sponsorship research’ *Journal of Advertising*, 27 (1), 1-21. Quester, P. and Thompson, B. 1999. *An Experimental Study of Arts Sponsorship Effectiveness: The Case of the 1998 Adelaide Festival of the Arts*. University of Western Sydney, Nepean.

Some of the companies interviewed have smaller sponsorships or are considering entering the sponsorship arena. For these companies mass marketing is less of a concern and the measures associated with major sports sponsorships are less applicable than is reaching the right audience, a criterion which can justify sponsorship as more cost-effective than other forms of marketing. Such smaller sponsorships are effective where key business relationships – rather than wide brand awareness – needs to be fostered, e.g. for manufacturers of large complex products, with large intermediary customers, and commodity manufacturers. In such situations the “rapport” created at the event is accepted as a “soft” indicator in lieu of hard measurement. The main indicators of success will be that:

- the event appeals to the sponsor’s clients
- the sponsored organisation has the facilities and personnel to provide hospitality
- the sponsor is provided with a sense of ownership and exclusivity. The sponsor doesn’t want to “lose” their clients amongst other attendees or to lack the space to conduct discussions.

The pressure to measure returns from sponsorship is heightened by the increasing number of requests from organisations of all types. Those sponsors which have not so far measured their sponsorship in terms of commercial return are now being forced to do so, in part at least to cope with the volume of requests received. They need to be able to quickly identify those requests that will bring a return to the business.

Managers note that the overload of requests for sponsorships and the measurement imperative has a further effect. This is to force some organisations whose sponsorship activities seem to be non-quantifiable into choosing to become involved in activities whose benefits to society can be clearly articulated. Rather than tolerate an undetectable effect, some companies with smaller budgets are now choosing to support programs only where it is clear that the sponsored activity has manifest social approval. This situation favours potential sponsorships that meet measurable outcomes or which offer clearly articulated social/community benefits, over sponsorships where the benefits are unclear or abstruse.

3.2 Measurement and evaluation in cultural sponsorships

Responses to the cultural sponsorship questionnaire demonstrate that many businesses are becoming far more rigorous and systematic in dealing with sponsorships. The vast majority of respondents indicate that they have a formal overall policy or set of criteria in regard to sponsorships and donations. In virtually all instances this covers all the areas in which they make sponsorships and donations.

All of the respondent companies have sponsorship activities in other fields as well as culture. The most popular of these fields are: sport and recreation (n=33) and community service and welfare (n=33); education and training (n=26); and health (n=23) and environment (n=21). Other sponsorships reported by individual respondents are in research, business and industry conventions, and regional initiatives.

Many also have philanthropic programs, most frequently in: community service and welfare (n=35); health (n=25); education and training (n=21); environment (n=19); and sport and recreation (n=18). Other involvements reported by individual respondents are in public policy, social research and business support.

Exceptions to comprehensive sponsorship policies relate to policies in draft (n=1) or which do not cover all fields of sponsorships (n=4). More companies lack formal overall policies or set of criteria in regard to donations. Twelve respondents lack these altogether and for a further 3 the framework does not cover all areas of activity.

A number of respondents report that developing firm policies had been an essential part of gaining tighter control of the sponsorship area and dealing with the plethora of requests. *“Taking far more structured approach. Need to do so due to limited time and increasing requests.”* *“Much more clearly defined sponsorship strategy and process for managing.”* *“Process becoming more formalised with agreed policies in place in order to maximise return to company.”*

Notwithstanding a more structured approach, measurement and evaluation is still a formidable issue for sponsors. “*More measurable benefits required!*” Other respondents report that key challenges are “*Obtaining management recognition of the sponsorship value*” and “*Greater awareness of the value of sponsorships.*”

3.3 Identifying and valuing the benefits in cultural sponsorships

The measurement imperative presents particular challenges for cultural sponsorships. Cultural events do not attract the level of media coverage devoted to sport and do not achieve social outcomes as directly as some community causes. Moreover, many cultural sponsors seek to achieve benefits in terms of corporate reputation and image, which defies “hard” measurement. Achieving association with particular attributes and values is intrinsic to their sponsorship rationale, as is discussed further in section 5.

Responses to the questionnaire reveal that *identifying and valuing the benefits* is the dominant challenge to meet in establishing or renewing cultural sponsorships.

- Seventy-five per cent of respondents who had established or renewed cultural sponsorships in the last three years nominated *identifying and valuing the benefits* as the most important challenge they had had to meet.
- A further 10% nominated this as the most important challenge along with one or two others – *finding a good fit partner or property* and *winning the support of shareholders or other stakeholders*.

Whilst this challenge is not an insuperable one for the cultural sponsors in this study – after all they are reflecting on sponsorships that have been established – it does represent an important impediment to engaging current non-arts sponsors. Many are unable to identify benefits they might gain through cultural sponsorship, much less measure them.

Case profile – Novell: Evaluation in Partnership

Novell and the Sydney Dance Company's relationship began in 1997. Novell knew that SDC was renowned for attracting high profile, well-educated audiences and was a company that was held in high-esteem by the arts and wider community. Novell therefore wanted to gain the attention of influential SDC audiences and business partners so as to reinforce Novell's market positioning.

Another attraction was SDC's commitment to performing in most Australian capital cities along with Auckland and Wellington in New Zealand. This would give Novell the national exposure to audiences required to leverage the sponsorship.

SDC also had consistent and favourable press. This high media profile was also attractive to Novell because it would provide constant branding and new exposure opportunities for the company across all print and electronic media, including the internet.

The cost of the sponsorship involves a significant financial contribution per year plus numerous staff resources to ensure the relationship runs efficiently. The Sydney Dance Company spends back a percentage of that amount in facilitating the sponsorship (largely in catering costs).

SDC facilitates dancers performing at Novell events and provides Novell with tickets for staff to SDC performances along with opportunities for staff to go to behind the scenes events. In addition staff are invited to special SDC open rehearsal sessions.

Novell has a strict evaluation process tracking sales figures alongside attendance at SDC events. The company keeps a constant tab on the returns it gains from the sponsorship and leverage spend.

Almost daily telephone and/or email contact is made between Novell's Marketing Coordinator and SDC's Development Manager. The Marketing Coordinator also regularly liaises with the SDC's Marketing Manager and Publicist.

Six monthly review and planning meetings are held with people in all those positions plus the Sydney Dance Company's General Manager and Novell's Managing Director, Director of Marketing and Communications Managers.

Over time the partnership has become part of Novell's corporate image. The Sydney Dance Company has a world-class reputation. The Company's ability to present even familiar things in original and insightful ways is felt by Novell to be a natural metaphor for its business.¹¹

¹¹ Particular acknowledgment for this case study goes to: Positive Solutions, the Sydney Dance Company and Novell. Also Smith, Cliff. Presentations at AbaF National Councillors Forum 2/8/00 and 2/8/01 and 'Getting to know you – partnerships and relationships.' *OzeCulture Getting it Online* 14/6/01

4. IMPEDIMENTS AND CONSTRAINTS IN CULTURAL SPONSORSHIPS

Previous AbaF research shows that many corporations

- do not understand the commercial benefits that can be derived from supporting cultural organisations
- do not have the in-house knowledge of how to go about finding and forging sustainable partnerships with the arts
- are not aware of the range of cultural organisations that might be a good fit for their commercial needs.

The present project sought information to add to this picture, including what commercial benefits businesses believe they can and cannot meet through cultural sponsorships.

4.1 Lack of benefits perceived by non-arts sponsors

Many companies participating in interviews had sponsorships in areas other than arts and culture. One had earlier experience of cultural sponsorship: an overseas tour in key export markets, which had been successful but discontinued due to industry downturn. Other companies had involvement in local community initiatives and community festivals.

Managers expressed a range of attitudes to cultural sponsorships. Some are building on experience with arts and culture to formulate policies for their businesses. Others have personal knowledge of the arts, and in some cases a personal preference for the arts, but point out that corporate need prevails over personal choice. Some managers have very little personal knowledge of the arts, and this represents a barrier to seeking sponsorship opportunities. Other managers are quite clear in their own mind that the arts are unsuitable for their organisation.

On the whole, the benefits that are expected of cultural sponsorship and partnerships in contrast to sports sponsorships and some areas of community involvement are limited. Managers are really very unsure what the benefits of cultural sponsorships are – and

admit as much. Their caution comes from an uncertainty about the benefits to their company:

- *“I am unsure”*
- *“There ought to be but I don’t know what it is”*
- *“I don’t understand what other people get out of it.”*

Even those people who personally enjoy the arts are unclear, in their professional capacity, what role arts and cultural sponsorship can play: *“The events are laudable in themselves, but what can they do for us?”*

Some companies suggest that cultural organisations have not aided them in identifying potential business benefits. There is a sense that some arts organisations are seeking benefactors, not commercial sponsors. *“They still see sponsors as benefactors. They are not in tune with commercial reality. They get excited about their own product but they don’t offer the sponsor much flexibility.”*

Several respondents suggest that arts organisations seem to take it for granted that everyone knows what the arts can do for them - but they don’t. *“They don’t realise that people don’t know.”*

4.2 Specific constraints cited by non-arts sponsors

Among those respondents who felt cultural sponsorships did not meet their business needs, the following limitations were seen as most important. It is interesting to note that some of these factors represent the other side of the coin for sponsors attuned to the benefits of major sports sponsorships.

- *Small audience.* Companies in mass consumer markets note that even the larger arts organisations cannot offer an audience the size of the television audience for a major sports event. To some extent, these companies see televised sponsored sport as a

cost-effective form of advertising, and compare the benefits to those achieved by advertising.

- *Lack of prominent brand exposure opportunities.* This is another critical issue, especially for larger companies in mass consumer markets. When companies say that sponsorship provides an opportunity for brand exposure, they usually mean sponsorships with naming rights, especially sponsorship of events that attract media exposure. Non-arts sponsors believe that such prominent brand exposure is rarely delivered through an arts or cultural event and that sports organisations are becoming increasingly professional in their benefits packaging. Many non-arts sponsors are unaware of successful naming rights sponsorships in the arts, notably festivals.
- *No experience opportunity.* Some organisations use sponsorship instead of advertising so that consumers and customers can experience the product as part of a fun and enjoyable event. The plan is to build a mental association between enjoyment of the event and the brand. Some companies believe that arts and cultural events do not offer this opportunity or are not prepared to work to provide it. Some managers also worry that their clients or potential clients will not enjoy arts events: “*You have to know your client well*” before inviting them to the ballet, but “*if you invited them to the cricket, 80% would go.*”
- *Wrong image.* Some companies are reluctant to sponsor arts or cultural events because of a perceived exclusive image, which may be inappropriate for their product or company. There is a tendency to equate arts and cultural sponsorship opportunities with the large iconic performing arts bodies. Other art forms are not top of mind for some managers. Accordingly, there is a perceived seriousness associated with arts and culture that is of particular concern to some marketing managers. These managers want their brand to be associated with fun and enjoyment, and do not necessarily feel that arts and cultural events can deliver that feeling.

- *Wrong target market.* Some companies simply believe that arts and culture do not deliver them the right audience. There is a perception that arts and culture are exclusive events, which do not appeal to the company's key target market. Arts and cultural organisations generally avoid describing their audiences as "ordinary" people or as "mums and dads", but these are often the people whom marketing managers are seeking to reach. Arts events that do attract a more "ordinary" audience need to publicise that fact.
- *Short-term.* Some managers associate arts and cultural events with short-term sponsorships, perhaps because the requests and proposals they have received have been for "one-off" events. As noted earlier, some organisations are effectively abandoning short-term sponsorships for long-term partnerships, which provide longer-term exposure than a campaign can achieve. As one person pointed out, it is ironic that if a show sells out early, publicity material is taken down, and the sponsor loses brand name exposure. In addition, sports organisations have worked hard at allowing sponsors to "leverage" the event, so that the brand names are exposed during off-season or out-of-match promotional events. That there are equally successful long-term cultural sponsorships is not widely known.
- *Lack of community goodwill.* There is a perception that the general public feels greater goodwill towards protecting the environment or children's health than towards arts and culture. Therefore, the social impact of cultural sponsorship is expected to be quite narrow: "*Health is there for everybody, but arts are only for a few.*"
- *Geographic limitations.* Some managers noted that there are geographical limitations associated with cultural sponsorships. Marketers of national brands do not wish to design promotional activities for one city only. However, others argue that sports suffer from the same limitation.

4.3 Reasons for lack of success in cultural sponsorships

To fill out the picture in regard to barriers to cultural sponsorships, the cultural sponsorship questionnaire sought information from cultural sponsors on unsuccessful cultural sponsorships they have been involved in. Respondents referred above all to a lack of capacity or commitment by the sponsored organisation to deliver benefits to the sponsor.

- *“Sponsorship was oversold and under delivered.”*
- *“Artistic direction not matched by management ability. Promising what they couldn’t deliver.”*
- *“Poor attitude to meeting our needs in the sponsorship; no understanding of corporate needs.”*
- *“No concept of shared benefit and responsibility.”*

One business, having reviewed its past experience, now considers it essential that the cultural organisation has a *“particular person nominated to look after the corporate relationship.”*

Other respondents attributed the lack of success in some cultural sponsorships to a lack of commitment within their own company. Particular references were made to a lack of support from senior management or staff at large. Some respondents expressed a preference for “mainstream arts” to attract staff interest. Others noted that they felt that sponsorship activities would be hamstrung so long as it was difficult to prove their value within the business and to other stakeholders.

4.4 Reasons for ceasing cultural sponsorships

The cultural sponsorship questionnaire also sought information on the reasons why cultural sponsorships had ceased. Over half of the respondents to the cultural sponsorship questionnaire (56%) reported that some of their arts and cultural sponsorships had come

to an end or not been renewed in the last three years. The reasons fall into three main categories (and sometimes a combination of the three – hence a total of more than 100%).

- *Sponsored project came to an end* – 62%.

The main reason reported for cultural sponsorships ceasing was that the specific project had come to an end. Of these responses, just under a half (47%) indicated that the *specific project came to an end and there was no follow-up project*. Thirty-three per cent indicate that the *specific project came to an end and the company did not want to get committed to a longer relationship*. The remaining 20% comprise companies with policies of deliberately spreading support to different groups (14%) or of supporting a project specifically to give it a “kick start” (6%).

These responses indicate that, while companies may get involved in sponsorship through short-term projects, it is important that cultural organisations seek to follow-up projects and if possible eventually roll project support into a longer-term partnership. This is challenging given that companies are focussing on fewer involvements, but it is often easier to extend an existing relationship than to establish a new one. One respondent pointed out that many sponsors in Australia are repeat sponsors – they will continue to sponsor if they have a successful experience.

- *Change in sponsorship fits* – 33%.

New sponsorship priorities account for the ceasing of cultural sponsorships for 33% of respondents to this question. Specific changes include: new social investment strategies; a change in direction of the sponsored event itself so that “*the relationship was no longer mutually advantageous*”; and the fact that resources had been channelled into servicing major sponsorships in other fields.

- *Consolidation of sponsorship portfolio* – 29%.

Just under 30% of respondents indicate that specific cultural sponsorships had ended or not been renewed in the process of consolidating the company’s sponsorship portfolio.

Increases in costs of sponsorships and decreasing budgets were also cited by 16% of the respondents to this question.

No respondent opted for *staff responsible in your organisation changed* as a reason why a cultural sponsorship came to an end or was not renewed. This reflects the fact that companies increasingly have firm policies that outlast changes in personnel.

It is also interesting to note that some respondents refer to sponsorships ending despite their admiration for the sponsored event. The problem was that it didn't meet key business needs. "*Fine event did not appeal to key demographic. Did not offer enough opportunity for hospitality.*" Another company did not consider that it was making enough of sponsored events. "*Company was not making good use of entertainment opportunities of interstate arts projects.*"

A perspective from shareholders

With the large growth in share ownership in Australia – directly and through superannuation funds - public interest in corporate expenditure is unprecedented. On the one hand shareholder groups can put pressure on corporations in respect of environmental or social responsibilities, and ethical investment is gaining prominence. On the other hand shareholder activists are acutely critical of corporations' contributions to "non-business causes". Mr John Curry, Victorian President of the Australian Shareholders' Association (ASA), points out that shareholders are investing to provide for their retirement and in doing so they are reducing the burden on the public purse by reducing the pension liability. The ASA states that "There is quite often a fine line between philanthropy and sponsorship." The Association has adopted the following position statements in respect of donations and sponsorships respectively:

"Shareholders do not elect directors to give away their profits, no matter how worthy the board might think the beneficiaries. Shareholders as individuals regularly support causes with their own money, and usually prefer to make their own choice as to the recipient. Companies may, with the approval of shareholders, set up a fund which gathers contributions and organises donations. Funding should be by means of an opt-in mechanism where shareholders choose to donate a predetermined percentage of their dividend. Full disclosure is essential.

"The ASA will monitor sponsorship activity to ensure that it is aligned with the achievement of corporate objectives. The Sydney Olympics for instance generated sponsorship on a vast scale which resulted in an extravaganza of mutual corporate entertainment. After choosing to indulge, many companies later blamed the event for a poor financial result."

4.5 Conclusion on impediments and constraints

It is worthwhile at this point drawing together key findings from the previous two sections since they have important implications for building the level of corporate cultural sponsorship.

THE MAIN CONSTRAINTS

For those businesses that do already sponsor cultural activities, the constraints are:

- it can be difficult to identify the benefits the arts can bring to a sponsorship;
- therefore, it is difficult to justify internally to fellow managers and to directors the value of sponsoring the arts;
- it is difficult to measure the benefits the arts can bring to a sponsorship;
- therefore it is difficult to justify a continuation of the sponsorship to shareholders and other stakeholders - who are becoming increasingly attentive to all corporate expenditure;
- it is difficult to demonstrate that supporting the arts is good for the community because the social impact of cultural activities is hard to pin down and to measure.

For those businesses that do not already sponsor the arts, the constraints are:

- they just cannot see that there are any benefits in doing so any way;
- they think it is only going to attract a small minority, not the ordinary Australians in key target markets.

For arts and cultural organisations that are not familiar with the business needs and expectations of the corporate sector, the above problems have important implications. As a result of this unfamiliarity, cultural organisations tend to:

- approach businesses as though they were public funding agencies with funds to hand out rather than as businesses seeking specific returns;

- lack the skills and knowledge to identify the assets they have that might be of interest to business;
- lack the skills and capacities to identify those businesses that might be interested in the particular assets they have to offer;
- are not aware of which businesses are operating in their communities, who the decision makers are, or how to get through the door to talk to them.

OVERCOMING THE CONSTRAINTS

Addressing the constraints requires both individual and coordinated action.

Cultural organisations individually need to:

- promote the value of their activities to the community at large and to articulate and demonstrate the ways in which they can bring social benefits and enhance the sustainability of communities;
- move beyond providing mere logo exposure to identify their full business cases for a partnership with the business sector;
- take whatever opportunities are available to communicate why corporate support is essential to their work in their community; and
- raise their professional management standards in relation to their own internal core business activities.

Collectively, cultural organisations need to collaborate with one another

- within their localities, to promote the contribution they make to their local area and the benefits they can continue to bring to community life with new business support;
- within and across sectors to offer appealing and attractive packages to one or more businesses.

Governments at all levels need to support arts/cultural organisations in raising awareness of the contribution that arts organisations make to the community. Raising public recognition of the contribution of sponsors is also important to ensuring their continuing support.

Business people supportive of arts/cultural partnerships need to advocate the benefits of such partnerships to business collectives, such as local business groups, professional associations and Chambers of Commerce. In particular, drawing business peoples' attention to the diversity and inclusiveness of the arts is important to overcome perceptions that arts and culture is highbrow and attractive only to a few.

Businesses that are established cultural sponsors might also act as mentors to other businesses that are considering entering cultural sponsorship (in particular, encouraging them to take on a sponsorship that may no longer be a good fit for an established sponsor).

Industry associations in specific sectors might provide information to their members about the type of cultural partnerships that are successful in that sector and likely to meet business needs into the future.

Through the present project, businesses have also indicated factors and values that cultural organisations can emphasise in establishing and developing partnerships with businesses. These are detailed in the next section.

5. KEY FACTORS AND BENEFITS IN SELECTING AND DEVELOPING CULTURAL SPONSORSHIPS

Information was sought in interviews and questionnaires on factors attractive in cultural sponsorships. Companies not currently sponsoring cultural activities suggested a number of areas where they consider benefits and enticements might lie. Companies that are sponsoring cultural activities provided information on what business benefits they achieve and what factors determine their choice of organisation or activity to sponsor.

5.1 Potential benefits and areas of interest nominated by non-arts sponsors

As noted above, the potential benefits perceived by non-arts sponsors are limited. In many instances they are nothing more than the other side of the constraints cited.

- Reaching non-sports fans. One of the most frequently mentioned perceived benefits of arts and culture is that it might attract a different audience from sports, particularly women who are less likely to watch sports matches. In addition, music festivals may attract younger people than some sports. Some managers also suggested that sports sponsorship is inherently limited, in that its success is dependent on the success and behaviour of the team or individual (indeed some companies will not sponsor a team or individual for this reason). Arts and cultural events are less dependent on chance than sport. Moreover, there is a guaranteed winner when companies sponsor an arts competition.

- Premium image. Some managers feel that arts and cultural events can provide a more exclusive, premium image for a brand and that this can be an effective strategy for some organisations.

- Hospitality. Some companies feel that arts and cultural events can provide classy hospitality. Sponsors use hospitality to network with potential customers or partners or to

create an “experience” for their trade customers and ultimate consumers. Usually, this means drinks, dinner or a party before, after or during the event, to create the informal atmosphere that generates conversation: “*It is a relationship building exercise in an environment that is less formal and more easy.*”

- Community connections through festivals. Several respondents mentioned the benefits of supporting regional or community festivals, in locations where their employees or key stakeholders live. Festivals appeal because they meet the company’s objective of belonging to the community, and of creating goodwill. Food and wine festivals are often seen as a fitting complement to cultural sponsorships and may serve as an entry point for some companies to consider larger cultural sponsorships.

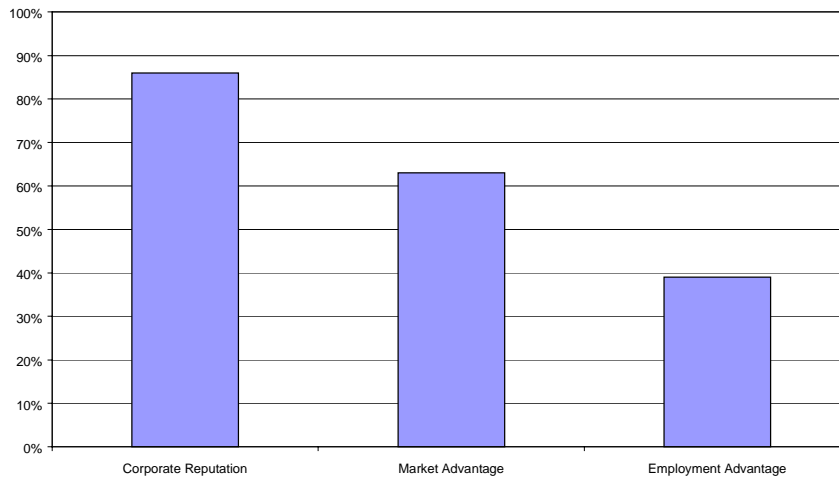
5.2 Business needs in cultural sponsorships – the importance of corporate needs

The cultural sponsorship questionnaire sought information on which business needs cultural sponsors seek to meet through their cultural sponsorships. Three broad categories were suggested, along with an “other” category:

- *corporate reputation, corporate image, networking and other corporate relations*
- *market advantage needs, e.g. brand exposure or access to niche target groups*
- *employment advantage needs, e.g. staff involvement in company occasions.*

It is striking that, whilst some non-arts sponsors perceive corporate objectives in sponsorships to be somewhat woolly and amorphous, the corporate reputation category dominates responses to the questionnaire by cultural sponsors. Only fourteen per cent of respondents do not designate *corporate reputation, corporate image, networking and other corporate relations* as a business goal in sponsorships. All others (86%) nominate the *corporate reputation* category as one that they seek to address through their sponsorship portfolio. This is greater than achieving market advantage needs (63%) and employment advantage needs (39%).

CHART 1 BUSINESS NEEDS CATEGORIES CULTURAL SPONSORS SEEK TO MEET – MAJOR CATEGORIES



As the above chart indicates – with its total in excess of 100% – many respondents seek to meet business needs across several categories. The most popular combination of categories are:

- corporate needs plus marketing needs *and* employment needs (30%);
- corporate needs plus marketing needs (28%).

The importance accorded to the corporate needs category by cultural sponsors is to be understood in two ways. First cultural sponsorships remain an important way of corporations boosting their image and standing in the community (much as public good is a traditional reason for supporting the arts). More than this, however, it also reflects that respondents are seeking to achieve benefits on a corporate basis, i.e. in terms of a range of business needs. This confluence of factors accentuates the challenge of measuring sponsorship effectiveness.¹²

¹² See also O'Hagan, J., and Harvey, D. 2000. 'Why do companies sponsor arts events? Some evidence and a proposed classification'. *Journal of Cultural Economics*, 24 (3), 205-224.

Case profile – Blundstone: Marketing and community involvement

Blundstone Pty Ltd operates from Tasmania, competing against global companies with much larger marketing and promotion budgets. Market penetration for new products is difficult. Arts sponsorships contribute to carving out market niches for Blundstone, as well as being an important part of the company's tradition and community involvement. Blundstone has had a number of arts associations that have helped to establish the company in new markets.

- The successful *Tap Dogs* dance show, performed in Blundstones, helped to establish the brand in the cluttered U.S. market.
- The *Do Something with a Blundstone* art exhibition, which toured Australia for two years, provided strong product exposure and niche marketing at a time when the Blundstone work boot emerged as a fashion item.
- Currently an arts partnership helps to give a distinctive look and packaging to the new *Women's Work* range. The partnership was initiated by Blundstone with Desert Urapuntja Artists in Central Australia. It draws on the heritage of indigenous women's work and has led to the creation of a permanent collection of sixteen paintings, six of which have been chosen as designs for the packaging of the footwear range. A booklet depicting each of the sixteen designs, together with notes on their cultural context, has been produced alongside the product line. The partnership will continue to inject funds into the Urapuntja community through a royalty agreement.¹³

5.3 Important factors in deciding which arts and cultural activities to sponsor

The importance accorded to the corporate reputation category in cultural sponsorships is also reflected in the factors rated as important by companies in deciding which particular cultural activities or organisations to sponsor. A clear premium is laid here on the values that the cultural organisation or activity stands for and projects.

Respondents rated the importance of certain factors in deciding which arts and cultural activities to sponsor. The dominant factor reported was *Reflects the values or identity of the company*. Seventy-three per cent of respondents gave this factor the highest rating of *very important*. No respondent accorded it *little or no importance*.

¹³ See also Australia Business Arts Foundation. 2002. *The Gold Book of Business Arts Partnerships 2001*. Lloyd, Simon. 1999. 'Blundstones hit the chic streets, feet first'. *Business Review Weekly* 8/10/99, 60-61. Cawthorne, Zelda. 2000. 'Blundstone in fresh feat'. *Herald-Sun* 30/5/00, 29.

The next two highest-ranking factors in terms of being *very important* each commanded 41% of respondents. One of these was the cultural activity or organisations *Having strong support in the community in which it works*. This factor was particularly favoured by respondents from the mining sector and other extractive industries (e.g. petroleum and coal manufacturing), reflecting the prominence of community relations issues in those sectors. However, it also attracted support from other sectors. Along with *Reflects the values or identity of the company*, this was the only factor that no respondent regarded as *of little or no importance*.

The other factor regarded as *very important* by 41% of respondents was that the cultural activity or organisation *Attracts an audience containing existing or potential customers*. Sectors where client relations are paramount placed a premium on this factor: retail and wholesale trade, finance and insurance and property and business services. However it was of *little or no importance* for 15% of respondents, predominantly from the mining and manufacturing sectors.

Cost compared to other potential sponsorship projects / activities was an important ancillary factor. It attracted the highest number of responses for being *important* (nearly 50%) but was considered *very important* by less than 10%. The following table shows the ratings given to each of the factors by respondents.

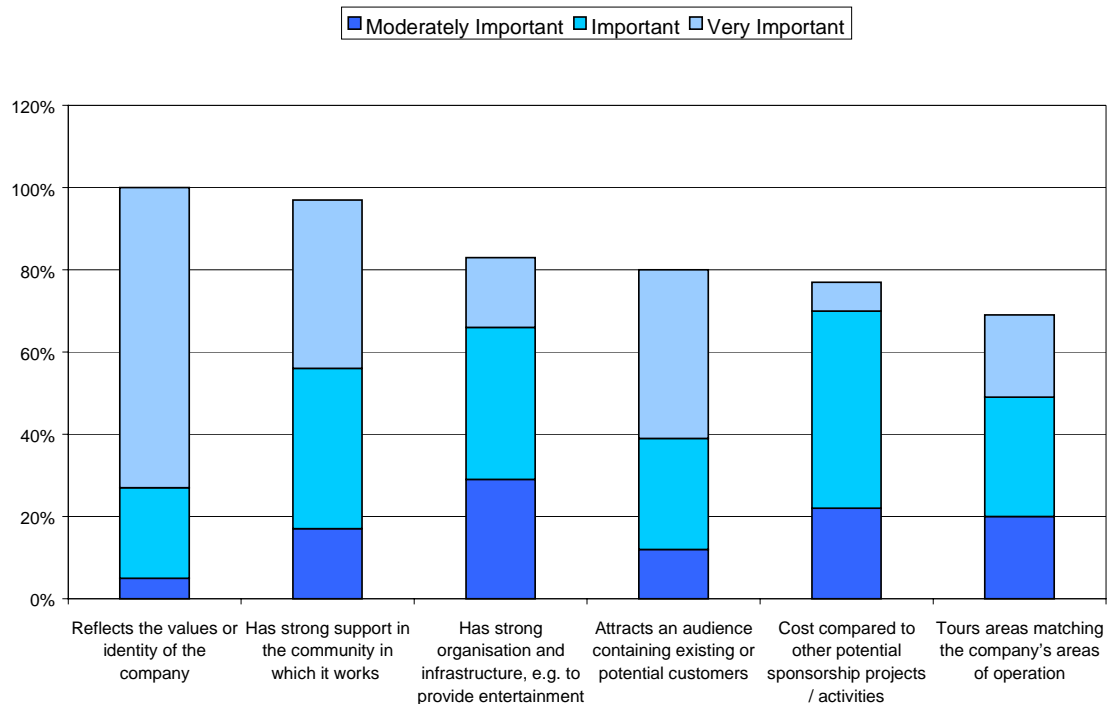
Table 1 IMPORTANCE OF FACTORS IN DECIDING WHICH CULTURAL ACTIVITIES OR ORGANISATIONS TO SPONSOR

	Very Important	Important	Moderately Important	Little or no importance	Don't know/ nil resp.
Cost compared to other potential sponsorship projects / activities	7%	48%	22%	15%	7%
Reflects the values or identity of the company	73%	22%	5%	0%	0%
Works in particular art form or deals with topics relevant to the company's core business	2%	27%	32%	32%	7%
Has strong support in the community in which it works	41%	39%	17%	0%	2%
Attracts an audience containing existing or potential customers	41%	27%	12%	15%	5%
Tours areas matching the company's areas of operation	20%	29%	20%	27%	5%
Has co-sponsors with whom to network	2%	15%	34%	37%	12%
Has strong organisation and infrastructure, e.g. to provide entertainment	17%	37%	29%	7%	10%
Is different to what business competitors sponsor	17%	27%	22%	22%	10%
Personal interest of senior management	7%	24%	22%	41%	5%
Presents its work in particular surrounds relevant to the company's operations, e.g. outdoor, festivals	7%	12%	27%	37%	17%

The following two charts summarise the factors considered the most and the least important by respondents.

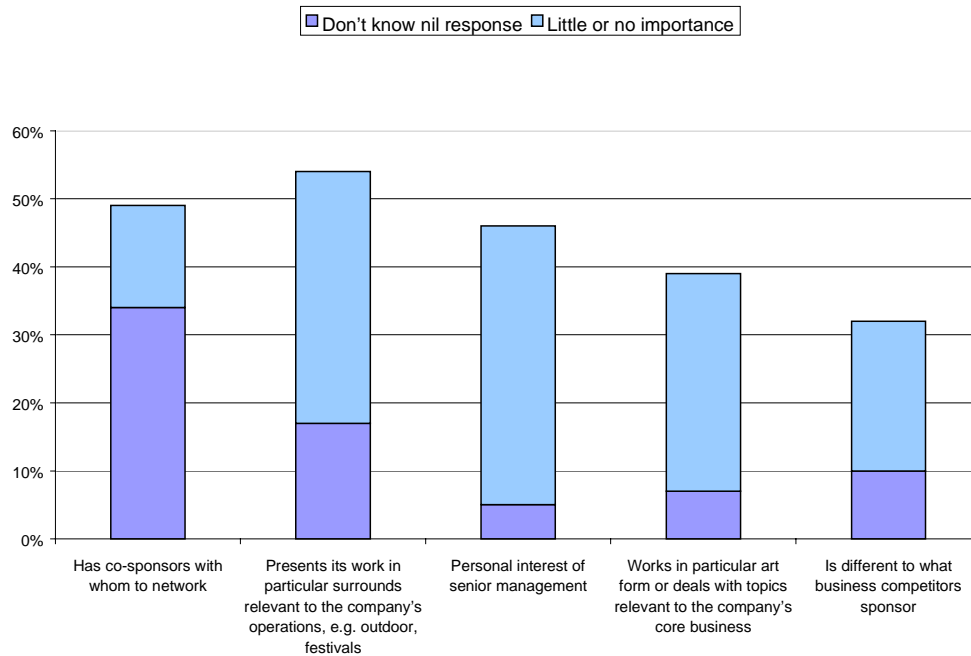
CHART 2 MOST IMPORTANT FACTORS IN DECIDING WHICH CULTURAL ACTIVITIES OR ORGANISATIONS TO SPONSOR

Four factors were considered of *little or no importance* by a significant proportion of



respondents. Three of these factors pertain to cultural organisations presenting work in particular art forms, themes or surrounds or having co-sponsors to network with. The fourth factor was *personal interest of senior management*. This attracted the most responses for being of *little or no importance* (41%). This is consistent with moving beyond sponsorship at the “chairman’s whim” or through “handing over a cheque”, as referred to above. At the same time, the importance in cultural sponsorships of the values and identity of the company needs to be borne in mind. Senior management establishes and endorses these values and identity, which in turn determine sponsorship fits. In short, senior managers no longer dispense the sponsorship budget according to personal interest, but the corporate culture and values that they disseminate help to direct strategic alignments.

CHART 3 LEAST IMPORTANT FACTORS IN DECIDING WHICH CULTURAL ACTIVITIES OR ORGANISATIONS TO SPONSOR



5.4 Values companies seek to associate with in cultural sponsorships

Thirty-six respondents provided specific information on the values that their company seeks to associate with in cultural sponsorships. The values put forward fall into three main categories:

- *Commitment, performance, production.*

For a number of respondents it is important to reiterate the fundamental point that arts and culture presents the opportunity to highlight the ability to *perform* and *produce*. This resonates with some companies' value statements or logos. *Commitment* is also highlighted by a number of respondents, both in terms of an arts or cultural partner being committed to a sponsorship and as a demonstration of the company's own commitment. *"The objective is to tangibly demonstrate commitment to choice and leadership and position the Group as a market leader in supporting major Australian arts groups."*

- *Community, access and education.*

Over fifty per cent of the respondents to this question explicitly seek to associate with initiatives that contribute to the cultural life of the community:

- *“commitment to the State [in which our company is headquartered]...support arising from community respect [for cultural organisations]”*
- *“substantial contribution to quality of life of the target community, or to its ongoing cultural development and enrichment”*
- *“facilitating multiple point of access to the arts”.*

“Enhancing community access to arts” was a goal for one company. Others stressed *education and access* programs associated with arts and cultural programs. *“Bringing great music to our community”* is one respondent’s cultural sponsorship motto.

Corporations are not generally given much public credit for community-mindedness, but on the strength of this study they are committed to sponsorships which provide community as well as corporate benefits and are motivated to help make cultural events happen and accessible in the community. Corporations are acutely aware of criticism about social exclusion and stress inclusiveness in their cultural sponsorships.

- *Innovation and excellence.* Innovation is the most frequently used word in connection with values that companies seek to connect with, being used by nearly 30% of respondents to this question.
 - *“Innovation, creativity and commitment to excellence are widely recognised as key attributes of the arts and are equally central to the company’s corporate philosophy.”*
 - *“Commitment to excellence and innovation.”*

Respondents prefer the word *“innovative”* to *“creative”* in regard to the values of arts and cultural organisations they seek to connect with. The word *“creative”* was used in regard to encouraging skill development within the company’s own workforce.

Excellence is a value sought often in association with *innovation*:

- “*high quality performance, innovation and excellence*”
- “*commitment to excellence and innovation*”.

One respondent sums up many of the values respondents seek:

“*Commitment to: 1) leadership 2) education 3) community 4) innovation*”.

Finally, some respondents stress the need for common values to underpin all their sponsorships and business-to-community projects. A number of respondents to the questionnaire refer to their preference for cultural programs with a *sustainable development* theme, which are *environmentally sound* or which contribute to the development of *youth*.

Case profile – Wesfarmers Arts

In an exceptional step for an Australian company, Wesfarmers Limited, a diversified industrial corporation based in Western Australia, established *Wesfarmers Arts* in 1998 to consolidate its extensive commitment to the arts in Western Australia and to maximise the benefits of that commitment.

Operating as a business unit and brand name within Corporate Affairs, Wesfarmers Arts provides the focus of the company’s public affairs strategy to maintain and enhance its profile for corporate citizenship in the Western Australian community. In 2000/01 Wesfarmers supported the activities of 13 leading arts organisations and produced the unique Wesfarmers Arts Diary (see www.artdiary.com).

The benefits enjoyed by the company exist at three main levels:

- Employees are exposed to high-quality artistic product, contributing to a workplace culture which encourages innovation and creativity.
- The company connects with the community and key stakeholder groups through involvement with the arts. The effectiveness of the sponsorship is monitored through ongoing market research, with between 85 per cent and 95 per cent of arts audiences rating Wesfarmers as a good or very good corporate citizen.
- A creative and vibrant arts scene is integral to Australia being seen as a sophisticated nation, a vital consideration for Australian companies seeking overseas buyers, shareholders and partners.¹⁴

¹⁴ See also Chaney, M. 2001. ‘A firm hand for the arts is good business: sponsorship boosts companies, communities and the bottom line’. *The Australian* 8/8/01, 11.

6. IN-KIND SUPPORT AND STAFF INVOLVEMENT

With emphasis on the alignment between sponsorships and core business of companies, there is potential for greater in-kind support and staff involvement related to shared areas of activity between corporations and cultural organisations. Financial support continues to be the most significant aspect of business sponsorship but in-kind support is increasingly on the agenda. It may take a range of non-cash forms, including the provision of products, services or expertise.

Simultaneously, there is growing recognition of the potential for companies to use sponsorships and community involvements to develop staff: “the benefits are becoming more widely acknowledged and employers are beginning to search out opportunities that match specific HR requirements.”¹⁵ Furthermore, programs for up-skilling and rewarding staff are elements that many businesses emphasise as pillars of their corporate culture. Arts and cultural activities offer skills in creativity and innovation considered essential to contemporary workplace culture.¹⁶

The information technology sector is especially sought after in regard to in-kind sponsorships because I.T. is a core cost for organisations in all sectors of society. In the United Kingdom, arts sponsorship from the new technology sector has increased dramatically.¹⁷ Local examples include partnerships between I.T. companies and cultural organisations to create festival websites. For cultural organisations this increases visibility nationally and internationally, and allows organisations to reach out to new audiences, e.g. by offering on-line education kits. Particularly for new I.T. companies this is a way of showcasing work and enhancing brand awareness. It can also be a way of adding aspects of imagination and innovation to technological work.

¹⁵ European Business Network for Social Cohesion. 2000. ‘Community involvement, community partnership, company gain’. *CSR Magazine* May 2000, 11-12. In a similar vein: Muktersingh, N. 2000. ‘Art for work’s sake’. *Director*, 54 (4), 119-121.

¹⁶ Steuer, G. 1999. ‘Creating tomorrow’s workforce: new challenges for the arts’. *Arts and Business Quarterly*, Winter, 1, 8.

Case profile – IBM and ACO

IBM's support for the Australian Chamber Orchestra, which spans 21 years, now comprises more in-kind support (equipment and maintenance, internet and consulting services) than cash.

IBM finds it more effective to have larger, long-term partnerships than many small sponsorships. Through partnering the ACO, IBM satisfies the following objectives:

- To demonstrate and showcase IBM information technology products and services to ACO audiences nationally
- To promote IBM's public profile as a leader in its field by aligning itself with an organisation of similar standing in the arts
- To reinforce the public image of IBM as a good corporate citizen which contributes to the communities in which it operates - translating leadership in business into leadership in the community
- To further relationships with commercial and government sectors through corporate hospitality opportunities.

Employment benefits that have emerged as the partnership between IBM and the ACO has evolved include:

- Tickets for IBM employees - As a way of involving employees and their families in the sponsorship, an allocation of tickets is given to IBM each year to distribute to its staff. IBM employees are given the opportunity to purchase discounted tickets. The offer is made possible with the assistance of IBM, which partially subsidises the ticket price.
- The ACO also provides an inspirational model of the way in which a group of highly talented but totally disparate individuals, each working in very different fields, can pull together and play as one - to magnificent effect.

6.1 Minor sponsorships in fields other than arts and culture

Some of the companies participating in interviews have small-scale sponsorships that involve supplying product in return for acknowledgment or which aim to increase awareness of the company's social role amongst current and potential employees. These sponsorships may seek to engender goodwill, paraphrased by managers in terms such as: *"This company is a good place to work"*, *"I feel goodwill to the company which took me to this event"* *"I feel goodwill towards my brand."* In other cases, product placement is part of experiential marketing – the sponsor wants the brand to be consumed, not just seen.

¹⁷ Sauvanet, N. 1999. *Cultural Sponsorship in Europe*. Paris: CEREC (European Committee for Business,

However, the lack of measurable outcomes militates against such sponsorships. Many minor sponsorships are short-term and unable to deliver sustained benefits back to the business. Some organisations feel that smaller budgets are best spent on programs other than sponsorships that provide immediate and more demonstrable benefits. These can relate to direct employee development and reward programs. Therefore, where short-term sponsorship arrangements exist, it is important for sponsored organisations to come up with ways both to deliver strong benefits and to extend the relationship into the longer-term.

Non-arts sponsors also doubt whether arts and cultural sponsorships will engage sufficient staff interest. Sponsors who involve their staff want the staff to “take something away” from participation in it – even if it is simply enjoyment. As indicated above, the cultural community needs to redress the perception that arts and culture are exclusive events. *“It is just not mainstream”*. Non-arts sponsors perceive sport as a safer bet in appealing to staff expectations and preferences. In terms of being involved in the sponsorship, environmental projects are seen to provide good “hands on” opportunities which make a clear difference improving the community. Causes such as the environment and health programs are seen to have the greatest social approval attached to them. However, managers are aware of community scepticism towards corporate community involvement and of growing sensitivity to the exploitation of social issues. Companies are seeking a balance between being heavy-handed and needing to communicate with stakeholder groups. *“People want to know what you are doing” “We do it because it is a worthy cause, but there are lots of good causes...(if I had to choose) it would be the one that gave us good exposure where we wanted some.”*

Arts and Culture), 43.

6.2 In-kind support in cultural sponsorships

A large number of respondents to the cultural sponsorship questionnaire (83%) provide in-kind support as part of their sponsorship commitment. The main areas of this support are outlined below.

- Just over sixty per cent of respondents provide in-kind support in the form of services. Specific services referred to include:
 - professional expertise and advisory services, including legal, financial, I.T., auditing, marketing and management expertise;
 - consultancy services, e.g. database and direct marketing consultancies;
 - accommodation;
 - advertising;
 - transport;
 - web hosting, dial-up accounts and internet connections;
 - meeting room facilities and exhibition space; and
 - infrastructure and logistical support, e.g. temporary supply of electricity, power and water.

- Forty per cent of respondents provide goods as part of their sponsorships, including:
 - freight and building supplies;
 - promotional items and signage;
 - merchandise, including items containing logos, such as caps, t-shirts and CDs;
 - food and beverages; and
 - office supplies and equipment.

- Fifteen per cent of respondents provide other forms of in-kind support. Examples of other in-kind support provided by respondents include board representation, staff time, and use of the company's network to assist the arts organisation.

Case profile – The ANZ Staff Foundation and the Awakenings Festival

The ANZ Staff Foundation (ANZSF) has developed a partnership with the Awakenings Performing Arts Festival, which provides performing arts opportunities for people with disabilities. The ANZSF facilitates contact between groups performing in the festival and their local ANZ branch. Branch staff members are encouraged to consider supporting their local performing arts group, through activities such as catering, ushering, ticket sales, photography, transport and office duties. The level of staff involvement in the partnership and in the ANZSF itself is recorded. The ANZSF sees a strong connection between experiences in the arts – creativity, passion, excellence – and the company’s business vision.

ANZSF’s monetary support has enabled a director to be appointed for the Festival to ensure that the volunteer base is managed and that participation rates and community awareness increase.

ANZSF appraises the overall success of the partnership through the growth of the Festival, consistent with the “grow with ANZ” theme. The partnership aims to expand the Festival from a local/rural event, based in Horsham Victoria, to a national/international festival. In addition, the partnership helps to enhance ANZ’s image and reputation in areas where the various performing arts groups are based and in regional Victoria where the Festival attracts coverage in the local media.

6.3 Staff involvement and corporate culture

Along with the amount of in-kind support being provided, more than half of the respondents to the cultural sponsorship questionnaire indicate that their cultural sponsorships contribute to their corporate culture. For many, this is in regard to encouraging a creative workplace. Respondents recognise that arts and cultural sponsorships provide opportunities for staff to experience events that they may otherwise miss. For instance, employees may have opportunities to view exhibits, to receive discounted tickets to shows, or to be exposed to arts performances. Some respondents engage their cultural partners in company celebrations, e.g. the staff Christmas party and family days.

For many companies staff are an important audience in regard to cultural sponsorships. Only a minority of respondents to the survey indicated that they conduct surveys of different groups in regard to which cultural activities to support. Of those that do, a majority survey staff. One respondent summarises that staff interest may not be an

“*overriding factor*” but is “*certainly taken into consideration.*” As noted above, it is important for cultural organisations seeking sponsorship to make clear how their work will appeal to the potential sponsor’s staff.

The contributions that staff members make to sponsorships are becoming subject to comprehensive recording by corporations. More and more they are capturing and calculating the value of such support. Community and political pressure to report on social impact and community contributions ensures that this will continue.

However, as yet few companies are measuring the benefits that they get in return for in-kind support and involvement of personnel, e.g. in terms of staff development and morale. This is likely to change in future, not least because achieving *employment benefits* frequently accompanies *corporate reputation* as a business need in strategic sponsorships. Already some respondents to this study are aiming to ensure that they maximise and measure returns from cultural sponsorships in terms of corporate culture and staff benefits:

- “*Corporate culture – Aim to demonstrate that the company’s operations can continue to function responsibly*”
- “*Helps employees understand and appreciate the value that the company places on cultural differences.*”
- “*Considering plans to expand the integration of arts in the workplace*”.
- “*Our national project has the involvement of our people as a key goal.*”

7. INDUSTRY SECTORS AND REGIONS

A range of industry specific and regional issues has the potential to affect the type of sponsorship opportunities attractive to companies. By way of example:

- In the retail sector, major chains face what a Commonwealth Parliamentary inquiry called “a general perception that [they] are not good corporate citizens within the [regional] communities in which they operate. Many small business operators believe that they contribute a disproportionate amount of sponsorship dollars compared to the major chains.”¹⁸ In response, some chains are adapting their sponsorship programs to target needs in rural and regional communities and are devolving sponsorship decision making to local managers. For example, (i) Coles Myer’s Annual General Meeting in 2000 was informed that the company has “devolved the bulk of our funds to our businesses in order that they may offer even greater support to charities at a community level” (www.colesmyer.com.au). (ii) Woolworths has adopted a Values Statement which includes the commitment that: “We are particularly concerned with the challenges facing regional and rural areas and look for opportunities to promote community pride and prosperity in those areas.” [www.woolworths.com.au]
- Companies in newly deregulated industries need to establish a brand presence because suddenly consumers have a choice. They can be disposed to sponsorships which provide powerful brand exposure and associations. Companies in the deregulating power industry are emerging as significant sponsors of arts and cultural activities, particularly of festivals which provide strong, localised brand exposure and activities located in their distribution networks.

¹⁸ Joint Select Committee on the Retailing Sector. August 1999. *Fair Market or Market Failure? A Review of Australia’s Retailing Sector*. The Parliament of the Commonwealth of Australia, 5.164.

Case Profile – Powercor Australia and *Blood on the Southern Cross*

Blood on the Southern Cross, Sovereign Hill's sound and light production telling the story of the Eureka Rebellion, was established prior to the deregulation of the Victorian electricity industry, with assistance from the State Electricity Commission of Victoria. As a new provider of electricity after the deregulation of the electricity industry in 1995, community uncertainty about the values of a private, foreign owned electricity company created a strong need for Powercor Australia to build community links and position its new brand on a broad front.

Blood on the Southern Cross enables Powercor Australia to demonstrate its product (that is, electricity) with an impressive show of sound effects and lighting techniques. The partnership meets Powercor Australia's business objectives in that it leads consumers to associate strong family values and good customer service (both recognised traits of Sovereign Hill) with its brand. It also strongly supports and reflects Powercor Australia's commitment to the broader progress and enrichment of the Victorian community. While Sovereign Hill's profile extends throughout Victoria and beyond, positioning as a strong supporter of a local institution in the strategically important Ballarat marketplace has been of particular benefit to Powercor Australia.

- In the mining sector, industry consolidation has proceeded apace, and most business is done through substantial contracts. Companies have few customers and no need of mass marketing. According to a senior businessman who works with the resource sector in Perth and also seeks to raise arts sponsorship, sponsorship seekers need to offer different benefits. He has found that mining companies may be interested in:
 - *building long-term relations with government* (“*in this sense sponsorship is not advertising, it is positioning the sponsoring company in the eyes of the government*”);
 - and
 - *staff benefits, in terms of both enhancing staff pride and staff amenities by "free" tickets to performances and functions.*

However, he points to two challenges. First, these benefits are not directly measurable and demonstrating that the company is getting something worthwhile requires significant effort on behalf of both the arts organisation and company personnel. Ultimately the company's most senior management needs to be persuaded of the value of the investment. Second, the globalisation of the resources sector has meant that there are fewer large companies to call on for sponsorship and decision making

has frequently been moved to national or international corporate headquarters. Local managers may not have responsibility for dispensing sponsorship funds.¹⁹

7.1 Industry awareness

Companies involved in interviews emphasised that it is important for sponsorship seekers to be aware of industry conditions. Interviews revealed that one of the reasons for cuts in sponsorship budgets has been downturns and restructuring in specific industry sectors. Managers noted that some sponsorship seekers fail to take this into account. Several companies felt that some organisations seeking sponsorship clearly misunderstood the company's budgetary capacity. Several had been approached for sponsorships which were far too expensive for them. An organisation can be large or highly visible, but if its profitability is low, sponsorship budgets will be small. Some companies also feel that organisations seeking support do not realise the real costs of company products. Companies feel that organisations assume that they will supply any product if requested, as if it is somehow free. In fact, these companies keep the costs of such in-kind support very much in check.

Some managers likewise felt that their marketing needs could be misunderstood. Brand exposure alone is most useful to little known, new or growing brands. Once a brand is a household name managers comment that, "*We don't need the branding; everyone knows our brand*" or, more generally, "*Brand exposure is not as critical as it used to be.*" Naming rights sponsorships are fine for mass marketers of consumer products, but of dubious value to marketers of industrial products. For example, there is no need for a company which sells industrial commodities to create a public face.

It was suggested that the ideal niche for an arts and cultural sponsorship is in providing brand publicity for a new and growing brand in a market with high spending competitors.

¹⁹ Treadgold, Tim. 2001. 'The Mailbox economy: Perth's vanishing head offices demonstrate in microcosm where the rest of Australia is heading.' *Business Review Weekly* 1/6/01, 50-54; Mr Ken Perry, correspondence 23/7/2001.

The new brand needs to create “noise” but will lack the advertising budgets of competitors.

7.2 Regional and industry sector issues in cultural sponsorships

The cultural sponsorship questionnaire sought information about where sponsorship decisions are made: local management, state or national or international headquarters, or board level. This question elicited a very mixed response. Respondents were split almost evenly between those that have headquarters abroad or interstate and those that do not have headquarters abroad or interstate. A number of respondents indicated that the size or value of the sponsorship determines where approval needs to come from. *“Dependent on size of sponsorship – ranges from local management through to Board.”* *“Depends on overall amount and international relevance.”* For other companies the reach of the sponsorship determines who decides on it. *“Local for local.”* *“CEO and National Management Committee for national projects, Office Managing Partner for local projects.”*

Many respondents report that a range of people inform decisions. Local and head office committees, divisional managers, boards and specific sponsorship committees can each play a role. Exceptionally large investments may require approval from the international head office, but in general cultural sponsorship decisions are made locally. *“Though the HQ are abroad decisions are made by the local team in Australia.”* *“HQ abroad, decisions local in Australia.”*

The mixed picture in regard to sponsorship decision-making defies generalisation. Many of the companies in this study operate across many regions and sectors and express their business objectives in terms of overarching values. Some have struck on sponsorships bringing value to their activities as if by happy accident - *“don’t know [why one sponsorship was particularly successful] currently evaluating”* – or in a way that appeared easy. *“Easy to renew and maintain”* wrote one respondent in the construction sector with cultural sponsorships connected to the built environment.

In regard to industry sectors some generalisations are possible. Three are most useful.

- Respondents in the mining sector and the manufacture of petroleum, coal and chemicals place particular importance on cultural sponsorships which engender good relations with the communities in which they operate and with government decision-makers. Securing access to resources and a licence to operate is an important business consideration for these companies, with marketing being a lesser issue. As one respondent noted the fact that a cultural activity or organisation *attracts an audience containing existing or potential customers* is less important than if it *attracts key stakeholders*. Key interests include underlining that company operations can “*co-exist alongside traditional Aboriginal culture.*”
- Respondents from the Electricity, Gas and Water Supply sector place more importance than any other sector on cultural organisations or activities which *tour areas relevant to the company’s operation*. That the cultural organisation or activity *attracts an audience containing existing or potential customers* is also very important to companies in this sector. This reflects their business imperative to distribute their product and services to consumers across wide regions. For instance, one company in this sector sponsors a *symphony circuit* and another a *global arts link*.
- The Business and Property Services and Finance and Insurance sectors express a leaning for cultural sponsorships which attract audiences with current and potential clients and allow staff to enhance strong client relationships. This assists not only to secure business but also to develop staff. Professional services firms in particular have highly mobile work forces and are preoccupied with the “war for talent”. One respondent from the Business and Property Services sector noted: “*the arts programme encourages a creative workforce, it encourages employees to expand their cultural horizons and also spend time with family and friends in a non-work environment.*”

Case profile – Marsh Pty Ltd reaching out

Marsh Pty Ltd, an international company in risk consulting, developed a partnership with the Art Gallery of South Australia to present the gallery's *Modern Australian Women: paintings and prints: 1925-1945*. The partnership involves a national tour of the exhibition, which has broad community appeal. The tour provides Marsh with the opportunity to support an initiative that has a national focus over a significant period of 14 months. Marsh sees this as crucial for a company such as itself that has its Australian head office in Sydney yet has significant operations in every state. The partnership demonstrates that Marsh is committed to the values and operating principles it espouses – partnership, innovation and community involvement. Employees at all levels are invited to the exhibition.

8. CONCLUSION

Previous research indicates that corporations sponsor cultural activities chiefly in the name of 'public good'; they consider it the right thing to do. This study demonstrates that this attitude is gaining new depth and rigour. Global economic pressures and community expectations of corporate citizenship form a pincer movement that is changing the sponsorship scene.

There is widening interest in corporate community involvement and socially responsible sponsorship. For corporations looking to enter this field for the first time, short-term sponsorships are an attractive point of entry. Among established sponsors, new forms of longer-term partnership are developing, wherein corporations seek long-term win-win benefits for themselves and the community.

8.1 Corporate needs in cultural sponsorships

What corporations do in the name of public good is increasingly coming to the fore as part of their corporate citizenship. This presents an avenue of opportunity in the field of cultural sponsorship, but it is bedevilled by the perception among some companies that arts and culture is an exclusive preserve. Non-arts sponsors remain unconvinced of the appeal of the arts. *“There’s no point in sponsoring something that is not popular.”* Some non-arts sponsors contrast arts and culture unfavourably with the perceived popularity and down-to-earth-ness of sport and environmental and health causes.

Corporations are acutely aware of criticism about social exclusion. Those corporations which are committed to cultural sponsorships stress inclusiveness in their sponsorship activities. They speak of providing *“multiple point of access to the arts”* and of the way that the arts contribute to *education* and a sense of community. Corporations are not often given much credit for such community mindedness, but this project indicates that it is an important motivation in corporate cultural sponsorships. Businesses seek arts and cultural partners who can demonstrate that they have support – and contribute to community

cultural life – in areas where the business has operations and employees. It is interesting to note that some cultural organisations have placed press advertisements recognising the corporate citizenship of their sponsors or partners. (See ‘Opera Australia salutes the corporate citizenship of its partners’ and ‘Australian String Quartet values the ongoing association with its corporate partners’ *Australian Financial Review* 17/11/00, p.29 and 30/7/01, p.13.)

Alongside corporate reputation, respondents to the cultural sponsorship survey place an emphasis on “corporate” benefits in the dictionary sense of a “united body of persons”. They emphasise achieving benefits throughout their businesses, including in terms of benefits for staff. Even sponsors with strong marketing needs are pointing to “benefits right across the company.”²⁰ Therefore, whilst respondents overwhelmingly nominate *corporate reputation, corporate image, networking and other corporate relations* as a business goal to be achieved through cultural sponsorships, many simultaneously seek to achieve *market and employment advantages*.

8.2 The challenge of measurement

The emphasis on corporate needs and multiple benefits makes measurement a particularly complex issue for cultural sponsorship. Moreover, measurement needs to include an assessment of the wider value of sponsorships and partnerships in the community.

Business opinion is divided on how to best evaluate the effectiveness of sponsorship, but is unanimous that benefits must be costed and measured. Respondents to the cultural sponsorship questionnaire clearly point to “identifying and valuing the benefits” as the major challenge that they had had to meet in establishing or renewing cultural sponsorships.

²⁰ See Meagher, D. ‘Grand dames bid for Gen-X.’ *The Australian Financial Review*. 30/3/2001, 69

Whilst some chief executives are persuaded that cultural sponsorships have a value that is indubitable, there is evidence that a perceived lack of measurable outcomes contributes to reservations towards cultural sponsorships from senior management in other organisations.

An increasingly important item on the sponsorship agenda is honing and combining existing measures of sponsorship effectiveness and developing new ones.

8.3 The partnership paradigm

The term with the greatest currency in the current sponsorship scene is “partnership”. Businesses stress that this is not about a fluffy sense of fraternity. Rather, corporations see a partnership approach as being essential to the commercial viability of sponsorships. Respondents to the cultural sponsorship questionnaire stated that the single most frequent ingredient in *unsuccessful* cultural sponsorships was lack of shared ground between the parties. From a business point of view this manifested as lack of understanding and commitment to business needs: *“lack of commitment by the sponsored organisation to deliver agreed outcomes”*; *“promising what they couldn’t deliver”*; *“hand-out mentality – no concept of shared benefit and responsibility.”*

The *key ingredients of successful cultural sponsorships* nominated by respondents refer above all to good understanding between the parties.

- *“good and continuous communication”*
- *“critical ingredient is the cooperative nature of sponsorship and the commitment of key individuals”*
- *“through a partnership approach a good working relationship which regularly reviewed expectations of both”*
- *“mutual understanding through clear communication”*
- *“successful benefits for (1) community (2) arts organisation and (3) company; partnership approach with clearly defined benefits.”*

As sponsorship arrangements become more multifaceted and measurement tools more comprehensive, articulating and sharing benefits will continue to increase in importance. As one respondent sums up, “*shared vision*” is a key ingredient of enduring success.

PRACTICAL IMPLICATIONS FOR THE ARTS – A CHECKLIST OF MAIN ACTIONS

The following checklist summarises practical implications arising from this research project for arts and cultural organisations seeking sponsorship. Key messages are italicised and further detail can be found on the pages indicated in brackets. The Australia Business Arts Foundation provides training and practical assistance to arts and cultural organisations seeking to develop their specific business case for a corporate partnership, including *Business Arts Partnerships: A Guide to the Business Case Approach for the Cultural Sector*. Please visit www.abaf.org.au for more information.

- **Values and identity** (32-40)

Companies are investing in cultural sponsorships and partnerships that, above all, reflect their corporate values or aspirations.

Develop your business case for a corporate partnership, which highlights what benefits you can offer a business. Be ready to articulate clearly:

- Your values and identity as an organisation; and*
- Your value to the community, e.g. contributing to the cultural quality of local and regional life, tackling significant social issues, creating opportunities*

- **Reciprocal and mutual benefits** (13-14, 23-24)

Companies expect that sponsored organisations will work with them to achieve agreed outcomes and secure mutual benefits.

Be prepared to:

- Share accountability for achieving agreed outcomes*
- Spend back a percentage of the financial contribution in servicing the partnership*
- Involve a range of your people and assets in deepening the partnership, e.g. develop relationships with various people in the business, seek business volunteers.*

- **Inclusiveness and distinctiveness** (29, 38, 41-46)

Companies are looking for something distinctive and different and for ways to include their staff and stakeholders in sponsorships and partnerships.

Collect and maintain:

- Facts and figures on your audience and market reach*
- Qualitative information on how you are valued in the community*
- Evidence of your capacity to achieve something special and beyond the customary*

- **Benefits tailored to the business** (11-14, 24-27, 47-52)

Companies stress that they seek benefits to meet their specific objectives. Non-customised proposals for sponsorship are a source of annoyance.

Tailor proposals to good fit partners through researching and considering:

- Alignment of values and strategic imperatives*
- Industry conditions, downturns and restructuring*
- Business needs in the company's industry sector, e.g. networking with government in the mining sector, client hospitality in the business services sector, brand awareness in deregulating industries, connection with distribution networks in utility industries*
- Whether your image matches that which the company is looking for, e.g. reliable, iconic, aware of heritage, fun, innovative*
- Whether there are other synergies between your work and the company's operations, e.g. safety awareness, respect for diversity, environmental awareness*
- What the company's marketing needs are, e.g. mass marketers require wide audience reach, a new brand up against high profile competitors needs to create "noise" but will lack the advertising budgets of competitors*
- Whether the company has a formal sponsorship policy that will provide a template for applications but should not preclude distinctive ideas and proposals*
- Whether the company is new to sponsorship and likely to be seeking short-term arrangements or a seasoned sponsor prepared to consider longer-term commitment*
- Whether the company is likely to be able to offer useful in-kind support because of connections between its line of operations and the needs of your organisation.*

- **Benefits that can be costed and measured** (17-22)

Companies seek benefits that are measurable, either qualitatively or quantitatively. They are committed to sponsorships which provide community as well as corporate benefits.

Present measurable benefits in proposals, remembering that there is no "gold standard" in measurement and that qualitative information is valid.

- Provide projections of audience reach, based on collated data*
 - Collate qualitative information on the value and impact of your organisation's activities in the community and the predicted outcomes from the proposal*
- List the various benefits that will be delivered to the business, including:*
- Enhanced corporate reputation through making a difference in the community*
 - Networking opportunities with government and community leaders*
 - Promotion opportunities in the media, the internet and other publications*
 - Benefits to staff and company culture, e.g. through shared cultural experiences*

- **Ongoing communication** (15-16, 27-28)

Companies consider that commitment to ongoing communication is an essential element of success in sponsorship and partnerships.

Ensure that existing sponsorships and partnerships are nurtured through:

- Designating someone to take responsibility for the ongoing relationship*
- Having procedures to respond quickly to new requests from the sponsor / partner*
- Planning to extend short-term project sponsorships into longer-term partnerships*
- Taking opportunities to communicate why the involvement of a sponsor or partner is vital to your work.*

Appendix i

Contributing Companies by Industry Sector

Mining

The Broken Hill Proprietary Company Limited
Nabalco Pty Limited
Normandy Mining Limited
QNI Pty Ltd

Manufacturing

Food, Beverage and Tobacco

Manufacturing

Coca-Cola Amatil Limited
Carlton and United Breweries Limited
Goodman Fielder Limited

Textile, Clothing, Footwear and Leather

Manufacturing

Blundstone Pty Ltd

Petroleum, Coal, Chemical and Associated

Product Manufacture

BP Australia Limited
Esso Australia Pty Ltd
F H Faulding & Co Limited
Shell Australia Limited
Shell Development Australia

Non Metallic Mineral Product

Manufacturing

Queensland Cement Limited

Metal Product Manufacture

Alcoa World Alumina Australia
Smorgon Steel Group Pty Ltd

Machinery and Equipment Manufacturing

Mitsubishi Motors Australia Limited
Robert Bosch (Australia) Pty Ltd
Siemens Ltd

Electricity, Gas and Water Supply

Aurora Energy
CS Energy Ltd
Ergon Energy
ETSA Utilities
Hydro Tasmania
Powercor Australia Ltd

Construction

Clough Engineering Limited
Leighton Holdings Limited
Transurban City Link Limited

Wholesale Trade

Basic Material Wholesaling

AWB Limited
Queensland Sugar Corporation
Wesfarmers Limited

Machinery and Motor Vehicle

Wholesaling

BMW Australia Ltd
DaimlerChrysler Australia/Pacific Pty Ltd

Retail Trade

Food Retailing

Heineken Australia Pty Ltd
McDonalds Australia Limited

Personal and Household Good Retailing

JAPE Group

Accommodation, Cafes and Restaurants

Rydges Southbank Hotel

Transport and Storage

National Jet Systems Pty Ltd

Communication Services

Australia Post National
Australia Post Western Australia
Vodafone Pacific Limited

Finance and InsuranceFinance

AMP Limited
ANZ
Aussie Home Loans Limited
Commonwealth Bank of Australia
Deutsche Bank
JBWere
Macquarie Bank Limited

Insurance

Marsh Pty Ltd
SGIO Insurance Ltd
Transport Accident Commission of
Victoria

Property and Business ServicesLegal and Accounting Services

Andersen National
Andersen Queensland
Corrs Chambers Westgarth
Deloitte Touche Tohmatsu National
Deloitte Touche Tohmatsu South Australia

Computer Services

IBM Australia Limited
Motorola Australia Software Centre
Novell Pty Ltd
Octa4
Sun Microsystems Australia Pty Ltd

Culture and Recreational Services

Village Roadshow Limited

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Definitions

Business Sector and Size

In its definition of business size and sector, as in other matters, the current report adheres to definitions by the Australian Bureau of Statistics. Business size follows the number of employees (small 0-19, medium 20-199, large 200+). Classification by industry sector is based on the business's primary activity alone and follows the Australian and New Zealand Standard Industrial Classification, 1993 edition.

Cultural Sponsorship

Activities covered by cultural sponsorship include music, the performing arts, creative arts, art galleries, museums and libraries and arts. They do not include education and training unless in one of those specific areas.

Donations

Donations are the unconditional voluntary transfer of money, goods or service to non related community organisations or individuals. Any such arrangements would not form part of the commercial operations of the donor. The underlying motivation behind the donations is to show support, not receive a benefit.

Partnership A reciprocal, multifaceted relationship between a corporation and a cultural organisation that is based on respect and involves the exchange of assets for mutual benefits, usually across different business units. (See AbaF 2001)

Sponsorship

Sponsorship is the voluntary transfer of money, goods or services to non-related community organisations or individuals in exchange for advertising or promotional benefits. Any such arrangements would form part of the commercial operations of the business.

Cultural Sponsorship Questionnaire – text version

Preamble

The Australia Business Arts Foundation (AbaF) is conducting a research project into business attitudes to cultural sponsorship. The project has been commissioned by the Cultural Ministers' Council of Commonwealth, State and Territory Ministers responsible for arts and culture.

The following questionnaire is being sent to corporations who are leading arts sponsors and involved in AbaF State and Territory activities. We thank you for participation in the project.

Respondent companies will be listed as contributors to the research report but specific responses will be aggregated and treated in confidence by AbaF. No specific comments will be attributed to yourself or your company.

Please respond to the questionnaire with regard to your regular area of responsibility, i.e. a national response if you work in a national office, State or Territory response if you have State or Territory managerial responsibilities.

Definitions

Sponsorship

Sponsorship is the voluntary transfer of money, goods or services to non-related community organisations or individuals in exchange for advertising or promotional benefits. Any such arrangements would form part of the commercial operations of the business.

Donations

Donations are the unconditional voluntary transfer of money, goods or service to non related community organisations or individuals. Any such arrangements would not form part of the commercial operations of the donor. The underlying motivation behind the donations is to show support, not receive a benefit.

Section 1 – Issues related to your company's portfolio of sponsorships and donations in general

1 In addition to arts and culture, in which fields does your company have sponsorships? Please tick as many boxes as applicable.

Health

Sport and recreation

Community service and welfare

Environment

Education and training

Other please specify

2 Does your company make donations in any of the following areas?

Please tick as many boxes as applicable.

Health

Sport and recreation

Community service and welfare

Environment

Education and training

Other please specify

3a Does your company have a formal overall policy or set of criteria in regard to sponsorships and donations?

Yes

No

3b If yes, does this cover all the fields in which the company has sponsorships and donations (listed in question 1)?

Yes

No

4a) Does your company have a formal overall policy or set of criteria in regard to donations?

Yes

No

b) If yes, does this cover all the fields in which the company makes donations (listed in question 2)?

5) What business needs does the company seek to achieve from its portfolio of activities listed in question 1? Please tick as many boxes as applicable

Corporate reputation, corporate image, networking and other corporate relations

Market advantage needs, e.g. brand exposure or access to niche target groups

Employment advantage needs, e.g. staff involvement in company occasions

Other please specify

Section 2 – Specific Arts and Cultural Sponsorships

6) What business needs does the company seek to achieve from sponsorships in the field of arts and culture? Please tick as many boxes as applicable.

Corporate reputation, corporate image, networking and other corporate relations

Market advantage needs, e.g. brand exposure or access to niche target groups

Employment advantage needs, e.g. staff involvement in company occasions

Other please specify

7) Have any of the company's arts and cultural sponsorships come to an end or not been renewed in the last three years?

Yes

No

If yes, why?

Specific project came to an end and there was no follow up project

Specific project came to an end and company did not want to get committed to longer relationship

Cost of sponsorship increased

Sponsorship budget decreased

Sponsorship portfolio was consolidated to concentrate on fewer projects/activities

Staff responsible in your organisation changed.

Company's sponsorship priorities changed please specify

Sponsored activity did not achieve objectives please specify

Other please specify

8a) Has your company entered any new or renewed any arts and cultural sponsorships in the last three years?

Yes

No

b If yes, what were the most important challenges to meet in establishing or renewing the sponsorship?

Identifying and valuing the benefits to be delivered

Finding a good fit partner or property

Winning the support of shareholders or other stakeholders please specify

Other please specify

c) What were the most important reasons for selecting the specific project or organisation?

9) Has your company surveyed in the last three years – formally or informally - the following groups in deciding which arts and cultural activities or organisations to sponsor?

Staff

Shareholders

Customers / Clients

Stakeholder groups please specify

Other please specify

None of the above

10) Please rate the following factors in terms of their importance in deciding which arts and cultural activities or organisation to sponsor. Please mark as many boxes as applicable, as follows: 1=very important; 2=important; 3=moderately important; 4=of little or no importance; 5=don't know

Cost compared to other potential sponsorship projects/activities

Reflects the values or identity of the company

Works in a particular art form or deals with particular topics relevant to the company's core business

Has strong support in the community in which it works

Attracts an audience containing existing or potential customers

Tours areas matching the company's areas of operation

Has co-sponsors with whom to network

Has strong organisation and infrastructure, e.g. to provide entertainment

Is different to what business competitors sponsor

Personal interest of senior management

Presents its work in particular surrounds relevant to the company's operations, e.g. outdoor performances, community festivals please specify

Other please specify

11) What assets does the company commit to its sponsorship of arts and cultural activities or organisations?

Please tick as many boxes as applicable

Money

Goods please specify

Services please specify

Other please specify

12) Does your company have its headquarters abroad or interstate?

Yes

No

If yes,

Who is responsible for initiating arts and cultural sponsorships?

Who is responsible for final approval?

Local management

Head office committee

Board

Other please specify

Section 3 – Issues and Directions related to your company’s arts and cultural sponsorships

13) Does your company seek association with particular values and qualities in its arts and cultural sponsorships?

If yes, which values and qualities?

14) Do the company’s arts and cultural sponsorships contribute to the company’s workplace and corporate culture?

If yes, please explain how, using example if possible?

15) Has the company been involved in arts and cultural sponsorships that the company regards as particularly successful?

If yes, what would you identify as the key ingredients of success? You may also wish to attach or refer to an existing profile or case study.

16) Has the company been involved in arts and cultural sponsorships that the company regards as unsuccessful?

If yes, what reasons would you identify for the lack of success?

17) Finally, how would you summarise the changes – if any - occurring in your company’s approaches to sponsorships and the main factors underlying these changes?

Interview Format

1. Introduce interviewer as independent researcher working on behalf of AbaF. Confirm that interviewee has received the letter explaining that the research project has been commissioned by the Cultural Ministers' Council Statistics Working Group. Explain interview is confidential, conversational-style and will last a maximum of 45 minutes. The purpose of the interview is to discuss sponsorship and community involvement, focussing on the decision making processes used by the company when deciding to sponsor/support different activities.
2. Confirm existing sponsorship arrangements, if any.
3. Business objectives: how does the business define its mission? How does the business sees its needs, if any, in terms of (NB: This question prepares the way for Q4)
 - Corporate reputation, corporate relations, networking needs
 - Marketing advantage needs, eg brand exposure, access to niche target groups
 - Employment advantage needs, eg staff involvement in company occasions
4. How are these business needs met? Do sponsorships or community involvement programs have any role? (NB: in which of the three needs if any does sponsorship (not) play a role.)
5. The use of sponsorship/community involvement programs in general (to identify overall criteria/motives)
 - Where are decisions made?
 - Are all sponsorship/involvement activities strategically aligned (under one overall framework) or is all or some 'ad hoc'?
 - In general, the perceived benefits and limitations of sponsorship.
 - What does the company hope to achieve from sponsorship that cannot generally be achieved in other ways? (or perhaps sponsorship does it better).
6. Ask about previous sponsorships/involvement – has the company any particularly successful sponsorships or community involvement programs? What are the key ingredients of success?
7. Has the organisation ever supported the arts/cultural activities. IF YES: Which organisation(s) were supported; when did this cease and why.

What role, if any did the following factors play?
 - Specific project came to an end and there was no follow up project
 - Specific project came to an end and company did not want to get committed to longer relationship
 - Cost of sponsorship increased
 - Sponsorship budget decreased
 - Sponsorship portfolio was consolidated to concentrate on fewer projects/activities
 - Staff responsible changed
 - Company's sponsorship priorities changed
 - Sponsored activity did not achieve objectives
8. How likely (if at all) this company would consider arts sponsorship in the future (why/why not)

- Perceived strengths (if any) of arts/cultural sponsorship
 - Perceived weaknesses (if any) of arts/cultural sponsorship
 - Barriers: what problems (if any) would need to be overcome before you would consider arts/cultural sponsorship
What role, if any, do the following challenges play:
 - Identifying and valuing the benefits to be delivered
 - Finding a good fit partner or property
 - Winning the support of shareholders or other stakeholders please specify
9. Which of the following factors, if any, would be relevant in considering arts/cultural sponsorship
- Cost compared to other potential sponsorship projects/activities
 - Reflects the values or identity of the company
 - Works in a particular art form or deals with particular topics relevant to the company's core business
 - Has strong support in the community in which it works
 - Has strong support of shareholders
 - Has strong support of stakeholder groups
 - Attracts an audience containing existing or potential customers
 - Has a geographic reach matching the company's areas of operation
 - Has other corporate supporters with whom to network
 - Has strong organisation and infrastructure, eg to provide entertainment
 - Presents its work in particular surrounds, eg outdoor or within a festival
 - Is different to what business competitors sponsor
10. Image (if not already discussed). To what extent is the perceived match/mismatch between the image of the sponsored organisation and the sponsor a driving force in the decision? (Aware of any arts/cultural organisations which offer this image?)
11. Audience reach (if not already discussed): to what extent is the decision made on the basis of the size of the audience or the type of people reached?
12. The most important stakeholders: when decisions like this are made is the organisation focussing on customers, employees or other stakeholders?
- Does the company survey – formally or informally - the following groups in deciding which organisations to sponsor or be involved with in community programs?
 - Staff
 - Shareholders
 - Customers / Clients
 - Stakeholder groups please specify
 - Other please specify
13. The Cost Issue (if not discussed). To what extent is the perceived/relative cost a factor in the decision (I will not be asking amount \$ spend).

14. Current trends: perception of where the arts/culture stand in recent trends re sponsorship and community involvement. How can changes in the company's own approach to sponsorships and community involvement be summarised?

Close by asking if the respondent requires any other information about the interview, AbaF, or how it was arranged.

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