

# Business Sponsorship Toolkit

**BUSINESS  
AND ARTS** 15 YEARS  
SOUTH AFRICA

  
United Nations  
Educational, Scientific and  
Cultural Organization

Convention on the Protection  
and Promotion of the  
Diversity of Cultural  
Expressions

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# Business Sponsorship Toolkit

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Introduces the toolkit designed to review, refresh and enhance art sponsorship practice, as well as highlights the shift towards a strategic partnership approach to art sponsorship.



### 2: Engaging the muse

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### 3: Singing in harmony

This section of the toolkit deals with the engagement period, rights negotiation and establishing the grounds for cooperative relationships.



### 4: Activating the performance

This section of the toolkit deals with the numerous internal and external art sponsorship leverage opportunities available to companies.



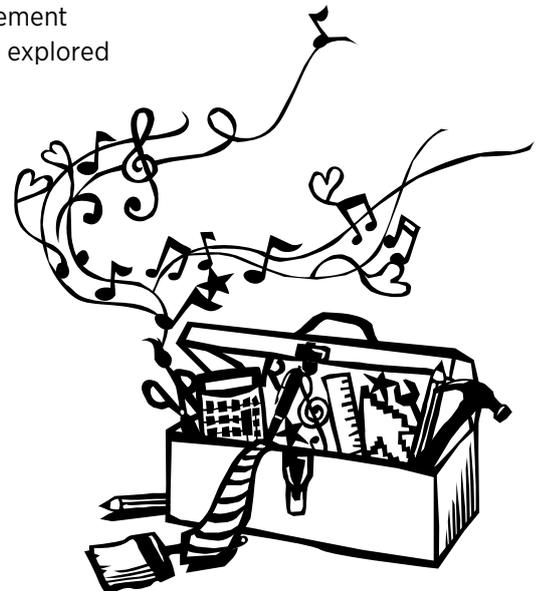
### 5: Making the impact

Tracking methods and the application of measurement tools in relationship to sponsorship objectives are explored in this section.

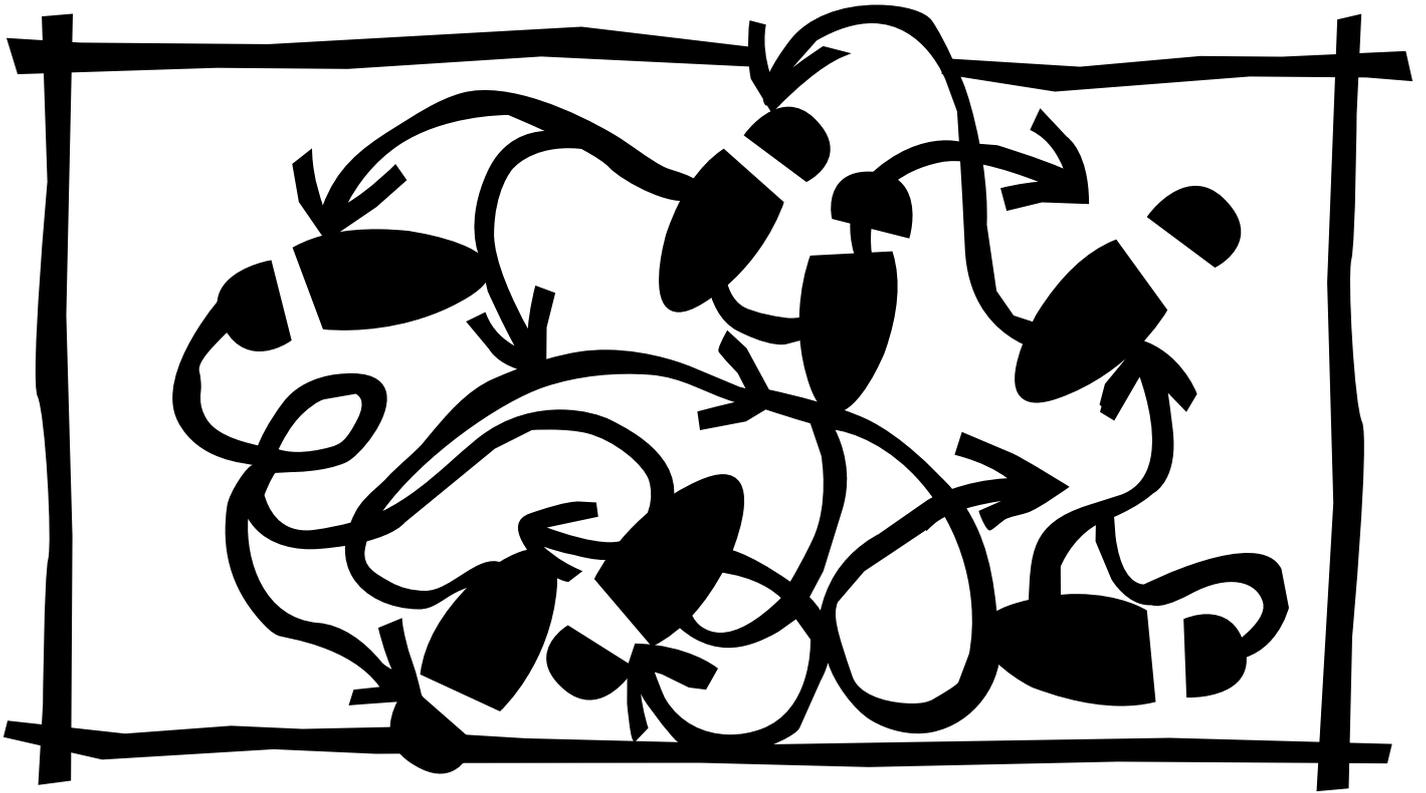


### 6: Curtain call

Sponsor's considerations when renewing or exiting involvement in the arts, as well as the management of multiple sponsorships are discussed in this section.



This section introduces the toolkit designed to review, refresh and enhance arts sponsorship practice, as well as highlights the shift towards a strategic partnership approach to arts sponsorship.



**1: Dancing to a different tune**



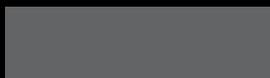
**2: Engaging the muse**



**3: Singing in harmony**



**4: Activating the performance**



**5: Making the impact**



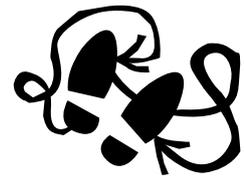
**6: Curtain call**



Convention on the Protection and Promotion of the Diversity of Cultural Expressions



# Section 1: Dancing to a different tune



## AN ARTS SPONSORSHIP TOOLKIT

Is arts sponsorship unique? Is it the same as sport sponsorship but less expensive? Although the debate continues, there is growing consensus that the nature of art and sport may be different, and whilst there may be different emphases in the approaches to art and sport, the core sponsorship management practices and decision-making processes are fairly similar<sup>1</sup>.

Sport is most often about competition and an 'uncertain outcome.'<sup>2</sup> Sport sponsorships therefore may hold greater popular appeal and result in increased media exposure. Sport is increasingly international in nature and often appeals most to mass-market demographics. In sport sponsoring companies therefore, the marketing teams are most involved and use above-the-line communication techniques to reach large numbers of fans or customers, in increasingly cluttered environments.

Art is most often about artistic creation, expression and collaboration that preserves cultural identity and may facilitate intercultural dialogue<sup>3</sup>. The arts support 'the ability to deal with complexity and ambiguity in society'.<sup>4</sup>

Arts sponsorships therefore may connect with deeper held personal and community beliefs, while sometimes generating more targeted and limited media exposure. The arts cover a wide range of genres, providing significant growth potential for arts sponsors. There may be some perception that the arts are

more exclusive and inaccessible, although the limited investment required and community nature of the arts suggests otherwise. In arts sponsoring companies one may find more senior-level managers involved in the arts to develop stronger relationships externally, build a more appealing image, and raise the morale of employees.

The ways in which a sponsoring company goes about setting their goals for the sponsorship, deciding what to invest in, managing the relationship with the sponsored organisation, and activating and measuring their sponsorship are similar, irrespective of the type of activity being sponsored. This toolkit is thus focused on the main decision-making processes and management practices involved in a sponsorship (see Figure 1).

As an arts sponsorship toolkit, this guide is designed to assist Sponsorship and CSI managers within companies to review, refresh and enhance their arts sponsorship practice. For existing arts sponsors, the toolkit provides an opportunity to assess the depth and breadth of your practices to develop a more rigorous and sustainable arts partnership approach. For companies considering investing in the arts, the toolkit provides a step-by-step guide and set of exercises to craft a well-considered, longer-term arts partnership strategy. The toolkit will also provide valuable insight to arts organisations developing a strategy for business partnership.

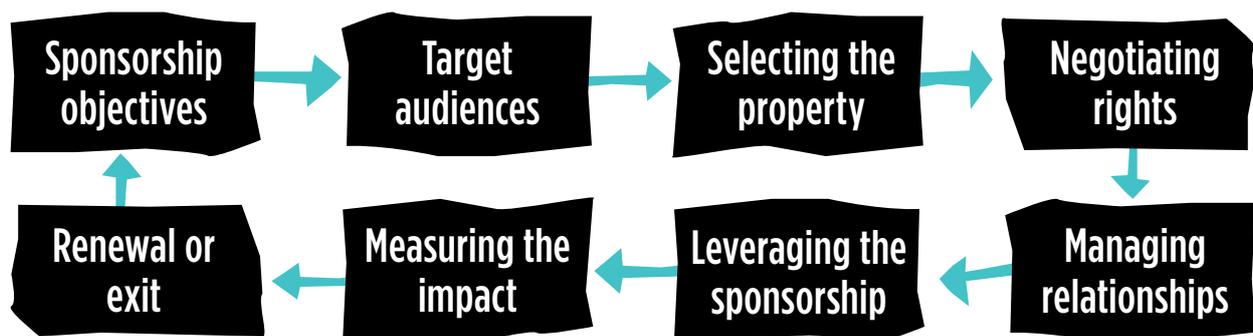


Figure 1: Sponsorship decision-making & management practices framework

# TOWARDS AN ARTS PARTNERSHIP

Support for the arts is a well-established practice. Its roots are often traced back to the Greek and Roman era, while the word ‘sponsorship’ is said to be derived from the Greek word “horigia”, which is a combination of the words “horos” (the dance) and “iigoumai” (I direct or I lead) - suggesting that the person who led or paid for the festival or dance was the “horigos” or sponsor<sup>5</sup>. The practice of art sponsorship has significant shifts in the way arts organisations and sponsoring organisations have approached their relationship.

One way to think about these shifts, and the evolving connections between the worlds of arts and business, is in terms of the three broad approaches to art sponsorship: patronage, marketing and partnership<sup>6</sup>.

The patronage approach to art sponsorship typically involves individuals or organisations with significant

discretionary funds donating a portion of these to artists or arts organisations who are in need of funds to survive. The dominant form of interaction in this approach is more one-way and dependent, with strongly subjective decision-making. This approach has contributed significantly to the highly valued collections of art created and to the support of artists across the ages. Historians remind us of Michelangelo’s relationship with his benefactor Lorenzo de Medici, the art patronage competitiveness of the the Muslim taifa kings in North Africa and the Iberian peninsula by the 15th century, and the development of a respected and privileged class of goldsmiths in Ashanti in West Africa under King Kofi Kakari.

More recently, The Economist highlighted the increase in private funding of the arts in the UK from £600,000 in 1976 to £686m by 2009<sup>7</sup>.

Table 1: Three broad approaches to art sponsorship

APPROACH	PATRONAGE	MARKETING	PARTNERSHIP
Focus	Giving	A deal	Strategic integration
Basis	Donation	Business transaction	Mission & values

The marketing approach involves the identification of a business opportunity, typically by a private sector company. It has also emerged due to the gradual withdrawal of public funding for the arts, which has forced arts organisations to raise funds from business. The dominant form of interaction for this more rationalist approach is mostly one-way, with business profit concerns driving decision-making.

The partnership approach to art sponsorship involves a more strategic integration between the partners. These relationships are typically longer-term and involve the fusion or synergy between the core values of the two organisations. The dominant form of interaction in this approach is more two-way and interdependent, with corporate citizenship and broader societal goals driving decision-making.

## Exercise 1: Assessing your approach to arts sponsorship

*Which approach best describes your current involvement in the arts?*

CURRENT APPROACH	EVIDENCE OF THE APPROACH

*How do you feel about your current approach?*

The shift or evolution from a patronage approach to a partnership approach has two important implications for sponsoring organisations. Firstly, the progression towards partnership involves a deeper and broader set of connections between the two organisations,

therefore requiring a greater breadth of company sponsorship activities. Secondly, a partnership approach may result in greater image effects for the sponsoring company.

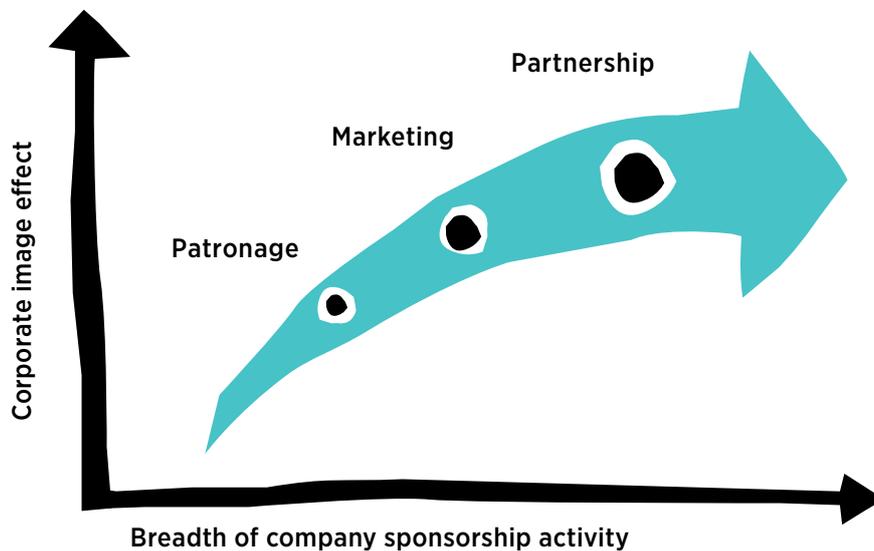


Figure 2: The progression to partnership

One way to analyse the breadth of connections between the sponsoring company and the arts organisation is to explore the company areas and

functions in which the involvement in the arts can have an impact<sup>8</sup>.

Table 2: Company areas and functions impacted by arts sponsorship<sup>8</sup>

EXTERNAL TO THE BUSINESS		
Media coverage, reputation, networking & hospitality	Promotion, point of sales, advertising, branding, communication, customer relationships	Corporate citizenship, community programmes, social responsibility
Public relations	Marketing	CSI <sup>9</sup>
INTERNAL TO THE BUSINESS		
Production	Innovation, R&D	Human Resources
Knowledge base, processes & culture	New product development, creativity & collaboration	Training and development, employee wellness, work environment & motivation

## Exercise 2: Assessing your company's progression to partnership

Which areas of your business does your involvement in arts currently touch?

Which areas could take greater advantage of your involvement in the arts?

BUSINESS AREA	HOW IS IT CURRENTLY TOUCHED BY THE ARTS?
Public relations	
Marketing	
CSI	
Production	
Innovation	
Human Resources	

Arts sponsorship strategies can be considered along two dimensions: the external or internal focus, and the shorter or longer-term investment<sup>10</sup>. These dimensions

then create four quadrants, as represented in Figure 3. The longer-term strategies are typical of an arts partnership approach.

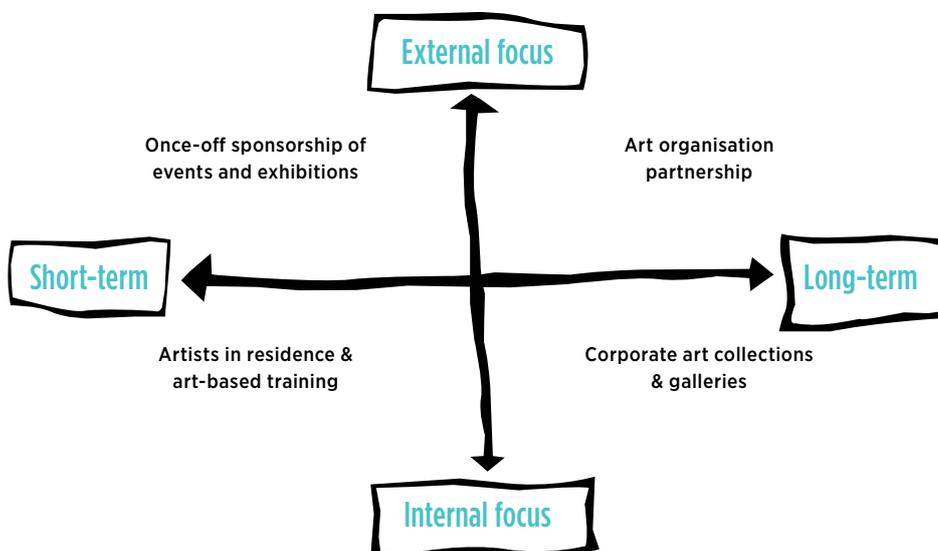


Figure 3: Categorising arts sponsorships along two dimensions

## Exercise 3: Considering the focus and duration of your arts sponsorship

Reflect on Figure Three above.

Which quadrant does your involvement in the arts currently fit into?

Which quadrant would you like your company's involvement in the arts to fit into?

An Arts Engagement index has been developed by BASA to track the extent of company involvement in the arts<sup>11</sup>. The index, a composite survey score scaled to 100, was developed from research conducted with BASA members during 2011. This Engagement index measured involvement in terms of the number of years

involved in the arts, the hierarchy level involved in the decision to invest, the hierarchy level that makes the final decision, and the functions in the business involved in some way in the arts sponsorship. The total score for 2011 is 72%, suggesting strong engagement and progress towards arts partnership.

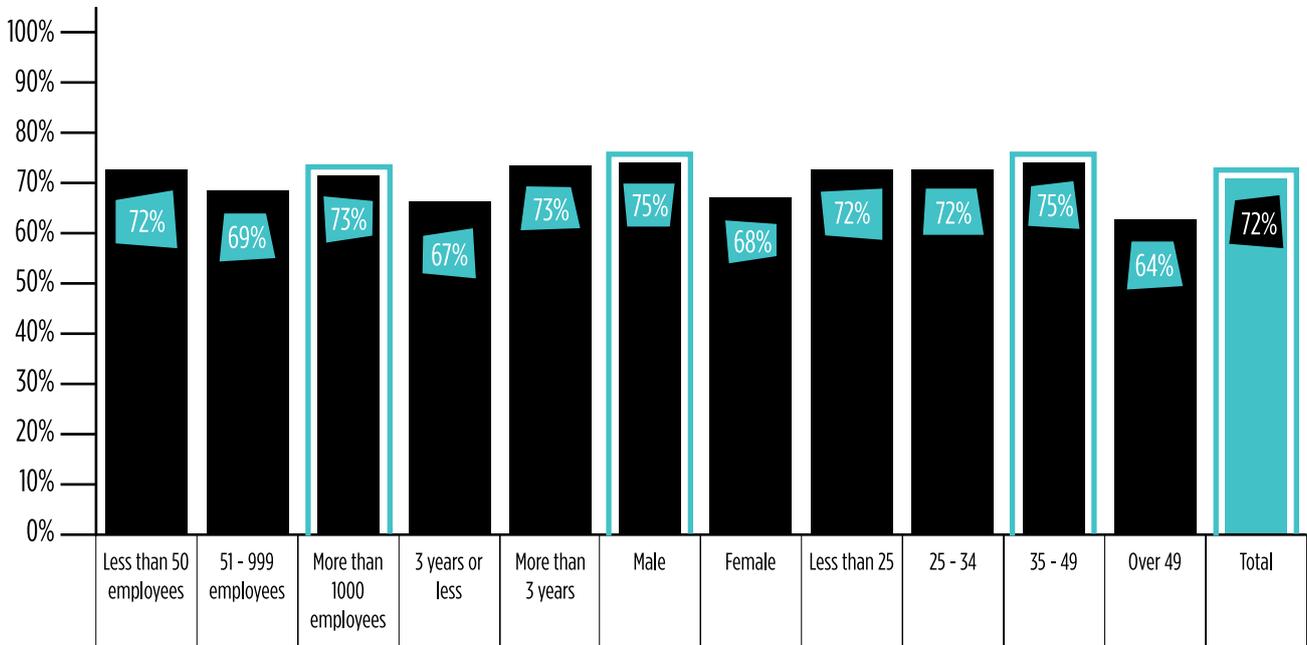


Figure 4: BASA Arts Engagement Index

Longer-term investments in the arts, that integrate the two partnering organisations at multiple levels, have the potential to provide a competitive advantage to the sponsoring company<sup>12</sup>. Research suggests that

this competitive advantage can happen at two levels: attainment of advantage in the competitive market for sponsorship, and competitive advantage in product markets.

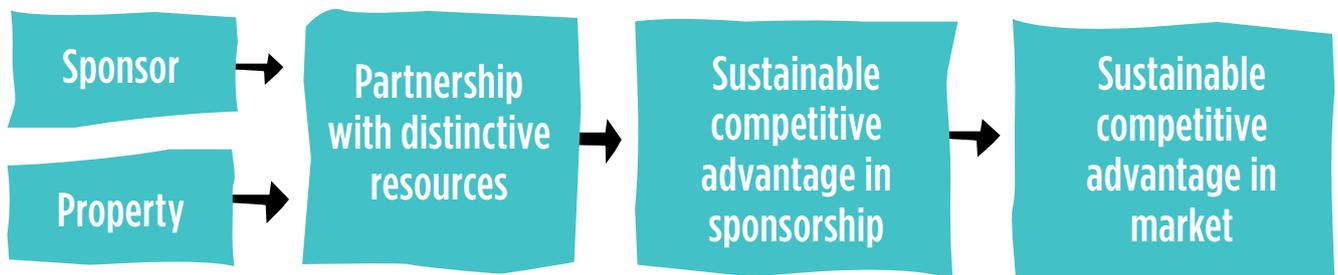


Figure 5: Sustainable competitive advantage through arts partnerships

In order to achieve competitive advantage, arts partnerships need to deploy distinct resources within three categories: tangible assets; intangible assets; and capabilities. Distinct and advantage-creating resources are those that are valuable to meet the needs of customers, rare, very difficult to duplicate, and not easily substituted. Tangible assets relevant to arts sponsorships include financial resources for rights and importantly leveraging of sponsorship rights. Other

tangible assets could include exclusive access to venues or art collections. Intangible assets relate to the image, reputation and brand appeal of the arts property that triggers strong emotions and engagement. Important capabilities include the decision-making and management processes related to the sponsorship. These capabilities may take the form of sponsorship management, execution and evaluation routines that are codified into internal sponsorship disciplines.

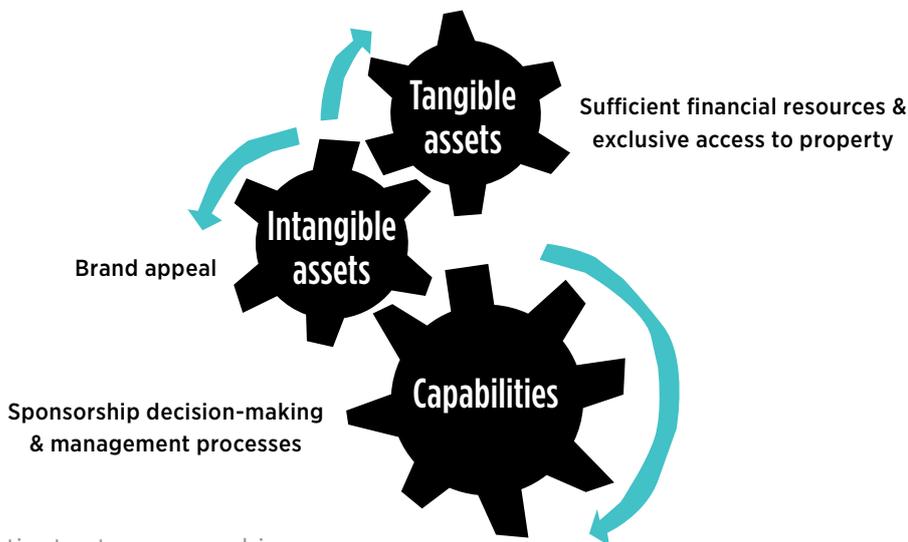


Figure 6: Distinct arts sponsorship resources

### Exercise 4: Assessing your arts sponsorship resources

*How strong and distinct are your arts sponsorship resources?*

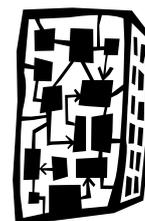
*Which of the three types of distinct resources need further strengthening?*

	LOW	MEDIUM	HIGH
Tangible assets Such as:			
Intangible assets Such as:			
Capabilities Such as:			

Arts sponsorship has progressed significantly and continues to develop as organisations work to achieve greater advantage. The shift from patronage to marketing to partnership means a change in the way organisations manage the processes around their involvement in the arts. The remainder of this toolkit details a set of frameworks and techniques that art sponsors can use to review, develop or refine their art sponsorship practices.

#### **SPONSOR LTD:**

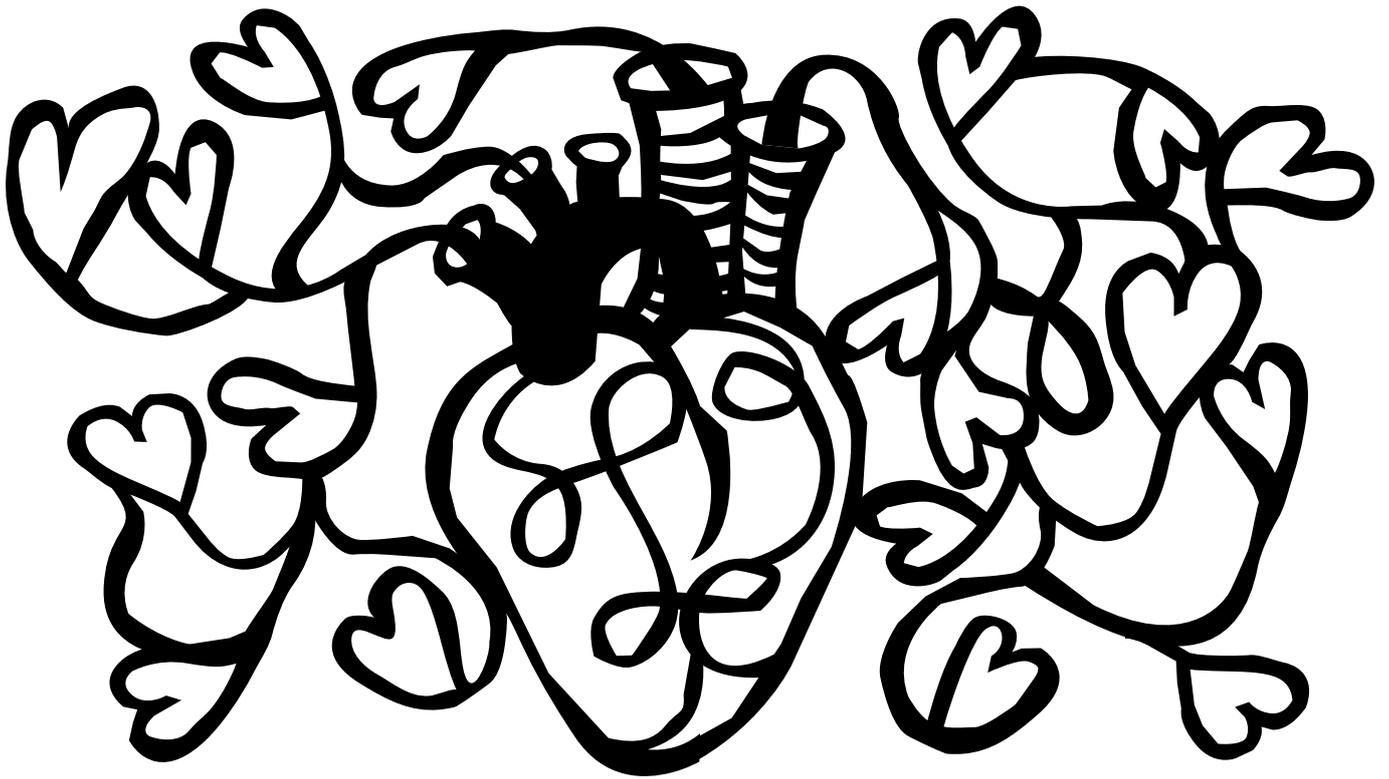
To accompany you through the toolkit, we have created a fictional organisation, Sponsor Ltd. The management of Sponsor Ltd will demonstrate the tools available in each of the next 5 sections.



# ENDNOTES

- <sup>1</sup> Farrelly, F. & Quester, P. (1997). *Sports and Arts Sponsors: Investigating the similarities and differences in Management practices*. Proceedings of the AMA Conference, Dublin June.
- <sup>2</sup> Chadwick, S. (2005). Sports marketing: a discipline for the mainstream. *International Journal of Sports Marketing & Sponsorship*, 7(1), 7.
- <sup>3</sup> Organisation for Economic Co-operation and Development 1993.
- <sup>4</sup> UNESCO. (2009). *Investing in Cultural Diversity and Intercultural Dialogue*. Paris: UNESCO Publishing.
- <sup>5</sup> Quester, P. G. & Thompson, B. (2001). Advertising and promotion leverage on arts sponsorship effectiveness. *Journal of Advertising Research*, 41(1), 33-47.
- <sup>6</sup> Adapted from McNicholson, B. (2004). Arts, Culture and Business: A relationship transformation, a nascent field. *International Journal of Arts Management*, 7(1), 57-69.
- <sup>7</sup> Blau, R. (2011, December 8). On poets and patronage. The Economist. Retrieved from <http://www.economist.com/blogs/prospero/2011/12/literary-prizes>. Accessed on 21 March 2012.
- <sup>8</sup> Adapted from Comunian, R. (2009). Toward a new conceptual framework for business investments in the arts: Some examples from Italy. *Journal of Arts Management, Law, and Society*, 39(3), 200-220.
- <sup>9</sup> Corporate Social Investment (CSI) is used here to refer to donations and other assistance made for altruistic purposes, as defined by the King III corporate governance code of 2009.
- <sup>10</sup> Adapted from Comunian, R. (2009). Toward a new conceptual framework for business investments in the arts: Some examples from Italy. *Journal of Arts Management, Law, and Society*, 39(3), 200-220.
- <sup>11</sup> Goldman, M. (2011). Arts sponsorship decision-making & management processes: *Baseline report*. Johannesburg: BASA
- <sup>12</sup> Developed from work by Fahy, J., Farrelly, F., & Quester, P. (2004). Competitive advantage through sponsorship. *European Journal of Marketing*, 38(8), 1013-1030.

Deals with the preparation work required before engaging with an art property or project, including decisions about objectives, target audiences, and the art property.



1: Dancing to a different tune



2: Engaging the muse



3: Singing in harmony



4: Activating the performance



5: Making the impact



6: Curtain call



Convention on the Protection and Promotion of the Diversity of Cultural Expressions



## Section 2: Engaging the muse



This section of the arts sponsorship toolkit deals with the preparation work required before engaging with an art property or project. The steps that a prospective arts sponsor needs to work through during this section include the setting of objectives, the selection of target audiences and the decisions regarding suitable selection criteria for the art project or property.

In terms of our arts sponsorship decision-making & management practices framework, this section of the toolkit deals with the first three decisions.

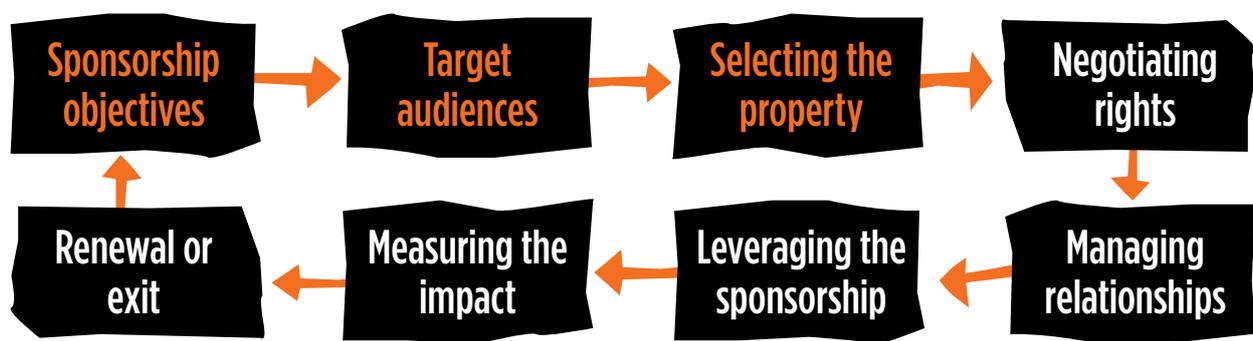


Figure 7: Sponsorship decision-making & management practices framework (Section 2 emphasis)

**“The harder I practice, the luckier I get.”**

- Gary Player

## SETTING ARTS SPONSORSHIP OBJECTIVES

The first step in any sponsorship strategy is to develop and agree a set of company objectives for the firm’s involvement in the arts. These objectives will then drive all subsequent decisions and activities, and are the outcomes around which any measures will be designed.

An objective communicates what you would like to achieve by the end of the arts sponsorship. It is the desired end result. Clear objectives provide focus to any activity, as they constantly remind everyone what

kind of outcome is required, and therefore where effort is needed and importantly where effort is not needed. Objectives thus allow prioritisation and a clear measure or definition of success.

**“If you don’t know where you are going, any road will get you there.”**

- Lewis Carroll

## Four buckets of sponsorship objectives

Previous research of sponsorship objectives suggests that there are typically four broad buckets or categories of objectives: awareness or exposure objectives; brand positioning or associations objectives; business revenue results objectives; and societal concern objectives.

BASA's recent survey of member objectives, suggests that all four buckets are represented in the reasons why member companies are involved in the arts. The table below suggests that societal concerns drive the majority of objectives.

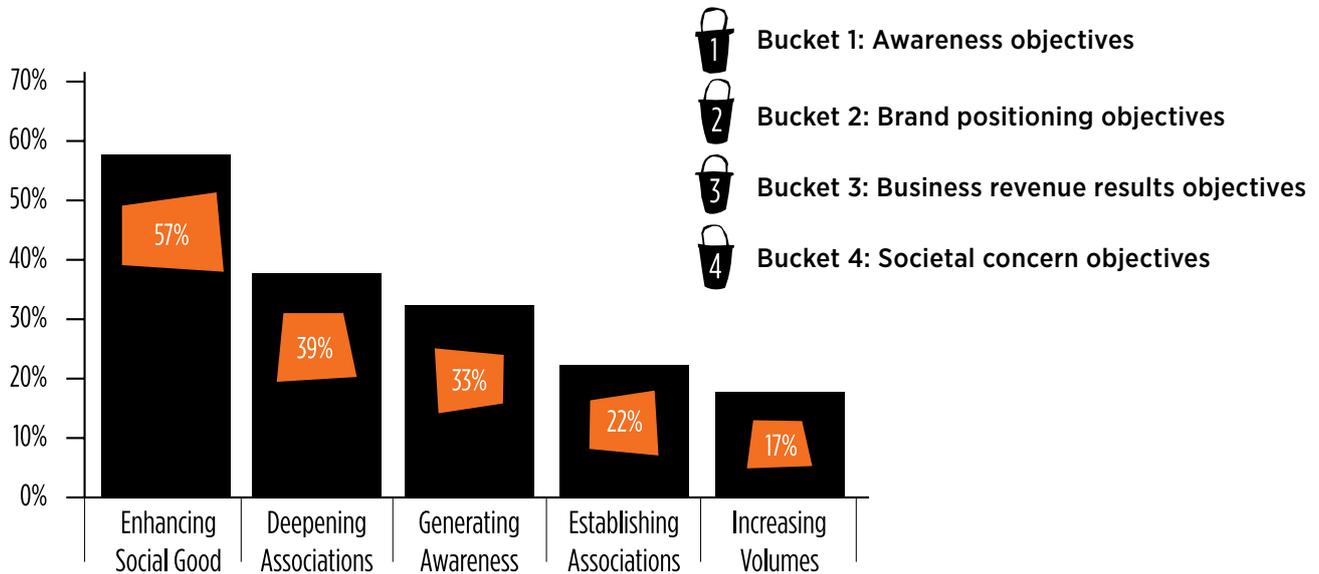


Figure 8: Results from 2011 BASA members survey of sponsorship objectives



### Bucket 1: Awareness objectives

This category of objectives is best suited to companies looking to get more people to be more aware of their products and services. Awareness is an important first step towards getting prospective customers to consider purchasing your offerings, and plays an important role in ensuring on-going consideration. If someone doesn't know you exist, it is unlikely that they will start doing business with you.

The public interest in arts sponsorships and the possible access to larger numbers of people, or to exclusive smaller groups of people, make arts sponsorship useful vehicles to achieve awareness objectives.

Examples of arts sponsorship objectives within this bucket would include:

- » Enhance the recognition of our investment-banking brand
- » Raise the awareness levels of our new long-haul flight routes
- » Increase recall of our award-winning business telecommunication services
- » Facilitate trial of our new luxury vehicle models



#### BASA MEMBER EXAMPLE: TELKOM SA & THE SPACE EXHIBITION

In order to stand out from the crowd during the 2010 FIFA World Cup South Africa™, Telkom brought together 25 artists from 8 countries for an official Host City art event in Newtown from 11 May to 11 July 2010. The exhibition attracted extensive media coverage on television, radio, print, electronic and other channels, resulting in an estimated media exposure return on investment of 1:2,5.



## Bucket 2: Brand positioning objectives

This category of objectives can assist firms who wish to influence the meanings or associations people have of their

brand. Being aware of a brand, product or service is not enough to encourage purchase. Brands need to dominate a differentiated positioning in the mind of their chosen customer - they have to stand for something, they have to provide a reason to believe that is different to what others are saying.

Engaging with art is typically an collaborative experience that occurs over a period of time. These gatherings can provide unique platforms for brands to communicate, through their association and fit with the

art property, the meaning they would like their target audience to associate with them.

Examples of arts sponsorship objectives within this bucket would include:

- » Position our company as a forward-looking, creative and energetic organisation
- » Enhance our positioning as a conservative, stable, trusted and value-driven brand
- » Deepen the associations of environmentally sustainable, green and climate-neutral with our new product range



EXAMPLE: BRANDHOUSE & THE STABLE THEATRE, WINNERS OF THE INNOVATION AWARDS AT THE 14TH ANNUAL BUSINESS DAY BASA AWARDS, SUPPORTED BY ANGLO AMERICAN

Brandhouse Beverages used the Celebrating Strides campaign to identify & profile individuals whose life stories imitated & reflected the brand values of the Johnnie Walker® brand: entrepreneurship, creativity & striving for success. Through its Celebrating Strides Awards, Johnnie Walker® empowered acclaimed actor, writer, producer and entrepreneur, Welcome Msomi, to spark a revival of the Stable Theatre in Durban. In selecting the theatre as the beneficiary of a R125,000 bursary included in his award, Msomi wished to pay tribute to the theatre venue which played such an important role in his early days as an actor and turn around the flagging fortunes of the venue. It was expected that the partnership would act as a catalyst to inspire a new generation of artists.

Rhys Lindstrom, Johnnie Walker® Marketing Manager: “This initiative fitted perfectly with the vision for the Celebrating Strides Awards. We wanted to recognise and honour individuals like Msomi who had made great strides in achieving their dreams. But in doing so we also wanted to, through their success, inspire others and empower those around them who might not have had the same opportunities. The way Msomi has ploughed his win back into the Stable Theatre in the community from which he hails will hopefully act as a catalyst and inspire a whole new generation of artists dreaming of a chance to embark on their own journeys.”

Thuli Dumakude, Chairperson of the Stable Theatre: “Apart from providing the Stable Theatre with the capacity to stage a professional production, Welcome Msomi and Johnnie Walker® provided, in a few months, what it would have taken us at least two years to achieve. The production gave us a credible and respected image in the media, as well as sending out a loud message to the arts community in Durban that the Stable Theatre was forging forward to retrieve its rightful place as a professionally-run theatre venue.”



### Bucket 3: Business revenue results objectives

The sales-driven category of objectives is suitable for companies looking to drive additional revenues directly through their

art sponsorship. Although this is a tougher category of objectives to achieve through a sponsorship, it is possible to create conducive environments to generate demand for products and services.

Art sponsorships often create opportunities for informal contact between selected clients and company executives. In addition to building stronger relationships, these periods can be used to assess needs, identify opportunities, and generate leads.

Branded products and services can also be directly linked to a client's participation or attendance at an art event, resulting in event-specific sales.

Examples of arts sponsorship objectives within this bucket would include:

- » Increase data usage on our network before, during and after the art event
- » Double average occupancy in our hotel during the week of the art festival
- » Secure enhanced trade terms for our brands within our major retail customer

#### BASA MEMBER EXAMPLE: THE CITADEL ART PRICE INDEX

The Citadel Art Price Index (CAPI) was launched in late 2011 to track the changes in the value of South African art. Citadel's senior investment strategist George Herman suggested that CAPI was created in order to better understand art as a "legitimate alternative asset class by creating transparency, measurability and comparability over time." From a marketing and demand generation point of view, Citadel view this project as a business opportunity with their existing and prospective clients. Citadel fiduciary expert Alfie Bester explained how this initiative to "demystify the asset class" would assist the business to "add value" to their clients' lives.



### Bucket 4: Societal concern objectives

This category of objectives is best suited to organisations that have less-immediate commercial pressures and wish to make a

contribution to the welfare and development of society. For some companies, and often non-commercial entities such as foundations and family trusts, support of the arts is seen as a responsibility to future generations.

*traditional forms... that art actually gives life in that society, enriches life enormously in that society in a whole range of different ways... The craft of creating art and the development of an appreciation for artistic expression contribute to the non-financial wealth of a nation."* BASA research interviewee, 2011

Examples of arts sponsorship objectives within this bucket would include:

- » Contribute to developing social capital among the diversity of South Africans
- » Ignite creativity and innovation within communities
- » Preserve our culture

*"A belief that the arts are an important sphere in society, in any society, for the development of that society; the ability of the arts to create spaces and languages for dialogue, for social activism, for other kinds of engagement in society beyond the media and the more*



#### BASA MEMBER EXAMPLE: THE OLD MUTUAL NATIONAL CHOIR FESTIVAL

The Old Mutual National Choir Festival is a 34-year national choral music competition conducted at District, then Provincial levels and culminating in a National Final. It is an annual project with various events staged from January to December. The essence of the project is to enrich people's lives as individuals and choirs through the development of choral music in Southern Africa, thereby fulfilling people's dreams and offering meaningful experiences. The National Choir Festival project seeks to promote, preserve

and protect all language rights by giving all languages equal exposure. This includes as well increasing and facilitating access to and broader participation in the arts.

Best practice suggests that objectives should be set before deciding whether or not to invest in an arts sponsorship, and how to invest. BASA's recent member survey confirms that the majority of members

are setting their arts sponsorship objectives before proceeding. Over 72% of surveyed members believed that their company's arts involvement objectives were directly linked to their company's business strategy.

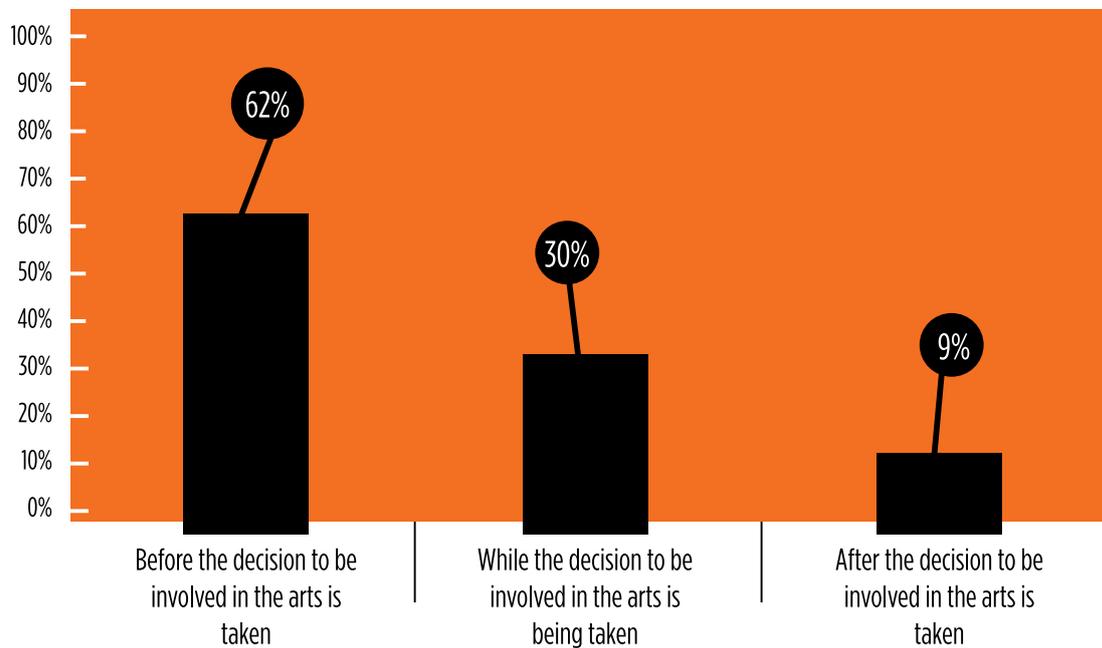


Figure 9: Results from 2011 BASA members survey of sponsorship objectives timing

## Exercise 5: Setting initial objectives

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*Reflect on the four buckets of objectives.*

*Which category of objectives best captures your purpose for investing in the arts?*

*Draft an initial list of two or three objectives within this chosen category that start to describe the kind of outcomes you would like to achieve.*

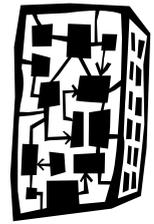
*Are there one or two objectives drawn from other categories that you want to include in your draft list?*

*My initial list of arts sponsorship objectives:*

## **SPONSOR LTD:**

Sponsor Ltd drew their initial list of arts sponsorship objectives from buckets 2, 3 & 4.

1. To support social cohesion amongst South Africans
2. To further deepen our brand associations of creativity
3. To increase usage of our services



## **Setting SMART objectives**

A good objective is quantifiable. The SMART model is often used to develop good objectives. To be SMART, an objective should be specific, measurable, aggressive, realistic, and time-specific<sup>13</sup>. Each of your objectives should therefore be evaluated in terms of the extent to which they are:

**Specific:** Is the objective clear? Will it be understood to mean the same thing across multiple functions and levels of your business? Will the words used have consistent meaning throughout the duration of the sponsorship?

**Measurable:** Does the objective include numeric measures? Are these measures easy to measure?

**Aggressive:** Does the objective require some stretch beyond current performance or results? Is the objective aggressive enough to inspire action beyond the ordinary? Will the objective achieve something worth achieving?

**Realistic:** Can the objective be achieved through some serious hard work? Is the objective realistic enough not to scare people into inaction?

**Time-specific:** Is it clear when the objective needs to be achieved by? Is this deadline a useful point in the future that takes existing reporting periods into account?

## **SPONSOR LTD:**

Sponsor Ltd evaluated their initial objectives in terms of the SMART model as follows:



OBJECTIVES	S	M	A	R	T
1. To support social cohesion amongst South Africans	X	X	✓	✓	X
2. To further deepen our brand associations of creativity	✓	X	✓	✓	X
3. To increase usage of our services	X	X	✓	✓	X

Sponsor Ltd's management recognised that all of their initial objectives were not objectively measurable or time-specific, while two of the objectives lacked specificity. The management revised their objectives to read:

1. To support social cohesion by publicly challenging 5 core race-based stereotypes<sup>14</sup> by the end of 2012
2. To deepen our brand associations of creativity by 20% by the end of the current financial year

On reflection, the management team also realised that their third objective was too ambitious to link directly to their proposed arts sponsorship, and that future revenues would hopefully flow from the achievement of a more robust second objective.

## Exercise 6: Assessing how SMART your initial objectives were

Rewrite each of your initial objectives into the table below and evaluate each one in terms of the five SMART criteria

OBJECTIVES	S	M	A	R	T
1.					
2.					
3.					
4.					

How can you make your objectives more quantifiable using the SMART model?  
What would your revised list of objectives be?

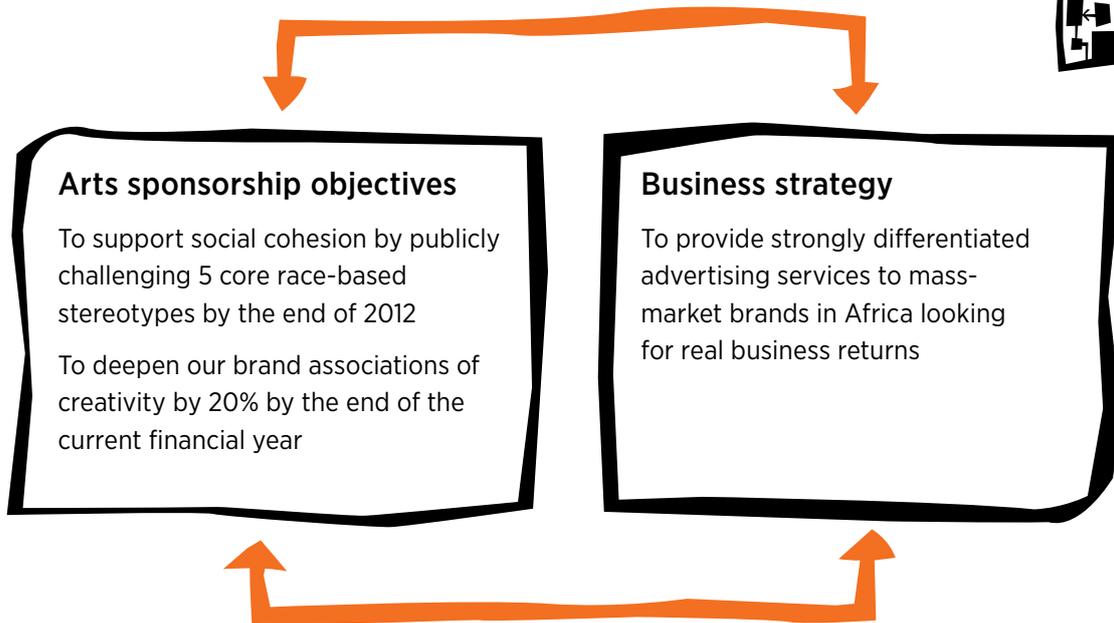
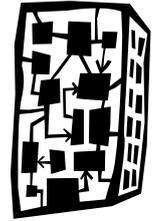
### Aligning objectives to the business strategy

Arts sponsorship objectives should not exist in isolation from the broader goals and strategies of the organisation. To ensure executive buy-in and access to resources and management attention, sponsorship objectives need to be closely aligned to, and perhaps even flow from, the business strategy of the firm. If a company has decided to compete on the basis of product innovation, for example, the sponsorship objectives should contribute directly to executing that strategy. A suitable arts sponsorship objective that aligns to this business strategy might therefore look something like: To increase trial of our newer innovative products by 20% within the coming 12 months.

To assess alignment, objectives should be checked against business strategies, and business strategies should be checked against objectives. An alignment percentage should be allocated to each arts sponsorship objective, to indicate the extent to which the achievement of the objective will directly contribute to executing each strategy. The higher the alignment score, the stronger the relevance of the objective to the business.

## **SPONSOR LTD:**

In order to check the alignment between the revised objectives and the business strategy, the management team of Sponsor Ltd assessed the following:



The revised sponsorship objectives thus seem to score well, although stronger alignment to the African focus and business returns may be useful.

## **Exercise 7: Assessing alignment between objectives and business strategy**

*Rewrite your revised arts sponsorship objectives and the business strategy of your company or business unit. Are there any contradictions? Could the alignment be tighter?*

<b>ARTS SPONSORSHIP OBJECTIVES</b>	<b>BUSINESS STRATEGY</b>

# SELECTING TARGET AUDIENCES

The desired outcomes of a sponsorship are often linked to a specific target audience. The group that a company wishes their arts sponsorship to impact could include customers, employees, suppliers, regulators, community, media or other stakeholders. The selection of the target audience for the sponsorship provides

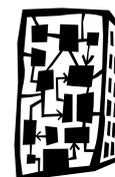
a strong focus for the objectives and often greatly influences how the organisation will use their arts sponsorship. The following matrix decision-making tool can help refine sponsorship objectives, taking the desired target audience into account:

Table 3: Target audience decision-making tool

	CUSTOMERS	EMPLOYEES	SUPPLIERS	REGULATORS	COMMUNITY	MEDIA	OTHER
Awareness							
Brand							
Revenues							
Society							

## **SPONSOR LTD:**

As an advertising agency with the strategy to provide strongly differentiated advertising services to mass-market brands in Africa looking for real business returns, the management of Sponsor Ltd has the following target audiences in mind for their two arts sponsorship objectives:



1. To support social cohesion in South Africa, Kenya and Nigeria by publicly challenging 5 core race-based stereotypes by the end of 2012
2. To deepen our brand associations of creativity and business returns by 20% by the end of the current financial year

	CUSTOMERS	EMPLOYEES	SUPPLIERS	REGULATORS	COMMUNITY	MEDIA	OTHER
Awareness							
Brand	✓	✓					
Revenues							
Society	✓	✓			✓	✓	

The management of Sponsor Ltd can now integrate their target audiences into their sponsorship objectives. The final version will thus be:

1. To support social cohesion among internal and external stakeholders in South Africa, Kenya and Nigeria by publicly challenging 5 core race-based stereotypes by the end of the year
2. To deepen our brand associations of creativity and business returns within existing clients and employees by 20% by the end of the current financial year

## Exercise 8: Selecting target audiences

---

*With your previously developed and revised objectives, consider whether they apply to one or more target audiences. Place each objective in the block that most strongly describes which of the four objective buckets it flows from, and which target audience it is mostly aimed at.*

	CUSTOMERS	EMPLOYEES	SUPPLIERS	REGULATORS	COMMUNITY	MEDIA	OTHER
Awareness							
Brand							
Revenues							
Society							

*How does the focus on a specific target audience change the objective?*

*Can you add the most important target audience to your objective statement?*

*How might your objectives need to be revised in light of the previous evaluations? How would you now state your final arts sponsorship objectives?*

## PRE-SPONSORSHIP BASELINE METRICS

Once your arts sponsorship objectives have been defined, including the target audiences for the sponsorship, best practice calls for pre-sponsorship baseline research of the metrics you will use to measure the extent to which your objectives have been achieved. In this way, a sponsoring company can more accurately

demonstrate the impact of an arts sponsorship. Sponsorship measurement will be dealt with more fully later in the toolkit, but it is important to build in relevant measures from early in the process. Section 5 of the toolkit outlines the wide range of metrics available, depending on the type of objectives set.

# SELECTION CRITERIA FOR THE ART PROJECT OR PROPERTY

The choice of art project or property can contribute to the success or failure of an arts sponsorship. Not all art properties are equal, while different properties are more suitable to different objectives and sponsors. Each company will develop their own selection criteria, based on objectives, experience and resources.

BASA's recent member survey captured the characteristics of art properties most valued by arts sponsors.

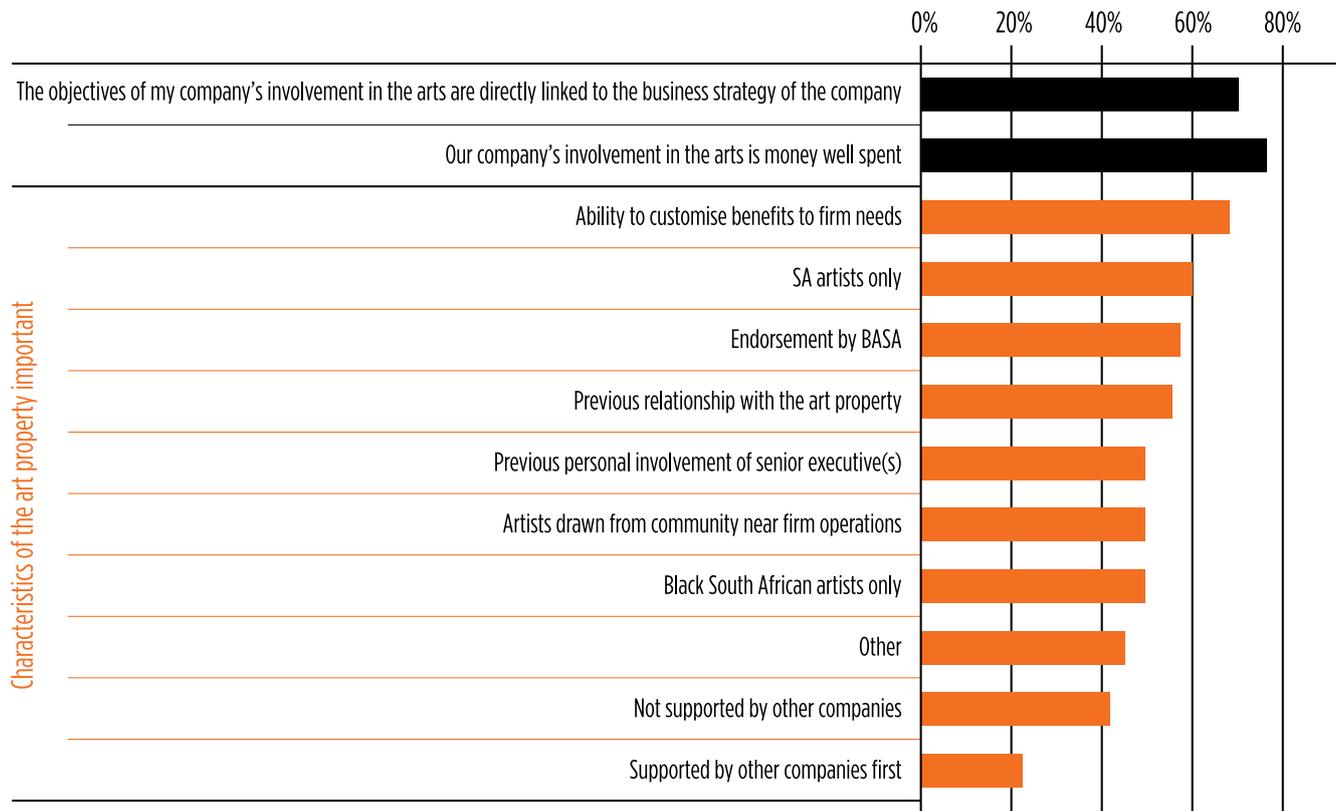


Figure 10: Importance of characteristics of art property to sponsor

A key set of selection criteria for sponsorship is the degree of fit between the sponsor and art property. Fit broadly relates to the strategic match between partners in mission, target audience, and/or values<sup>15</sup>. It occurs when the two partners are seen as congruent (as going together). A stronger fit between sponsoring company

and art organisation results in greater clarity of brand positioning for the company, as well as more positive attitude towards the sponsorship<sup>16</sup>. Together, these results enhance the brand equity of the sponsoring company, which is felt in how customers feel about and behave towards the company's brand.



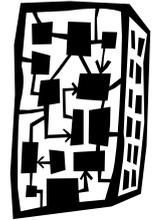
Figure 11: Impact of fit between sponsoring company and art organisation

There are two types of fit: natural fit, which is self-evident to most; and created fit, in which non-obvious associations need to be emphasized. Research has found that both types of fit can result in positive brand benefits. There are six general dimensions of fit: usage of the product by participants; audience and customer segment similarity; geographic coverage similarity;

attitude towards sponsoring company and art property similarity; prominence of partners similarity; and image similarity<sup>17</sup>. The relevance of each dimension may depend on the brands involved and the audience segment being targeted - at the end of the day; fit is determined by the audience's perception.

## **SPONSOR LTD:**

As an African advertising agency with the strategy to provide strongly differentiated advertising services to mass-market brands in Africa, Sponsor Ltd had defined their two arts sponsorship objectives as:



1. To support social cohesion among internal and external stakeholders in South Africa, Kenya and Nigeria by publicly challenging 5 core race-based stereotypes by the end of the year
2. To deepen our brand associations of creativity and business returns within existing clients and employees by 20% by the end of the current financial year

The management team at Sponsor Ltd considered the extent to which their chosen target audiences of customers, employees, the community and media would consider the following dimensions of fit:

	LESS IMPORTANT	MORE IMPORTANT
Usage of the product by participants	✓	
Audience and customer segment similarity		✓
Geographic coverage similarity		✓
Attitude towards sponsoring company and art property similarity		✓
Prominence of partners similarity	✓	
Image similarity		✓

Given this analysis, the management of Sponsor Ltd defined their criteria for selecting a suitable art organisation to partner with as:

- » Artists who represented the diversity of their three main markets
- » A professional image art property that gave them category exclusivity
- » An art project that communicated significant creativity in performance
- » An art project that would appeal to senior-level marketing and executive decision-makers
- » An art organisation that enjoyed the support and guidance of BASA

## Exercise 9: Important dimensions of fit

*Which dimensions of fit would your chosen target audiences consider?*

	LESS IMPORTANT	MORE IMPORTANT
Usage of the product by participants		
Audience and customer segment similarity		
Geographic coverage similarity		
Attitude towards sponsoring company and art property similarity		
Prominence of partners similarity		
Image similarity		

*Based on your analysis and reflection, which selection criteria would be most suitable to help you select your arts organisation partner?*

## SPONSORSHIP PHILOSOPHY

The decisions made in this section of the toolkit may be captured in a company's corporate sponsorship philosophy. This statement or document defines a firm's perspective or view of its participation as a sponsor, including the role of sponsorship in the firm's strategy, desired outcomes, and broad boundary-setting

guidelines<sup>18</sup>. In this way, the arts sponsorship philosophy would guide the sponsorship decisions made by a company. Nedbank, for example, has articulated their sponsorship philosophy in terms of "body, mind and spirit," referring to its investments in sport, art, and the environment.

## Exercise 10: Crafting your sponsorship philosophy

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*What is the overarching theme or purpose of your sponsorships? What guiding statement would communicate the kind of sponsorships you would do versus those you would not do?*



# ENDNOTES

<sup>13</sup> Calkins, T. (2008). *Breakthrough Marketing Plans*. New York: Palgrave Macmillan

<sup>14</sup> National Planning Commission (2011). *Transforming society and uniting the country*. Chapter 15 of the National Development Plan. Pretoria: The Presidency

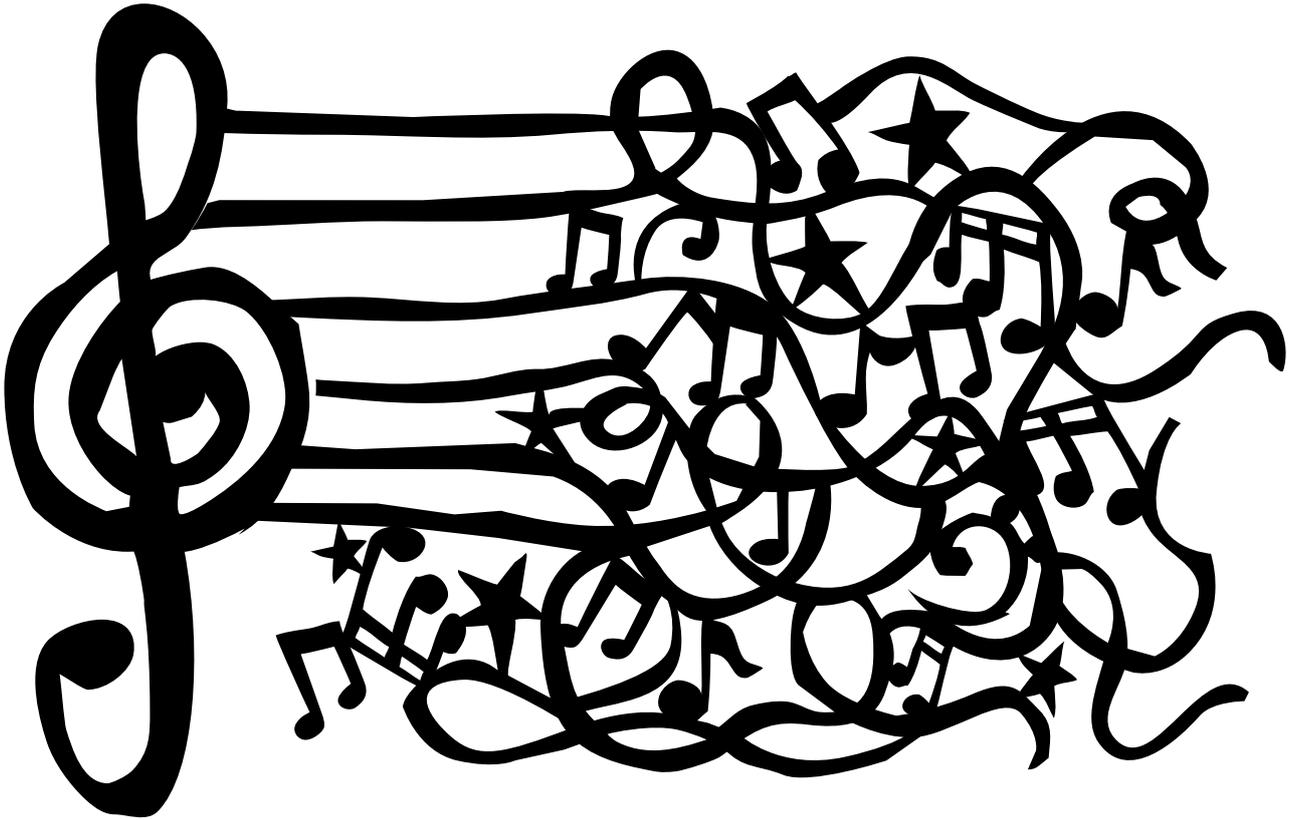
<sup>15</sup> Becker-Olsen, K. L. & Hill, R. P. (2009). The impact of sponsor fit on brand equity: The case of nonprofit service providers. *Journal of Service Research*, **9**(1), 73-83.

<sup>16</sup> Simmons, C. J. & Becker-Olsen, K. L. (2006). Achieving marketing objectives through social sponsorships. *Journal of Marketing*, **70**, 154-169.

<sup>17</sup> Olson, E. L. & Thjomoe, H. M. (2011). Explaining and articulating the fit construct in sponsorship. *Journal of Advertising*, **40**(1), 57-70.

<sup>18</sup> Goldman, M. M. (2011). Corporate Sponsorship Philosophy. In Swayne, L. E. and Dodds, M. *Encyclopedia of Sports Management and Marketing*. Los Angeles: Sage

This section of the toolkit deals with the engagement period, rights negotiation and establishing the grounds for cooperative relationships.



1: Dancing to a different tune



2: Engaging the muse



3: Singing in harmony



4: Activating the performance



5: Making the impact



6: Curtain call



Convention on the Protection and Promotion of the Diversity of Cultural Expressions



## Section 3: Singing in harmony



This section of the toolkit deals with the engagement period, in which the arts sponsor negotiates rights, benefits and agreements with the arts organisation, as well as develops the cooperative relationship required to ensure a mutually beneficial relationship.

In terms of our arts sponsorship decision-making & management practices framework, this section of the toolkit deals with the fourth and fifth decisions.

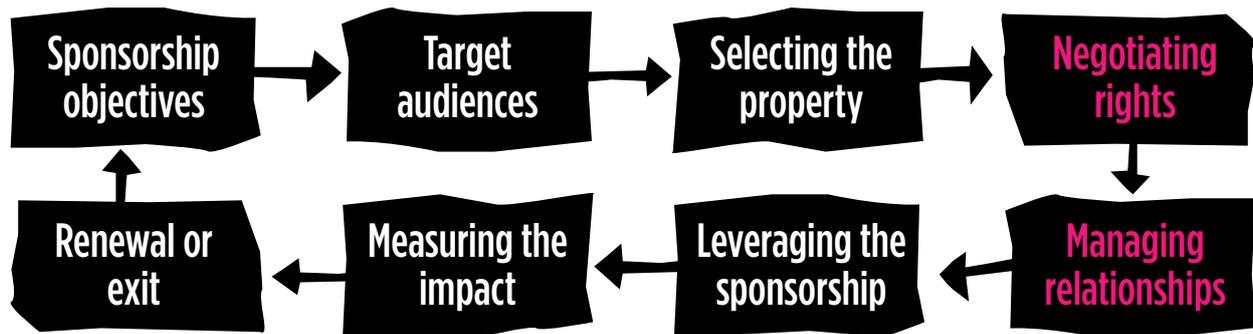


Figure 12: Sponsorship decision-making & management practices framework (Section 3 emphasis)

### NEGOTIATING RIGHTS

Once a company has identified and selected the most suitable arts organisation to partner with to achieve their arts sponsorship objectives, a negotiation typically takes place to discuss and agree the specific rights and responsibilities of each partner. These negotiations, which may be facilitated by a skilled agency or trusted organisation, should culminate in the drafting of a sponsorship agreement. The specifics of such a formal, binding and legally enforceable contract depend on the parties involved, but typically would address the following important questions<sup>19</sup>:

- » Who is who in the partnership and what role does each partner play?
- » What are the specific rights that the arts organisation is offering to the sponsoring company?
- » How do these rights relate to the same or other rights being offered to other sponsors?
- » What are the responsibilities and undertakings of the rights-holder?
- » What are the responsibilities and undertakings of the sponsor?
- » What are the fully disclosed financial details and payment schedule?
- » How will breach of agreement, conflict resolution, and termination or renewal be dealt with?

## Exercise 11: Template for sponsorship agreement

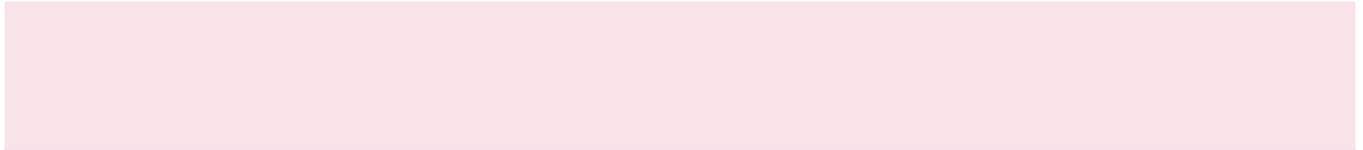
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*Arts sponsorship agreement between*

 (sponsoring company) and

 (sponsored organisation).

*The sponsored organisation hereby awards the following rights to the sponsoring company:*



*The sponsored organisation undertakes to:*



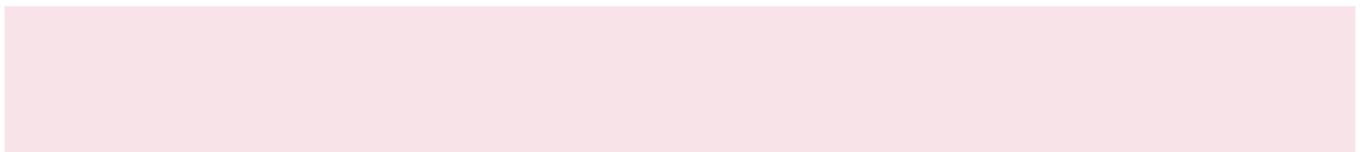
*In return, the sponsoring company undertakes to:*



*The financial arrangements on this agreement include:*



*Any breach of agreement or conflict will be dealt with as follows:*



Although it is important to fully discuss and agree the specifics of the formal contract, successful arts partnerships are often managed and brought to life through the relationships between partners. Research

suggests that there are five key drivers of relationship quality between two partner organisations: trust; commitment; communication; cooperation; and satisfaction<sup>20</sup>.

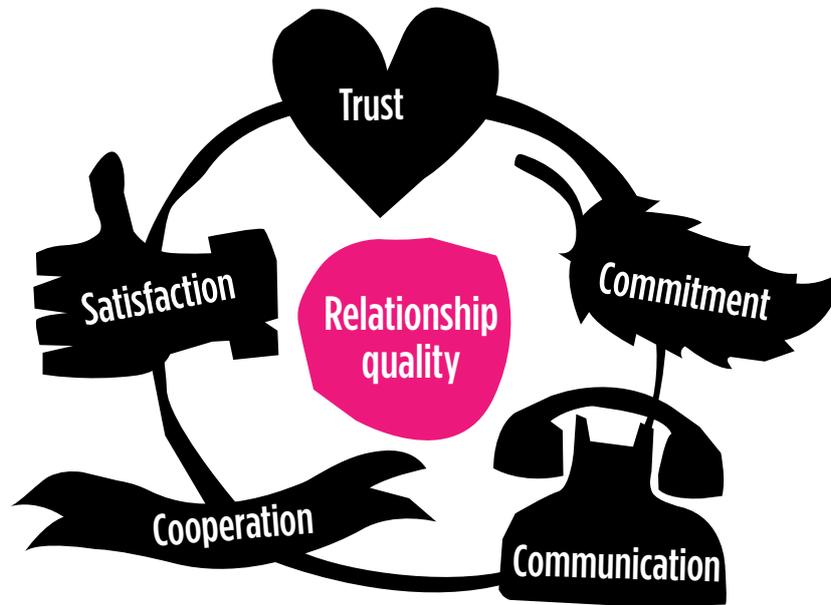


Figure 13: Drivers of relationship quality

Developing a strong relationship built on these drivers obviously takes time and effort. The more time a number of representatives of both partners spend together working on delivering the sponsorship

objectives, the better. A useful self-assessment tool to reflect on the quality of your relationship with your selected arts organisation would include the following items:

Table 4: Relationship quality self-assessment tool

COMMITMENT		% SCORE
1	We defend this arts organisation whenever other criticize it	
2	We have a strong sense of loyalty to this arts organisation	
3	We are never on the lookout for another arts organisation deal to replace this arts organisation	
4	We expect to be using this arts organisation for some time	
5	If another arts organisation offered us a better arts sponsorship deal, we would most certainly not take them on	
6	We are very committed to this arts organisation	
7	We are quite willing to make long-term investments in our relationship with this arts organisation	
8	Our relationship with this arts organisation is a long-term alliance	
9	We are patient with this arts organisation when they make mistakes that cause us trouble	
10	We are willing to dedicate whatever people and resources it takes to grow this arts sponsorship	

Table 4: Relationship quality self-assessment tool (continued)

<b>TRUST</b>		<b>% SCORE</b>
11	We can rely on this arts organisation in the arts sponsorship relationship	
12	This arts organisation is knowledgeable about the arts sponsorship relationship	
13	This arts organisation understands our position in the arts sponsorship relationship	
14	This arts organisation cares for our welfare in the arts sponsorship relationship	
15	This arts organisation is open in dealing with us in the arts sponsorship relationship	
16	We trust this arts organisation to serve our best interests	
17	This arts organisation is well known for their fair dealings with sponsors	
<b>SATISFACTION</b>		<b>% SCORE</b>
18	Our association with this arts organisation has been a highly successful one	
19	Overall, the results of our relationship with this arts organisation meets all expectations	
20	This arts organization lacks nothing in terms of performance to agreed standards	
<b>COOPERATION</b>		<b>% SCORE</b>
21	Whenever possible we work jointly on projects	
22	This arts organisation cooperates closely with us within the context of the arts sponsorship	
23	This arts organisation cooperates closely with us outside the context of the arts sponsorship	
24	We and this arts organisation are doing many things together	
<b>COMMUNICATION</b>		<b>% SCORE</b>
25	We and this arts organisation make a point of keeping each other well informed	
26	We are comfortable sharing information with this arts organisation	
27	We are quite heavily involved in the marketing & planning efforts of the arts organisation	
28	This arts organisation seeks our advice and opinion concerning its marketing efforts	
29	Our relationship with this arts organisation is like an open book	

The relationship between a corporate sponsor and arts organisation may be driven by an 'art champion'. This senior influencer or decision-maker can be very useful to the development and maintenance of the relationship. Should equally strong relationships not be developed among the rest of the teams within both parties, a risk exists that the company's involvement in the arts becomes too reliant on one person.

The recent BASA members' survey confirmed this benefit and risk. The graph below demonstrates the strong importance of an 'art champion' or one senior decision-maker.

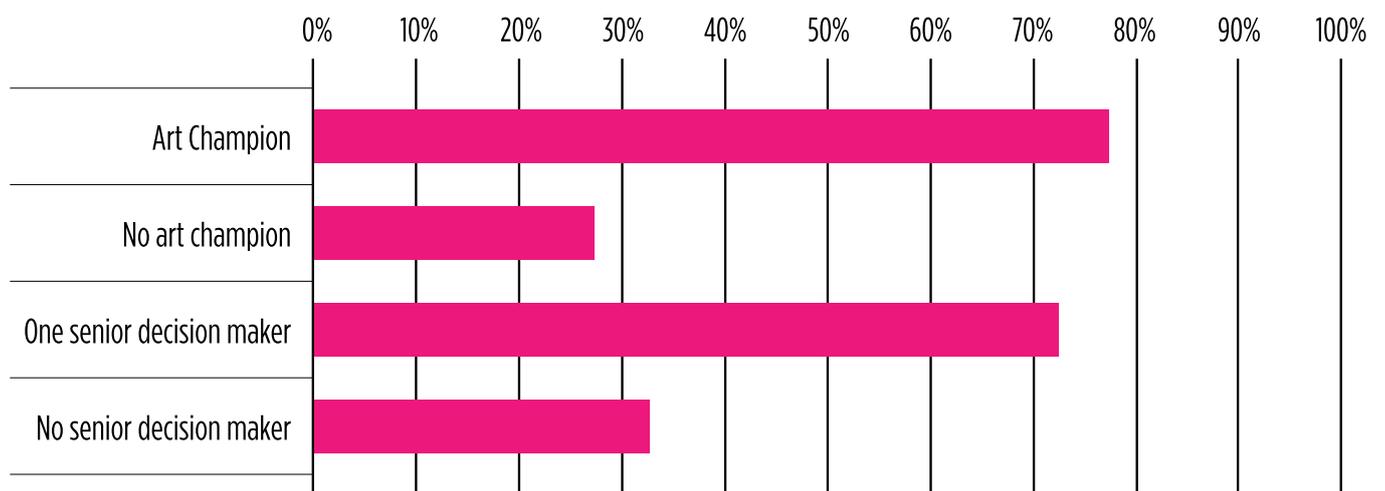


Figure 14: The importance of an Art Champion or senior decision maker in an arts sponsorship

## Exercise 12: Assessing the quality of your arts sponsorship relationships

*Which of the relationship quality drivers or items are concerns in your current arts partnership?*

Research suggests that there are a number of ways in which to strengthen the quality of relationships between two organisations<sup>21</sup>.

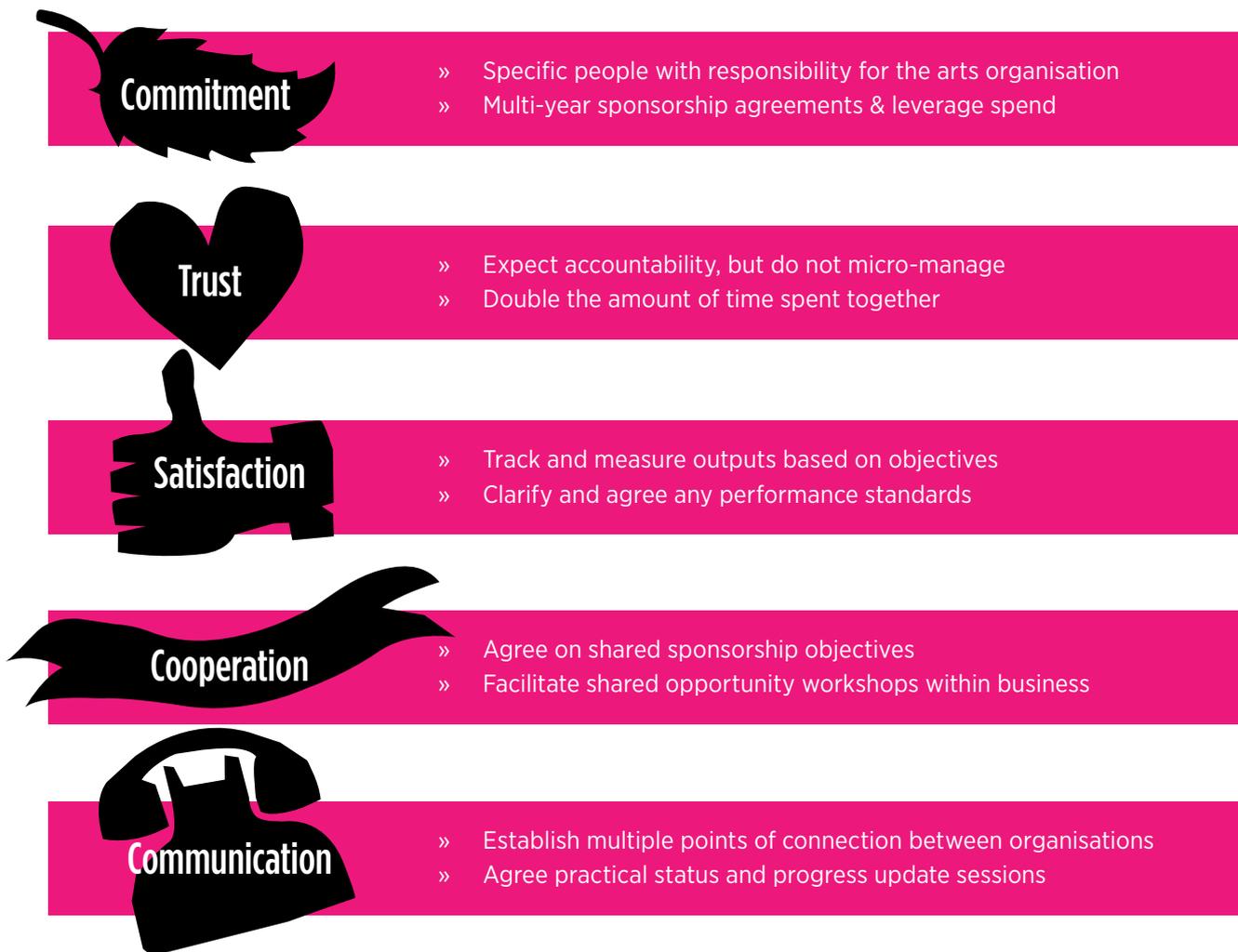


Figure 15: Approaches to strengthen relationships

### Exercise 13: Strengthening the quality of your arts sponsorship relationships

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*What steps can you take to address the concerns in your current arts partnership?*

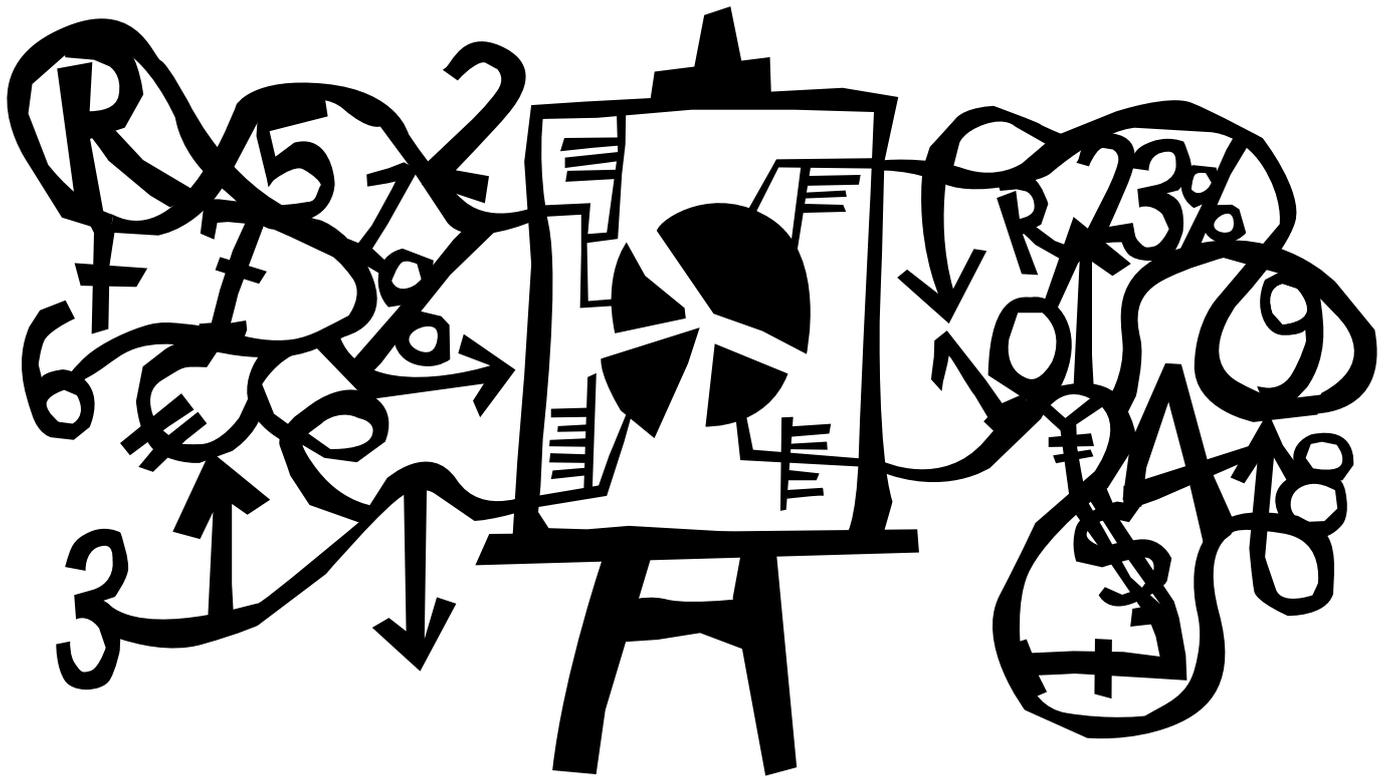
# ENDNOTES

<sup>19</sup> Adapted from The Sponsorship Agreement (2008). ***Sponsorship SA - an investor's guide***, p. 28.

<sup>20</sup> Adapted from Buhler, A. W., Heffernan, T. W., & Hewson, P. J. (2007). The soccer club-sponsor relationship: identifying the critical variables for success. ***International Journal of Sports Marketing & Sponsorship***, 8(4), 291-308.

<sup>21</sup> Adapted from Lund, R. (2010). Co-creating value in sponsorship relations: the case of the Royal Swedish Opera. ***International Journal of Quality and Service Sciences***, 2(1), 113-127.

This section of the toolkit deals with the numerous internal and external arts sponsorship leverage opportunities available to companies.



1: Dancing to a different tune



2: Engaging the muse



3: Singing in harmony



4: Activating the performance



5: Making the impact



6: Curtain call



Convention on the Protection and Promotion of the Diversity of Cultural Expressions



# Section 4: Activating the performance

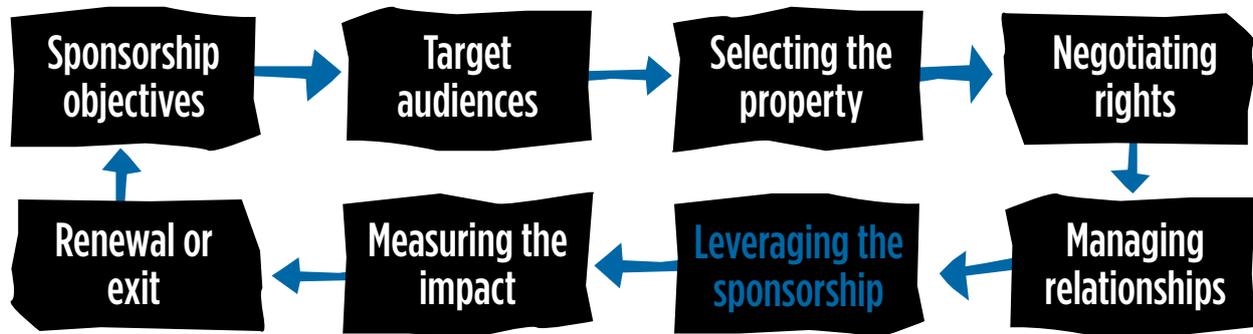


Figure 16: Sponsorship decision-making & management practices framework (Section 4 emphasis)

This section of the toolkit deals with the numerous internal and external arts sponsorship leverage opportunities available to companies.

Acquiring the rights to associate with an arts organisation, property or project merely provides the sponsor with the right to exploit the partnership to achieve its objectives. Without supporting the sponsorship through additional investment, often in the form of communication spend the achievement of the sponsor’s objectives may be unlikely. Increasingly, a portion of sponsorship leverage is being included in more “loaded” rights packages being made available

by arts organisations. These loaded rights would be included in the initial sponsorship agreement and cover certain advertising, branding, PR or employee-focused activities. The benefit of loaded rights to the arts organisation is to increase the appeal of their rights package, by reducing the expected leverage investment required by the sponsor. The logical flow from objectives to rights to activations to evaluation is outlined in Figure 14.

**“Don’t buy the toy if you can’t afford the batteries!”**

- Sponsorship director

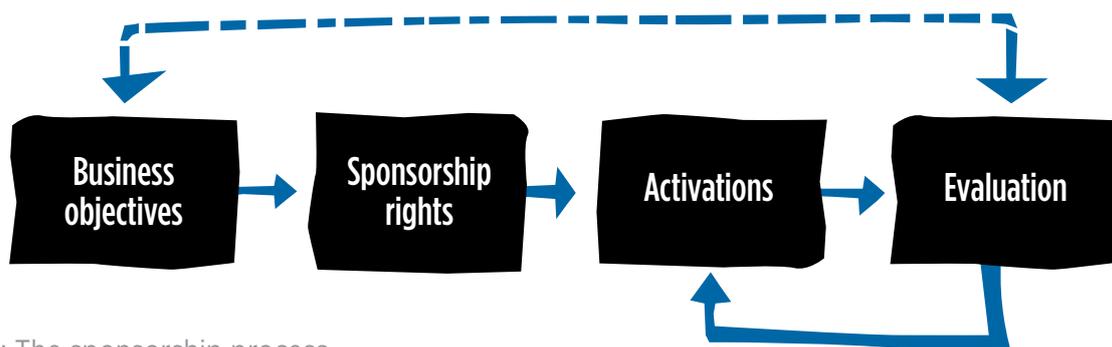


Figure 17: The sponsorship process

In section 2, we mentioned the idea of ‘created fit’, in which non-obvious associations between the sponsor and arts organisation need to be emphasized in order for the target audience to perceive a sufficient degree of fit. Sponsorship leverage or activation, which supports the rights acquired, can be used to assist the target market to recognise the created fit by providing an explanatory link between the two partners<sup>22</sup>.

In order to achieve the arts sponsorship objectives, the sponsor may wish to persuade a target audience of something. Previous research has pointed to the important role played by the strength of link between the arts sponsor and the arts property, the duration of the link, the gratitude felt by the target audience due to the sponsorship, and the level of perceptual change within the target audience experienced as a result of the sponsorship<sup>23</sup>.

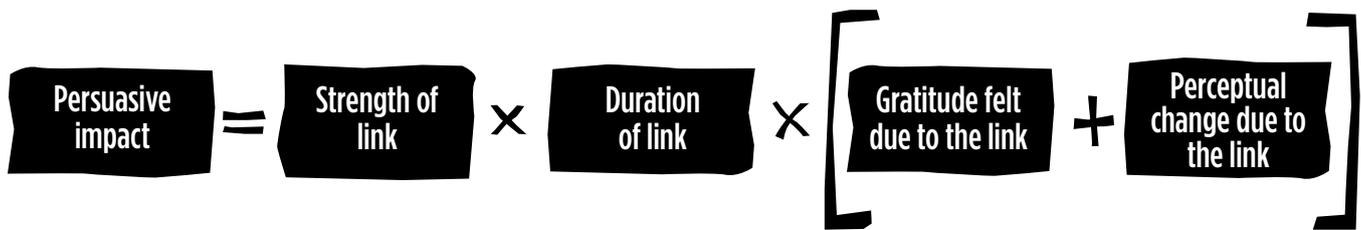


Figure 18: Model of the persuasive impact of sponsorship

The strength of link relates to the considerations of fit previously discussed. The longer an association between a sponsoring company and an arts property, the greater the persuasive impact. Gratitude is an important consideration within arts sponsorships, especially the support of previously struggling or poorer community-based art projects. Sponsoring companies who are able to activate their sponsorship through communication highlighting the ways in which their investment has enabled artistic expression may be able to increase the sense of gratitude felt, especially if the project or community is one that the target audience has an emotional connection to. An important caveat in emphasising gratitude is to ensure a high level of authenticity and the avoidance of any perceptions of over-commercialisation. The line between support and exploitation may be thin and needs to be

carefully considered by the sponsor in their activation communication. Excessive corporate hospitality and product or corporate branding that may be seen as inappropriate at an art project involving community members, and may negate any positive feelings of gratitude<sup>24</sup>. An effective communication campaign to support an arts sponsorship may be able to influence the way in which the target audience perceives the arts sponsor, especially if the fit between partners is emphasised for an association that the sponsor wishes to strengthen.

The recent BASA members' survey demonstrated the range of different leverage activities being employed by companies to support their arts sponsorships:

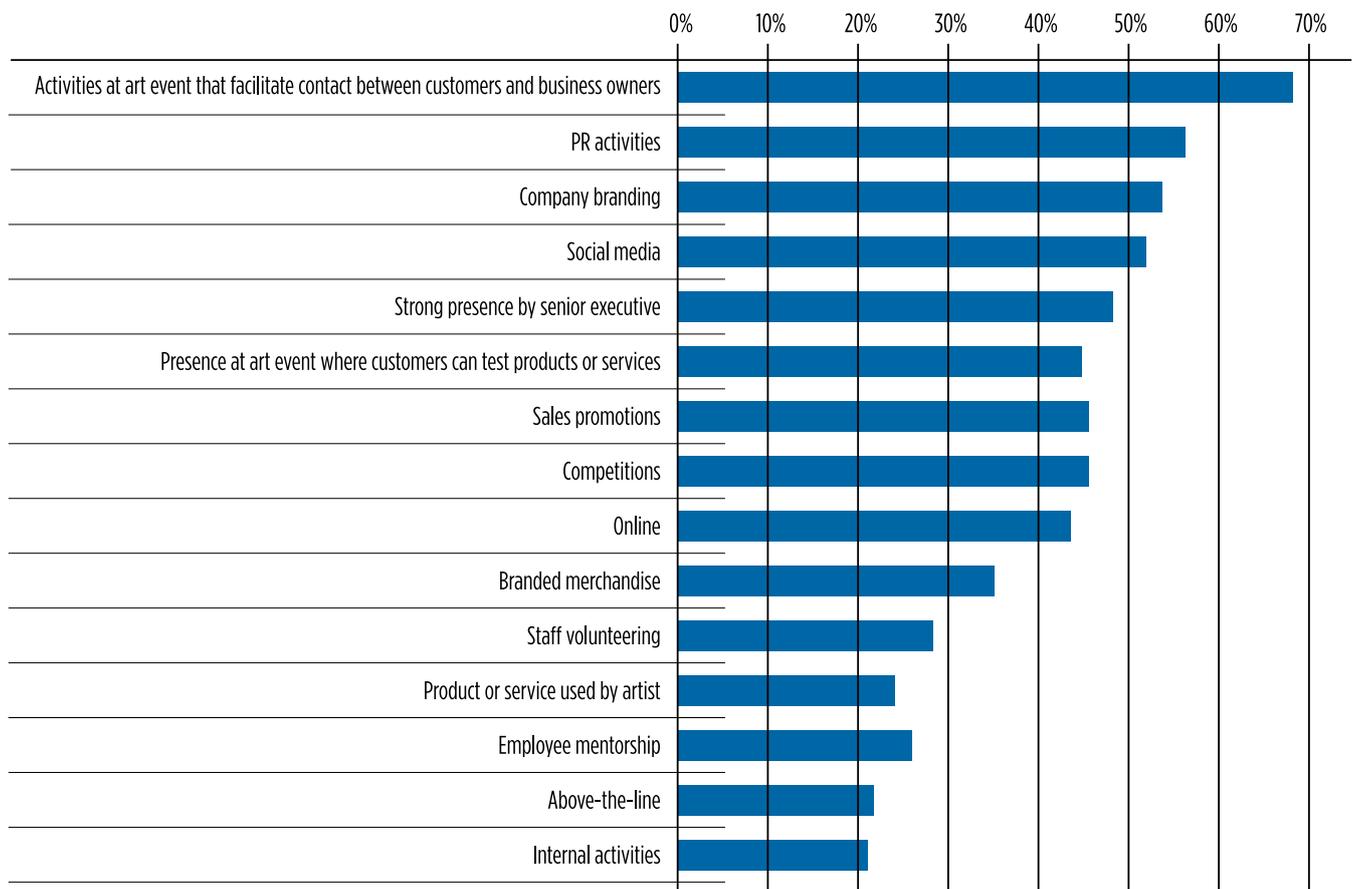


Figure 19: Leverage activities employed by BASA members

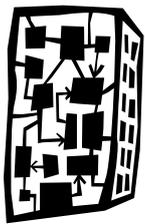
The BASA research went further to identify three sets of leverage activities being employed by members to support their arts sponsorships:

**Internal leverage:** This type of leverage activity includes staff volunteering, employee mentorship, internal activities, branded merchandise and company branding. The function involved in this leverage type is executive management. Scaled to 100, the score for this type of leverage is 37%.

**High contact, below-the-line leverage:** This type of leverage activity includes making products or services available for use by artists, presence at an art event where customers can test products or services, social media activities, and PR activities that inform about the sponsorship. The function involved in this leverage type is CSI/Foundation. Scaled to 100, the score for this type of leverage is 39%.

**Promotional leverage above-the-line:** This type of leverage activity includes online Internet or Mobile sites about the arts sponsorship, above-the-line advertising about arts sponsorship, sales promotions linked to arts sponsorship, art events activities that facilitate contact between customers and employees, and competitions linked to arts sponsorship. The function involved in this leverage type is Marketing/Sales/Communications. Scaled to 100, the score for this type of leverage is 49%.

Arts sponsorship leverage activities are therefore typically external marketing communication campaigns, although they can be balanced with internal employee-focused initiatives, especially when the target audience for a sponsorship are employees. The choice and combination of leverage activities is thus strongly influenced by the objectives set and the target audience selected.



### **SPONSOR LTD:**

Given Sponsor Ltd's objectives to support social cohesion among internal and external stakeholders in South Africa, Kenya and Nigeria by publicly challenging 5 core race-based stereotypes by the end of 2012, and to deepen their brand associations of creativity and business returns within existing clients and employees by 20% by the end of the current financial year, the management team decided on the following leverage activities:

**Internal leverage:** Strong senior management attendance and participation in the art project; team-based volunteering with the arts organisation to contribute creative ideas as well as tap into different frames of reference and contexts.

**External leverage:** Inclusive hospitality environments for employees and clients to engage with the artistic performances and each other; opinion-piece PR contributions that used the performances to generate public debate about race-based stereotypes in society; a specially produced client-focused book celebrating the agency's great advertising work that built strong brand equity.

## **Exercise 14: Deciding on leverage activities for your arts sponsorship**

*Reflect on your art sponsorship objectives and target audiences. Which internal leveraging activities would be most suitable to help you achieve your objectives?*

*Which external leveraging activities would be most suitable to help you achieve your objectives?*

# ENDNOTES

<sup>22</sup> Sohn, Y. S., Han, J. K., & Lee, S. (2012). Communication strategies for enhancing fit in the CSR sponsorship context. *International Journal of Advertising*, **31**(1), 133-146.

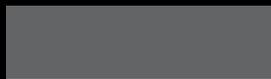
<sup>23</sup> Crimmins, J. & Horn, M. (1996). Sponsorship: From management ego trip to marketing success. *Journal of Advertising Research*, **36**(4) 11-21.

<sup>24</sup> Finkel, R. (2010). Re-imagining arts festivals through a corporate lens: a case study of business sponsorship at the Henley Festival. *Managing Leisure*, **15**, 237-250.

Tracking methods and the application of measurement tools in relationship to sponsorship objectives are explored in this section.



1: Dancing to a different tune



2: Engaging the muse



3: Singing in harmony



4: Activating the performance



5: Making the impact



6: Curtain call



Convention on the Protection and Promotion of the Diversity of Cultural Expressions



## Section 5: Making the impact

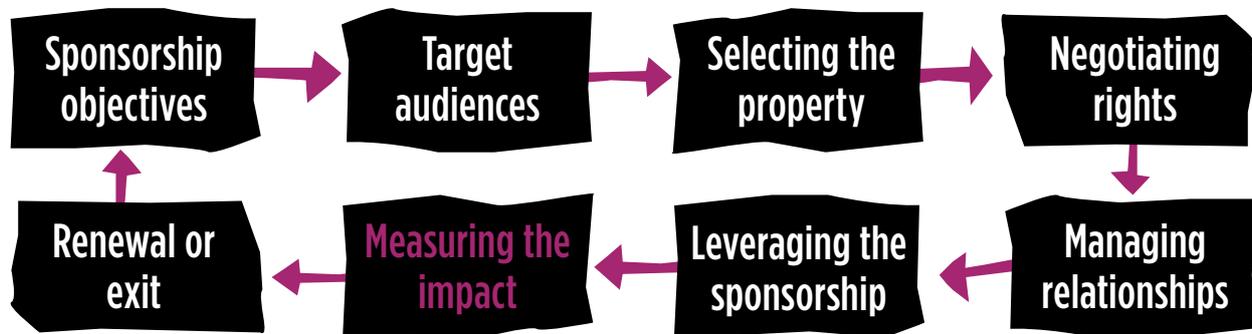


Figure 20: Sponsorship decision-making & management practices framework (Section 5 emphasis)

This section of the toolkit explores the multiple sponsorship and tracking methods available, as well as their use in monitoring achievement of objectives. Accurate, reliable and appropriate measurement and evaluation has been recognised as a significant challenge facing sponsors. Interestingly, the lesson being learnt is to measure what is critical (impact) versus what is easy (visibility)<sup>25</sup>.

An arts sponsorship measurement system should consider the following principles:

**Multiple measurements:** Measuring something at the end of a sponsorship only tells you what people think at that point. It provides no indication of any change and has limited potential to indicate the reasons why people may think this. Best practice sponsorship monitoring involves pre-sponsorship, during, and post-sponsorship research with comparable methods.

**The respondents matter:** Each arts sponsorship is directed towards a specific group of people, which could include current customers, prospective customers,

current employees, prospective employees, suppliers, investors, etc. Selecting a target audience of current customers and then conducting sponsorship research among the wider population (that may include a few customers) may be a significant waste of resources and provide little value.

### Comparing to those untouched by the sponsorship:

In some cases sponsors focus their research only on those who attended or participated in an art project. Should the research want to investigate whether a change has occurred (in awareness or meaning or behaviour) and whether this change is related to the sponsorship, it would be necessary to compare the data from the sponsorship group with a control group that was in no way touched by the sponsorship.

The recent BASA members' survey suggested that most arts sponsors were tracking the achievement of their objectives at the end of each year.

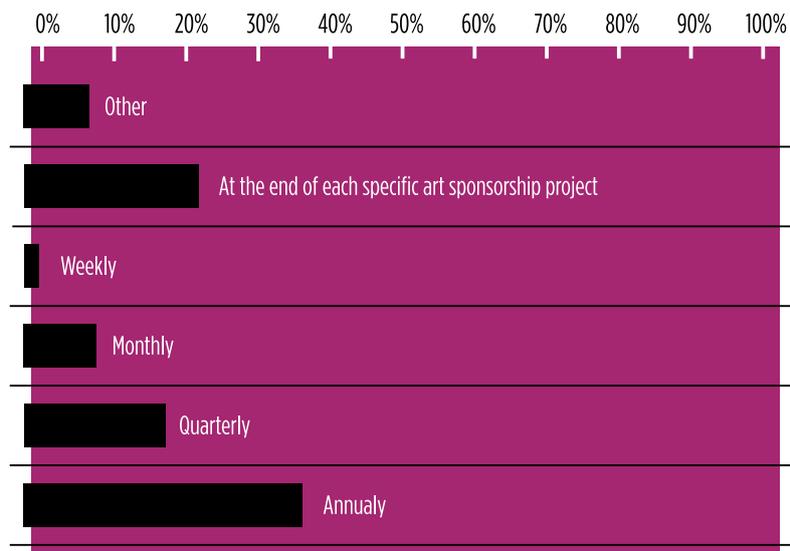


Figure 21: Point at which BASA members measure arts sponsorship objectives

The many different research activities that can be used broadly fit into three types: quantitative research, qualitative research, and media valuation.

**Quantitative research** provides a numerical value for the measures being investigated. This research is often collected from a relatively small sample of people to give an indication of the views of the broader population. The quality of the questions being asked and the suitability and representivity of the sample are important issues to consider. The most common methods for collecting quantitative data for sponsorship research include:

- » Face to face interviews
- » Telephonic interviews
- » Postal surveys
- » Internet or e-mail questionnaires
- » Self-completion terminals at art events
- » Internal sales cycle and revenue data

Depending on the arts sponsorship objectives and leverage activities, the following metrics could be tracked and monitored via quantitative research:

- » Brand awareness
- » Brand image
- » Brand consideration
- » Customer and employee satisfaction
- » Customer loyalty
- » Propensity to switch
- » Customer acquisition, retention and defection rates
- » Awareness of arts sponsorship
- » Image of arts sponsorship
- » Fit of arts sponsorship

**Qualitative research** focuses on the “why” questions and is used to understand why a target audience act or behave in a certain way. It provides insights into behaviours, motivations, attitudes, values and beliefs. Data collection would happen with a small group of people specifically selected for their characteristics or connection to the art project. The most common methods for collecting qualitative data for sponsorship research include:

- » Focus groups
- » In-depth interviews
- » Observations

Depending on the arts sponsorship objectives and leverage activities, the following metrics could be tracked and monitored via qualitative research:

- » Brand image associations and meaning
- » Customer attitudes and motives
- » Employee engagement
- » Image of arts sponsorship
- » Fit of arts sponsorship

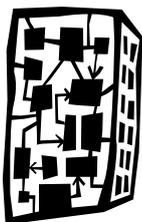
Media valuation research is used to track the extent of media coverage received by the sponsoring brand due to their involvement in the arts. It is best suited to arts sponsorship objectives related to awareness, where media exposure to larger numbers of people is valued. Media valuation places a monetary value on the “free”

exposure generated by the sponsorship on TV, radio, newspapers and magazines, by comparing the duration and type of media exposure to the standard rate card price to place an equivalent paid-for advertisement. The advantages and disadvantages of the three main methodologies are:

Table 5: Advantages and disadvantages of main measurement methodologies

	QUANTITATIVE	QUALITATIVE	MEDIA VALUATION
Advantages	Numerical data that can easily be analysed; Easily replicated and tracked over time; Larger samples can be researched	Insights into customer and employee attitudes and behaviours; May explain quantitative results	Method accuracy and acceptance; Objective and comparable results to other companies and sponsorships
Disadvantages	Survey quality dependent; Limited insights; Limited flexibility	Small numbers reached; Greater time & costs	Only focused on awareness objectives

**SPONSOR LTD:**



Sponsor Ltd’s objectives to support social cohesion among internal and external stakeholders in South Africa, Kenya and Nigeria by publicly challenging 5 core race-based stereotypes by the end of 2012, and to deepen their brand associations of creativity and business returns within existing clients and employees by 20% by the end of the current financial year. The management team decided to employ the following leverage activities:

**Internal leverage:** Strong senior management attendance and participation in the art project; team-based volunteering with the arts organisation to contribute creative ideas as well as tap into different frames of reference and contexts.

**External leverage:** Inclusive hospitality environments for employees and clients to engage with the artistic performances and each other; opinion-piece PR contributions that used the performances to generate public debate about race-based stereotypes in society; a specially produced client-focused book celebrating the agency’s great advertising work that built strong brand equity.

Given these objectives and leverage activities, Sponsor Ltd’s management team used the following metrics, which were measured before the arts sponsorship and in the weeks after the end of the sponsorship:

OBJECTIVES	RESEARCH APPROACH	METHOD TO USE?	METRICS TO TRACK?
Brand	Quantitative	Face-to-face interviews	Level of brand associations among clients related to creativity & business performance;
	Qualitative	Electronic survey Focus groups	Employee engagement survey; Employee discussions around igniting creativity
Society	Media valuation	Rate-card PR analysis	PR coverage related to challenging of race-based stereotypes

## Exercise 15: Developing your arts sponsorship measurement approach

Which research methods (focus groups, face-to-face surveys, etc.) and metrics (such as employee engagement) would be best suited to your sponsorship objectives, leverage activities and target audiences?

OBJECTIVES	RESEARCH APPROACH	METHOD TO USE?	METRICS TO TRACK?
Awareness	Quantitative		
	Qualitative		
	Media valuation		
Brand	Quantitative		
	Qualitative		
	Media valuation		
Revenues	Quantitative		
	Qualitative		
	Media valuation		
Society	Quantitative		
	Qualitative		
	Media valuation		

Which metrics will you gather before the sponsorship? Are there any metrics that would be useful to gather during the sponsorship?

## DIY research tool 1<sup>26</sup>: Measuring image fit between arts sponsor and arts organisation

The DIY research tool 1 below is one approach to measure the degree of fit between an art sponsor and the sponsored arts organisation or project. This tool can be used by the sponsoring company to survey an important target audience before the art sponsorship. The results, from a suitably representative sample of the target audience, can be averaged for each of the 6 sets of words. A low average score (3 or less) for any of the word sets should highlight possible lack of congruency, and therefore point to possible problems with the choice of art organisation.

*Please tell us how well you believe the image of our company fits with*

*[name of arts organisation]*

	1	2	3	4	5	
	1	2	3	4	5	
	1	2	3	4	5	
	1	2	3	4	5	
	1	2	3	4	5	
	1	2	3	4	5	

## DIY research tool 2<sup>27</sup>: Measuring the personality of your brand

The DIY research tool 2 below is one approach to track the personality of your sponsoring brand, before and after the art sponsorship. The personality of a brand is related to the attributes associated to the brand, therefore giving further insight into the meaning the important target audience associates with your brand. Should an art sponsorship be used to influence the meanings associated with your brand, this survey should be conducted with a similar profile of sample before the sponsorship and at least once after the end of the art sponsorship. The sponsoring company should decide which personality attributes they would like to emphasise or play down through the sponsorship, and then measure the extent to which the scores for these attributes change by the end of the sponsorship.

*Please tell us the extent to which you see our brand as:*

	NOT AT ALL	A LITTLE	SOMEWHAT	ABSOLUTELY
Down-to-earth				
Daring				
Reliable				
Upper class				
Rugged				
Honest				

Please tell us the extent to which you see our brand as (continued):

Imaginative				
Intelligent				
Charming				
Tough				
Wholesome				
Up-to-date				
Successful				

### DIY research tool 3<sup>28</sup>: Measuring brand awareness

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The DIY research tool 3 below is one approach to measure the level of brand awareness of the sponsoring brand, before and after the art sponsorship. In the unaided survey in research tool 3, a sample of an important target audience is requested to provide brand names that come to mind. The sponsoring company should track the extent to which their own brand appears on the list, as well as the order in which the brand names are offered. The percentage of respondents to mention the sponsoring brand, as well as the percentage that mentioned the sponsoring brand first, can provide a useful indication of the level of awareness of the sponsoring brand.

Please name all the brands of [insert: your brand's category, such as bank, mobile provider, mining company, etc.] you can think of:

Please name all the brands you would consider purchasing for [insert: your brand's usage or occasion, such as banking, loans, education, mobile communications, advertising services, etc.]

## DIY research tool 4: Measuring the emotions felt by a target audience

Thinking about yourself and how you feel after this art experience, to what extent to you feel<sup>29</sup>:

	NOT AT ALL	A LITTLE	SOMEWHAT	ABSOLUTELY
Active				
Afraid				
Alert				
Ashamed				
Attentive				
Determined				
Distressed				
Enthusiastic				
Excited				
Guilty				
Hostile				
Inspired				
Interested				
Irritable				
Jittery				
Nervous				
Proud				
Scared				
Strong				
Upset				

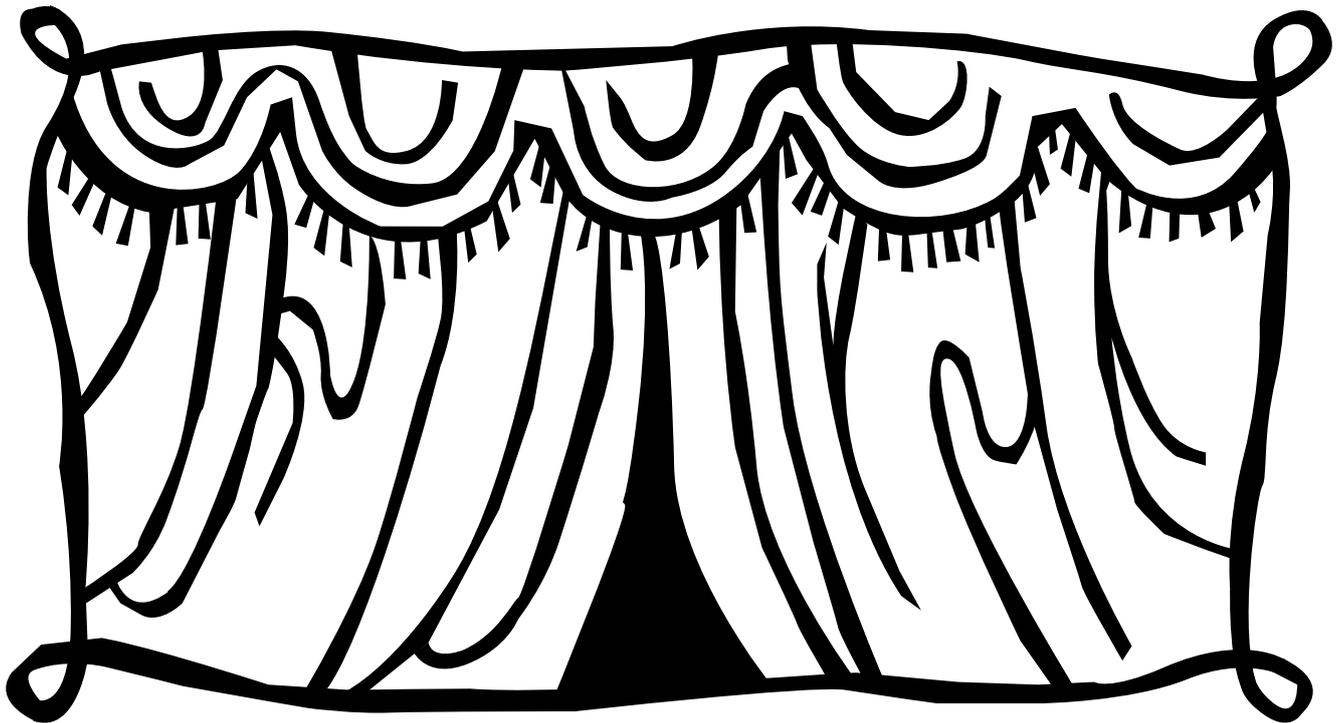
Please rate your emotions according to way this art experience made you feel<sup>30</sup>:

<b>HAPPY</b>	1	2	3	4	5	<b>UNHAPPY</b>
<b>PLEASED</b>	1	2	3	4	5	<b>ANNOYED</b>
<b>SATISFIED</b>	1	2	3	4	5	<b>UNSATISFIED</b>
<b>CONTENTED</b>	1	2	3	4	5	<b>MELANCHOLIC</b>
<b>HOPEFUL</b>	1	2	3	4	5	<b>DESPAIRING</b>
<b>RELAXED</b>	1	2	3	4	5	<b>BORED</b>
<b>JOYFUL</b>	1	2	3	4	5	<b>NOT JOYFUL</b>

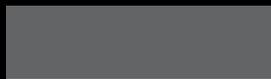
# ENDNOTES

- <sup>25</sup> Adapted from Houlter, F. (2009). *Sponsorship measurement and evaluation*. London: SportBusiness Group
- <sup>26</sup> Adapted from scale #306 in Bruner, G. C. (2009). *Marketing Scales Handbook*. Carbondale: GCBII Productions
- <sup>27</sup> Adapted from Aaker, J. L. (1997). Dimensions of Brand Personality. *Journal of Marketing Research*, 34(3), 347-356.
- <sup>28</sup> Adapted from Chandon, P. (2003). Note on measuring brand awareness, brand image, brand equity and brand value. INSEAD Working Paper Series 2003/19/MKT.
- <sup>29</sup> Adapted from Thompson, E. R. (2007). Development and validation of an internationally reliable short-form of the positive and negative affect schedule (PANAS), *Journal of Cross-Cultural Psychology*, 38(2), 227-242.
- <sup>30</sup> Adapted from scale #456 in Bruner, G. C. (2009). *Marketing Scales Handbook*. Carbondale: GCBII Productions.

Sponsor's considerations when renewing or exiting involvement in the arts, as well as the management of multiple sponsorships are discussed in this section.



1: Dancing to a different tune



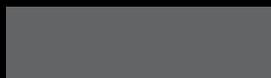
2: Engaging the muse



3: Singing in harmony



4: Activating the performance



5: Making the impact



6: Curtain call



Convention on the Protection and Promotion of the Diversity of Cultural Expressions



# Section 6: Curtain call

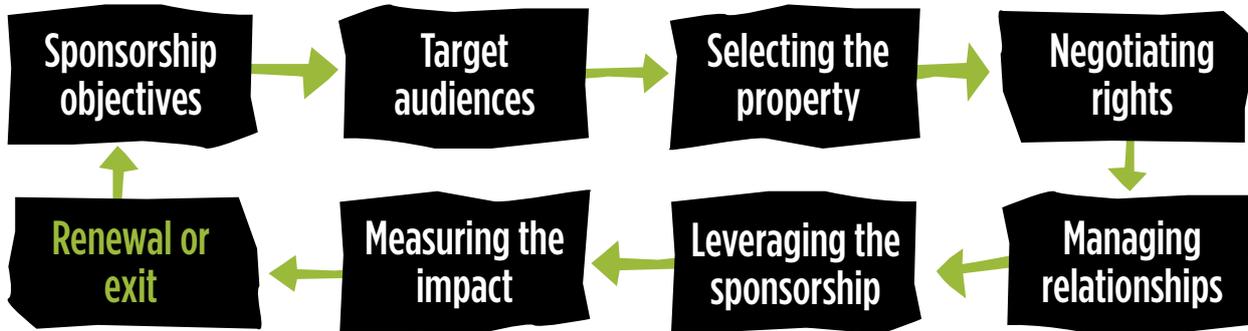
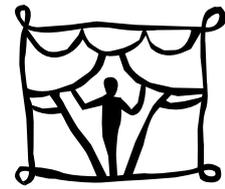


Figure 22: Sponsorship decision-making & management practices framework (Section 6 emphasis)

This section of the toolkit deals with a sponsor’s considerations when renewing or exiting involvement in the arts, as well as the management of multiple sponsorships.

Research suggests that a sponsor’s intention to renew is driven by the combination of the extent to which they are focused on the needs of the arts organisation they have partnered with, the extent to which the art property is focused on the needs of the sponsor, and the levels of trust and commitment the sponsor has in the arts organisation<sup>31</sup>.

Sponsorship relationships can fade for a variety of reasons, including the lack of the drivers of relationship quality discussed in section 3 of the toolkit. A weaker

relationship may be the forerunner of an unintentional exiting of a sponsorship contract. Research has identified the following triggers of relationship fading<sup>32</sup>:

- » Changes in the quality of relationship between the partners
- » Changes in the characteristics of the sponsoring company and/or arts organisation in the relationship
- » Changes in potential competitors
- » Changes in the broader contextual business environment

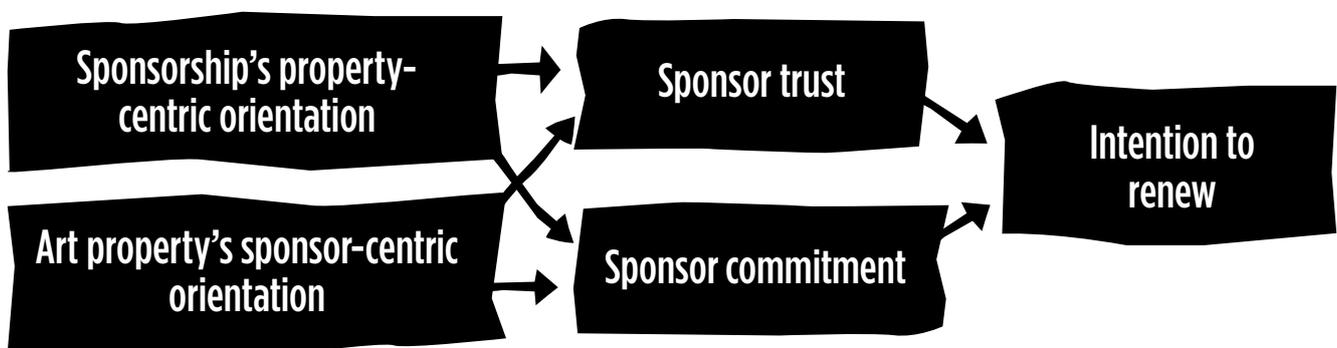


Figure 23: Drivers of intention to renew sponsorship

## Exercise 16: Assessing relationship fading triggers

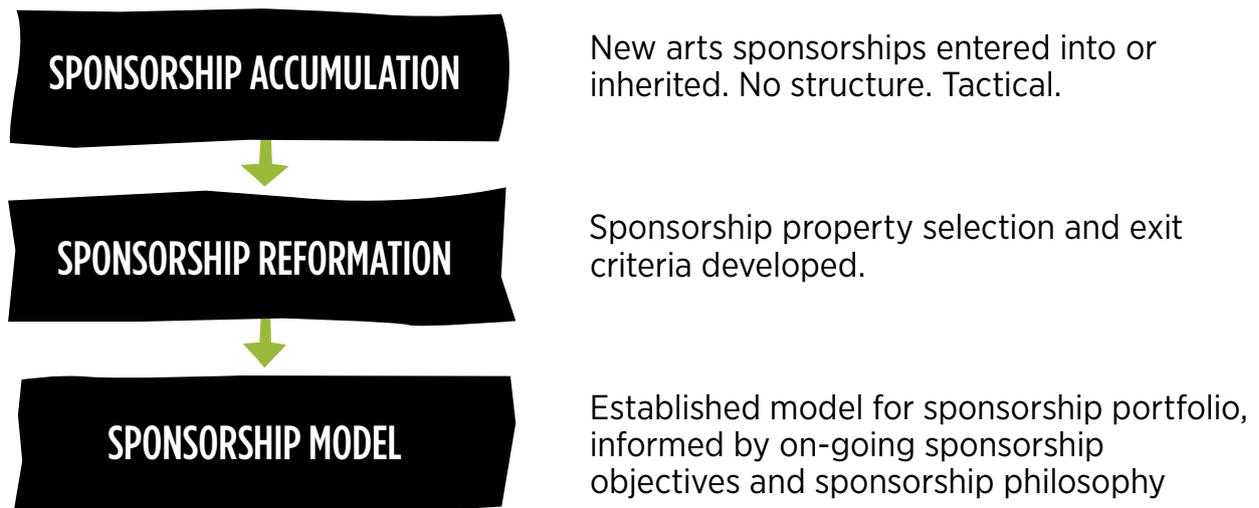
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*Are any of these triggers evident in your environment or relationship? If you don't intend to exit the sponsorship, how can you address any weaknesses that have appeared in the relationship?*

A sponsorship portfolio is the collection of sponsorships comprising sequential and/or simultaneous involvement with events, activities and individuals utilised to communicate with various audiences<sup>33</sup>. This may mean

that a company's arts sponsorship portfolio includes properties that are distinctive in image and may even be incompatible.

The development of a sponsorship portfolio typically follows three steps:



Research suggests that the perceived fit between a company's different arts sponsorships can impact the extent to which they contribute a positive brand image to the sponsor. Building a sponsorship portfolio that is

concentrated within one sponsorship category (such as performing arts) can enhance a sponsor's ability to transfer the positive image associations from the category to their company's brand.

## A FINAL WORD

The six sections of this art sponsorship management toolkit have been designed to support those firms and organisations involved in the arts. From reflecting on the strategic nature of one's art sponsorship, to making better decisions about target audiences and activation activities, to working on developing stronger relationships, to the hard considerations of

measurement and tracking, the toolkit provides a set of exercises and processes focused on enhancing sponsorship practice. In this way, art sponsors will be able to review, refresh and enhance their approach to the arts, while arts organisations will be able to position themselves to build more sustainable partnerships with their sponsors.

# ENDNOTES

<sup>31</sup> Farrelly, F. & Quester, P. G. (2003). What drives renewal of sponsorship principal/agent relationships? *Journal of Advertising Research*, **53(4)**, 353-360.

<sup>32</sup> Adapted from Olkkonen, R. & Tuominen, P. (2006). Understanding relationship fading in cultural sponsorships. *Corporate Communications: An International Journal*, **11(1)**, 64-77.

<sup>33</sup> Chien, P. M., Cornwell, T. B., & Pappu, R. (2011). Sponsorship portfolio as a brand-image creation strategy. *Journal of Business Research*, **64**, 142-149.