

Fundraising fact sheets:

Introduction to arts sponsorship series

Why do businesses sponsor the arts?

Corporate support of the arts has been an astonishing success story in the UK. From leading sponsorships, such as BP's support of the National Portrait Gallery and the Royal Opera House through to thousands of local sponsorships, such as Orkney Auction Mart's sponsorship of the Piers Arts Centre, the corporate sector has played an important role in the development of the arts in this country. Last year, total business support of the arts stood at £163m.

Businesses are under no obligation to do this. Nor are they doing it because they think that the arts are important or deserve their support. They are doing it only because they believe that by doing so, they meet one or more of their many business objectives.

A company's¹ primary purpose is to make a profit. After all, it is only by making a profit that they can survive. To do this, most companies have to succeed in a number of areas. Their staff has to be productive and what those people are producing has to work. Customers have to be found, requiring both a successful market place and some focused marketing. The environment in which they are trading has to be supportive, and this can be affected by local or national governments, by society or even by other companies. A successful business will have set objectives for performance in all these areas and a successful arts sponsorship will only happen if it addresses one of these objectives.

Most arts sponsorships tend to focus on objectives in marketing, staff and the trading environment (otherwise known as corporate affairs).

Marketing

The key marketing objectives for most businesses revolve around reaching key customers and shaping their understanding of the product to the extent that they will want to buy it. Sometimes this is achieved through obvious mechanisms such as advertising and product-sampling, sometimes the route is less direct, though no less effective, using things such as PR activity.

¹ A micro business has 5 or fewer employees; a Small or Medium sized enterprise (SME) has less than 50 (small) or 50-249 employees (medium). Public Limited Companies (plcs) is permitted to sell shares to the public. Detailed information on types of companies can be found at www.companieshouse.gov.uk

Direct access to a target market

Individual arts events tend to attract specific audiences, providing a company with a great opportunity to address a particular demographic group directly. The specific audience could range from a particular socio-economic profile to those based in a given locality. Many of these groups can be hard to reach through conventional marketing. An interesting piece of research into the demographic of arts audiences is Arts Council England's study 'Arts Audiences: Insight' which can be found on their website at:
www.artscouncil.org.uk/publications/publication_detail.php?sid=13&id=629

The key thing here is to ensure that there is a good link between an arts audience and a businesses' target customer base. The business could then use sponsorship benefits such as logo placement, advertising and product sampling to enhance their name and product awareness to their customers.

RIFCO Arts' partnership with HP Foods, for example, enabled HP's new product range through the Rajah brand to be promoted through the touring theatre show 'The Deranged Marriage'. Find out more about this in the Case studies section on
www.artsandbusiness.org.uk.

Enhance image

Sometimes in making a purchasing decision, the customer also considers the image of the business that made the product. Is that company a 'good' company? Do they have a 'moral' license to operate? Are they a trusted part of the community? There is still a debate as to how important these questions are when the consumer makes a decision but it is probably fair to say that for some consumers and some companies, they are very important. A business may sponsor the arts to build positive connections, attitudes and values in the minds of its target customers by linking the business with innovative and creative thinking. For more information on this area, take a look at our fact sheet on Corporate Social Responsibility in the Fundraising Toolkit.

If a company wishes to enhance its image through arts sponsorship, they are probably going to be as interested in things such as press coverage and PR as they are in logo placement. Photo opportunities involving cast members or well known artists are one obvious avenue to explore.

Entertaining

Not all marketing is about reaching every end-user. For some businesses, their customer base might also include wholesalers, retailers and other key individuals. It has long been recognised that a successful component in developing these individual relationships is

corporate hospitality. The right arts events can provide a perfect opportunity to meet in a relaxed, enjoyable and stimulating environment.

As well as key customers, clients or suppliers (current or potential), guests at these events could include shareholders, staff and opinion formers.

Staff

Staff costs are often the highest costs that a company faces. It is therefore vitally important that those staff are working to their most efficient and effective level. To achieve this, companies can use a variety of incentives that act to engage and enthuse the people who work for them, some of these obviously involve money (bonuses) but some are focused on the intellectual engagement of the staff and some involve the social aspects of work.

Staff development

Encouraging employees to volunteer, for example through schemes like Board Bank (details on our website) in which business people volunteer their skills and their time to sit on arts organisations' boards, can provide excellent personal and professional development opportunities.

Creative problem solving

Arts practitioners are renowned for imaginative, innovative ideas. Sponsors want to associate themselves with people who may bring new and exciting ways of thinking into their business world. See the research study 'Artful Development – how different art forms can address business issues' and 'Mapping Arts Based Initiatives' (Summer 2009) which can both be found in the Research pages of our website.

Corporate affairs

There are many factors that can influence how successfully a company is able to make a product and find a buyer for it.

For some companies, their corporate reputation is a key element of this and they will have developed a "Corporate Social Responsibility" programme to address this. Such a CSR programme will aim to strengthen their reputation for good corporate citizenship through improved community links, better environmental practices, stronger staff development programmes. To read more about this, see "Enhance Image" above and our fact sheet on – Corporate Social Responsibility.

Further information on our website

Arts & Business' annual Private Investment in Culture is a valuable resource packed with facts and figures and case studies about what businesses have supported.

Take a look at our case studies for some inspiring examples of business sponsorship of arts and culture.

Measuring Return on Investment fact sheet (within the Fundraising Toolkit) will help you see how companies measure the benefits of sponsorship.

The Value of Arts Based Initiatives reports in the research area of our website provide an in-depth analysis of the value of the arts to businesses.

Elsewhere on the web:

The Directory of Social Change's database is a useful starting point:
www.companygiving.org.uk

www.sponsorship.com is IEG's website which provides excellent information on the whole sponsorship market.

Attend one of our sponsorship training days

Why not visit our Events section on the website to find out when our next Introduction to Sponsorship course is taking place; we also have a special master class series titled Cradle to the Grave Giving running throughout 2009.

ENDS

Further information and other factsheets in this series can be found in the Fundraising Toolkit at: www.artsandbusiness.org.uk. This on-line service is being developed in partnership with Creative Choices°, the careers and professional development website for the creative and cultural industries.