THE IMPACTS OF CORPORATE SPONSORSHIP ON PRIVATE, NON-PROFIT GARDENS AND MUSEUMS

by

Stacey Shackelford

A thesis submitted to the Faculty of the University of Delaware in partial fulfillment of the requirements for the degree of Master of Science in Public Horticulture

Spring 1999

ACKNOWLEDGMENTS

I wish to thank the many people who have given their advice and guidance throughout my graduate studies. My thesis committee, made up of Janet Davis, James Swasey, and Bryant Tolles, deserves special gratitude for their time, commitment, and belief in my research.

As a Longwood Fellow I am grateful for the support of the Longwood Foundation, Longwood Gardens, Inc., and the University of Delaware. Without their support, this program would not exist to develop the leaders of public horticulture.

It has been a journey that I would not want to travel without the support and camaraderie of my classmates, Bill LeFevre and Claire Andorka. When I think about the best elements of this program, I think of the laughter, challenges, and successes that we have shared. Gerry Zuka, the glue that binds the Program, has been a lifesaver and problem solver in so many countless ways; she is irreplaceable and certainly appreciated.

Friends and family have made everything possible. I will continue to derive my inspiration from them. I do not believe they know how much I rely on them for laugh-therapy, support, understanding, and encouragement.

Lastly, thanks to all of the professionals I have met and with whom I have talked about this research. Their willingness to share their knowledge has made this little idea about corporate sponsorships into a thesis worth writing.

TABLE OF CONTENTS

ABSTRACT

Corporate sponsorship is becoming more widespread as a fund raising effort by private, non-profit gardens and museums. In this study, the researcher used five Impact Areas to measure how corporate sponsorship influenced the four case study sites. They were policies, finances, programs, staffing, and organizational philosophy. The researcher analyzed results after interviewing and collecting data. Corporate sponsorships did not impact policies; however, as experience is gained with corporate sponsorships, policies directly governing these relationships are expected to evolve. Sponsorships favorably impacted the financial state of the organizations because they are another fund raising avenue. The case study sites relied upon sponsorships to pay for large events and programs. Without this source of funding, programs would be smaller in scale and some programs would be cut from schedules. Staffing at these organizations changed because of corporate sponsorships to include personnel experienced with sales and marketing. Corporate sponsorships impacted the case study sites' organizational philosophy by causing it to focus externally on partnerships with other corporations and non-profit organizations.

Chapter 1

INTRODUCTION

Corporate sponsorship is a marketing communication tool defined as a relationship between a firm, which provides financial support, and an entity, usually a non-profit institution (d'Astous and Bitz 6). The International Events Group, the world authority on sponsorships, uses the following definition for sponsorships:

> A cash and/or in-kind fee paid to a property (typically in sports, arts, entertainment, or causes) in return for access to the exploitable commercial potential associated with that property (IEG 1).

Sponsorships allow these properties, usually non-profit organizations, to pursue their activities while sponsoring firms derive commercial benefits, usually in the form of marketing, that contribute to business goals and profits. This study consists of four case studies at public gardens and museum sites to determine how these organizations are specifically impacted by corporate sponsorships. From this raw data, conclusions and generalizations are drawn about the impacts of corporate sponsorship on the whole non-profit sector.

With the decreasing availability of governmental grants and the directive to make corporate philanthropy dollars work harder for the corporation, sponsorship is attractive to non-profit development teams and corporate marketing agents. It is the only marketing medium developed today that is strategically beneficial to the business community as well as the communities of its consumers (IEG 2). Corporate sponsorship is not just fundraising; however, it is also "friend-raising." It is focused on building personal relationships with businesses and their employees in an effort to, in the future, count on these new friends for other fundraising initiatives and community support activities.

Public gardens and museums are discovering themselves in the entertainment business, competing with sporting games, amusement parks, movies, performing arts, and other leisure activities for potential visitors' time. The services or attractions that give public gardens and museums an edge over their competitors are expensive, making partnerships highly desirable with corporations, which can provide the funds necessary for succeeding in today's entertainment market.

Corporations are bottom-line oriented; they are motivated by profit and are obligated to, at all times, increase share-holder wealth. If public gardens and museums, motivated by their mission statements, accept corporate-sponsored dollars, how will the differences between the two organizations affect their partnership? How can a sponsorship bridge the gap between these two entities?

Before entering into these partnerships, public gardens and museums should understand how other non-profit institutions have been impacted by sponsorships, both internally and externally. The data collected at the case study sites and the resulting conclusions can be classified into the following five Impact Areas:

1. Policies—How have internal and external policies changed at these organizations?

2. Finances/Budgets—Does corporate sponsorship affect other types of fund raising? Without sponsorship funds, what other source of funds would these organizations rely upon?

3. Programs—Which came first, the program or the corporate sponsor?

4. Staffing—How are the background, expertise, and characteristics of the staff members who work with sponsorships different from other development staff?

5. Organizational Philosophy—Has the internal culture of these organizations changed because of the corporate sponsorships?

Widespread use of corporate sponsorships began with the 1984 Los Angeles Olympics. Prior to 1984 sponsorship was limited to industries like tobacco and liquor companies that were prohibited from advertising on television. As cable television developed and advertising rates climbed, marketing professionals were searching for an alternative way to reach the television-insensitive "Baby Boom" generation. Sponsorship is the tool to reach this audience. It enables a participatory interaction between the sponsor and the sponsored project's audience that is more effective in speaking to its consumers than passive media advertising (Button 40).

As sponsorship evolved during the mid-1980s, it became the vehicle to increase brand awareness, improve corporate image, and provide an interactive experience for consumers (Button 40). Corporate sponsorship developed into the fourth branch of marketing with advertising, sales promotion, and public relations. By 1988, sponsorship was and continues to be the fastest growing form of media in North America, expanding at a rate of about 12% while advertising is projected to grow at 5.5% and sales promotion at about 6.7% this year (IEG 4).

Today, $7.6 billion is spent on sponsorship per year in North America alone (Kadlec 63). World totals are over $19 billion. Sponsorship was divided in the late 1990s into five divisions according to the organizations companies are sponsoring. Public garden and museum sponsorships fell into several of these divisions as will be discussed in Chapter 3, "Current Literature."

Corporations continuously have searched for ways to make every dollar spent visibly impact their profits. Sponsorship affects the bottom–line of a commercial corporation more than straight charitable or philanthropic giving does (Button 42). Public gardens and museums should carefully weigh their own strategic reasons and goals for sponsorship, and also understand corporations' motivating reasons and goals before beginning these relationships.

Chapter 2

RESEARCH METHODS

The researcher collected data by case study method at four public gardens and museums in the United States—two in the Midwest, one in the Southeast, and one in the Mid-Atlantic Regions. The Fundraising and Marketing Committee members of the American Association of Botanical Gardens and Arboreta (AABGA) received a general survey to determine public gardens for case study sites. The researcher sent the same survey to members of the Development and Marketing Committee (DAM) of the American Association of Museums (AAM). The DAM members who received the survey were determined by recommendations of the Chairperson of that committee. The researcher mailed a total of 52 surveys, The return-rate was 42% (see Appendix A for "General Survey" copy).

The researcher petitioned for and received Human Subjects Review Board approval by the University of Delaware. Board approval was necessary because of personal interviews included in case study research methods.

The researcher chose the case study sites from those returning the survey based on the following criteria:

- The public garden or museum shall be an institutional member of AABGA or AAM,

- The public garden or museum shall have been involved in corporate sponsorships for at least 3 years,
- The Internal Revenue Service shall classify the public garden or museum as a 501(c)(3) organization,
- The public garden or museum shall have over 50% of a project's total budget contributed by corporate sponsorships for the year surveyed,
- The case study sites shall be of varying ages, calculated since the year of incorporation, and
- The public garden or museum shall be willing to participate in this study.

Research of the available literature provided information to develop the five Impact Areas into which the data collected by the case studies would be classified. The researcher chose them for study because they are the most obvious areas that corporations could positively or negatively influence the public garden or museum. The Impact Areas will be discussed in Chapter 4, "General Industry Trends" and are as follows:

1. Policies—How much influence do corporate sponsorships have on organizational policies and the Board of Trustees as policy-setters?
2. Finances—As fundraising tools, how important are corporate sponsorships to the operating budget and how do they influence other donors?
3. Programs—After numerous years of sponsorship, if corporations decide not to sponsor what becomes of the programs supported by that sponsorship? Do corporations have influence over program offerings?
4. Staffing—What makes corporate development employees different from traditional development employees?

5. Organizational Philosophy—How has the unwritten, standard "way of doing business" of public gardens and museums been impacted by corporate sponsorships?

The researcher formulated case study questions and organized them according to the Impact Areas. Other question areas included: background information, board of trustees involvement, solicitation, and evaluation of the corporate sponsorship (see Appendix A for "Case Study Question" copy). Case studies consisted of in-depth interviews with the Marketing or Development Office employee whose job responsibilities include corporate sponsorships at the chosen sites. The following table describes the participating organizations.

Table 2.1 Case Study Site Organization Descriptions

Organization	Type of Organization	Years Since Incorporation	% of Project Budget Contributed by Corporate Sponsorships	Project Type
A	Museum	73	91-100	Special Event
B	Public Garden and Museum	47	51-60	Special Event
C	Public Garden	3	71-80	Special Event
D	Public Garden	21	51-60	Special Event

For each of the participating organizations the researcher recorded case study data and transposed it into response lists organized by Impact

Area. The researcher grouped similar remarks at each site and compressed them into themes called Institutional Directions. These were specific to each case study site and each Impact Area. Further grouping and compression of all of the Institutional Directions led to the formulation of General Industry Trends for each Impact Area that encompassed the case study sites' responses. Only the case study responses were included in the results reported in Chapter 4, "General Industry Trends." Literature to support the results was included in the Chapter 6, "Conclusions."

In addition to public garden and museum case studies, employees responsible for corporate sponsorships at three corporations were interviewed using a different question set (see Appendix A for "Corporation Case Study Question" copy). The researcher selected corporations based on recommendations by a thesis committee member with experience working with these corporations and their sponsorship employees. The researcher treated the data from these interviews the same as the case study data. The researcher transposed the responses for each interview into lists organized by Impact Area, and compressed and combined similar remarks. The researcher drafted the interview lists into Corporate Directions, with similar responses compressed and combined further to develop Corporate Trends. The Corporate Trends were the basis to draw results about the corporate point of view on sponsorship (see Chapter 5, "Corporate Trends").

Literature review was ongoing to substantiate the data, results, and conclusions. The researcher collected literature in the form of journal articles, books, and reference material throughout the data collection and data refinement process. The purpose of the literature review was threefold for this study. First the researcher used the information gathered from the current literature to substantiate a need for this research to be added to the body of knowledge. It was also used to determine if the topic was current or if another researcher had already discovered the impacts of corporate sponsorship. Finally, the researcher used literature from other sources to determine the best methods for this study. In this way, the researcher could minimize faulty methods by using previous research as a model or basis of research design.

Chapter 3

CURRENT LITERATURE

Mainstream corporate sponsorship began in 1984 with the preparations for the Los Angeles Olympics and sports sponsorship. Corporate sponsorship, however, includes more than just athletics and can be divided into five groups according to the type of property sponsored. The groups are as follows:

1. Sports: sponsorship of sports teams, athletes, sport arenas, and specific games and tournaments.

2. Entertainment tours and attractions: sponsorship of concert tours and traveling attractions.

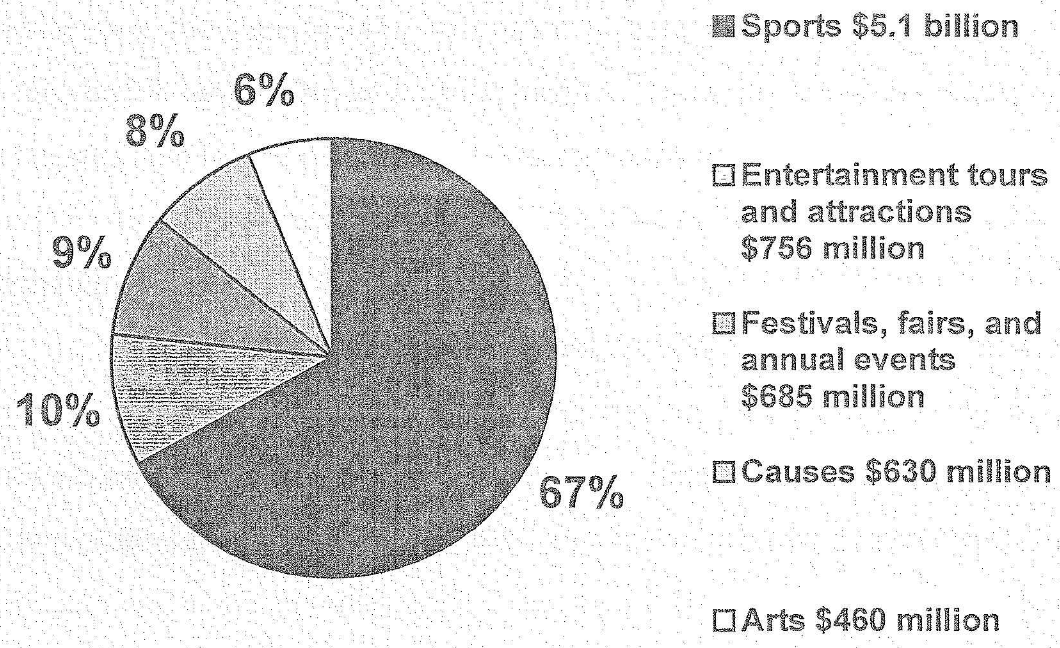
3. Festivals, fairs, and annual events: sponsorship of any special event or festival that does not travel to multiple cites or sites.

4. Causes: sponsorship of a social issue such as like health advocacy affiliations, environmental groups, or religious organizations.

5. Arts: sponsorship of arts events, opera performances, symphonies, exhibitions, or plays.

In 1999 North American sponsorship spending was projected as $7.6 billion. This figure was still regarded as a gross understatement of the suspected total of $17.1 billion because of the tight-lipped policy that many corporations have about divulging the accurate amount of money spent on sponsorships (Weaver 25). The following table shows the breakdown of spending based on type of property.

Table 3.1 1999 Projected North American Sponsorship Spending by Type of Property (*IEG Sponsorship Report*)



It is evident that sports marketing attracts the overwhelming majority of corporate sponsorship expenditures and it continues to be the most popular type of sponsorship. The other properties should not be disregarded as revenue generators because millions of dollars are spent on these each year and non-profit institutions tend to welcome money of any amount.

The growth of corporate sponsorships can be attributed to the increasing fragmentation of advertising media, changes in the economy, and changing demographics (IEG 6). Traditional advertising is costly and largely ignored by target consumers. This is apparent especially with television advertising when a channel airing a commercial is turned to another without commercials airing at that moment. If consumers are not being exposed to the advertising, the message the corporation is trying to communicate is not reaching the target. The advertising medium, therefore, has a decreased efficiency and is less desirable. Sponsorships allow communication through media other than television and print. The whole event or project becomes the communication tool.

Changes in the economy affect the way people shop. Consumers think about their purchases before buying and want the product to stand for a shared belief or value for making the world a better place. With changing demographics, mainly the aging of the population, shopping habits are affected and social priorities shift. Corporations have to track these changing values and reevaluate their sponsorships and marketing plans to align more closely with their consumers' preferences.

Public gardens and museums are typically involved in festivals, fairs, and annual events sponsorship; cause-related marketing; and arts sponsorship. Events sponsorship is the most common type of sponsorship for public gardens and museums. Corporations which sponsor special events are looking for brand awareness and improved image, but they are also using the event as a venue for entertaining current and prospective clients (Del Prete, 35). Events are participatory in nature and the corporation's plug is not a 30-second commercial. It is the whole event. Events create enjoyable experiences (fun) for the consumer and provoke an emotional response. As a consequence, connections are created in the consumer's mind, fabricated by the corporation, between the emotion of the experience and the product. This can cause consumers to block out any negative feelings they have toward a product. As a result the product has been differentiated within the marketplace from its competitors (Button 41).

In cause-related marketing, corporate assets are leveraged by adopting social issues to support brand positioning. Cause-related marketing is dependent on a strong relationship between a company (or product) and a core customer value. This alignment builds trust and deepens relationships, such as brand loyalty between consumers and companies, and makes a company (or a product) stand out in the crowded marketplace of substitutable goods (Benezra, 38). In one study performed by Cone Communications Inc., a Boston firm specializing in cause related marketing, 59 % of consumers wanted companies to take action on issues that affect local communities (Harris, 32).

Arts sponsorship in public gardens and museums is characterized by performances of arts groups using the existing building or facilities as a performance venue. The sponsorship opportunity is the performance or exhibition. By sponsoring the performance, the corporation is demonstrating its support of the performing group and is attempting to associate itself with that entity. The desirable reputation of the performing group encompasses the corporation in this association and creates a link in the consumer's mind between the corporation and the arts group. This type of sponsorship is similar to events sponsorship.

Matching the core values and goals of the corporations to those of the non-profit is the key to successful corporate sponsorship (Benezra, 39). Non-profit organizations need to map out their goals to determine the best type of sponsorship for them. A beginning step for sponsorship solicitation is through personal contacts between corporations and board of trustee members, significant donors, staff members, and anyone else connected with the organization. Board members have been the most fruitful source for corporate contacts and as new members rotate onto the board, these contacts will never exhaust themselves. Corporate membership programs, which are distinct from corporate sponsorships, (see Appendix B, "Corporate Sponsorship Verses Corporate Membership") are also fertile grounds for soliciting sponsors. Besides personal contacts, corporate fund raising research is an invaluable tool to determine specific corporations' goals and directions for sponsorship. Vital to the success of any sponsorship solicitation is the full knowledge of the non-profit's sponsorship goals and the corporation's sponsorship goals (Benezra 39).

Before any money or equivalent has changed hands, non-profit employees spend an average of six to eighteen months negotiating the sponsorship arrangement. Sponsorships are contractual agreements between the non-profit and the corporation that have a limited life and are subject to the terms and benefits outlined in such contracts. They can be as simple as confirmation letters, or as complex as notarized and witnessed contracts written by lawyers. Rights vary with scope of property and level of sponsorship purchased. Typical sponsorship rights and benefits of the corporation are as follows:

- Official sponsor designation
- Category exclusivity
- Right to use marks and logo in any advertising and promotion
- Identification in property's media purchase
- Identification in promotional and collateral materials
- Complimentary ad in program book
- On-site product sampling
- Exhibit/display space
- On-site product sales
- VIP invitations
- Ticket allocation
- Discount on additional tickets
- On-site signage
- Access to mailing list
- Discount on merchandise
- Title to propriety event within larger event
- Public-address announcements
- Right of first refusal to purchase ad time on event telecast

- Renewal option
- Opportunity to survey audience (IEG 17).

Negotiations for sponsorships can be laborious because of the difficulty in pricing the above benefits. The sum of the tangible benefits of sponsorship, such as tickets or invitations, is always lower than the fee paid by a corporation. They are paying mostly for the association with the non-profit's reputation. While this can be hard to quantify correctly, the sponsorship professionals in the sample group used data from comparable organizations to price their sponsorships. When that was not available, they made an estimate as to how much the corporation would pay for the benefits. Typically, benefits increased with increased support. Experience dictates that pricing sponsorships becomes easier as more sponsorship is contracted. Non-profits offer sponsorship packages to the corporation. Both organizations then negotiate price according to what benefits the corporation is interested in receiving.

Savvy marketing agents in corporations understand that sponsorship will have the greatest effect on their bottom-line if they take the opportunity to leverage the sponsorship. The full value of the property's reputation will only be realized if the sponsorship is a central springboard of a complete media attack. According to Jed Pearsall, President of Performance Research, a Newport, Rhode Island company that measures the effectiveness of sponsorship events, corporations should expect to pay three times the sponsorship amount to make the most of their investment. This extra leverage in the form of additional funds is usually spent in advertising and is not part of the contract between the property and the corporation. Nor is it included in calculating the North American Sponsorship Spending Total (Button 42).

The next logical question is why do corporations sponsor? The motivating factors behind sponsorship for corporations are as follows:

1. Heighten visibility: events get wide exposure on print and electronic media venues, and purchasing this exposure outright would be prohibitively expensive.

2. Shape consumer attitudes: events have a lifestyle association that a corporation may want to have a rub-off effect on their product's reputation.

3. Communicate commitment to a particular lifestyle: with the demise of mass marketing, sponsorship allows companies to hone in on a niche market.

4. Differentiate products from competitors: sponsorship provides a competitive selling advantage in linking the event experience to its product.

5. Entertain clients: events are the ideal setting for informal networking.

6. Combat larger ad budgets of competitors: the cost-effectiveness of supporting a local public garden or museum relative to other media advertising levels the playing field for smaller companies to compete with national corporations (IEG 11).

The most effective way to sign-on a corporate sponsor is to fulfill more than one of these objectives with any one sponsorship. Corporations would rather fulfill all or most of these with one large sponsorship rather than satisfy one goal per smaller sponsorship and perform many sponsorships each year (IEG 13). Business is leading to increased efficiency in every stage and it is the responsibility of public gardens and museums to see that this type of consolidated opportunity is being offered to corporations.

Sponsorships are not quantifiable, so fees cannot be the additive sum of the tangible benefits; therefore, sponsorship evaluation is not as straightforward as other marketing evaluation techniques like calculating the number of exposures per thousand dollars spent (see Appendix C, "Evaluation of Corporate Sponsorships"). Corporate leveraging of the sponsorship, with extra money or services not in the contract, is not always done, but sponsorship research and the case studies prove that it can increase the corporation's success in fulfilling its sponsorship goals. According to the sample population used in this research, if a corporation decided to sponsor again, the sponsorship was considered a success. Corporations should evaluate the success of their sponsorship on how well the events assist in building and maintaining the target customer base (Marment 17).

With all of this excitement and possibility for increased support in the form of corporation sponsorship, non-profit organizations might jump into partnerships without understanding the full impact. Corporations and non-profits are from two different worlds and learning about each other is a good beginning place. Also, learning from comparable organizations' experiences with corporate sponsorship will be beneficial to the non-profit sector. As literature was reviewed, it became apparent that no studies had focused on the impacts of corporate sponsorship on public gardens and museums. After informed discussion and thought, five Impact Areas were chosen to be the basis of this research and to determine these effects. The data collected and presented here corresponds to these areas and was classified according to them. The balance of this paper will be used to discuss these impacts and the results for each as discovered at the sample case study sites.

Chapter 4

GENERAL INDUSTRY TRENDS

The General Industry Trends are the result of the compression and grouping of the responses from the case study interviews. As described in Chapter 2, "Research Methods," similar responses were grouped and compressed to form Institutional Directions for each case study site. These were grouped and compressed further into the following General Industry Trends. The trends are organized according to Impact Area—Policies, Finances, Programs, Staffing, and Organizational Philosophy. The Impact Areas were chosen from the review of current literature. The data represented in this chapter came directly from the case study site responses and does not represent literature collected, unless otherwise cited.

Impacts on Policies

Policies are the governing rules by which a non-profit organization is led. They are the embodiment of the trustee's responsibilities of care and governance. Policy is set by the board under some recommendation or need established by the organization. Corporate sponsorship is a relationship, and as such, would be expected to fall under some policy, dictating terms and agreements for these relationships. For this study, if a policy exists, it is considered an impact of corporate sponsorship on the non-profit organization.

As trustees are the individuals responsible for establishing policy, it is important to understand some characteristics about the boards of the case study sites. A nominating process that includes a nominating committee of the board selects trustees. The approximate age of trustees at these organizations is fifty-one years old. There is an average of forty-three trustees on each board and their professions ranged from technical expertise, education, community leaders, business, and law. Fund raising is a major priority for the trustees in three out of the four organizations, but mainly in contributing to and leading the capital campaigns. Fund raising ability is not a strong requirement for board membership. Contacts and networks of trustees are used extensively to open the doors of several corporations, but like fund raising, are not requirements for board membership.

At each of the case study sites the board had little influence or even input into the decision of which corporations were solicited for corporate sponsorship. The corporate relations employees of the garden or museum were responsible for making these decisions and used their judgement to determine corporations who could be a match to the organization. All of the corporate relations employees interviewed indicated that if they made a poor judgement on a sponsoring corporation, the board would express their disapproval. However, that had not happened yet at the time of the interviews.

Policies can be split into two distinct types—those guiding external relations and those guiding internal relations. Examples of external guides are sponsorship process guidelines, fundraising policies, advertising and public relations policies, and community relations policies (donation of excess materials, community outreach). Examples of internal policies are employee relations policies (time off, wages, benefits), employees communication standards (by memorandum, e-mail, or telephone), and performance appraisals and job requirements. Table 4.1 is a summary of the findings at the case study sites for Impacts on Policies.

Table 4.1 Impacts on Policies

Organization	Impact on External Policies	Impact on Internal Policies
A	N	N
B	N	N
C	Y: price setting for sponsorships	Y: internally circulated sponsorship checklist
D	Y: rental policy favors corporations	N

The case study sites have no specific written external policies that guide the sponsorship process. The judgement of the corporate relations employees prevails in this situation. The only written policy for the process of solicitation and partnering for corporate sponsors is on pricing standards at one organization. This organization has written policies established by the board of trustees for price setting. The other organizations establish pricing using data from comparable organizations to determine their pricing structure. When there is no comparable data, pricing becomes more of an estimate by corporate relations employee of what the company is willing to pay. All of the case study organizations participate in this arbitrary guessing game when pricing sponsorships. The case study organizations also expressed some regret by stating a price and it being quickly accepted by the corporation without any negotiation. This leads the corporate relations employee to believe that a higher price could be negotiated for the sponsorship package.

The only other external policy that has been impacted by corporate sponsorship is the rental policy. Public gardens and museums are often used as facilities for entertaining and banquets. At some institutions, rental fees are a large portion of the earned operating budget and are relied upon to support many of the important projects these organizations provide. Two of the case study organizations have changed their rental policy to favor sponsoring corporations over corporations that do not sponsor. This reinforces the partnership qualities of sponsorship and guarantees the corporation a venue for entertainment opportunities, one of the reasons for sponsorship mentioned in the previous chapter.

Only one organization has changed its internal policies. This organization developed an internally circulated form to track sponsorship fulfillment responsibility (see "Sponsorship Checklist" copy in Appendix A). This form enables direct communication with all of the departments that are responsible in fulfilling the sponsorship agreement. All of the case study sites remarked that the sponsorship process is very disjointed. Corporate relations employees establish the contract and numerous other departments fulfill it, from public relations employees sending out ads including the sponsor's name to gardeners making sure the logo sign is displayed correctly in their section.

One organization remarked that in the future it hopes to have a work-group comprised of all of these positions, especially public relations. All sponsorship activities, from contract negotiation to fulfillment, would come from this one group which would function like its own department.

Corporate sponsorship did not affect policies in a way that hindered the organization as a growing and developing entity. The impact sponsorship had on policies at the case study sites was negligible. Since many decisions about corporate sponsorship seemed to be in the judgement of the corporate relations employees, the board of trustees was putting a tremendous amount of faith, trust, and power into their hands. If the board does not regulate this power, the individuals hired to these positions must be carefully considered and screened.

Since there were few policies written and accepted by boards of trustees on the subject of corporate sponsorship at the case study sites, a logical conclusion is that sponsorship did not impact policies. However, the case study sites agreed that if they were to use their judgement in a way that was not in accordance with the present sentiments of the Board, they would hear about the disagreement. As a result of this concern, in the future, as corporate sponsorships become more widespread and more projects are funded by sponsorships, new policies will evolve with this gain in experience. Therefore policies should become impacted more by corporate sponsorships as new policies evolve.

Impacts on Finances

Individual charitable donations far exceed sponsorships as a percentage of total contributions in this country and are expected to continue to do so in the future. When compared to donations, sponsorship is considered "difficult money" in that it is time-consuming and requires effort on the part of the organization to make sure the contracted services are provided. It is a *quid pro quo* relationship and requires more follow-up work than a simple donation to the annual fund for instance. So, since sponsorships are a significantly smaller percentage of total funds contributed than individual donations and they are more work than straight donations, what do they add to the organization's finances?

Corporate sponsorship is a type of fund raising. With the decreasing amount of governmental grants it is becoming more important to many organizations which depend on them for operating and special event support. From the literature and the case study sites, corporate sponsorship is considered as another source of funding, different from individual donations and grants, and should be treated as an alternate way to fulfill fund raising goals. Within the corporation, it is a distinct and separate account from philanthropic corporate contributions. If the non-profit organization cannot get a simple contribution, sponsorship may be the only way to get funding from that company. Many organizations, the case study sites included, "double-dip" and receive corporate philanthropic contributions and corporate sponsorship. Table 4.2 is a summary of the findings at the case study sites for Impacts on Finances.

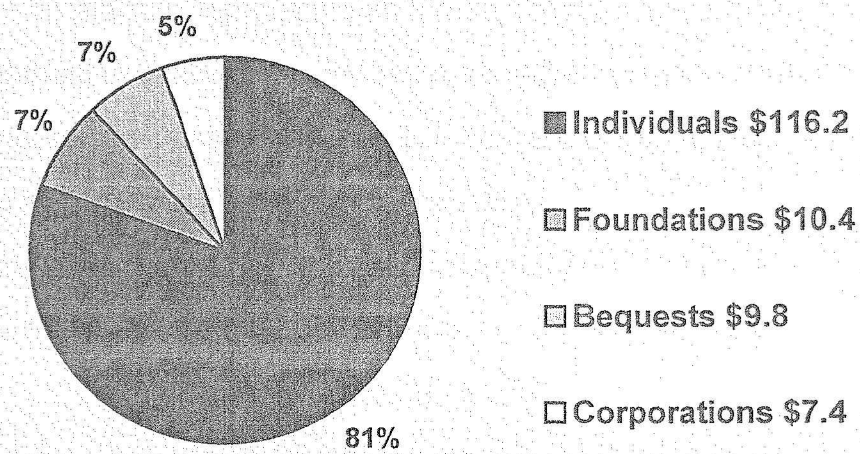
Table 4.2 Impacts on Finances

Organization	Impact on Fund Raising from Individual Donors	Impact on Fund Raising from Grants
A	N	Y: proof of community support
B	N	Y: proof of community support
C	N	Y: proof of community support
D	N	Y: proof of community support

At the case study sites, corporate sponsorships did not impact the ability of an organization to raise funds from individual donors. Since individuals contribute about 80% of all of the philanthropic dollars in the United States, if sponsorships did negatively impact individuals, the tradeoff between the two types of funding would be a high stakes decision (Kadlec 63).

Sponsorships are another avenue to reach fund raising goals. Donors give support for different reasons than the reasons why corporations sponsor. They give money because of some emotional response for the mission of the organization and a link to their own ideological beliefs. At the case study sites, whether a non-profit has corporate sponsors did not factor into the individual's decision to donate.

Table 4.3 Giving in America, by source 1995, in billion of dollars (Kadlec 63).



Fund raising from grants is favorably impacted by corporate sponsorship at the case study sites. To receive a grant, proof of community support is required. Corporate sponsorships act as evidence of community support. In addition to community support, willingness on behalf of the organization to raise needed funds in many different ways is looked upon favorably by grantors. For these reasons, even though corporate sponsorship is "difficult money" and does not contribute as much percentage-wise as individual donations, it can help with fund raising from grants and act as proof of community support for the organization.

Community support is also demonstrated by visitor attendance at special events, which are prime sponsorship opportunities and fulfill many of the reasons corporations sponsor. With any sponsored project, the sponsorship funds pay for the project and there is not much money left to contribute to other funding needs, like the general operating budget. All of the case study sites expressed interest in using less of the sponsored dollars for the project and funneling more into the general account of the organization. This can be difficult, especially with the high level of competition in the entertainment business that requires extravagant amusements at a phenomenal cost to attract the public's interest. Compounded with the difficulty in pricing and determining the willingness of the company to pay, the desire to have more sponsored funds diverted into the operating budget will continue to be just that and not a reality.

Corporate sponsorships favorably impact the financial state of an organization. They provide another avenue to explore to reach fund raising goals and enable organizations to serve their visitors better with programs, projects, and events. They do not affect fund raising from individuals and provide organizations proof of community support for grant proposals. Without corporate funds in the form of sponsorships, organizations would have to rely on general operating revenue, admission fees, and fund raise more aggressively from individual donors.

Impacts on Programs

In the realm of budgeting, certain funds are earmarked for certain purposes. Corporate sponsorship dollars are no different, the corporation is expecting sponsored money to go to a specific, agreed upon program, project, building, special event, or any other activity.

One concern of sponsorship opponents is that introducing corporate funding and *quid pro quo* relationships also introduces the possibility of mission drift. Mission statements define the purpose of the non-profit organization and all of their activities should support the mission. Mission drift is when an organization is not basing all of its activities on the mission statement and thus is not providing the services it aimed to provide with the adoption of its mission. Mission drift can occur for many reasons, one of which is that the organization is so starved for funding that it is willing to compromise its mission for the sake of the donor, whether that be a corporation or an individual. In this case, sponsored programs would only occur because of the sponsor. Without that funding and interest on the sponsor's part, the program would be eliminated from the program schedule because it served no purpose to the mission. For this reason, the case study sites all followed the same general philosophy that programming is driven by content and not by funding source. Therefore, program ideas are developed first and then the sponsors are found.

Sponsored programs tend to be projects that are made bigger to attract sponsor attention. There is a cycle to corporate sponsorship attraction. In order to attract sponsors, the sponsored program must be visible and be a media draw as well as a visitor draw. This costs more money than if the program was not going to attract corporations as sponsors; thus, more money in sponsorship is needed and necessary to fund this attraction. Table 4.4 is a summary of the Impacts on Programs.

Table 4.4 Impacts on Programs

Organization	Impact on Programming Decisions	Impact on Size of Program	Impact on Program Planning
A	N	Y: larger events	Y: longer range planning
B	N	Y: larger events	Y: longer range planning
C	N	Y: larger events	Y: longer range planning
D	N	Y: larger events	Y: longer range planning

The case study interviewees agreed that without corporate sponsorships, programs, namely special events, would be smaller and have less of the "dazzle" that can be a major selling point for corporations. Perhaps without this element of extravagance, fewer visitors would come to the institution for the program, fewer donors would be cultivated from the emotional response to the place and event, and fewer people would support the organization. The connections between mission-driven programs, visitors, and fund raising can be quite extensive and will be discussed in Chapter 6, "Conclusions."

In preparing non-profits for sponsorships, Dave Nelson, President of Special Events Forum in San Jose, California, urges charities not to confuse the mission of their institutions with the mission of their special events. The mission of the public garden might be horticultural education using display and research programs, but the special event mission should be to make as much money as possible to enable the organization to carry out its educational mission. Making money is making profit and the difference between profit and loss on a program might be the amount of a sponsorship. Organizing a special event that flops in attendance or profit is worse than accepting money from a sponsorship and attending to the corporation's needs (Nelson 33). Mr. Nelson believes the programming question should be less of a problem between profit and principle, and more of a problem of profit and loss.

All of the case study sites plan programs and then find funds to support them. Corporate sponsorships impact programs by making them bigger occasions with more "dazzle." This may act to attract and keep corporations interested in sponsoring. This creates a cycle of having to solicit more corporations to offset the cost of programs designed to attract corporations in the first place. Corporate sponsorships also force organizations to plan farther in the future for any sponsored project and encourage strategic planning efforts.

Impacts on Staffing

Within the sample group of case study sites, the development offices evolved in a distinct pattern. First came the annual fund, then grants, then membership, then the bequest and planned giving, and finally corporate development. This evolution may not be true for all development offices, nor is it always linear. The sample group agreed that first priority of their development offices was to concentrate on those areas where they would be able to raise the most funds with the smallest amount of follow-up work after the money is secured; therefore, corporate development was the last to be instituted.

Comparatively speaking, corporate sponsorships require the most follow-up work after the money is secured. As stated before, they contribute the smallest percentage of giving in the United States whereas individuals contribute the most. Therefore, it makes sense to concentrate on individuals when development is in its beginning stages at an institution, and then as the office expands, to hire specialists in each of the fund raising categories, ending with corporate development. Table 4.5 is a summary of the Impacts on Staffing.

Table 4.5 Impacts on Staffing

Organization	Impact on Number of Employees	Impact on Employee Characteristics
A	Y: increased	Y: sales ability
B	Y: increased	Y: sales ability
C	Y: increased	Y: sales ability
D	Y: increased	Y: sales ability

An impact of corporate sponsorship has been to increase the number of professionals working in a development office where corporate sponsorship is being performed. The case study sites had from one person specifically assigned to corporate development up to seven full-time specialists in corporate relations. Jobs in corporate development include corporate research in determining possible sponsors, corporate sponsorship negotiation, and corporate sponsorship contract fulfillment.

Not only have numbers of employees increased, but the type of people employed in corporate development is also different from that in philanthropic development. According to the case study sites, corporate relations employees must be tenacious and accept being told "no," organized, and personable. Above all of these characteristics, they should know the corporate lingo and be able to communicate to corporate employees in their own terms. They should also have an idea for what corporations are looking in sponsorships, be able to present packages and build relationships, and be able to close the deal with a contract and negotiations if necessary. These qualities comprise the most important characteristic of corporate development employees—sales ability. These specialized employees, unlike other development professionals, are selling sponsorship opportunities to corporations who need a bottom-line reason to participate. The sales pitch and the way the sponsorship is packaged can have a tremendous impact on whether the corporation signs on to be a sponsor. The relationship between the corporate relations employee and the corporate representative is also integral to developing healthy sponsorship relationships, which will continue into the future. Once again, it is the non-profit's corporate relations employee who has the ability to determine the success or failure of any sponsorship program.

Corporate sponsorships impact the staffing of the case study sites. Employees specializing in corporate relations or development have sales ability to win the contract, and follow through on the deal between their organization and the corporation. This characteristic is not present with philanthropic fund raising specialists and is considered a favorable impact of corporate sponsorships.

Impacts on Organizational Philosophy

Policies are written initiatives of the Board of Trustees. Organizational philosophy is not included in written policy, but it incorporates the culture and standard practice of the institution. Organizational philosophy is a common understanding between employees influenced by their personalities and past experiences. It can establish the tone for the organization's reputation and working conditions. Philosophies can be mistaken for written policies and can be as powerful in determining common practices of the organization. Organizational philosophy can affect internal culture and also external relations culture. It is the standard of business in an institution. With this definition, any donor or project would influence the culture of the workplace and could possibly change the face or reputation of the organization. Table 4.6 is a summary of the Impacts on Organizational Philosophy.

Table 4.6 Impacts on Organizational Philosophy.

Organization	Impact on Communication	Impact on Other Partnerships
A	Y: improved interdepartmental communication	Y: increased tendency to partner with external organizations
B	Y: improved interdepartmental communication	Y: increased tendency to partner with external organizations
C	Y: improved interdepartmental communication	Y: increased tendency to partner with external organizations
D	Y: improved interdepartmental communication	Y: increased tendency to partner with external organizations

The case study sites agreed as to how corporate sponsorships impacted their internal organizational philosophy. Sponsorships facilitated interdepartmental communication. Communication was improved between the corporate relations department and the departments responsible for fulfilling the contract terms, namely marketing/public relations departments that fulfill the advertising agreements. Since a contract is a legally binding instrument, fulfillment of that contract is a vital step and of utmost importance in successful corporate sponsorship. The sample organizations considered a successful sponsorship to be one that is repeated year after year. If the contract is not fulfilled, there likely will not be any repeat sponsorship. The case study sites fulfilled the contract as a minimum of their service to the corporation. All extra services were noted and included in the post-sponsorship notebook or letter to the corporation. With the care taken in fulfilling the contract more precisely, regular and effective interdepartmental communication is a common result.

As noted by the case study sites, another common impact of corporate sponsorships on organizational philosophy was that institutions look outward for other collaborative relationships and were more responsive to the community. The case study sites discovered that with increased competition with other amusements, they were in the entertainment business. They could not provide these services without help from partners, whether they be corporate sponsors or other non-profit organizations. This led to an increase in collaboration and improved external relations between past competitors in the non-profit sector. Since any project is costly and has to be a type of production that would attract media, sponsors, and visitors, there is more interest in providing exactly what visitors and supporters want. Therefore, more time is spent in audience surveys and research to determine what the community needs, and the public garden or museum becomes more responsive to its target audience. Adding a collaborative partner and researching audience needs requires extensive planning and preparation. Corporate sponsorship impacted organizational philosophy by forcing institutions to plan farther in advance than if they were not performing sponsorships.

When the needs of corporations are provided for in subtle ways, then corporate sponsorships have become part of the organizational philosophy. For example, one of the reasons corporations sponsor non-profits is to have a venue for corporate entertaining. This requires room space, a catering service, hospitality employees, and rental procedures. All of the case study sites accommodated these needs without thinking of them as impacts of corporate sponsorship. The sponsors ceased being considered as outsiders and were incorporated into the culture of the organization.

At the case study sites corporate sponsorships impacted the organizational philosophy of the organization. Sponsorships especially encouraged and facilitated clear communication channels between marketing and public relations, and the corporate development departments. Also, organizations that incorporated sponsorships into their fund raising looked externally for other partnerships based upon their past success with corporate partners.

Chapter 5

CORPORATE TRENDS: THE CORPORATE POINT OF VIEW

The following are the Corporate Trends that are the result of the interviews with corporate sponsorship professionals employed by for-profit corporations. The answers to the interview questions were subjected to compression and grouping to yield Corporate Directions specific to each corporation. Further compression and grouping of the Directions into one document led to the development of the Corporate Trends that follow. They are organized according to the "Corporation Case Study Questions" (see copy in Appendix A).

Corporate Sponsorship Responsibility

At the case study sites, it was usually a department or branch of the marketing department that received the first requests for sponsorship. The CEO approved the decisions the corporate sponsorship personnel made on what would be sponsored and how much the sponsorship cost the corporation.

The Sponsorship Decision

Each corporation had written guidelines and philosophies that drove the sponsorship decision. The philosophies defined the core values, or with what the corporation is concerned. Guidelines were the way to carry out the philosophies and are evaluated and changed every year. For example, a corporation might choose to align itself with education and only support education initiatives. Education would be their philosophy, and their guidelines would specify the type of education and what organizations they will not support, such as hate groups or religious organizations.

Sponsorship Goals

The corporations interviewed tended to sponsor for many reasons, one being marketing and advertising. Other reasons could be entertaining opportunities for their clients, or supporting a cause or organization that is important to a politician. Lending support to a politician's favorite cause could work to get favorable legislation passed later to benefit the whole industry. It was another form of the *quid pro quo* relationship.

Sponsorship Benefits

Such benefits included: getting legislation passed, letting the community know they can count on the corporation, brand-building, entertaining, improving corporate identity (especially after mergers and acquisitions), payment to celebrity spokespersons by sponsoring their favorite organizations, and reaching a large and captive audience.

Other Interesting Ideas

Non-profit organizations also benefited from corporate accounting and financial knowledge. Community businesses banded together to review the financial books of area non-profits, and to pledge enough money to help them get back to financially-sound footing. The selling point was that healthy non-profits created a healthy community in which corporate employees work and live.

Corporations interviewed cautioned that non-profits must beware of appealing to the corporation CEO's pet-projects. The only justified sponsorship expenditures for corporations were those that are weighed against the core philosophies and guidelines. The CEO was accountable to those also, but as the leader of the corporation, they were not going to support something that was bad for business anyway.

Another avenue for approaching a corporation for sponsorship was through its employees. It was easier to justify the expenditure if the employees are involved in the non-profit, whether they be volunteers, members, or donors themselves.

Questions Corporate Employees Should Answer Before Committing to Corporate Sponsorship

As quoted in Jennifer Mullen's 1997 article in *Public Relations Quarterly*, J. M. Barr (Barr 30) suggests questions for corporate leaders:

1. Can the company afford to fulfill the obligation? Corporations should count on doubling the financial commitment beyond the sponsorship fee to leverage the sponsorship.
2. Is the event compatible with the non-profit organization's goals?
3. Does the event reach the organization's target audience?
4. Is there enough time before the event to maximize the company's use of the sponsorship?

5. Is the event newsworthy enough to provide the company with opportunities for publicity?
6. Will the event be televised?
7. Can the sales force use the event to leverage sales?
8. Does the event give the company the opportunity to develop new business opportunities?
9. Can the company make a long-term commitment to the event while its value builds over time?
10. Is there an opportunity for employee involvement?
11. Will management support the event?

Chapter 10

CONCLUSIONS AND RECOMMENDATIONS

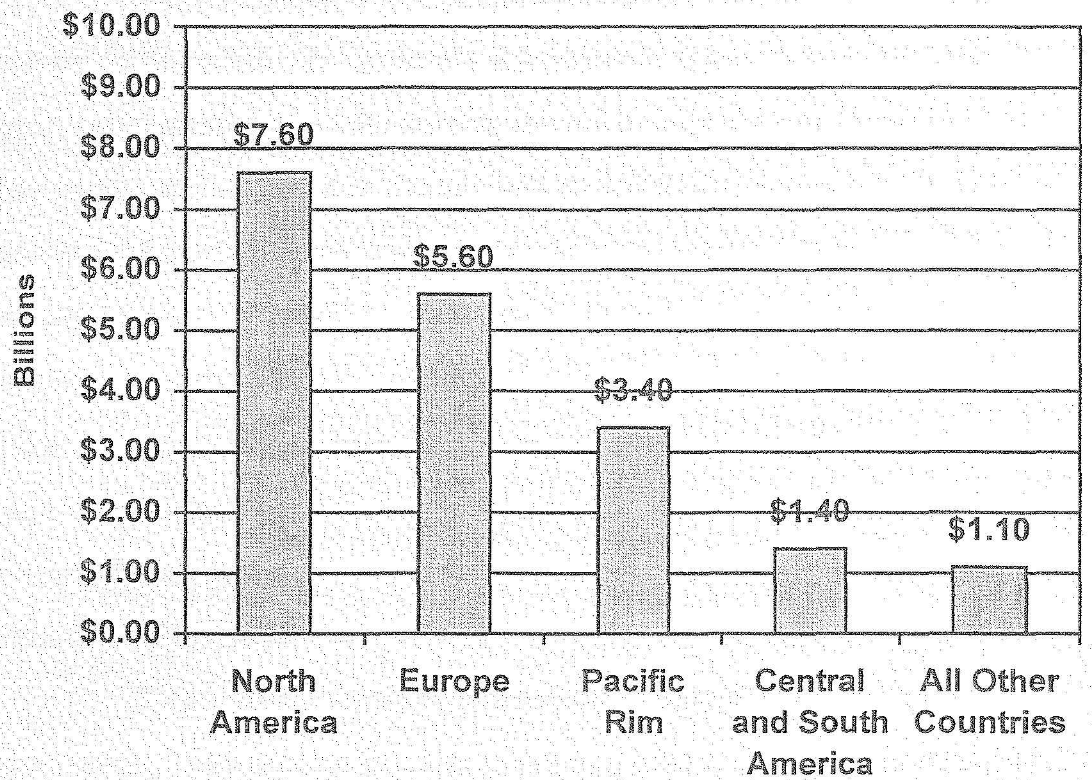
Corporate sponsorships impacted the public gardens and museums in the case study set. The impacts may or may not hold true for all organizations presently involved in corporate sponsorships. There was overwhelming agreement of all of the case study sites that corporate sponsorships have positive impacts on private, non-profit gardens and museums. This acts as a testament to the fact that corporate sponsorships have great potential, not just for fund raising, but for friend-raising as well. Sponsorships are mutually beneficial agreements that will become more widespread as myths and fears of loss of control on the non-profit's part are dispelled.

All fund raising is interconnected and is the reason why friend-raising is preferred over fund generation. Corporate sponsorships act to bring a larger base of potential donors to an organization. Not only is the organization the beneficiary of sponsored dollars, but all of the corporation's employees have an investment in the organization and may chose to become members or to contribute to the annual fund. If a sound relationship is developed through the sponsorship period, the CEO may become a major gift donor, a member of the Board of Trustees, or simply an advocate for the organization to their friends and business associates.

Personal connections and good reputations for sound management and fiscal responsibility can greatly improve all fund raising efforts. Corporations do not want to associate themselves with an organization, which is one step from financial ruin because of some management mistake. Nor do they want to partner with an organization, which is so desperate for funds it is looking for a proverbial Daddy Warbucks to bring it back from the brink of financial ruin. Above all, sponsorship is a business transaction and if there is any doubt as to the organization's ability to deliver on its contract, the corporation will find some other partner. This assigns even more importance to the relationship building phase of corporate sponsorship. It is imperative that the corporation sees the organization as something more than just a sterile business decision. Once again, the responsibility lies with the non-profit's corporate development personnel to build relationships. They must also sell the unique qualities of the organization to prove that the services the corporation can get with sponsorship, it cannot get with any other partner.

Corporate sponsorships will continue the current trend of growth in the United States and throughout the world. North America has the highest dollar figure for sponsorship spending. The table on the following page illustrates this point.

Table 6.1 1999 Projected Sponsorship Spending Worldwide (*IEG Sponsorship Report)*



As corporate sponsorship only occurs in the most mature development offices according to the case study sites, corporate sponsorship is likewise a characteristic of a mature economy. Therefore, one would expect North America to have the highest sponsorship spending worldwide. As other foreign economies develop, sponsorship is expected to grow and spread as a result of corporate marketers' need to link their products and services to something meaningful.

A discussion of the conclusions for each of the five Impact Areas follows.

Impacts on Policies

Since there were few policies written and accepted by boards of trustees on the subject of corporate sponsorship at the case study sites, a logical conclusion is that sponsorship did not impact policies. However, the case study sites agreed that if they were to use their judgement in a way that was not in accordance with the present sentiments of the Board, they would hear about the disagreement. As a result of this concern, in the future, as corporate sponsorships become more widespread and more projects are funded by sponsorships, new policies will evolve with this gain in experience. Therefore policies should become impacted more by corporate sponsorships as new policies evolve.

Impacts on Finances

Corporate sponsorships favorably impact the financial state of an organization. They provide another avenue to explore to reach fund raising goals and enable organizations to serve their visitors better with programs, projects, and events. They do not affect fund raising from individuals and provide organizations proof of community support for grant proposals. Without corporate funds in the form of sponsorships, organizations would have to rely on general operating revenue, admission fees, and fund raise more aggressively from individual donors.

Impacts on Programs

All of the case study sites plan programs and then find funds to support them. Corporate sponsorships impact programs by making them bigger occasions with more "dazzle." This may act to attract and keep corporations interested in sponsoring. This creates a cycle of having to solicit more corporations to offset the cost of programs designed to attract corporations in the first place. Corporate sponsorships also force organizations to plan farther in the future for any sponsored project and encourage strategic planning efforts.

Impacts on Staffing

Corporate sponsorships impact the staffing of the case study sites. Employees specializing in corporate relations or development have sales ability to win the contract, and follow through on the deal between their organization and the corporation. This characteristic is not present with philanthropic fund raising specialists and is considered a favorable impact of corporate sponsorships.

Impacts on Organizational Philosophy

At the case study sites corporate sponsorships impacted the organizational philosophy of the organization. Sponsorships especially encouraged and facilitated clear communication channels between marketing and public relations, and the corporate development departments. Also, organizations that incorporated sponsorships into their fund raising looked externally for other partnerships based upon their past success with corporate partners.

Recommendations

Understanding the potential impacts of corporate sponsorships is the first step in establishing a corporate development program at public gardens and museums. Corporate sponsorships did not negatively impact the case study sites. In fact, they assisted in achieving fund raising goals, increased exposure of their organizations to potential visitors, built a larger donor base, focused on partnerships and collaborations with external organizations, resulted in the employment of staff members with diverse backgrounds and experiences, and facilitated inter-department communication.

With all of these positive impacts, public gardens and museums should continue to gain experience in corporate sponsorships, or begin investigating them as a funding source. Those organizations contemplating whether to start a corporate development program should understand, however, that corporate sponsored dollars require more work in follow-up than individually donated funds. This fact should be weighed against all of the positive impacts of corporate sponsorships before the decision to solicit sponsorships is made.

Areas for Future Study

Corporate sponsorship is a relatively current fund raising technique in the private, non-profit garden and museum industries. Due to this understanding, there are many areas for future study which include:

1. Visitor opinions of corporate sponsorship,
2. In-depth evaluation and cost analysis of corporate sponsorships using Return on Investment analysis,
3. Techniques of sponsorship solicitation,
4. Case studies of non-profits that experienced mission drift,
5. Survey of interconnections of fund raising,
6. Investigation of proposed sponsorship of National Parks system, and
7. Listing of major corporate sponsors and how they prefer to be solicited,

Corporate sponsorships are unique tools that benefit both parties involved—the corporation gets services or marketing to fulfill its goals and the non-profit gets cash or other products to satisfy its goals. With research and investigation some of the myth of corporate sponsorships as a "sell-out" is dispelled. In its place is the truth that corporate sponsorships are really a "buy-in" for the corporation, the non-profit, and the community of consumers and potential visitors.

Appendix A

SUPPORT MATERIAL

Longwood Graduate Program

General Survey--Corporate Sponsorships

Return by May 1, 1998

1. Is your institution privately-owned and classified as 501(c)3? Y N

2. Age of the institution (from year of incorporation)_______________

3. Type of institution:

a. Zoo
b. Art Museum
c. Botanical garden
d. Natural History Museum
e. University Garden
f. Arboretum
g. Other____________________

4. Does/did your institution participate in any corporate sponsorship relationships? *(If the answer is no, skip to question #9)* **Y N**

5. What does/did the corporations sponsor at your institution and what percentage of the funding for the project do/did they contribute?

a. Special Event

_____0-10% _____50-60%
_____10-20% _____60-70%
_____20-30% _____70-80%
_____30-40% _____80-90%
_____40-50% _____90-100%

b. Building

_____0-10% _____50-60%
_____10-20% _____60-70%
_____20-30% _____70-80%
_____30-40% _____80-90%
_____40-50% _____90-100%

c. Programming

_____0-10% _____50-60%
_____10-20% _____60-70%
_____20-30% _____70-80%
_____30-40% _____80-90%
_____40-50% _____90-100%

d. Publication

_____0-10% _____50-60%
_____10-20% _____60-70%
_____20-30% _____70-80%
_____30-40% _____80-90%
_____40-50% _____90-100%

(over)

e. Garden/Grounds

____0-10%	____50-60%
____10-20%	____60-70%
____20-30%	____70-80%
____30-40%	____80-90%
____40-50%	____90-100%

f. Other________

____0-10%	____50-60%
____10-20%	____60-70%
____20-30%	____70-80%
____30-40%	____80-90%
____40-50%	____90-100%

6. How long has your institution been involved in corporate sponsorship relationships?______________________________

7. Would your institution be willing to participate in my research (one to two-day case study involving interviews of staff, visitors, and board members)? Y N

8. Please enclose a business card and complete the following:

Name:______________________________

Institution:______________________________

Address:______________________________

Phone Number:______________________________

Best time to reach you by telephone:______________________________

Fax Number:______________________________

E-mail:______________________________

Thank you for replying to this survey. All participants are welcome to the results of my research upon request.

CASE STUDY QUESTIONS
Impacts of Corporate Sponsorships

General Background Information

1. What is the mission statement for the organization? May I have a copy?

2. How do you define a corporate sponsorship?

   2a. How do you know it is a success?

3. What percentage of the overall budget is from corporate sponsorship?

4. How many years has this organization been involved in corporate sponsorships?

5. Why did the organization decide to begin these relationships?

6. Can you describe these relationships in detail? (Percentage of budget contributed by the corporation, what are they supporting, how long has a relationship been maintained?)

7. Is there a linkage between your organization and the sponsor with regard to goals or core values?

   7a. For what reasons would you turn away potential corporate sponsors?

8. Who is your target audience for the sponsored project?

9. What are the benefits of sponsorship to the corporation?

10. What are the benefits of sponsorship to your organization?

    10a. May I have a copy of your sponsorship contract?

11. Who suggested your organization begin sponsorship relationships with corporations?

Board of Trustees Involvement

1. How are Trustees selected to be members of the Board? (process and selection criteria)

   1a. How many Trustees do you have?

   1b. What is the average age of your Trustees?

1c. What is the breakdown of the Board according to sex and race? (percentages of male and female; African-American, Asian-American, Hispanic, Caucasian . . .)

1d. What are their jobs outside of being Trustees?

2. Is fund raising a major priority of your Board of Trustees?

2a. What percentage of the budget is generated by the Board of Trustees?

3. Does the Board have any influence over the decision to solicit a corporation?

3a. Is Board of Trustees approval necessary to solicit a particular corporation for a sponsorship?

4. Was there a pre-existing personal connection between a Board member and the corporation?

Solicitation

1. How are the specific corporations chosen to be solicited for funds? (selection criteria and process)

2. Do you have a corporate membership association?

2a. Are these members the first corporations solicited for corporate sponsorships?

2b. Why do you offer a corporate membership?

2c. Do you offer corporate memberships specifically to recruit sponsorships?

2d. What are the benefits to corporations to become corporate members? (outline the program)

3. Has there been any opposition to corporate sponsorships in the past?

3a. If so, what was the opposing person's role in the organization?

3b. Why did they oppose the sponsorship?

3c. How was the opposition resolved?

4. Does public opinion about a corporation factor into the decision to solicit a corporate sponsor?

5. Approximately how much staff time was spent on soliciting a corporation until they sign on as a sponsor?

Impacts on Policies

1. Are there any organizational policies which guide the corporate sponsorship process?

2. If so, what are they? How did they evolve? May I have copies of the different policy drafts? Who was responsible for setting this type of policy? Was there a committee on the Board?

3. Have internal policies changed as a result of the corporate sponsorship relationship?

   3a. What policies have changed?

   3b. How have they changed?

   3c. Does the corporation suggest you do things?

4. Have policies that govern external relations changes because of the corporate sponsorship?

5. Are there any policies in effect to limit the influence of corporations in these relationships?

Impacts on Finances/Budget

1. Has the percentage of funds individual donations contributed to the overall budget changed as a result of the corporate sponsorship?

2. Has your organization been turned down for any grants as a result of the corporate sponsorship?

3. How has fund raising been affected because of the corporate sponsorship?

4. What percentage of the corporation's sponsored funds are used on the sponsored project?

5. What percentage of the initial sponsored amount is the corporation willing to spend additionally to make sure the project is successful?

6. Without the corporate sponsorship funds, what other source of funds would your organization utilize?

Impacts on Programs

1. Without the corporate sponsorship, would your organization be able to provide the programs it provides?

2. Without the corporate sponsorship, what would your institution do? (alter programs, cut services, find other funding sources)

3. What programs have you added because of corporate sponsorships?

4. Would you continue these programs without the corporate support?

Impacts on Staffing

1. How many years has your organization had a development office?

2. How many people work in your development office?

3. Are there employees specialized to work with corporations?

4. What is the background experience (academic, practical, professional) of the development office employees?

5. How does this differ from the employees specializing in corporate relations?

6. What do you look for in a prospective employee who will be working in corporate relations?

7. What characteristics are required to be an effective corporate relations employee?

Impacts on Organizational Philosophy

1. Do you perceive changes in the culture of the organization as a result of the corporate sponsorship?

2. Does the sponsor have any influence over management or planning of the sponsored building, program, event,...?

3. How active is the corporation in the daily management of the sponsored project?

4. Who markets or publicizes the sponsorship?

    4a. Is this written in the contract?

    4b. Was this a requirement on the part of your organization for sponsorship?

5. Who has the last word on decisions that affect the sponsorship?

    6a. Who dictates the terms of the agreement?

6. How much staff time is spent in corporate relations during the sponsorship?

Evaluation in Terms of Corporate Sponsorships

1. Does your organization have any procedure for evaluating the effectiveness of corporate sponsorships? (for example: value of staff time versus value of sponsored project)
2. Who performs evaluations and who does the evaluating?
3. Has the corporation asked to complete their own evaluation?
4. How would this organization characterize a successful corporate sponsorship?

4a. Do you evaluate that success?

Impressions

1. Do you think that corporate sponsorships work, according to your goals and the corporation's goals?
2. In hindsight, would you change anything about your sponsorships?
3. What have you learned from corporate sponsorships?
4. Do you think that corporate sponsorships impact other donors?
5. Has your corporate sponsor defined success for their sponsorship?
6. In your opinion, what do visitors think of the sponsoring corporation?
7. How do you think corporate sponsorships have impacted your organization?

CORPORATION CASE STUDY QUESTIONS
Impacts of Corporate Sponsorships

1. Are you the contact person for the corporate sponsorship?

    2. If so, what is your position in the company?

    3. If not, what position does the contact person for non-profit sponsorships hold?

4. What is the position of the person who makes the decision to sponsor?

    5. How is this decision made? What are the reasons for sponsorship?

    6. Are the same people responsible for sponsorships and corporate philanthropy?

7. How does your company define corporate sponsorships?

8. What type of program, event, building,…, is sponsored by your company?

    9. Why does your company sponsor this type?

10. What are the goals for sponsorship?

    11. What are the company's benefits of sponsorship?

    12. What are the non-profit's benefits of sponsorship?

13. Is your company a corporate member of any non-profit organization?

    14. Are the benefits of membership the same or different for sponsorship?

15. Are employees in your company usually involved in the non-profits your company sponsors?

    16. Is this taken into consideration when deciding which non-profit to support?

17. Does your company evaluate the corporate sponsorships?

    18. What are your evaluation criteria?

Sponsorship Checklist

Date: ____________

Event Name: ________________________________

Date of Event: ________________________________

Major Sponsor Information

Name: ________________________

Address: ________________________

____

____

Contact Name: ________________________

Title: ________________________

Phone: ________________________

Fax: ________________________

E-mail: ________________________

Proposal Commitments - General

Commitment	Person Responsible	Review Date	Deadline Date	Complete Date

Underwriter Information

Name:

Company:

Address:

Name:

Company:

Address:

Name:

Company:

Address:

Comments:

Agreement:

Agreement:

Agreement:

Comments:

Proposal Commitments - Media Plan

Media	Proposal Commitment

Media Plan (Radio, TV, Print)

Date	Media	Amount/Ad Location	Review Date	Deadline Date	Run Date	Article Clipped

Appendix B

CORPORATE SPONSORSHIP VERSUS CORPORATE MEMBERSHIP

The following information was compiled from the case study interview responses in the "Case Study Questions" section entitled "Solicitation" (see Appendix A "Case Study Questions" copy) and from the current literature review where cited.

Corporate sponsorship and corporate membership are different fund raising efforts, but both rely on corporate support.

The definition of sponsorship is:

> A cash and/or in-kind fee paid to a property (typically in sports, arts, entertainment, or causes) in return for access to the exploitable commercial potential associated with that property (IEG 1).

Sponsorship is a mutually beneficial arrangement that is considered a business transaction in marketing by the corporation. The aim of sponsorship is not charity or philanthropy. It is focused on the commercial benefit derived by the corporation and the financial support derived by the non-profit or property.

Corporate membership, however, is similar to the individual or family membership programs offered at most public gardens and museums. It is based on the idea that members pay an annual fee in return for established benefits, usually in the form of reduced cost of rentals and admission fees. The annual membership fee is much less than a typical sponsorship fee would tend to be. Members are not sponsors and are motivated to be members for charitable reasons and not commercial benefits. Corporate members see themselves as supporters of the non-profit, just as individual members would see themselves.

Sponsorship and membership are not divorced from each other altogether. They are interrelated and affect each other within the organization. Corporate members usually receive discounts on sponsorship packages and are cultivated as sponsors. It is the hope of corporate development personnel at non-profits that all corporate members will eventually become sponsors. Membership programs tend to be the first step for corporations to become associated with a non-profit. Corporate members are some of the first corporations to be solicited for corporate sponsorships because they have already made an initial investment in the non-profit's financial health and mission. Once they believe in the importance of the non-profit organization's mission, it is just a matter of price negotiation. In other cases, sponsorship may be the initial point of contact for a corporation to support a non-profit organization in other projects. The two programs feed off of each other, and, with new members and new sponsors, the hope is that the corporations will continue to stay involved with the non-profit organization and progress through the different funding levels.

Appendix C

EVALUATION OF CORPORATE SPONSORSHIPS

The following information was compiled from the case study responses to the "Case Study Questions" section entitled "Evaluation in Terms of Corporate Sponsorship" (see Appendix A for "Case Study Questions" copy).

The case study sites did not use scientifically-based evaluation techniques to determine the results of their corporate sponsorships. They used more informal methods primarily based upon casual observation. For larger sponsorships than those usually occurring at public gardens and museums, there is extensive scientifically based evaluation. For example, Olympics sponsors track sales up to three months prior and after the games to determine the effect of sponsorship. On the other hand, many corporations sponsor for non-quantifiable reasons thus eliminating the utility of evaluation in terms of sales volume.

At all of the case study sites, a post-sponsorship meeting or sponsorship journal was used as a wrap-up tool for sponsorships. In the journal or at the meeting, the contracted benefits to the corporation were reviewed, as well as the quality of fulfillment on the part of the non-profit organization. Any additional benefits provided by the non-profit, but not included in the contract were outlined in the journal and at the meeting. The corporate representatives had an opportunity to communicate the aspects of the sponsorship they thought were well done, and those aspects that could be improved in the future. According to the case study site employees, the sponsoring corporations did not conduct any formal evaluations of their own. Many times at the wrap-up meetings, informal agreements for repeat sponsorships of the same project or an increase in sponsorship support for a different project were promised to the non-profit organization.

At the case study sites, informal indicators of successful sponsorships included: a fulfilled contract, repeated sponsorships, established relationships, and continued relationships in the future. One of the case study sites calculated ratios of expense verses money raised in sponsorships. The board of trustees established ideal ratios that were required to continue the sponsorship. The calculated ratios were measured against this yardstick. If the calculated ratios were less than the required ratios, the sponsorship was discontinued. This was a more scientific approach to evaluation than a meeting or a journal, but the yardstick was an arbitrarily assigned number that may or may not have maximized the organization's sponsorship possibilities and retention.

Most of the literature about evaluation of corporate sponsorships assigns the responsibility for evaluation to the corporation, just as with any marketing venture. Lesa Ukman, President of the International Events Group, the world authority on corporate sponsorship, wrote an article about evaluation techniques. She made the point that sponsorships cannot be measured like traditional marketing in advertising cost per thousand of impressions. Sponsorship should be measured using Return on Investment (ROI). The key to measuring ROI for sponsorships is to:

1. Define objectives of sponsorship—increased sales, increased brand position, entertaining opportunities,
2. Establish a pre-sponsorship benchmark against which to measure, and
3. Maintain consistent levels of advertising and promotion so that it is possible to isolate the effect of the sponsorship (Ukman 5).

For example, if an objective of sponsorship is to change image attitudes of consumers about the product or brand, pre- and post-attitude studies are required. Pre-sponsorship attitudes in the target consumer group are determined by survey, and goals are established for the sponsorship to reach. Another post-sponsorship survey is conducted to determine if these goals were met.

In measuring sponsorship there is no universally accepted yardstick; therefore, corporations and non-profits can work together or independently to tailor an evaluation system specific to the sponsorship goals.

Major marketing companies have conducted ground breaking research that supports the idea that corporate sponsorship of non-profit organizations appeals to consumers. In a 1993 study of 2,000 people, Roper Starch Worldwide, a market research firm, found that:

1. 66% of consumers polled said they would switch brands if their purchase helped a cause close to their hearts (Del Prete 35),
2. 31% of respondents were influenced by a company's business practices when price and quality were equal,

3. 54% would pay more for a product whose maker supported a cause they cared about,

4. 71% felt that cause-related marketing was a good way to solve social ills (Moore 19A), and

5. 58% of respondents questioned the motives of companies engaged in cause-related marketing, but in a 1997 survey only 21% of respondents questions corporate motives for sponsorship (Harris 32).

In other words, if a corporation can link its product with a cause or non-profit organization that has universal appeal, this link can lead to product differentiation that is the key to excelling in the current marketplace filled with products that essentially serve the same purpose. This type of a marketplace is described as being "cluttered." Product differentiation is the first step in winning the majority of market share, something extremely difficult to do in a cluttered, free-market society.

Susan Sloves, managing partner of The Heller Research Group in New York, has the most similar philosophy to the case study interviewees on the importance and significance of corporate sponsorship evaluation:

> Meaningful information, properly collected and analyzed over a period of time, will help make your company's sponsorship effort a gold mine of goodwill and profitability (Sloves 9).

BIBLIOGRAPHY

Benezra, Karen. "Cause And Effect Marketing (Cause-Related Marketing)." *Brandweek* 37, no. 17 (1996): 38-41.

"Bossy Sponsors: American Museums." *The Economist* 331, no. 7861 (1994): 98.

Button, Graham. "And Now An Event From Our Sponsor..." *Working Woman* 22, no. 11 (1997): 40-46.

Crimmins, James and Martin Horn. "Sponsorship: From Management Ego Trip To Marketing Success." *Journal of Advertising Research* 36, no. 4 (1996): 11-22.

D'Astous, Alain and Pierre Bitz. "Consumer Evaluations Of Sponsorship Programmes." *European Journal of Marketing* 29, no. 12 (1995): 6-23.

Del Prete, Dom. "Good Sponsors Know How To Set Their Goals." *Marketing News* 30, no. 20 (1996): 35.

Dickson, Douglas, ed. *Business and its Public—Harvard Business Review Executive Book Series.* New York: John Wiley and Sons, 1984.

Fry, Andy. "Sponsors Play To Win." *Marketing* (August 7, 1997): 16-18.

Harris, Donna. "Right Cause Can Boost Image And Sales." *Automotive News* 57, no. 37 (1997): 32.

Hoover, Judith, ed. *Corporate Advocacy—Rhetoric in the Information Age*. Westport, Connecticut: Quorum Books, 1997.

Complete Guide To Sponsorship: Everything You Need To Know About Sports, Arts, Event, Entertainment, And Cause Marketing. Chicago: IEG, Inc., 1996.

IEG Sponsorship Report. Chicago: IEG, Inc., 1997-1998.

Kadlec, Daniel. "The New World Of Giving: Companies Are Doing More Good, And Demanding More Back." *Time* 149, no. 18 (1997): 62-65.

Kotler, Philip, Liam Fahey, and Somkid Jatsripitak. *The New Competition.* Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1985.

Marconi Joe. *Image Marketing—Using Public Perceptions to Attain Business Objectives.* Linclonwood, Illinois: NTC Business Books, 1996.

Marment, Roger. "Sponsorships Are Not Ad Buys." *Brandweek* 39, no. 16 (1998): 17.

Moore, Paula. "Companies Unearth A Gold Mine Of Goodwill: Using Generosity As A Marketing Strategy." *Denver Business Journal* 48, no. 50 (1997): 19A-20A.

Mullen, Jennifer. "Performance-Based Corporate Philanthropy—How Giving Smart Can Further Corporate Goals." *Public Relations Quarterly* 42, no. 2 (1997): 42-49.

Nelson, Dave. "Sponsorship Or Selling Out." *Fund Raising Management* 29, no. 4 (1998): 32-34.

Parasuraman, A. *Marketing Research.* Reading, Massachusetts: Adison-Wesley Publishing Company, 1986.

Reiss, Alvin. "With Government Support Declining, Arts Groups Overseas Look To Corporate Sponsors." *Fund Raising Management* 24, no. 11 (1994): 46-48.

Sloves, Susan. "Do Sponsorships Provide A Gold Mine Or A Black Hole?" *Marketing News* 32, no. 3(1998): 9.

Tillman, Audris, D. "Rethinking Contributions." *Across the Board* 34, no. 9 (1997): 56.

Ukman, Lesa. "Evaluating ROI Of A Sponsorship Program." *Marketing News* 30, no. 18 (1996): 5-7.

Weaver, John. "Companies Search For Real Returns." *The European* (June 2, 1995): 25.