

National Arts Sponsorship **Survey**  
Full Report

**B**USINESS  
**ARTS**

## Foreword

Arts sponsorship in Ireland is at a crucial stage of development. As the benefits of sponsorship are more clearly defined and analysed, its popularity with Irish business is growing. It is vital that the arts secure their proper share of a growing Irish sponsorship market in the years ahead.

I am delighted to present the findings of this new National Arts Sponsorship Survey for 2005 which has taken a new direction compared to previous Business2Arts surveys. For the first time we have conducted research of three sectors - the arts, business and consumers, with the latter two being new additions.

The new business survey allowed Business2Arts, for the first time, to explore the experiences of businesses in their sponsorship of the arts. The new consumer survey explored in parallel the attitudes of consumers to arts sponsorship in general.

This report seeks to provide business sponsors and the arts organisations that they sponsor with information and insight to ensure that they reap the full benefits of a fruitful sponsorship relationship.

Some encouraging findings include a growth in the proportion of sponsorship spend by business on the arts from 14% of budgets in 2002 to 18% in 2004. In addition, a majority of arts organisations surveyed feel that the general climate for arts sponsorship is improving. Interestingly, 45% of Irish adults feel that there is not enough sponsorship of the arts. This feedback is just a small taste of what this survey can tell you about sponsorship of the arts in Ireland.

Business2Arts would like to extend its thanks to the hundreds of arts organisations, business executives and consumers throughout Ireland who took the time to respond to this survey. We could not have produced this report without their support.

Business2Arts would like to acknowledge the collaboration and sponsorship of Amárach Consulting, who helped to bring this new survey to life. We would also like to acknowledge Onside Sponsorship for their assistance in helping to deliver this report. The support of our two sponsors has made it possible for Business2Arts to produce a report that will be of value to sponsors and sponsorship recipients in the years ahead.

### **Siobhan Broughan**

Chief Executive, Business2Arts

### **Editorial Committee**

Siobhan Broughan, Business2Arts  
Aisling Campbell, Amárach Consulting  
Rowena Neville, Business2Arts  
Doireann Ni Bhriain, Arts Consultant  
Gerard O'Neill, Amárach Consulting  
John Trainor, Onside Sponsorship

## Table of Contents

|   |           |
|---|-----------|
| <b>Section 1 Introduction</b>                   | <b>3</b>  |
| <b>Section 2 Business Sponsors Survey 2005</b>  | <b>4</b>  |
| <b>Section 3 Arts Organisations Survey 2005</b> | <b>9</b>  |
| <b>Section 4 Consumer Survey 2005</b>           | <b>13</b> |
| <b>Section 5 Highlights</b>                     | <b>16</b> |
| <b>Section 6 Conclusions</b>                    | <b>19</b> |
| <b>Appendix Background &amp; Methodology</b>    | <b>22</b> |

### List of Figures

|  |    |
|--|----|
| Figure 1 Rationale for Sponsorship Involvement                       | 4  |
| Figure 2 Arts Sponsorship In-Kind Support                            | 5  |
| Figure 3 Basis for Selecting Arts Sponsorship                        | 6  |
| Figure 4 Main Sponsorship Decision Makers                            | 6  |
| Figure 5 Methods of Evaluating Arts Sponsorship                      | 7  |
| Figure 6 Nature of Business Involvement in Arts Sponsorship          | 7  |
| Figure 7 Experience of Dealing with Arts Organisations               | 8  |
| Figure 8 Business Sectors Sponsoring the Arts                        | 9  |
| Figure 9 Arts Organisations Approaches to Finding Sponsors           | 10 |
| Figure 10 Most Important Non-Cash Elements in Successful Sponsorship | 11 |
| Figure 11 Methods Used to Evaluate Sponsorship Success               | 11 |
| Figure 12 Percentage of Irish Adults Attending Events                | 13 |
| Figure 13 Consumer Preference for Arts Sponsorship                   | 13 |

### List of Tables

|  |    |
|--|----|
| Table 1 Internal Barriers to Arts Sponsorship            | 6  |
| Table 2 Suitability of Sector or Company to Sponsor Arts | 14 |
| Table 3 Best Arts Sponsor                                | 15 |

## Section 1 Introduction

Business2Arts is a non-profit organisation, privately funded by business to promote corporate sponsorship and support of the arts in Ireland. The organisation is funded by its corporate members and patrons who represent a wide spectrum of Irish business. Business2Arts has a dual mandate and works simultaneously for the benefit of both business and arts organisations. It encourages and helps businesses to partner with the arts in a variety of ways, for example, through sponsorship, events, training, mentoring, commissioning or collecting art. Within the arts, Business2Arts strives to help arts organisations operate more effectively by providing a comprehensive training programme in business skills.

Business2Arts has conducted research among Irish arts organisations on a number of occasions in the past to find out more about their experience of business sponsorship. In 2005, it was decided to conduct a new piece of research which would also include surveys of the business community and consumers.

The new business survey allowed Business2Arts, for the first time, to explore the experiences of businesses in their sponsorship of the arts. The new consumer survey explored in parallel the attitudes of consumers to arts sponsorship in general. Details of the research methodology are contained in the appendix to this report.

This wide ranging study has allowed for a more thorough and informative analysis of the two core constituencies of Business2Arts with the added value of some consumer perceptions of the value of arts sponsorship. It has allowed valuable conclusions to be drawn about the considerable potential for growth in arts sponsorship, and about adjustments needed on both sides of the equation to facilitate that growth.

## Section 2 Business Sponsor Survey 2005

### 2.1 Introduction

The growth in the Irish economy in recent years has been matched by an exponential growth in spending by business on advertising, Corporate Social Responsibility initiatives and, in particular, on sponsorship. Europe is expected to lead the global surge in the use of sponsorship by the business sector, with double-digit growth in overall sponsorship investment expected in Ireland for the remainder of the decade at least.<sup>1</sup>

One of the roles of Business2Arts is to convince the business sector that an investment in arts sponsorship is an attractive and a productive option. The annual Allianz Business2Arts Awards provide a practical illustration of the value of arts sponsorship by rewarding those businesses that have demonstrated best practice in their sponsorship of the arts.

### 2.2 Why sponsor the arts?

Respondents were asked to identify the reasons for their involvement in sponsorship in general and arts sponsorship in particular. The results show that the arts have a slight edge in allowing business to reach their existing customers and in the provision of client entertainment opportunities. Otherwise there is comparatively little difference between the corporate objectives associated with sponsorship in general (including sports) and those associated with arts sponsorship.

Figure 1. Rationale for Sponsorship Involvement



The growing emphasis on the need for business to fulfil its Corporate Social Responsibility (CSR) should help to facilitate an increase in arts sponsorship, particularly where arts activity takes place in a community context.

Business respondents were asked whether their companies had a CSR policy. A total of 49% did.

1. Source: Onside Sponsorship (Dublin)

4 in 5 of the companies surveyed were involved in arts sponsorship at the time of the survey. While 1 in 5 (22%) of these had a commitment to one arts sponsorship in their portfolio, the balance of companies were involved in two or more arts sponsorships.

The analysis in the rest of this section relates to the responses of those companies currently involved in arts sponsorship.

### 2.3 Growth in the amount of arts sponsorship

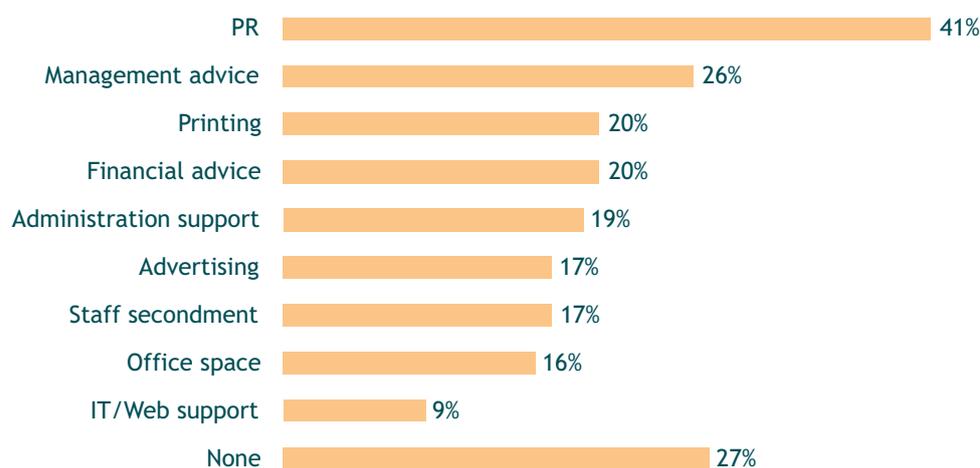
Businesses already involved in arts sponsorship were asked to estimate the proportion of sponsorship spend allocated to the arts over a three year period. Their answers indicate a steady growth, increasing from 14% of their overall sponsorship budgets in 2002 to 18% in 2004.

The total Irish sponsorship market was estimated to be worth €75m in 2005.<sup>2</sup> Assuming that businesses maintained a steady growth in the proportion of sponsorship spend on the arts, it is estimated that the total level of cash investment in arts sponsorship could be in the region of €15m.

Looking to the future, businesses - on balance - are more likely to anticipate a modest increase in arts sponsorship in the coming years, though a sizeable minority (23%) are undecided.

It is important to note that sponsorship does not necessarily have to take the form of cash outlay on the part of the sponsor. The most effective arts sponsorships tend to involve sponsorship in-kind along with a cash sum. It is not surprising that 41% of arts sponsors include PR support as part of their contribution, since it is in their interest to gain a high profile for their involvement in the sponsorship. It is encouraging to see the development of a range of other supports offered, although the level at which they are used is disappointingly low in some cases (for example, IT/web support, office space or advertising).

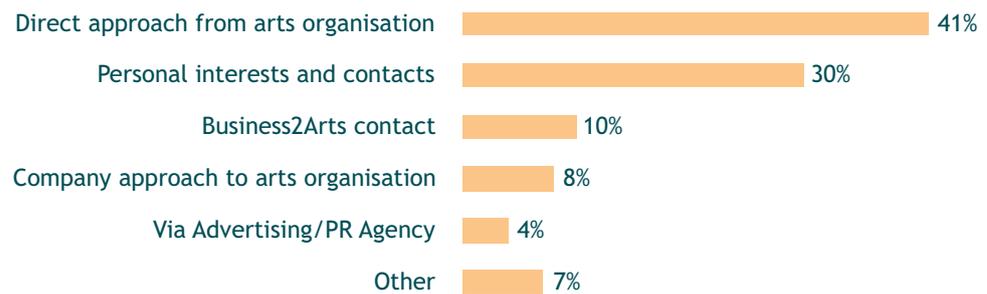
Figure 2. Arts Sponsorship In-Kind Support



### 2.4 Selecting and managing arts sponsorships

It pays to be direct in arts sponsorship. Over two fifths - 41% - of businesses sponsoring the arts say they received a direct approach from an arts organisation, and 30% of sponsorships were undertaken as a result of a personal contact.

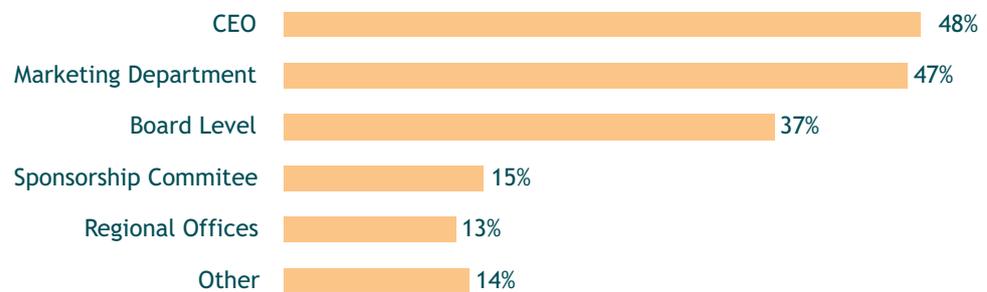
2. Source: Amárach Consulting (Dublin)

**Figure 3. Basis for Selecting Arts Sponsorship**

For arts organisations in search of sponsorship, an understanding of the approaches and mechanisms employed by business to manage their sponsorships is essential. While the benefits of arts sponsorship can be difficult to quantify, efforts to do so are on the increase with applicant organisations required to demonstrate more clearly than in the past what return they can bring to the sponsoring company. The majority (64%) of businesses have sponsorship guidelines in place. A similar proportion - 63% - says that objectives for the sponsorship agreement are formally agreed in advance.

## 2.5 How sponsorship decisions are made

It is important for arts organisations in search of sponsorship to understand the internal decision-making mechanisms that apply in the companies they are approaching. The power of the CEO is ranked highly here, as is that of the marketing department, with input from boards being quite significant too. Decisions by specific sponsorship committees or by regional offices of larger companies are not as common.

**Figure 4. Main Sponsorship Decision Makers**

## 2.6 Internal communications of arts sponsorships

The benefits of sponsoring the arts can be a challenge to communicate internally, with 62% of sponsors responding that they have difficulty persuading colleagues of the value of arts sponsorship. The table below ranks the reported barriers sponsors have to face in their own organisations.

**Table 1**

| Rank | Internal Barriers to Arts Sponsorship           | % of Respondents |
|------|---|------------------|
| 1    | Perception of lack of relevance or fit to brand | 63%              |
| 2    | Lack of interest                                | 57%              |
| 3    | Expectation of low return                       | 52%              |
| 4    | Lack of knowledge                               | 41%              |
| 5    | Perceptions of elitism                          | 26%              |

Given the emphasis on brand fit in current thinking on sponsorship, the business survey shows that a large proportion of businesses are not persuaded of the value of arts sponsorship in this regard. However, it is interesting to find that only 26% have any concerns that the arts might be considered elitist.

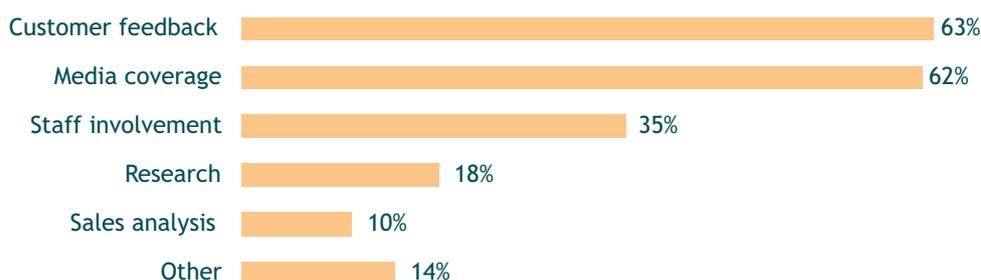
## 2.7 Staff involvement

Almost all businesses (92%) surveyed manage their arts sponsorship projects in-house and do not use the services of other agencies for this purpose. Staff involvement with the sponsored organisation is also encouraged by the sponsoring companies, with 80% saying that they provided tickets to events for their staff, while 1 in 3 sponsors (34%) provide volunteering opportunities for their staff. Mentoring is also a method sponsoring companies use as a means of engaging their staff, with 15% of sponsoring organisations providing this opportunity.

## 2.8 Evaluating and measuring arts sponsorship

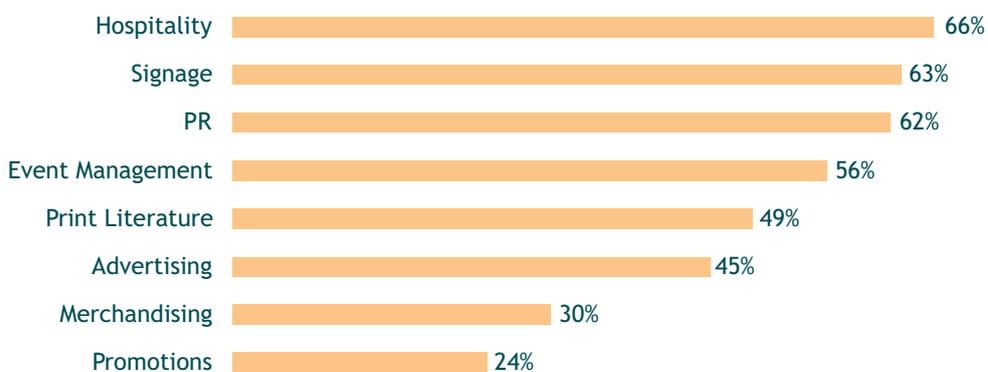
An increasingly important issue for all sponsors - not just those sponsoring the arts - is the need for measurement and evaluation. The business survey shows that customer feedback (63%) and media coverage (62%) are currently the most frequently used means to measure the success of an arts sponsorship.

Figure 5. Methods of Evaluating Arts Sponsorship



Of the businesses that sponsor arts organisations, 66% give a high priority to the opportunity that the arts sponsorship provides for offering hospitality to clients. A majority of sponsors also like to be involved in the signage, PR and event management of their sponsored programmes.

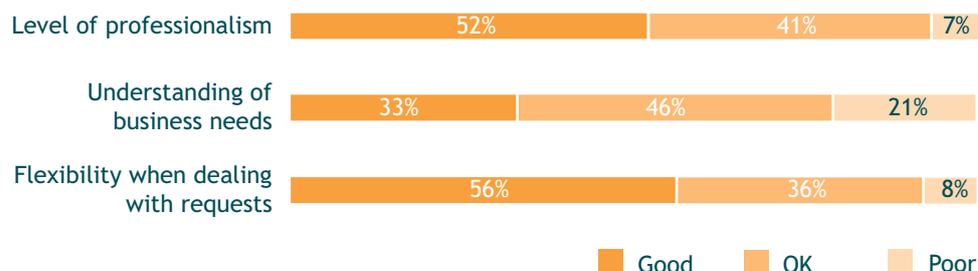
Figure 6. Nature of Business Involvement in Arts Sponsorship



## 2.9 Success of arts sponsorship

It is encouraging to note that the overwhelming majority - 89% - of business sponsors of the arts feel that their arts sponsorships have been successful. However, there is still room for improvement. Sponsors were asked to rate the arts organisations in terms of their capacities in three areas - flexibility, understanding business needs and professionalism. Though their assessments are generally positive, there remain some reservations about the capacity of arts organisations to understand the needs of business.

Figure 7. Experience of Dealing with Arts Organisations



A majority of arts sponsors (78%) feel that the experience of working with arts organisations is the same as that of working with sporting or other organisations they might sponsor, with 13% finding it a better experience. There may be potential here for arts organisations to develop their offer in a way that makes it more attractive to business than that of their competitors.

## 2.10 Leading Arts Sponsors

Businesses were asked to identify brands and companies that they believe are examples of best practice in arts sponsorship in Ireland at present. The top 5 major brands most frequently cited were: AIB, Diageo, Bank of Ireland, RTÉ and Allianz.

## 2.11 Conclusion

The survey reveals that the rationale businesses use when deciding to commit to a sponsorship is very similar whether it is an arts or another sponsorship. The provision of corporate hospitality and the opportunities offered for targeting business customers are the two areas in which the arts are seen as having a slight edge over other sponsorships.

With the growing interest in and commitment to Corporate Social Responsibility (CSR) policies, certain kinds of arts sponsorships, especially if they are community based, may offer opportunities to businesses to fulfil some of their obligations in this regard.

*“Life without industry is guilt, and industry without art is brutality”*

John Ruskin, Author

## Section 3 Survey of Arts Organisations 2005

### 3.1 Introduction

This section of the survey presents the feedback from arts organisations and their experience of corporate sponsorship. Business has an important role to play in supporting artists and arts organisations whose income is usually derived from more than one source, examples include state and other grants, box office receipts, donations and corporate sponsorship.

The arts sector is now much more aware of the need to be able to work with businesses on a professional level when it comes to securing sponsorship. This is reflected in a marked increase in the demand from arts organisations for the specialised training Business2Arts provides through its courses on Sponsorship Seeking Skills.

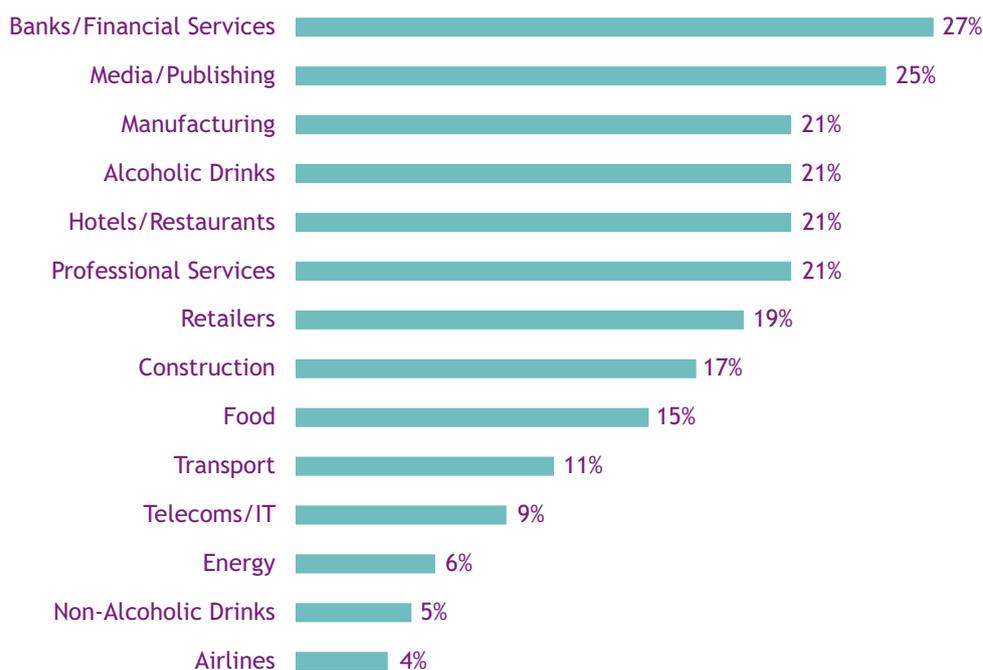
### 3.2 Sponsor relationships and business sectors involved

The vast majority - 70% - of arts organisations in this survey had at least one business sponsor at the time of the survey in 2005. Moreover, almost half (49%) of arts organisations receiving sponsorship from a single main sponsor have maintained these relationships for more than 5 years.

The majority - 56% - expect the relationship to be renewed into the future, indicating a level of success achieved in these relatively long term relationships. On the other hand, 1 in 4 report no plans to continue the current sponsorship. This may suggest a need for some arts organisations and business sponsors to take a more strategic approach to developing and maintaining their relationships over longer periods.

The range of businesses involved in supporting the arts has widened in recent years. Banks and financial services topped the list in 2005, with the media (including publishing, printing and broadcasting), coming a close second, followed by manufacturing industry, alcoholic drink companies, hotels/catering/restaurants and professional services.

**Figure 8. Business Sectors Sponsoring the Arts**



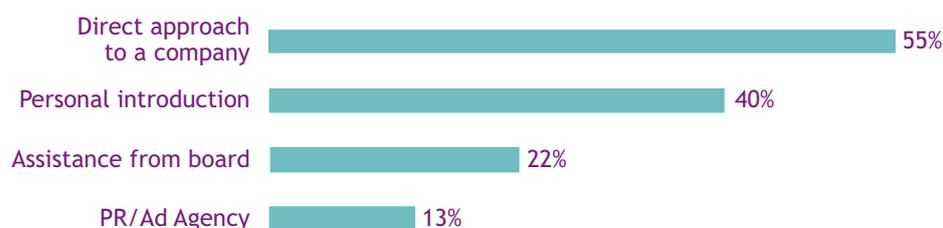
It is interesting to note that only 23% of arts organisations report imposing any restrictions on the business sectors from which they will accept sponsorship. In the United States, for example, recent research<sup>3</sup> indicates that 60% of ‘sponsored properties’ have restrictions on certain categories of sponsors. Of the small number of arts organisations in Ireland that have a policy on restricting income from particular sectors, a clear majority (61% of ‘restrictors’) would reject sponsorship from tobacco companies. Only 34% of those who do have a restriction policy would reject alcoholic drink companies.

### 3.3 Sourcing the sponsorship

One of the most requested training courses in the Business2Arts training portfolio is Sponsorship Seeking Skills and indeed one of the core objectives of the organisation is to bring the arts and business closer together. It is interesting therefore to see how arts organisations currently go about seeking sponsorship for their activities.

Again, there is a similarity between the experiences of arts organisations and of business sponsors. The chart below shows clearly that a direct approach to business is the most effective route for arts organisations (55% ranked it first), with a personal introduction to a potential business coming a close second (40%).

Figure 9. Arts Organisations Approaches to Finding Sponsors



### 3.4 The importance of media partnerships

The value of media partners for arts organisations, particularly those involved in presenting events to the public, cannot be underestimated. Not only are there obvious synergies with the arts and entertainment areas of the media, both print and broadcast, there is the added value of a media partnership in the attraction of other sponsors. The value to arts organisations of the publicity associated with such partnerships is considerable. 3 in 10 arts organisations in this survey currently have a media partner.

Newspapers and radio stations, both local and national, were the most common media partners among responding organisations, with 86% of those with a media partner having relationships with both. Television accounts for only 25% of the partnerships. This is not surprising considering the high cost - and value - of television advertising and exposure as well as the intense competition amongst sponsorship seekers for television coverage.

### 3.5 Sponsors’ understanding of arts organisations’ needs

Opinions are divided on whether sponsors fully appreciate the needs of arts organisations and whether their requirements can be met easily. Almost half of respondents to the arts organisations survey feel their sponsors understand what is important to them as organisations and 60% feel sponsors expectations are realistic. However, over half (56%) find that meeting sponsors’ expectations is more difficult than it used to be.

3. Source: IEG (Chicago) 2005

Nevertheless, on balance, arts organisations feel that the general climate for arts sponsorship at the moment is improving (49% agreeing it is getting better versus 38% who disagree).

### 3.6 Sponsors' satisfaction

Arts organisations overwhelmingly believe that their sponsorship relationships are positive, with 80% of those who currently have a sponsor stating that their business partners were satisfied. This corresponds with the business survey findings reported in the previous section where 89% of business customers declared their sponsorships to have been successful.

Moreover, when asked to rate the working relationship they have with their business sponsors, over half of arts organisations (53%) with a single main sponsor say their relationship is good, while 44% rate the relationship with their single main sponsor as excellent.

### 3.7 Keys elements of a successful sponsorship

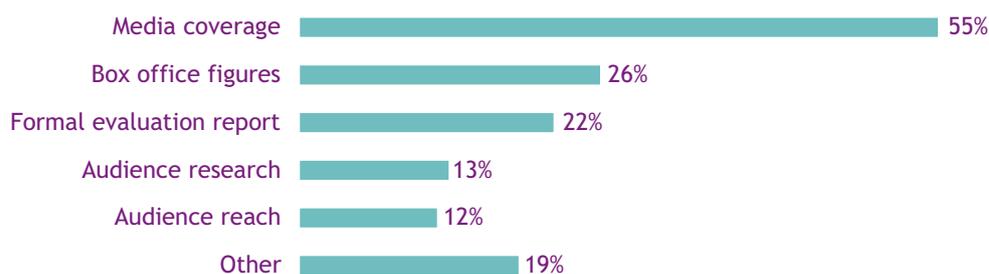
Developing and maintaining relationships with sponsors can be a challenge for arts organisations, especially for those that have difficulty finding resources for specialist staff to manage the sponsorship. Therefore, it is not surprising to see that the first choice of respondents when asked to select the most important non-cash benefit of a sponsorship is getting a commitment of more than one year from a business sponsor.

Figure 10. Most Important Non-Cash Elements in Successful Sponsorship



### 3.8 Evaluation of sponsorship success

Internationally, there is an increasing demand from businesses investing in all forms of sponsorship for a robust evaluation of the value they receive from their investment. The value of arts sponsorship can be difficult to quantify, and a variety of tools are utilised for this purpose. The arts organisations surveyed were asked to select the type of information they are required to provide to their business sponsors.

**Figure 11. Methods Used to Evaluate Sponsorship Success**

Not surprisingly, media coverage came out on top with 55% putting it in first place. Box office figures came next at 26%, followed by the completion of evaluation reports at 22%. As we saw in the previous section, business sponsors rate media coverage as joint first in their own evaluation approach (alongside customer feedback). Just 1 in 5 arts organisations are required to produce a formal evaluation report at the end of a sponsorship.

### 3.9 Conclusion

One of the greatest difficulties facing many arts organisations is their capacity to plan ahead effectively in the absence of guaranteed funding. Commitment by a business sponsor to a long-term investment can have a positive effect on organisational growth and development. Internationally the trend is towards longer term sponsorship agreements, and business and arts organisations should be encouraged to follow this example to derive maximum benefit from their partnerships.

*“Art washes away from the soul the dust of everyday life”*

Pablo Picasso, Artist

## Section 4 Consumer Survey 2005

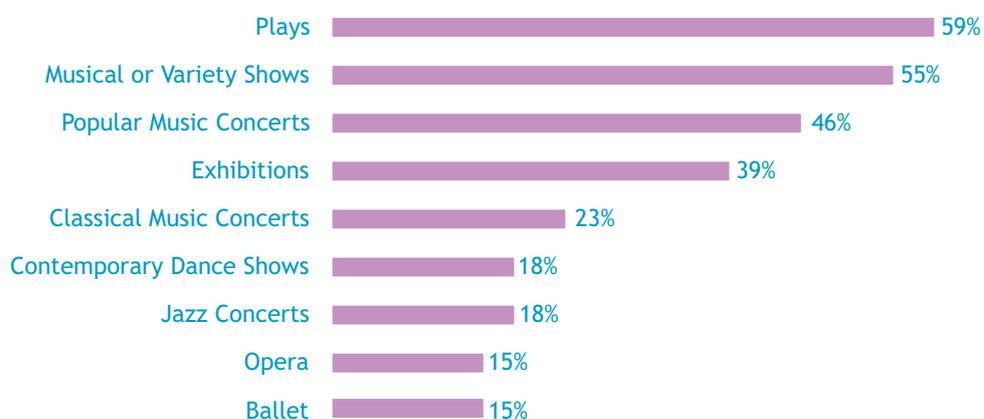
### 4.1 Introduction

This final section presents the views of Irish consumers on arts sponsorship. This is the first time research of this nature has been conducted as part of a Business2Arts survey. In today's business climate, a company's decision to commit to arts sponsorship is strongly influenced by the capacity of artists or arts organisations to assist them in reaching their target markets. Therefore it was decided to extend our survey to find out how consumers view arts sponsorship by business.

### 4.2 Attendance at arts events

The theatrical community should be heartened by the fact that 59% of Irish adults visit a theatre at least once a year. Almost 40% of people visit an art exhibition at least once a year, and 23% attend a classical music concert.

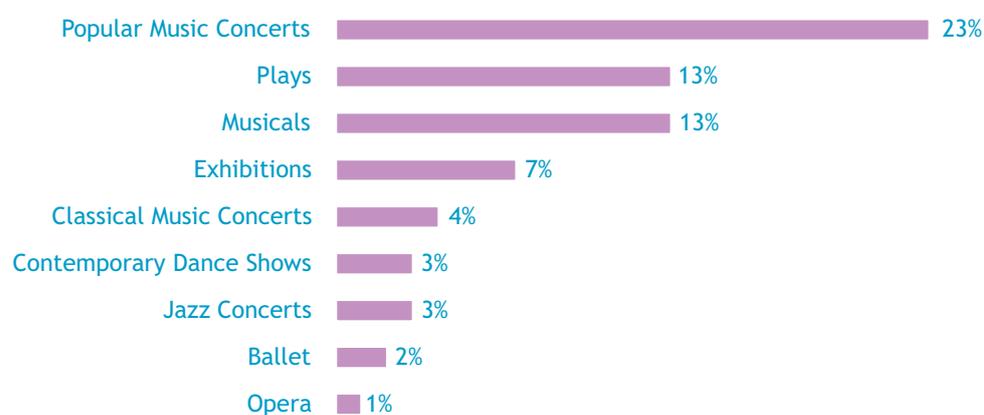
Figure 12. Percentage of Irish Adults Attending Events



### 4.3 Where sponsorship should be directed

Given the timing of the survey, which was conducted during the 2005 summer season of large-scale music festivals, it comes as no surprise that popular music holds the greatest attraction for the largest number of people. When asked to choose which kind of event business sponsorship should be directed at, popular music concerts are ranked highest. Plays and musicals come next, followed by art exhibitions and classical music concerts.

Figure 13. Consumer Preferences for Arts Sponsorships



#### 4.4 Consumer perceptions of good fit

Consumers were asked to select those businesses that they felt would make the most suitable sponsors of the arts. Although banks come out on top there is little statistical difference between the proportions choosing banks over non-alcoholic drinks companies, insurance companies, telecoms and the print and broadcast media. Energy suppliers, transport companies, computer companies, the motor industry and food companies all came in ahead of alcoholic drinks companies. At the bottom of the list are fast food companies.

Table 2

| Suitability of Sector or Company to Sponsor Arts      | % Agreeing there is a good fit |
|---|--------------------------------|
| Banks/Building Societies                              | 74%                            |
| Non-Alcoholic Drinks                                  | 73%                            |
| Insurance/Life Assurance/Other Financial Services     | 72%                            |
| Telecoms  | 72%                            |
| Media   | 72%                            |
| Energy Companies                                      | 67%                            |
| Transport   | 67%                            |
| Computer Companies                                    | 66%                            |
| Motor Industry  | 64%                            |
| Food Companies  | 63%                            |
| Alcoholic Drinks                                      | 63%                            |
| Hotels  | 58%                            |
| Retailers   | 56%                            |
| Professional Services (Accountants, Solicitors, etc.) | 54%                            |
| Fast Food Companies                                   | 52%                            |

Intriguingly, several of the companies and sectors identified by consumers as appropriate arts sponsors are not - according to either the business or arts organisations surveyed - currently involved to any significant extent in arts sponsorship. Perhaps this points to an opportunity for some companies and brands to gain an advantage over their competitors by getting involved in arts sponsorship

#### 4.5 More arts sponsorship needed

Almost half of Irish adults (45%) feel that there is not enough sponsorship of the arts in Ireland. Indeed, only 12% disagree with this. Furthermore, more than half (54%) of Irish adults are positively influenced by the fact that a company has engaged in arts sponsorship. Sponsorship is also a powerful marketing tool as nearly 2 in 5 adults (37%) say they would be influenced by a company's decision to sponsor the arts when deciding whether or not to buy its products or services.

#### 4.6 An alternative to advertising?

With growing pressure on traditional advertising methods from the threat of TV switch-off, arts sponsorship offers an alternative channel for brands to reach their consumers. This potential is supported by the finding that 55% of Irish adults currently believe that sponsorship of the arts is a better way for companies/brands to market themselves than advertising. Indeed, only 10% disagreed.

## 4.7 Best Business Sponsors of the arts

Consumers were asked to identify which companies were the best sponsors of the arts in Ireland in terms of their appeal to the consumer. Almost 3 in 10 of the respondents selected Guinness as their first choice. Examples of arts sponsorships identified by consumers included the Guinness Jazz Festival, O2 in the Park and the Jameson Dublin International Film Festival.

Table 3

| Rank  | Best Arts Sponsor   | %   |
|-------|---|-----|
| 1     | Guinness  | 29% |
| 2     | Heineken  | 12% |
| 3     | Budweiser   | 8%  |
| 4     | O2  | 7%  |
| 5     | Smithwicks  | 5%  |
| 6     | RTÉ   | 4%  |
| 7     | Bulmers   | 3%  |
| 8     | AIB   | 3%  |
| 9     | Jameson   | 2%  |
| 10    | ESB   | 2%  |
| 11-20 | Bank of Ireland, Credit Union, Texaco, Murphy's, Stella Artois, Carlsberg, eircom, Tayto, Cadburys, Irish Times |     |

## 4.8 Conclusion

The consumer survey showed considerable goodwill towards arts sponsorship. With a majority of consumers expressing the opinion that not enough sponsorship was directed towards the arts, a considerable number indicated they would be positively influenced by a company's decision to sponsor the arts. And with more than half showing a preference for sponsorship over advertising, it is clear that arts sponsorship offers considerable potential for brand enhancement.

*"It is through art, and through art only, that we realise our perfection; through art and through art only, that we can shield ourselves from the sordid perils of actual existence."*

Oscar Wilde, Writer

## Section 5 Highlights & Conclusions

The following is a summary of the main findings from each of the three sectors surveyed in the 2005 Business2Arts National Arts Sponsorship Survey.

### Business Sponsors Highlights

There has been a growth in the proportion of sponsorship spend by business on the arts from 14% in 2002 to 18% in 2004.

In 2005, it is estimated that in the region of €15m was invested by business in arts sponsorship.

The most important rationale for business involvement in arts sponsorship is the improvement of company profile, followed by brand development and achievement of CSR goals.

While there is not much difference between the reasons for choosing the arts over any other kind of sponsorship, arts sponsorship has a slight edge over general sponsorship when it comes to reaching existing customers and providing corporate hospitality.

41% of arts sponsorships were as a result of a direct approach to business by the arts organisation.

6 in 10 businesses surveyed claimed that they have difficulty persuading their colleagues of the value of arts sponsorship.

CEOs and Marketing Departments are the main decision makers when it comes to selecting sponsorships.

60% of the businesses surveyed are involved in 2 or more arts sponsorships and 1 in 5 has a commitment to a single arts organisation.

63% of businesses engaged in arts sponsorship claim that they formally agree on the objectives for the activity in advance.

Customer feedback and media coverage are the most frequently used means to measure the success of an arts sponsorship by Irish businesses.

Hospitality, signage and PR are the three most common areas of direct involvement for companies sponsoring the arts.

Assistance with PR is the most popular 'in-kind' support provided by businesses involved in arts sponsorship.

89% of business sponsors feel that their arts sponsorships have been successful. Just 1 in 5 has reservations about the ability of arts organisations to understand their needs.

A majority of business sponsors (78%) feel that the experience of working with arts organisations is the same as that of working with other organisations they sponsor (e.g. sports), with 13% finding it a better experience.

The top 5 brands most frequently cited by business as examples of the best sponsors of the arts in Ireland were AIB, Diageo, Bank of Ireland, RTÉ and Allianz.

## Arts Organisations Highlights

1 in 2 arts organisations that have a single main sponsor have maintained these relationships for more than five years. 56% of those that have a single main sponsor state that the relationships have been renewed into the future.

Banks and financial institutions are the most active business sponsors of the arts, with the media (including publishing, printing and broadcasting), coming a close second.

At present, 3 in 10 arts organisations have a media sponsor - with national and local radio and newspapers being the most frequent types of media partner identified.

Only 23% of Irish arts organisations have a policy of restricting sponsorship from certain types of companies.

8 in 10 arts organisations currently receiving business sponsorship believe that their sponsors are satisfied with the return they receive for their investment.

Just 1 in 5 arts organisations are required to produce a formal evaluation report at the end of a sponsorship.

Analysis of media coverage is the most popular method used by businesses to evaluate the success of an arts sponsorship.

Over half (55%) of arts organisations with business sponsors achieved the sponsorship following a direct approach to businesses. 4 in 10 made the connection through personal contacts or introductions.

1 in 4 arts organisations rate a commitment of more than one year as the most important non-cash element of a successful sponsorship.

60% of arts organisations feel that sponsors expectations are realistic but over half found that meeting sponsors expectations is more difficult that it used to be.

49% of arts organisations feel that the general climate for arts sponsorship is improving (versus 39% who disagree).

## **Consumer Highlights**

Almost 3 in 4 Irish adults selected banks as the most suitable business sector for sponsoring the arts, followed closely by non-alcoholic drinks companies, insurance and telecoms companies and media.

With varying degrees of frequency, some 6 in 10 Irish adults attend plays in Ireland, with 16% going to see a play at least every 2-3 months. At the other end of the spectrum, attendance at opera and ballet performances is limited to around 15% of Irish adults.

45% of Irish adults feel that there is not enough sponsorship of the arts in Ireland. Only 12% disagree.

More than half of Irish adults are positively influenced by the fact that a company has engaged in arts sponsorship.

37% of the consumers - or just over 1 million Irish adults - would be positively influenced by a brand's decision to partner with an arts event or organisation.

55% of Irish adults currently believe that sponsorship of the arts is a better way for companies/brands to reach them than through advertising.

The best sponsor of the arts in Ireland in terms of appeal to consumers was Guinness.

## Section 6 Conclusions

The Business2Arts 2005 survey reveals a healthy climate for arts sponsorship in Ireland. Relationships between sponsors and arts organisations are good; their appreciation of each others needs appears positive and consumers value arts sponsorship highly. However, the survey highlights several areas for improvement.

### Why sponsor the arts?

The survey reveals that the rationale businesses use when deciding to commit to a sponsorship is very similar whether it is an arts or another sponsorship. The provision of corporate hospitality and the opportunities offered for targeting business customers are the two areas in which the arts are seen as having a slight edge over other sponsorships. Arts organisations may see opportunities here for offering something unique which other activities cannot provide.

With the growing interest in and commitment to Corporate Social Responsibility (CSR) policies, certain kinds of arts sponsorships, especially if they are community based, may offer opportunities to businesses to fulfil some of their obligations in this regard.

Businesses should also think about becoming involved with arts organisations on an in-kind basis. Donations of products or services to the arts can be an attractive and cost efficient way for a business to connect with consumers. Examples of worthwhile sponsorships in-kind include using a company's marketing and public relations expertise to assist in the promotion of an arts event or showcasing a product or service by becoming the official supplier to an arts organisation.

### Making the connection

The survey shows that direct approaches to businesses from arts organisations were the most common and effective methods used to source sponsorship. Only a very small number of businesses initiated the contact themselves, and the take-up from companies of the Business2Arts service which offers connections to arts organisations in search of sponsorship was also relatively low. Business2Arts publicises available arts sponsorship opportunities through its newsletter and e-zine and also facilitates personal introductions and follow-up. What the survey does not reflect is the contribution that Business2Arts has made to the successful direct sourcing of sponsorship through the participation of many of the arts organisations surveyed in its regular Sponsorship Seeking seminars. In addition, the 'Art of the Pitch' training delivered to participants in the annual Arts Showcase presented by Business2Arts has also had a positive impact on the success of many arts organisations' approaches to sponsors.

It is of interest to note that many business people find they have difficulty in persuading colleagues of the value of arts sponsorship. This presents a challenge to arts organisations to frame their proposals in a manner that makes it easier for their business partners to communicate the value of arts sponsorship within their companies.

### Assessing the benefits of sponsorship

While customer feedback & media coverage are the most commonly used methods of evaluation at present, the increasing demand from businesses for measurement of the value of sponsorship spending would point to a need for the development of more extensive evaluation methods. The popularity of media coverage is unsurprising, and arts organisations are often well placed to offer avenues to innovative and effective media exposure for

sponsoring firms. Equally, box office figures offer a straightforward way to calculate audience reach. However, there are many other ways of making a sponsorship work.

Apart from the provision to staff of tickets for sponsored events, the staff of sponsoring firms have limited involvement with the arts organisations sponsored. This may point to a lack of awareness within sponsoring companies of what other opportunities exist to leverage the sponsorship, and it presents a challenge to arts organisations to come up with innovative ways of doing this. For example, the arts organisations may be able to offer volunteering opportunities, training through the arts and other benefits to the businesses. The businesses could provide training, mentoring and other practical support to the arts organisations. Arts and cultural activities can make an important contribution to the development of creativity and innovation in business. The more sophisticated the relationship is, the easier it should become for those handling the arts sponsorship to convince their colleagues of its value.

The assessment by businesses of the capacity of the arts organisations they sponsor to understand their needs is generally positive, though there is some room for improvement. It is particularly encouraging for arts organisations to see that their levels of professionalism and flexibility in their dealings with business were rated highly. However, this survey also shows that a majority of arts organisations feel it is getting harder to meet the expectations of their business sponsors. While relationships between businesses and the arts organisations they sponsor have been good, only a small number were considered to be better than those between businesses and other organisations. Although a majority of arts organisations feel the climate for arts sponsorship is improving, there is clearly potential for arts organisations to offer something different and more rewarding to their business sponsors in order to gain competitive advantage.

### How long can it last?

Almost half of sponsored arts organisations surveyed indicated that their sponsorship relationships with business had lasted more than 5 years, and a majority expected these to be renewed into the future. It is usually easier to extend an existing relationship than to begin a new one, and if there is a genuine strategic partnership with benefits being accrued by both sides it will be less likely to founder as a result of a change in direction or of personnel. One of the greatest difficulties facing many arts organisations is their capacity to plan ahead effectively in the absence of guaranteed funding beyond the annual cycle in which they currently receive grant-aid. Commitment by a sponsor to a long-term investment can have a positive effect on organisational growth and development. Internationally the trend is towards longer term sponsorship agreements, and business and arts organisations should be encouraged to follow this example to derive maximum benefit from their partnerships.

### What do consumers think?

The consumer survey showed considerable goodwill towards arts sponsorship. With a majority of consumers expressing the opinion that not enough sponsorship was directed towards the arts, a considerable number indicated they would be positively influenced by a company's decision to sponsor the arts. And with more than half showing a preference for sponsorship over advertising, it is clear that arts sponsorship offers considerable potential for brand enhancement.

### Who sponsors the arts?

Survey results indicate a wide range of companies currently sponsoring the arts, with banks and financial services topping the list. However, the relatively low take-up of arts sponsorship opportunities by, for instance, the technology sector, energy providers and non-alcoholic drink companies may suggest that arts organisations should explore the

potential of these sectors for the future.

It is interesting to compare results from the arts organisations with those from the consumer survey. When asked to identify which sectors were most suited to arts sponsorship, consumers also indicated a strong preference for banks and financial services. However, their strong positioning of telecoms, energy, transport, computer, motor and food companies (all of which they rate higher than alcoholic drinks companies) is not reflected in the information provided by arts organisations about which businesses are actually supporting the arts.

While only 5% of arts organisations were sponsored by non-alcoholic drinks firms, 73% of consumers felt that these companies were a good fit for arts sponsorship. And while only 9% were sponsored by telecoms companies, 72% of consumers felt they offered a good fit. These results from the consumer survey offer interesting perspectives from which both arts organisations and businesses could benefit in their search for new sponsorships.

### Challenges ahead

Sponsorship of the arts - or indeed of any other activity - is not a one-way street. The days of expecting the cheque to be written and delivered with no strings attached are gone, and the trends are now towards strategic alignments that reflect the corporate culture and values of the sponsoring business. The challenge will be for both sides of the partnership to use their strengths creatively to their mutual benefit.

While this survey has highlighted many of the positive elements of current arts sponsorship, it also points to some challenges facing both business and the arts.

The principle challenges for business are:

- To communicate to colleagues the value of arts sponsorship
- To justify their expenditure on arts sponsorship
- To listen to consumers and recognise the potential of arts sponsorship
- To work with arts organisations to find creative ways of leveraging their sponsorship investment

The main challenges for arts organisations are:

- To gain an understanding of the corporate culture of the businesses they are approaching and to tailor their proposals accordingly
- To draw on their strengths to provide something different and new to their potential sponsors
- To assist businesses in fulfilling their need to innovate and to meet their Corporate Social Responsibility agendas.

The role of Business2Arts is to support both business and the arts to meet these challenges. It is hoped that this publication will prove useful to sponsors and to arts organisations in developing their partnerships and that it will encourage businesses to increase their engagement with the world of the arts.

## Appendix Background and Methodology

### Business Survey

An on-line research methodology was employed for the business survey element of this research. A total of 406 senior executives in companies known to be sponsors of the arts were asked to participate in an on-line survey. An e-mail, containing an embedded link to the survey was sent to potential participants. There were 87 responses in total, a response rate of 21%.

### Arts Organisations Survey

The data for the arts organisations survey was collected using a self-complete postal questionnaire. An invitation to participate in the survey, and the survey itself was sent to 969 arts organisations. In total, 191 arts organisations responded, indicating a response rate of 20%. The respondents to the survey represented the wide range of arts organisations in Ireland, in terms of genre and size.

### Consumer Survey

A nationally representative sample of 1008 adults aged 15-74 were interviewed on a face to face basis in their own homes by an Amárach field researcher to collate the data for the consumer component of this research.

Business2Arts, 44 East Essex Street, Temple Bar, Dublin 2, Ireland  
Phone: +353 (0) 1 672 5336 Fax: +353 (0) 1 672 5373  
Email: [info@business2arts.ie](mailto:info@business2arts.ie) Web: [www.business2arts.ie](http://www.business2arts.ie)

**B**USINESS  
**2**ARTS