

National Arts Sponsorship **Survey**
Executive Summary

BUSINESS
4ARTS

Contents of this report

This report contains an executive summary of the main findings of the Business2Arts National Arts Sponsorship Survey conducted in 2005.

Business2Arts is a non-profit organisation, privately funded by business to promote corporate sponsorship and support of the arts in Ireland. 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.

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.

Business2Arts would like to thank and acknowledge the sponsors of this survey - Amárach Consulting and Onside Sponsorship.

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

Pablo Picasso, Artist

Key Highlights

Business Sponsors Survey

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.

Rationale for Sponsorship Involvement

From Business Sponsors Survey



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.

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

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

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.

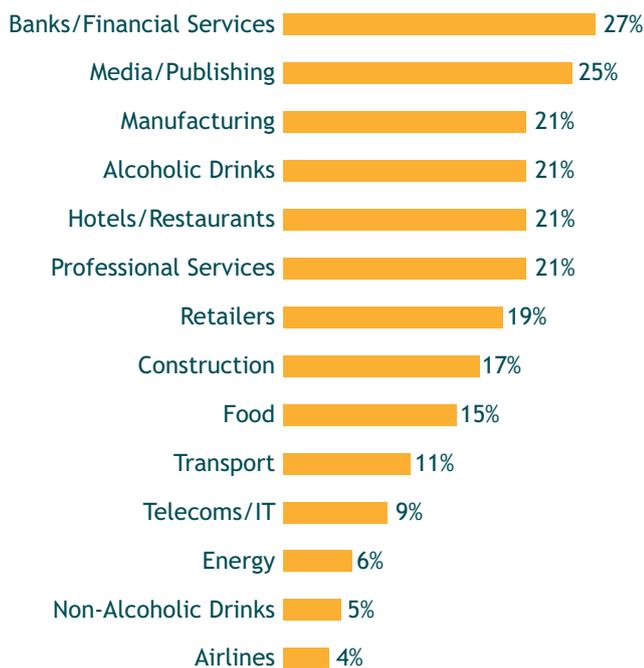
Arts Organisations Survey

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.

Business Sectors Sponsoring the Arts

From Arts Organisations Survey



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 than it used to be.

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

Consumer Survey

Almost 3 in 4 Irish adults selected banks as the most suitable business sector for sponsorship of 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.

Highlights of Survey 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 other 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.

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. 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. 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 from 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.

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.

The full survey report is available from Business2Arts