SPONSORSHIP
OF CULTURAL EVENTS,
ORGANISATIONS,
AND ACTIVITIES
2003
Acknowledgements

This report provides government, businesses and cultural organisations with valuable insights into the drivers behind cultural sponsorship. The Ministry for Culture and Heritage would like to thank the corporate sponsors and the cultural organisations who contributed so generously to this project.
CONTENTS

INTRODUCTION 5
Methodology 5
Survey of corporate sponsors 5
Response rate 5
Survey of cultural organisations 6
Response rate 6
Characteristics of respondents 6
Corporate sponsors 6
Cultural organisations 6
Caveat 7
Using this report 7

CORPORATE SPONSORSHIP 8
Past cultural sponsorship 8
Number of events sponsored 8
Types of activities and events sponsored 8
Proportion of sponsorship budget spent on cultural sponsorship 9
Importance of factors in deciding whether to sponsor 9
Influence of funding from central government in sponsorship decisions 10
Desire to have a say in the content of the event or activity being sponsored 10
Future sponsorship intentions 11
Numbers of events and activities to be sponsored 11
Types of events and activities to be sponsored 11
Proportion of future sponsorship budgets to be committed to cultural sponsorship 12
Comparison of last three years with next three years 12
Reasons for reducing cultural sponsorship 12
Non-cultural sponsorship 13
General trends in cultural sponsorship by New Zealand businesses 13

CULTURAL ORGANISATIONS 14
Cultural sponsorship in the past three financial years 14
Types of activities for which sponsorship was sought 14
The sponsorship relationship 15
Benefits for sponsors 15
Maintaining the sponsorship relationship 16
Proportion of budgets derived from sponsorship 17
Future sponsorship 18
The sponsorship environment 18
More difficult to obtain future sponsorship 18
Competitive environment 18
The strategic sponsor 18
Location of corporate head offices 19
Selling the arts 19
Less difficult to obtain future sponsorship 19
Conclusion 19

APPENDIX 1: Questionnaire to Corporate Sponsors 21
APPENDIX 2: Questionnaire to Cultural Organisations 26
As a response to indications that the level of sponsorship available to cultural sector organisations was likely to decrease the then Ministry of Cultural Affairs developed the first survey of cultural sponsorship in 1998. It was thought that the decrease would result from events in 1999 and 2000 such as the Millennium, the America’s Cup and the proximity of the Olympics, which would prove to be more attractive to sponsors, and from a number of long-term sponsors of cultural activities dropping out of the market. The intention was to make the survey a regular collection of data so that trends in sponsorship could be monitored over time.

The survey is conducted in two parts:

• A biennial survey of corporate sponsors; and
• A more frequent survey of cultural organisations.

This report presents the findings of the latest survey conducted in October/November 2003 by the Ministry for Culture and Heritage.

Methodology
The 2003 survey was conducted online. Past surveys had been postal questionnaires, and over time the response rates had declined. In an attempt to improve the response rate the Ministry decided to experiment with an online survey. E-xpert Developments, a Wellington based web-development company, built and hosted the questionnaires on its website. The online survey form combined with personal approaches to all participants improved the response rates dramatically.

Participants in the survey received three reminders by email. These also contained the link to the questionnaire, the username and the password.

Survey of corporate sponsors
The corporate survey was repeated in 2001, and again in 2003. The questionnaire, designed by Statistics New Zealand, has remained virtually the same for all surveys. The questions explore corporate sponsors' motivations for sponsoring cultural activities; the activities they sponsor; the proportion of their budget they allocate to sponsorship; and, their intentions for future sponsorship.

One hundred businesses were approached individually to obtain contact details of the person with responsibility for sponsorship and to seek their agreement to participate in the 2003 survey. Businesses that had participated in the previous two surveys were approached. If a business had ceased to operate, it was replaced by one in the same business category (eg banks, law firms, transport, airlines, media, utilities etc) or if no obvious alternative was available in that category another business was selected on the basis of popular choice through consultation with cultural organisations. The person responsible for allocating the sponsorship budget was contacted by phone, told about the survey, and emailed the link to the questionnaire, along with a username and password for accessing it.

Response rate
Sixty-four businesses responded to the email. Four of these were unable to complete the questionnaire because of time constraints. In total 60 businesses took part in the survey (60% response rate).
Survey of cultural organisations

The 1998 survey of cultural organisations was repeated in a modified form in 1999, and again in November 2001. All four surveys have asked cultural organisations for their perceptions of the sponsorship environment in which they work. The 2003 survey contained additional questions that had not previously been asked of cultural organisations. These covered the activities for which organisations sought support from sponsors; the benefits they offered them in return for their support; the proportion of income derived from sponsorship; the level of sponsorship they would be seeking in the future; and their perceptions of the amount of work it took to maintain the sponsorship relationship currently and in the future.

Thirty-nine cultural organisations were surveyed in 2003. These included organisations funded through the Ministry for Culture and Heritage (six organisations); 32 of Creative New Zealand’s recurrently funded organisations; and a large festival.

The Chief Executive of each organisation was notified by letter that the survey was taking place. Each organisation was then contacted by phone and the person responsible for seeking sponsorship for that organisation was told about the survey and asked for their email contact details. The link to the questionnaire, and the username and password needed to access the questionnaire were sent to each participant by email.

Response rate
Thirty of the 39 organisations returned completed questionnaires (77% response rate).

Characteristics of respondents

Corporate sponsors
Two thirds of the businesses that responded were based in Auckland and just over one quarter in Wellington. The businesses surveyed were not spread evenly across categories. For example, 10 finance companies, transport or travel companies and media companies were surveyed as compared with two airlines, three accounting firms and four public relations firms. It is difficult therefore to draw any inference from the numbers of responses from the various sectors surveyed.

Responsibility for corporate sponsorship is handled differently by different companies. For instance some centralise the decision making process, with decisions being made by ‘Head Office’ rather than the local offices, while others will devolve the decisions to their local offices. In one instance one company surveyed had taken over three other companies. Within this organisation, sponsorship portfolios were still dealt with separately with the original companies making their own decisions but under the umbrella of the owning company.

Despite endeavouring to ensure there was a regional spread in the corporate sponsor survey, the reality is that most corporate head offices are located in Auckland.

Cultural organisations

The majority (18) of the organisations responding to the survey were Wellington-based. Three of these also toured throughout New Zealand; six could be classified as infrastructure organisations, ie they provide services and support for their sector; and one was a national institution. Five organisations were based in Christchurch, four in Auckland, two others were based in the South Island and one in the North Island.

Twelve of the organisations, while located in either Wellington or Auckland, did not limit their activity to these two centres. Their activities had a national focus either through touring or through providing services across the country.
Caveat
Neither the corporate sponsors nor the cultural organisations participating in this survey are a random sample of businesses or cultural organisations and, therefore, are not representative of businesses or cultural organisations overall in New Zealand. For this reason it cannot be assumed that the responses given by those who completed the questionnaires can be generalised to all businesses or cultural organisations or even to all those surveyed, as the characteristics of those responding may be quite different from those that did not. For this reason the results should not be viewed as representative of all those surveyed and should be used with care. It should also be noted that the numbers responding are small so results should be used with caution.

Twelve of the responding organisations also responded to the 2001 survey, however, comparisons with previous years should also be treated with caution.

Using this report
The introduction to this report sets out the methodology for both parts of this survey and outlines the characteristics of the respondents separately. The findings of the two parts of the survey are also presented separately. The final section draws together the findings from both parts of the survey and provides some commentary on their implications for sponsorship of the cultural sector.
Past cultural sponsorship

Number of events sponsored

Of the 60 businesses taking part in the survey, 52 (87%) had provided some form of cultural sponsorship in the last three financial years. This corresponds with previous surveys (83% in 1998; 85% in 2001). Thirty-seven businesses (62%) had sponsored four events or fewer. This is also similar to previous years’ results (67% in 1998; 62% in 2001). Twenty-three businesses (38%) sponsored more than four of the activities listed. Eight respondents had not provided sponsorship for any activities. It is assumed these businesses did not provide any cultural sponsorship in the three year period.

Types of activities and events sponsored

Businesses were asked to identify from a list of activities the types of events or activities they had sponsored. Of all the events or activities sponsored, the most popular categories were:

- Cultural competitions, awards or prizes (12% of all activities sponsored);
- Single productions or performances by an arts or cultural group (11%);
- Operational costs of a cultural organisation (10%);
- Provision of services (e.g. legal or financial services), free or at reduced cost, to a cultural organisation, (10%); and
- Arts festivals (whole festival, or single festival event) (10%).

![Figure 1: Past sponsorship of cultural activities](image-url)
This result is similar to that of the 2001 survey. Businesses were least likely to sponsor international tours by New Zealand performers or artists or international exhibitions of New Zealand work; and, cultural scholarships (both 3% of the activities sponsored).

**Proportion of sponsorship budget spent on cultural sponsorship**

On average 45% of businesses spent up to 20% of their sponsorship budget on cultural sponsorship over the last three financial years. This represents a slight decrease from the previous two survey results, both of which showed over 50% of respondents doing so. Previous surveys showed that between 14% and 16% of sponsors had spent over 80% of their budget on cultural activities. By 2003 this had declined to an average of 6% who did so over the previous three years.

**Importance of factors in deciding whether to sponsor**

Answers to questions about what influences businesses to sponsor cultural activities, indicate that the decision to sponsor is more likely to be a business decision than a philanthropic one, or one based on personal whim/preference. The desire to ‘serve the public good’ was, however, seen as quite important by half the respondents.

Fifty-two respondents answered a question aimed at determining what factors influenced the decision to provide sponsorship to a cultural event or activity. Respondents were asked to indicate how important each factor was in their decision making.

![Figure 2: Factors influencing sponsorship decisions](image)

As Figure 2 above shows, sponsors’ decisions are overwhelmingly influenced by the ability of the activities they sponsor to help them reach a target market (81% saw this as ‘very important’ and 13% as ‘quite important’), or to raise awareness of their brand (65% and 27% respectively). These were followed by a wish to serve the public good (38% and 52% respectively).

The next most important factors influencing sponsorship decisions were opportunities to provide client hospitality (52% rated this as ‘very important’ and 33% as ‘quite important’); being the sole sponsor or one of a small group of sponsors (54% and 29% respectively); being associated with an event of national significance (40% and 40% respectively); and, being associated with a particular cultural organisation/event or activity (27% and 54% respectively).
Supporting the personal interests of management or board members (73% rated it of 'little or no importance') and being associated with an event of international significance (63%) were the least important factors in making sponsorship decisions.

Responses to this question reflect the responses from cultural organisations as to the benefits they offered their sponsors in return for their support. These tended to focus on opportunities to raise the sponsor's profile through branding or networking, and client and staff hospitality opportunities (see pages 15–16).

**Influence of funding from central government in sponsorship decisions**

Respondents were asked whether the fact that an organisation, event or activity also received funding from central government was important in deciding whether or not to sponsor. Seventy-three percent of the 52 who replied to the question stated that this was not at all important. The remainder of respondents were divided equally on whether this would influence their decision. Thirteen percent said it would make them more likely to sponsor; 13% said it would make them less likely to do so.

Respondents were given the opportunity to comment on the reasons for their answer to this question. Some respondents appeared to have greater confidence in government-funded events or activities, and this encouraged them to sponsor:

*Having the support of local government, or local governing bodies makes it more enticing for us and we experience a greater level of comfort knowing that the city is committed to delivering a quality event…*

*Projects are assessed on their merits but we look favourably on projects that have the credibility of a government association.*

Others felt that it was important to encourage cultural events that were more independent:

*Our intent is to evaluate sponsorship opportunities on their merit, and if they are persevering without government funding then this encourages us to try harder to make the event take place.*

*There are some community groups and activities that received very little government funding; we prefer to focus on organisations that struggle to get recognised for the work they do within the community.*

Generally, of those who thought it was unimportant, sponsorship is seen as a commercial decision, and benefit to the company is the only criteria:

*Sponsorship is about achieving our own objectives – it is a commercial not a philanthropic decision. The choice of sponsorship relates to how well the sponsorship will work for us – it is immaterial if the government is supporting it or not.*

*Our decisions are made on the basis of fit with our brands and the PR value the company can leverage from the association.*

Overall, whether or not cultural organisations receive government funding is not a crucial factor in the decision made by the majority of corporate sponsors to sponsor the organisation.

**Desire to have a say in the content of the event or activity being sponsored**

Respondents were asked whether they expected or wished to have any control over the creative content of the events or activities they sponsored. Forty-seven percent of the 52 respondents who responded to the question said they never expected this – similar to the 2001 (50%) and 1998 (42%) responses to the same question. Forty-six percent wanted a measure of control ‘under some circumstances’. Three businesses said that they would always want a say about content.
Nine respondents elaborated on this response. The majority (5) said they were careful to select events that either ‘fit’ their brand, or were not controversial:

*With regard to potentially controversial or offensive content, we can always choose not to support the event if we see it was not appropriate.*

*If the content does not suit us [or] clashes with our company profile [or] image we would not be sponsoring it.*

Others were opposed to any control on ‘artistic’ grounds:

*We support – but do not censor. Artistic freedom is important.*

For one there was room for a degree of mutually beneficial compromise:

*If the creators of the activity or event are open to incorporating some way of showcasing our products and services naturally we encourage that. However, we would never restrict creativity or censor something we sponsored post signing an agreement.*

Overall, respondents were fairly evenly split on whether or not they would expect to have influence over the content of the sponsored event or activity.

**Future sponsorship intentions**

Businesses were also asked about their attitudes and intentions relating to future sponsorship of cultural events and activities.

**Numbers of events and activities to be sponsored**

Respondents were asked to identify the sorts of cultural events and activities they intend to support in the coming three financial years. Fifty-three respondents indicated that they would be sponsoring cultural activities in the next three years. A further seven businesses (12%) stated they did not intend to sponsor any events or activities in the categories offered – one fewer than those who sponsored no cultural events in the last three years. Just over two thirds intended to support four or fewer of the events or activities listed in the survey. On average businesses intended to sponsor four activities in the next three years. This is slightly higher than in the previous two surveys.

**Types of events and activities to be sponsored**

The most popular categories for sponsorship over the next three years were:

- Arts festivals (whole festival, or single festival event) (11% of activities);
- Cultural competitions, awards, prizes (11%);
- Provision of services (e.g. legal or financial services), free or at reduced cost, to a cultural organisation (10%);
- Single productions or performances by an arts or cultural group (9%); and
- Annual season of performing arts (e.g. subscription series of an orchestra or theatre etc.) (9%).

The pattern of support for activities in the future is similar to that for activities currently supported by corporate sponsors (see Figure 3).

**Proportion of future sponsorship budgets to be committed to cultural sponsorship**

Fifty-three respondents answered the question about how much of their sponsorship budget would go to cultural groups, activities or events in the next three financial years.
Three percent indicated that they would spend nothing. Around forty percent indicated that up to 20% of their sponsorship budget over the next three years would be for cultural activities or events. Eleven percent indicated they would dedicate over 60% of their budget to cultural sponsorship.

While the actual amount of funding allocated to cultural sponsorship cannot be determined from this survey, it would seem that there will be little change in the proportion of corporates allocating up to 20% of their budget to cultural activities, and a slight increase in the proportion allocating 21-40%. The proportion allocating over 40% of their sponsorship budgets to cultural activities will stay about the same.

**Comparison of last three years with next three years**

When asked whether their sponsorship of cultural events and activities in the future would increase, stay the same, or decrease, 69% of those responding to the question indicated it would stay about the same – this is a greater proportion than in the previous survey (58%). Around 11% thought theirs would decrease compared with 18% in 2001. Ten percent thought they would increase the amount, and 10% did not know.

**Reasons for reducing cultural sponsorship**

Respondents who indicated that they would decrease their cultural sponsorship were asked what factors influenced their decision. Five of these respondents answered the question.

Three said it would decrease because they would be ‘sponsoring other things’. Two indicated ‘other’ reasons, namely ‘a change in sponsorship strategy’ and an intention to ‘sponsor less but more greatly leverage each sponsorship’.
None of the respondents indicated that the state of the economy or dissatisfaction with past sponsorships was the reason.

**Non-cultural sponsorship**

Respondents who stated that they would be sponsoring 'other things' as a reason for decreasing their cultural sponsorship were asked to state what ‘non-cultural’ events or activities they would sponsor in the next three years.

Three businesses indicated that they would sponsor ‘major sporting events’; one that they would sponsor ‘a mix of sports, rural and business events and activities’; and another would sponsor the Olympic Games.

**General trends in cultural sponsorship by New Zealand businesses**

Businesses were asked to give their opinions about whether in general, cultural sponsorship by New Zealand businesses would increase, stay the same or decrease in the next three financial years. Twenty-six percent thought it would increase, 37% thought it would stay the same and equal proportions (19% each) thought it would decrease, or did not know.

Respondents were given the opportunity to explain why they answered as they had. The majority of comments were from businesses that thought the trend would be towards an increasing amount of cultural sponsorship:

- *The traditional larger properties of sports have become too expensive for many companies so the arts is a better value sponsorship proposition.*

- *As the Rugby World Cup is about to conclude, and we do not have an America's Cup, more cash will be freed up for other purposes, and cultural opportunities will be identified as an option.*

- *I believe cultural performance is an area where NZ will continue to go from strength to strength, and more smart marketers will want to capitalise on this for their brands.*

Some commented, however, on reasons for a predicted decrease:

- *Companies are moving to a ‘corporate community’ concept. I would expect to see more money to charities than cultural events.*

- *One of the benefits of charity contribution that cultural contribution doesn’t always give is the whole of staff involvement factor which gives added leverage.*

The view is slightly more positive than in 2001 when 50% felt that the level of sponsorship for cultural activities would stay about the same and 8% felt it would increase. In the 2003 survey, however, 19% were undecided, so the future may not be too different. The outlook is more positive than in 1998 when 42% of corporate sponsors predicted a decrease in cultural sponsorship over the next three years.
CULTURAL ORGANISATIONS

Thirty-nine cultural organisations were surveyed. Thirty returned completed questionnaires.

Cultural sponsorship in the past three financial years

Types of activities for which sponsorship was sought

For the first time, cultural organisations were asked what types of activities they sought sponsorship support for in 2003/04. This question has been asked in all the previous surveys of corporate sponsors.

On average cultural organisations sought sponsorship for just over four activities with the number of activities for which sponsorship was sought by each organisation ranging from one to 10 activities.

Organisations were most likely to seek sponsorship support for:

- The pro bono provision of services (such as legal or financial advice) free or at a reduced cost (17% of the activities for which sponsorship was sought);
- Support for the operational costs of their organisation accounting (16%);
- Sponsorship support for infrastructure and equipment (10%); and
- Educational arts and heritage projects (10%).

Figure 4: Activities cultural organisations sought sponsorship for

Number of respondents: 30 organisations
Number of activities: 127
Overall, almost three quarters of the organisations responding to the survey had sought support for the pro bono provision of services and two thirds sought sponsorship support for their operational costs. Forty three percent sought support for infrastructure or equipment and 40% sought it for educational, arts or heritage projects. About one third sought support for an annual season of performing arts; for single productions or performances; and, arts festivals. Just over one quarter sought sponsorship support for cultural competitions, awards, and prizes.

The sponsorship relationship

In return for their support, financially or in kind, most sponsors expect some sort of return on their investment. This aspect of sponsorship has been reinforced by the responses to a number of questions in the corporate sponsorship survey presented earlier. In order to understand the relationship from the point of view of the sponsored organisation, cultural organisations were asked what benefits they offered potential sponsors in the 2003/04 year. These responses showed a close alignment between what the sponsor wanted from the relationship, and what the organisation could offer.

Benefits for sponsors

All those who responded indicated that they offered their sponsors branding/marketing opportunities at events. Free or discounted tickets for company employees were offered by 83% of organisations – a benefit that potentially has implications for a cultural organisation’s profitability. Eighty percent offered promotion of the sponsorship in their publications such as newsletters and magazines. Almost three quarters (73%) offered their sponsors corporate hospitality opportunities.
Other benefits offered sponsors included performances at sponsors’ events, and showcases for sponsors’ products. Generally the benefits offered to sponsors by cultural organisations provided them with the marketing/branding opportunities they sought from the sponsorship relationship, although some had a potential cost to the organisation.

Maintaining the sponsorship relationship

Generally, the cultural organisations surveyed felt that the amount of work they did to provide benefits to their sponsors was more onerous now that it had been in the past three years (63%). In addition, 80% felt that it would become more onerous in the future than it currently was.

Organisations gave a variety of reasons for feeling that the sponsorship relationship required or would require more work. For a small number, there was more work involved because the number of sponsors they worked with had increased. For others, the need to service the relationship was becoming more demanding as sponsors increasingly expected ‘value for money’. Not only did sponsors want to see more benefits from their sponsorship, but cultural organisations were having to spend more time working those relationships and developing new ways of involving sponsors in their activities in order to realise the sponsorship dollar.

Corporate sponsors more and more demand value for their sponsorship dollar. Gone are the days when sponsorship would be decided on the whim or fancy of the CEO. Chief Executives now are concerned with increasing the value of their companies and protecting the interests of their shareholders so they demand tangible returns for their money and less ‘warm fuzzies’. As a small, regional arts organisation my ability to satisfy a corporate sponsor is limited and I constantly and unceasingly devise and look for ways of adding value to the sponsorship dollar and promoting the
sponsor’s brand. … as a small organisation, the time needed to adequately service a sponsor is daunting and opportunities can be missed due to sheer pressure of time.

Organisations noted that the sponsorship environment is becoming increasingly competitive, and unless they have staff dedicated to working with sponsors and applying for sponsorship, the servicing of the relationship once the sponsorship is secured can be very time consuming. In some instances organisations also felt they needed to ‘make a case’ for supporting the arts rather than other sponsorship activities.

As there is a high demand on corporate sponsors we have to work harder to provide a good working relationship with our sponsors, making sure they are happy and that we are meeting their needs, as well as our own.

**Proportion of budgets derived from sponsorship**

Cultural organisations were asked what proportion of their annual budget for 2003/04 was derived from sponsorship. All of those who responded derived some of their budget from sponsorship. For the majority (70%) up to 20% of their budget was derived from sponsorship. For one fifth of organisations, up to 40% of their budget came from sponsorship. The remaining 10 percent derived between 40% and 80% of their budget from sponsorship.

![Figure 7: Proportion of cultural organisations’ budgets derived from sponsorship](image)

- **Figure 7: Proportion of cultural organisations’ budgets derived from sponsorship**
  - Number of respondents: 30 organisations
Future sponsorship
Overwhelmingly, cultural organisations indicated that they would be looking for increased sponsorship over the next three years with almost three quarters indicating that this would be the case for the 2004/05 financial year, and two thirds indicating they would be doing so in 2005/06 and 2006/07.

The sponsorship environment
When asked if they felt it would more or less difficult to obtain sponsorship support over the next three years, similar numbers of organisations indicated that it would be more difficult, or neither more or less difficult (14 and 13 organisations respectively), while three organisations felt it would be easier. This view is less pessimistic than in the 2001 survey when the majority of organisations stated that it would be more difficult to obtain sponsorship.

More difficult to obtain future sponsorship
Fourteen organisations indicated that the sponsorship environment would be more difficult in the future than it had been in the past three years. The reasons given in the current survey were slightly different from those in the 2001 survey. The state of the economy and the movement of head offices offshore received less emphasis than the increasingly competitive environment and the need for cultural organisations to offer sponsors attractive benefits and to work hard to maintain the relationship.

Competitive environment
Eight of the organisations believed the environment would be more difficult, because they were seeking sponsorship in an increasingly competitive environment where more and more arts, sports and social groups were seeking sponsorship. Generally they felt that the environment was more competitive because cultural organisations were having to make up shortfalls in their operating funding from other sources, and there was competition from not only from activities outside the cultural field but also from larger organisations within the arts/cultural sector. Organisations with a national profile, as opposed to those with a local profile, were also seen to have less difficulty securing sponsorship. In contrast to the previous survey, the effect of such high profile events as the America’s Cup and the Rugby World Cup were not given as reasons for the environment being more difficult. As one respondent noted,

... the loss of the America’s Cup and the All Blacks [Rugby World Cup] may lead to organisations looking in other directions.

The strategic sponsor
While cultural organisations felt that more organisations of all types were seeking sponsorship, seven also noted that corporate sponsors were getting more rigorous in their investment decisions, seeking to make strategic investments that would maximise the return on their sponsorship.

Sponsorship is probably ‘as available’ but the process of securing it is more difficult. This is due, I think, to greater and more rigorous competition for the sponsors’ investment, and a trend amongst sponsors to sharpen their portfolio by reducing number of sponsorships and increasing performance from those they choose to retain.

There are greater demands on the sponsorship dollars available. ... Sponsors are looking for a closer relationship with the artists (workplace and special sponsors’ concerts) and as a presenter ...[have] resident musicians who can provide this benefit. This benefit can be purchased but at a cost to the organisation.
This belief is supported by the survey of corporate sponsors which shows that for those who responded to questions asking which factors were important in making their sponsorship decisions, the need to reach a particular market segment (81%) or opportunities to increase brand awareness (63%) were the most important factors governing sponsorship decisions. Other important factors were being the sole or one of a small number of sponsors, and client hospitality opportunities.

**Location of corporate head offices**

The movement of corporate head offices away from provincial centres to the major metropolitan centres or offshore was given as a reason by fewer organisations in the current survey than in the previous survey. A small number of organisations, however, did note that they felt that organisations with a national reach were more attractive to potential sponsors than those with a local focus.

While touring companies may have a national reach, they suffered other disadvantages. A comment made by a touring company in relation to the types of benefits they could offer potential sponsors illustrates this point:

> With the present economic climate there is more competition among the arts sector for sponsorship. As we are a touring production company without a theatre building, we cannot offer the more obvious sponsorship benefits – ie. naming a foyer or auditorium or a subscription season in one centre.

Again a small number of cultural organisations noted that the large corporate sponsor was being replaced by a number of smaller sponsors who were not able to sponsor to the same level of investment, making large amounts of sponsorship harder to come by. One noted that small amounts and sponsorship in-kind were relatively easy to obtain. This is supported by the responses to question one of the questionnaire which showed that obtaining pro bono support for such things as financial and legal needs of an organisation was one of the activities for which organisations were most likely to seek sponsorship. It was also one of the activities corporate sponsors were most likely to support.

**Selling the arts**

Two organisations indicated that increasingly they were having to make a case to sponsors as to why they should support the arts over other activities. For one organisation, its art form was difficult to sell to sponsors as the market it reached was not always one sponsors wished to target.

**Less difficult to obtain future sponsorship**

For the three organisations that felt they would have less difficulty in gaining sponsorship in the next three years, the reasons were related to their own increasing experience and understanding of the sponsorship market; their belief that building on the relationships they had established would be beneficial to them, and for one, a change of location to the CBD would be beneficial in that it would offer potential sponsors more opportunities.

> Hopefully the ground work of previous years will help build up ongoing relationships with businesses. Also as we gain profile as an organisation, we will become more attractive to sponsors.

**Conclusion**

Given the absence of events such as the America’s Cup and other large scale activities that acted as a substantial drain on the sponsorship market in the past, the attitude of both corporate sponsors and cultural organisations is not as positive as might be expected. This may be due to the fact that cultural organisations find themselves working with a greater number of smaller sponsors, and in a more competitive environment than in the past.
Cultural organisations derive a substantial proportion of their budgets from sponsorship and this is likely to continue for the next three years. It is reassuring therefore, to find that corporate sponsorship support is unlikely to decrease. The survey shows that, overall, the status quo would seem to apply to future corporate sponsorship of cultural activity. While there may be slight increases in the proportion of sponsors allocating 21-40% of their sponsorship budgets to cultural activity over the next three years, this is offset by a decline in the proportions allocating greater percentages of their budgets to these activities.

Sponsors’ preferences as to what kind of event or activity they sponsor seem to have remained consistent over time. Not unexpectedly the areas for which cultural organisations seek sponsorship reflect the areas for which sponsorship is provided. It is interesting to note the level of sponsorship support for the operational activities of cultural organisations has remained high.

Businesses are interested in a mutually beneficial relationship through sponsorship. Increasingly sponsors are seeking to maximise their return on their sponsorship through the provision of free or subsidised tickets to events for staff; performances at corporate functions; or hosting opportunities. Such benefits for sponsors result in increased workload for cultural organisations and in some instances reduced revenue from the box office. To maintain the relationship with sponsors requires dedicated staff, a resource that is often beyond the capability of small organisations.

From the survey, there would appear to be little change in the types of activities businesses were likely to sponsor over the next three years, or in the types of activities for which cultural organisations would be seeking sponsorship.

Despite the reliance on sponsorship and the work entailed in obtaining and maintaining the level of sponsorship support, the tenor of responses from cultural organisations were generally optimistic. Organisations were aware that they needed to get to know the sponsorship market better, and develop good working relationships with sponsors which would benefit both parties.

Few of the sponsors surveyed saw a need to have a say in the content of the sponsored event or activity, and placed greater emphasis on reaching a particular market and raising their corporate profile. The receipt of government funding by a cultural organisation does not act as a deterrent to corporate sponsors – indeed in some cases it is an attractive feature. Most business respondents were of the opinion that cultural sponsorship was good value for money especially given the increasing cost of alternatives such as high profile sports sponsorship.
Ministry for Culture and Heritage

Cultural Organisations and activities sponsorship survey

Information for participants

As an important sponsor of cultural events and activities, you will be aware that New Zealand’s cultural organisations are financially supported through a combination of funding from government agencies, box office (or equivalent) revenue, and sponsorship.

The Ministry for Culture and Heritage plays a key role in providing advice to government on cultural sector matters. To make sure that we provide the best possible advice it is important that we are up to date with the experience, interests and intentions of those who sponsor cultural organisations and activities.

In October 1998, and 2001, the Ministry for Culture and Heritage carried out a survey of 100 major New Zealand corporate entities regarding their sponsorship of cultural organisations and activities. To ensure that we continue to be well informed about this important area of arts, culture and heritage funding, we are running the survey again this year.

Your opinion is important to us and your help, by completing the questionnaire would be very much appreciated. It should only take 10 minutes and you can return it by hitting the submit key at the end of the survey. The deadline is Friday 14 November.

The survey is carried out on a confidential basis. Individual responses will be treated confidentially, and no particular organisations or individuals will be identifiable in any reporting of the survey to the Minister for Arts, Culture and Heritage or in any published summary.

The summary of the survey findings will be posted on the Ministry’s website in due course. We will let you know when this has been done.

If you have would like to discuss this project or any aspects of the survey, please contact

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Thank you again for your assistance with this project.

Jane Kominik  
Deputy Chief Executive
**Ministry for Culture and Heritage**

**Sponsorship of Cultural Organisations and Activities**

1. In the last three financial years (2000/01 – 2002/03), which of the following has your business contributed to through sponsorship? (Please tick all that apply)
   - operational costs of a cultural organization
   - capital cost of a cultural organisation
   - infrastructure of, or equipment for, a cultural organisation
   - provision of services (e.g. legal or financial services), free or at reduced cost, to a cultural organisation
   - cultural competitions, awards, prizes
   - cultural scholarships
   - educational arts or heritage projects
   - annual season of performing arts (e.g. subscription series of an orchestra or theatre etc.)
   - single productions or performances by an arts or cultural group
   - exhibitions (touring or not)
   - promotional tours by artists, writers etc.
   - arts festivals (whole festival, or single festival event)
   - international tours by NZ performers, or artists, or international exhibitions of NZ work
   - other cultural events or activities
   - none of the above (Go to Question 6)

2. About how much of your sponsorship budget over the last three financial years was committed to cultural sponsorship activities such as those listed in question 1?

<table>
<thead>
<tr>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>none</td>
<td>none</td>
<td>none</td>
</tr>
<tr>
<td>up to 20%</td>
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<td>more than 80%</td>
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</tr>
</tbody>
</table>

3. When your business is deciding whether to sponsor a cultural organisation, event, or activity, how important are each of these factors? (Please tick all that apply)

   The desire or opportunity to:
   - reach a particular market segment
     - very important
     - quite important
     - of little or no importance
   - increase brand awareness
     - very important
     - quite important
     - of little or no importance
c) associate your business with creative work
  □ very important
  □ quite important
  □ of little or no importance

d) associate your business with tradition
  □ very important
  □ quite important
  □ of little or no importance

e) associate your business with a particular cultural organisation, event, or type of activity
  □ very important
  □ quite important
  □ of little or no importance

f) associate your business with an activity or event that is of international significance
  □ very important
  □ quite important
  □ of little or no importance

g) associate your business with an activity or event that is of national significance
  □ very important
  □ quite important
  □ of little or no importance

h) associate your business with an activity or event that is of local significance
  □ very important
  □ quite important
  □ of little or no importance

i) get television exposure
  □ very important
  □ quite important
  □ of little or no importance

j) be the sole sponsor, or one of a small number of sponsors
  □ very important
  □ quite important
  □ of little or no importance

k) provide client hospitality
  □ very important
  □ quite important
  □ of little or no importance

l) serve the public good
  □ very important
  □ quite important
  □ of little or no importance

m) support personal interests of your management or board members
  □ very important
  □ quite important
  □ of little or no importance
4a. When your business is deciding whether to sponsor a cultural event, activity, or organisation, what weight do you give to whether that activity/organisation is getting funding from central government or a government agency?
☐ none at all
☐ may make us less willing to sponsor it
☐ may make us more willing to sponsor it

4b. Comment, if you wish, on why you have answered 4(a) as you have:

5a. When sponsoring a cultural activity or event, does your business want to have some say about its content?
☐ never
☐ in some circumstances
☐ always

5b. Comment, if you wish, on why you have answered 5(a) as you have:

6. In the three financial years (2004/05 to 2006/07), which of the following do you think your business might contribute to through sponsorship? (Please tick all that apply)
☐ operational costs of a cultural organisation
☐ capital cost of a cultural organisation
☐ infrastructure of, or equipment for, a cultural organisation
☐ provision of services (e.g. legal or financial services), free or at reduced cost, to a cultural organisation
☐ cultural competitions, awards, prizes
☐ cultural scholarships
☐ educational arts or heritage projects
☐ annual season of performing arts (e.g. subscription series of an orchestra or theatre etc.)
☐ single productions or performances by an arts or cultural group
☐ exhibitions (touring or not)
☐ promotional tours by artists, writers etc.
☐ arts festivals (whole festival, or single festival event)
☐ international tours by NZ performers, or artists, or international exhibitions of NZ work
☐ other cultural events or activities
☐ none of the above (Go to Question 10)

7. Over the next three financial years, about how much of your sponsorship budget will be committed to cultural sponsorship activities such as those listed in question 6?

<table>
<thead>
<tr>
<th>Year</th>
<th>2004/05</th>
<th>2005/06</th>
<th>2006/07</th>
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</thead>
<tbody>
<tr>
<td>none</td>
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<td>more than 80%</td>
<td>more than 80%</td>
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</tr>
</tbody>
</table>
8. Comparing the next three years with the last three years, is your business's sponsorship of cultural organisations, activities, or events likely to:
   - increase? (Go to Question 11)
   - stay about the same? (Go to Question 11)
   - decrease? (Go to Question 9)
   - don't know yet (Go to Question 11)

9. Which of the following has influenced your business to make that change:
   - state of the economy
   - will be sponsoring other things
   - dissatisfied with what the business got from past sponsorship
   - Other (please state)

10. Please show what events you think your sponsorship will be linked to (directly or indirectly).
    - Olympic Games
    - other major sporting events
    - other (please state)

11a. Now a more general question about sponsorship of cultural organisations, events and activities. Over the three years (2004/05 – 2006/07), what do you think is most likely to happen to the amount of sponsorship of cultural organisations, events and activities by NZ businesses? Do you think it will:
    - increase?
    - stay about the same?
    - decrease?
    - don't know

11b. Comment, if you wish, on why you have answered 11(a) as you have:

12. If you wish to comment on any of the issues asked about in this questionnaire, please make your comments here.

Your email address: (In case we need to follow up non responses)
Thank you for your time and for completing this questionnaire
APPENDIX 2: Questionnaire to Cultural Organisations

Ministry for Culture and Heritage

Cultural Organisations and Activities Sponsorship Survey

Information for participants
As a cultural organisation, you will be aware of the importance of sponsorship in ensuring the viability of your organisation.

The Ministry for Culture and Heritage plays a key role in providing advice to government on cultural sector matters. To make sure that we provide the best possible advice it is important that we are up to date with the experience, interests and intentions of those who seek sponsorship support from corporate entities for their activities.

In October 1998, and 2001, the Ministry for Culture and Heritage carried out a survey of 100 major New Zealand corporate entities regarding their sponsorship of cultural organizations, events and activities. To complement this survey, the Ministry also carried out a survey of cultural sector organisations in 1998, 1999 and 2001. To ensure that we continue to be well informed about this important area of arts, culture and heritage funding, we are running the survey again this year.

Your opinion is important to us and your help, by completing the questionnaire would be very much appreciated. It should only take 5 minutes and you can return it by hitting the submit key at the end of the survey. The deadline is Friday 28 November.

The survey is carried out on a confidential basis. Individual responses will be treated confidentially, and no particular organisations or individuals will be identifiable in any reporting of the survey to the Minister for Arts, Culture and Heritage or in any published summary.

The summary of the survey findings will be posted on the Ministry’s website in due course. We will let you know when this has been done.

If you have would like to discuss this project or any aspects of the survey, please contact

Mary Donn, Policy Adviser
Phone: (04) 496 6357
email: mary.donn@mch.govt.nz

Thank you again for your assistance with this project.

Jane Kominik
Deputy Chief Executive
Ministry for Culture and Heritage

Sponsorship of Cultural Organisations and Activities

1. What kind of support did you request from sponsors for 2003/04? (Please tick all that apply.)
   - operational costs of a cultural organisation
   - capital cost of a cultural organisation
   - infrastructure, or equipment for a cultural organisation
   - provision of services (e.g. legal or financial services) free or at reduced cost to a cultural organisation
   - cultural competitions, awards, prizes
   - cultural scholarships
   - educational arts or heritage projects
   - annual season of performing arts (e.g. subscription series of an orchestra or theatre etc.)
   - single productions or performances by an arts or cultural group
   - exhibitions (touring or not)
   - promotional tours by artists, writers etc.
   - arts festivals (whole festival, single festival event)
   - international tours by NZ performers, artists or international exhibitions of NZ work
   - other cultural events or activities (please specify)

2. What kind of benefits did you offer to potential sponsors for 2003/04?
   - opportunities to network with other sponsors
   - marketing/branding opportunities at events
   - product trial opportunities
   - access to your subscriber/member database or mailing list
   - corporate hospitality opportunities
   - free or discount tickets for company employees
   - opportunities for company employees to become more involved with your organization e.g. behind-the-scenes tours, exclusive viewings, volunteering, corporate training
   - Opportunities for the company to connect with specific groups such as young people, Maori, regional communities
   - Promotion of the sponsorship in your organisation's publications and media releases
   - Other (please specify)

3. Is the amount of work required to provide benefits to sponsors more onerous currently than it has been in the last three years and do you think it will be more onerous than currently in the future?
   - Currently
     - Yes
     - No
   - In the future
     - Yes
     - No

3a. If you answered yes to ‘currently’ or ‘in the future’ above please comment on why this is so.
4. Approximately what proportion of your annual budget for 2003/04 is expected to be derived from sponsorship?
- none
- up to 20%
- 21 – 40%
- 41 – 60%
- 61 – 80%
- more than 80%

5. Will your organization be seeking private sector sponsorship at the same or at an increased level in

- Same level
- Increased level

2004/05 2005/06 2006/07

6. Compared with the last three years, do you anticipate securing sponsorship over the next 3 years will be:
- More difficult
- Less difficult
- Neither more or less difficult

7. If you answered more or less difficult, what factors do you think will influence the availability of sponsorship over this period?

Your email address: (In case we need to follow up non responses)

Thank you for your time and for completing this questionnaire