



Victoria Management School

MMBA 532 Business Research Report

Sponsor Partnerships -- Its a lot like dating

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Executive Summary

This research is an investigation into the scope and evaluation of corporate sponsorship relationships with performing arts organisations (PAOs). Based primarily on Relationship Theory, the aim of this research is to develop a framework for investigating strategic business-to-business marketing and development opportunities. The idea is to find a simple lens to explore ways to enrich the current sponsorship relationship beyond the dollars for tickets experience.

This investigation is based on behavioural observations that are the result of a complex mix of variables from business and artistic environments. The phenomenological approach focuses on interpreting behaviours from each participants' point of view and the interaction of those behaviours (Bryman & Bell, 2011, pp16-19). The method adopted was one of comparative case studies built on the experiences of multiple expert informants. Data was primarily collected through a series of semi-structured interviews covering both sides of the sponsorship relationship.

In searching for existing best practice materials in current literature, it became evident that many of the approaches suggested by the studies strongly resembled dating. From this the Dating Analogy Model was developed (Appendix A). The findings of the interviews strongly correlate with the framework of the dating analogy following many of the same behaviours one would expect to find in any successful partnership. The key repeated themes were:

- Research
- Values congruence
- Communication
- Partnership
- Investment of time
- Regular evaluation

This report finds that the Dating Analogy Model provides an opportunity to examine the interaction of each perspective. While transactional sponsorship arrangements appear to dominate, they also have elements that create deeper, enduring, high value engagements that strongly align with partnering relationship theory. How those relationships look varies according to the nature of the business of the sponsor, the nature of the interaction (in kind, cash or a combination), and the reasons for sponsoring that particular PAO. This report also shows that the high time component of relationship management needs to be balanced against the expected value of the gains.

This report also acknowledges that the analysis conducted has limitations. Cost and time comparisons with other trust funding sources were not included in this study. It is also acknowledged that the validity of the Dating Analogy Model would benefit from practical application or a workshop exercise.

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Sponsor Partnerships -- Its a lot like dating

Introduction

Can a performing arts organisation (PAO) have more than a mere transactional relationship with a commercial sponsor? What might a relational sponsorship look like? How does an organisation prove that the return on a funder's investment is stronger than the face value of a dollar? This research is an investigation into the scope and evaluation of corporate sponsorship relationships with performing arts organisations. Based primarily on Relationship Theory, the aim of this research is to develop a framework for investigating strategic business to business marketing and development opportunities. The idea is to find a simple lens to explore ways to enrich the current sponsorship relationship beyond the dollars for tickets experience.

In searching for existing best practice materials in current literature, it became evident that many of the approaches suggested by the studies strongly resembled dating. It is the intention of this research paper to use this dating analogy as a model for investigating current sponsorship relationships and for collating some of the best ideas from current literature and practice.

Literature Review

Since the late 1980's there has been a global trend for governments to reduce public funding in the cultural sector (e.g. Cooper, 2011; Bennett, 2014; Lindqvist 2013; Ryan & Fahy, 2003). Much of the cultural policy literature focuses either on justifying the importance of continued public funding in terms of the broader, long term value added to society through its art and cultural sector or on the importance of providing economic incentives for arts organisations to seek commercial funding sources (e.g. Allan, Grimes, & Kerr, 2013; Belfiore, 2003; O'Brien, 2010; Lindqvist 2013). A recent report from the Ministry of Culture and Heritage (MCH) uses an economic framework for capturing the aggregate value of cultural activity and for prioritising funding decisions (Allan, et al., 2013). As

stated in the MCH paper “...there is increasing recognition that such guidelines [specifically for the cultural sector] need to be developed” (Allan, C., Grimes, A. & Kerr, S, 2013,p30). This sentiment is echoed by O’Brien’s 2010 report “Measuring the Value of Culture” completed for the Department of Culture, Media and Sport in the UK. The decision prioritising frameworks currently used for reporting to government funding agencies may provide a useful template that could be adapted by performing arts organisations (PAO) to reporting to commercial sponsors.

The global trend for the reduction in government funding to the performing arts has provided the impetus to look to commercial funding sources. Lindqvist’s 2013 study of Sweden’s reorientation of public funding policy provides interesting insights into how a government may reduce direct financial support while providing arts organisations with infrastructural support as they transition to increasing their commercial funding base. This aspect of public policy is beyond the scope of this research paper (Daellenbach, 2012).

O’Reilly’s “Mapping Arts Marketing Literature” uses seventeen categories to describe the 1,516 papers written on this subject area (O’Reilly, 2011, p.28). In seeking a broader perspective, research into sports sponsorship and large and small commercial sponsorship have been included for this project (e.g. Bennett, 2014; Greenhalgh & Greenwell, 2013; O’Reilly & Horning, 2013; Plewa & Quester, 2011; Zinger & O’Reilly 2010). There is general agreement across all of these areas of research that the marketing orientation of both the sponsor and sponsee has changed. These interactions fall on continuum between philanthropic donations, to transactional exchange, to Ryan and Fahy’s Total Relationship Marketing framework (Ryan & Fahy, 2003; Rentschler, Radbourne, Carr & Rickard, 2001).

The key approaches taken to examine the interaction between sponsorship parties fall into four broad theoretical approaches: Agency theory, strategic alliance, partnership theory and relationship marketing (O’Reilly & Madill, 2012, p51-52). Social Network Theory could also be added to this list as providing a significant insight into accessing and activating opportunity (Cornwell, 2008; Chapman,

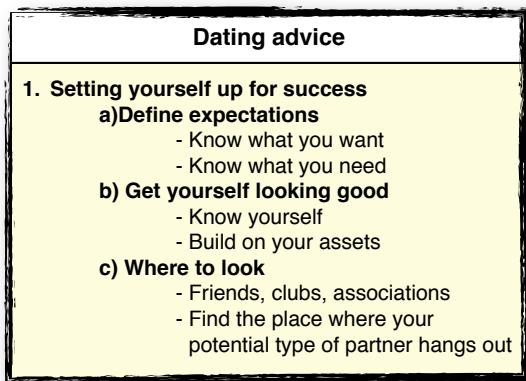
2012; Daellenbach, Davies & Ashill, 2006). However, the agency theory approach assumes a position of unequal power and leaves the exchange at a transactional level. The language used is one of ‘sponsor’ and ‘property’ showing an ownership that is strongly resisted by performing arts literature where fear of a power imbalance that impinges upon the artistic integrity of the PAO can create a barrier to commercial funding (e.g. Cornwell, 2008; Dalakas, 2009; Lindqvist, 2013; Preece, 2005; Thomas, Pervan & Nuthall, 2009). To counter these fears, the relationship or partnership approach would appear to be more appropriate to encouraging a long-term successful sponsorship arrangement.

It was, however, the case study conducted by Ryan and Fahy (2003) of the long term sponsorship relationship between the Galway Festival and Nortel Networks that gave rise to the strong correlation between these various approaches to describing any sponsor/sponsee interaction and the very human dating experience. This concept is also reflected in the case studies conducted by Daellenbach (2012), Lund (2010), and Quester and Thompson (2001) covering New Zealand PAOs, the Royal Swedish Opera and the Adelaide Festival. While O’Reilly & Madill (2012) agree that relationship theory is a good way to approach the development of a sponsor/sponsee relationship, they argue that it is too broad an approach on which to base evaluation methods. Is it possible then, to use a model based on a dating analogy to more clearly define the expectations and therefore more specifically identify metrics that can be applied to assess the quality and effectiveness of the sponsorship? Appendix A is a summary of the Dating Analogy Framework.

Literature Review Within the Dating Analogy Framework

1. Setting yourself up for success

There is a substantial quantity of literature covering sponsor-linked marketing objectives (e.g. Kotler & Keller, 2012; Mazodier & Merunka, 2012; Rhonda, 1999; Wiedmann & Gross, 2013). These objectives can be grouped into five general categories: Corporate brand imaging, marketing promotion



and sales objectives, media focus on reaching target market, relationship building both internally and externally, and the personal objectives of the senior manager or CEO (Johnston & Paulsen, 2014, p637).

The level of achievement of a desired outcome cannot be measured unless the expectation -- the specific

value -- is clearly defined.

There is general agreement that a firm's capacity to effectively activate its sponsorship (whatever the objective) is largely dependent on the congruency of brands (sponsor with sponsee) and the internal resourcing of that sponsorship project (Cornwell, Humphreys, Maguire, Weeks & Tellegen, 2006); Cornwell, 2008; Walker & Gross, 2013). Congruency of sponsorship brands is seen as reducing cynicism particularly in those more philanthropic sponsorships that fall into the corporate social responsibility (CSR) area (Plewa & Quester, 2011; Johnston et al., 2014; Deitz, Myers & Stafford, 2012; O'Reilly & Horning, 2013).

Business life-cycle position will impact both the objects sort from a sponsorship agreement and its ability to effectively leverage that opportunity (Daellenbach et al., 2006; Quester & Thompson, 2001; Zinger & O'Reilly 2010). For example, in the case study conducted by Quester and Thompson (2001) the company that showed the greatest gains from their sponsorship of the Adelaide Festival was an established firm who used that sponsorship within a fully integrated and internally resourced strategy. This is also explored from a small business perspective by Zinger and O'Reilly's (2010) study of sports sponsorship and Greenhalgh et al. (2013) inquiry into niche sports funding.

Having determined the objectives and ability to resource sponsorship a company is then in a position to strategically target potential partners. Targeting may be along geographic lines in order to reach a specific market or an employee involvement/reward goal (Clegg, 2008; Greenhalgh et al., 2013;

Johnston et al., 2014). Or, more likely, reached through social or professional networks (Chapman, 2012; Daellenbach, 2012; Daellenbach et al., 2013; Mazodier et al., 2012).

It is equally important for the success of a relationship that both parties have a clear understanding of what they want and need. In the halcyon days of strong government funding (predominantly found in Europe), the performing arts organisation had little need of private funding beyond philanthropic donation (Belfiore, 2003; Bennett, 2014; Lindqvist, 2013). When economic times changed PAO's began to adopt stronger marketing orientation although it has not been without concern for the possible "marginalisation of artistic goals and principles" (Thomas et al., 2009, p737). While the arts marketing function may initially have been focused on the sale of the director's vision (Thomas et al., 2009, p738) further research shows the multiple and varied gains to be made through business-to-business marketing approaches (e.g. Bower, 2010; Chapman, 2012; Cooper, 2011; Daellenbach 2012).

While professionalism is a repeated theme in attracting the right sponsor, congruency of brand and assistance with activation also features (Bower, 2010; Clegg; 2008; Colbert, d'Astous & Parmentier, 2005; Rupp, Kern & Hemig, 2014; Thomas et al., 2009; Ryan et al., 2003). As Marc Sand from the Tate gallery states, "Generally you look for a fit between the content you're dealing with and where or how the sponsor operates." (Cooper, 2011.) In particular, the studies of Daellenbach (2014), Ryan and Fahy (2003), Lund (2010) and even the small business studies of Zinger et al. (2010) highlight the added value that can be created beyond the more traditional ticketing, hosting, backstage options. Preece (2005) explored this using an adaptation of Michael Porter's Value Chain model. The additional complexity of relationships between elements of the value chain may make the business canvas model an even more rewarding framework. Particularly if a PAO is considering the leverage that can sponsors can gain through other sponsoring parties (Daellenbach, 2012; Lund, 2010; Mazodier et al., 2012). In these examples the power imbalance that often exists between the sponsor and sponsee is redressed by an interdependency that can be created by using non traditional sponsor packages (Lund, 2010, p123).

2. Putting yourself out there

Both parties in the sponsorship equation are looking to optimise their opportunity. It therefore follows

Dating advice
2. Putting yourself out there <ul style="list-style-type: none">a) Ask questionsb) Be specificc) Be honestd) Ask for a datee) Be outcome independent

that both parties will need to do their research and evaluate potential partnership viability. Much like personal columns or dating websites, many companies publish their sponsorship policies and guidelines in order to expedite the process of finding an appropriate

partnership (Johnston et al., 2014, p637). In a similar way PAOs often acknowledge their supporters in their publications. Pre-approach assessment of compatibility is seen as important in tight economies and for small enterprises (Daellenbach, 2012; Zinger et al., 2010).

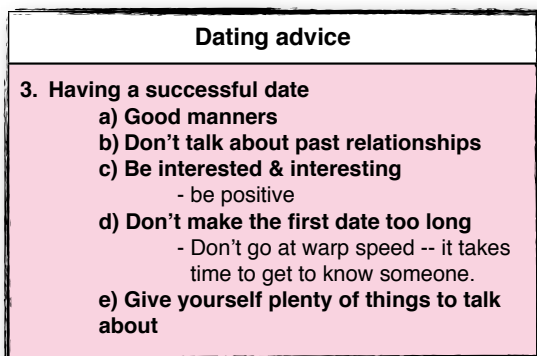
An accurate segmentation of the market is recommended for both parties in order to optimise brand congruency (Mazodier et al., 2012; Meenaghan, McLoughlin & McCormack, 2013; Thomas et al., 2009). The greater the PAO's ability to describe their brand (company or particular event) and their audience the easier it will be for that organisation to assess their applicability to a potential partner and vice-versa. Cultural activities offer targeting opportunities that are not readily found in sports. "One advantage of arts link-ups is that they allow sponsors to target demographic groups with more accuracy than mass-market events." (Clegg, 2008.) This is supported in Kemp (2008) and Thomas et al. (2009) who describes the appeal of arts over sport by those who hold the decision making power.

Honesty is the foundation of any strong relationship. If this is a new sponsorship then it may be a case of needing to test the waters. If it is the dating equivalent of a 'one night stand' then it will change the objectives set and package offered. Greater resourcing is required by longer term sponsorships (Ryan et al., 2003; Thomas et al., 2009). However, even a one off sponsorship requires resourcing from both parties. This was particularly evident in the study of sponsors of the Adelaide Festival of the Arts by Quester and Thompson (2001). It is also likely that both parties will be operating a sponsorship portfolio. Affiliation may have either a positive amplifying or negative effect on brand image transfer

(Cornwell, 2008; Cornwell et al., 2006; Dalakas, 2009; Jacobs, Pallav & Surana, 2014; Karpinska-Krakowiak, 2013).

Ask for a date and don't underestimate the value of a wing man. Daellenbach (2012) identifies three key pathways to those who make the sponsorship decision. These are: through the senior manager, informed intuition or direct personal interest; pathway driven through a lover lever manager, formal application or the informal approach as above; and finally, a pathway that begins through a third party (Daellenbach, 2012, p367). The importance of the role of the advocate and social network theory is also supported in the business, non-profit and sports sponsorship literature (Chapman, 2012; Cornwell, 2008; Johnston et al., 2014; Rupp et al., 2014; Zinger et al. 2010).

3. *Having a successful first date*



Unlike a date, talking about past relationships may provide evidence of either party's ability to deliver on the objectives set. Professionalism in approach on both sides of the equation excites confidence (Daellenbach, 2012; Kemp, 2008). Organisational effectiveness improves the likelihood of each party to gain greatest possible value from the sponsorship

exchange (Preece, 2005).

There is general agreement across the relationship and social network theory based sponsorship research that good manners are essential. Attractiveness of the sponsorship proposal often depends on an advocate, and the rapport that develops between key individuals in the sponsorship exchange (Daellenbach, 2012; Lund, 2010). It is through positive exchange behaviours that trust and openness begin to be nurtured. These are seen as critical ingredients particularly if the goal is to develop "a long lasting, mutually beneficial relationship" (Ryan et al., 2010, p32).

“Effective relationships between events and sponsors...are built on a strong foundation of communication, commitment and trust.” (Allen, O’Tool, Harris & McDonnell, 2008, p369.) Understanding the needs and capabilities of a potential partner leads to the development of sponsorship packages designed to meet those particular goals. Respect, understanding and a willingness to learn the language of the other party surfaces more accurate information and is more likely to lead to improved success of the sponsorship (Ryan et al., 2010; Johnston et al., 2014).

It has been found that the level of interactivity can directly impact outcomes (Ryan et al., 2010, pp39-40). Again the sponsors for the Adelaide Arts Festival provide an excellent study (Quester et al., 2001). Those firms who took specific strategic action to fully promote their particular sponsored event experienced far stronger marketing outcomes. Interactivity also includes the provision of the platforms and resources needed to encourage communication. It is through the cross-fertilization of ideas that mutual benefits can be created and a high level of goal congruence established. Asking questions about the others’ business not only shows genuine interest, but can open up new business opportunities. (Bower, 2010; Lund, 2010; Quester et al., 2001; Wishart, Lee & Cornwell, 2012) This communication is a two-way street. Johnston and Paulsen’s (2014) research strongly recommends that a sponsee signal from the outset their willingness to share their market expertise and capability and level of commitment to what is agreed as an acceptable return on investment.

Not making the first date too long is a risk management strategy suggested to test the waters and for industries during periods of strong economic or financial uncertainty. It is also noted that sponsorship can serve as a signal of stability and confidence in the business’s future (Kemp, 2008). While the research generally agrees that greater benefits can be gained from long term arrangements, however, these be a significant drain on scarce resources. A shorter term contract arrangement enables firms to meet their obligations and to mitigate the risks (Johnston et al., 2014, pp647-648). Short term contracts have also proven favourable across both sports and the arts either as part of a portfolio of sponsorships or a new association. Time horizons also vary with marketing objectives of the sponsor

and nature of the arts project (Quester et al., 2001; Thomas et al., 2009; Wishart et al., 2012; Zinger et al., 2010).

4. Building on the first date

Allowing spontaneity means being open to new novel approaches. “New knowledge interfaces develop new knowledge which in turn gives the opportunity for new business.” (Lund, 2010, p123.) It

Dating advice
4. Building on the first date
a) Avoid being smothering - Assess your feelings & - Give them time to assess theirs
b) Be honest
c) Show emotion maturely - If this is a casual hook up say so from the beginning
d) Don't try too hard -- allow spontaneity
e) Know what's reasonable.

is through this learning exchange that alternative strategies or packages can be developed (Bower, 2010; Fillis, 2004). Less traditional outcomes of the longer term sponsorship relationships are only made possible by the various parties willingness to understand the others' business. For example over the ten year period

studied by Ryan and Fahy (2003) of the relationship between the Galway Festival and Nortel Networks the sponsorship exchange went from the more traditional exchange of dollars for hosting through to employee exchange interactions and even new product testing. The relationship not only delivered customer development opportunities but also resulted in Nortel Networks increase in employee retention and recruitment pool. The power imbalance decreased as the trust and variety of exchanges grew (Lund, 2010). As event hosting loses its novelty new avenues for exchange need to be employed (Fillis; 2004; Bower, 2010; Meenaghan et al., 2001; Preece, 2005; Wiedmann et al., 2013).

It should also be remember that such a relationship does not develop over night. As Ryan and Fahy's (2003) case study highlights, it is an iterative progress of expectations and objectives that emerges from a willingness to adapt to the needs and wants of the relationship. Nor is the relationship necessarily completely one sided. Audiences of a PAO may be small compared to sports but they tend to attract loyal, high value, repeat customers with high emotional connection to both the event and therefore the sponsor's brand (Cooper 2011; Dalakas, 2009; Deitz et al., 2012; Fillis, 2004; Karpinska-

Krakowiak, 2013). It is this give and take that feeds into the success of a business to business relationship.

It takes a degree of emotional maturity to honestly address conflicting objectives. Realistic boundaries need to be set. There is some concern raised in the arts marketing literature regarding the possible negative impact of sponsorships on artistic integrity (e.g. Dalakas, 2009; Lindqvist, 2013; Thomas et al., 2009; Wishart et al., 2012). It is also important to be realistic about what is able to be delivered by either a small PAO or a small business. In small organisations, individuals often perform multiple roles and being “besieged with task oriented issues” (Zinger et al., 2010, p289) makes it difficult to fully activate a sponsorship (Preece, 2005). The dependency on particular individuals who either act as advocates or who are generally responsible for the sponsorship relationship may also be a point of limitation or vulnerability should there be personnel changes (Daellenbach 2012; Preece, 2005; Rhonda, 1999).

Time needs to be made to reflect on the current and potential values in the relationship. When asked what they would like to have had if possible post sponsorship experience, the response from the surveyed small charities listed more staff dedicated to the marketing department, better access to help online and to manuals off line, and better collaborative working arrangements with their sponsor (Bennett, 2014, p67). The mix of sponsors/sponsorships also needs to be taken into account. Does the group of sponsors compliment each other and amplify the brand message? If there is perceived incongruence is the fit explained or does it create value through its novelty? (Lund, 2010; Wiedmann et al., 2013.)

It is generally agreed that evaluations need to be made before (benchmarking), during and post sponsorship (e.g. Allen et al., 2008; Bennett, 2014; Meenaghan et al., 2013; O’Reilly et al., 2012). Research also agrees that it is difficult to isolate attributive variables and the expense is often prohibitive (Allen et al., 2008; Meenaghan et al., 2013; Sullivan & Wurser, 2009; Zinger et al., 2010). Douglas Hubbard (2007) suggests that as information has value to a given business, that value can be

calculated, and therefore it is possible to select those measurements that will provide the greatest added value.

The key issues highlighted show the potential of the Dating Analogy Framework for unlocking greater scope in the value offerings of both sides of the sponsorship exchange. The work of PAO's is characterised by its flexibility, creativity and agility to redirect efforts -- innovation and re-framing skills that are highly valued in the entrepreneurial world (Fillis, 2004; Preece, 2005). "If creativity contributes to opportunity awareness, then those working in the arts should have a high disposition towards it." (Fillis, 2004, p13.) Are these values being sort in New Zealand? Are medium or long term sponsorship relationship harvesting the full potential of their current arrangements or is there value being left on the table?

Methodology

This investigation is based on behavioural observations that are the result of a complex mix of variables from business and artistic environments. As the purpose of the research is to deepen our understanding of the behaviour that leads to a successful business-to-business relationship, a qualitative methodology was taken (Eisenhardt, 1989; Yin, 2009 as cited by Daellenbach, Thirkell, & Zander, 2013, p87). The Dating Analogy Model lends itself to the phenomenological approach as it focuses on interpreting behaviours from each participants' point of view and the interaction of those behaviours (Bryman & Bell, 2011, pp16-19). The richness of information provided by this approach is enhanced by incorporating the changes in behaviour that occur over time. This stance also ties in with Attribution Theory where our perceptions and beliefs about ourselves and others affect our actions (Fisher, Ury, & Patton, 2011). George Mead states that, "...our notion of self emerges through an appreciation of how others see us..." (as cited by Bryman et al., 2011, p19).

As the review of the current literature shows, the context in which businesses operate has changed dramatically. As the government purse has shrunk so too have PAOs needed to direct their fund

raising efforts towards the corporate sector. There are strong similarities between successful business-to-business relationships and those of long lasting personal relationships. This analogy also reflects the complexities involved in such interactions. The social construct of dating may, therefore, provide a legitimate framework for understanding this particular business-to-business relationship. Ultimately this interpretivist angle seeks to highlight further avenues of extending the current value offerings made by PAOs to their sponsors. (Bryman et al., 2011, pp16-20.)

1. Research Method

This qualitative study focuses on the experiences of the participants and whether these experiences resemble those of the Dating Analogy Model. The method adopted was one of comparative case studies built on the experiences of multiple expert informants. Data was primarily collected through a series of semi-structured interviews covering both sides of the sponsorship relationship. This ‘life history’ method of researching an experience can leave itself open to providing a false impression of the pervasiveness of an issue and can make drawing comparisons difficult (Bryman et al., 2011, pp470-471). In order to provide greater structure and for ease of comparability, the questions were divided into process, substance and behavioural categories (Appendix E). The questions were designed to cover the sponsor relationship from preparation, approach, event and post event analysis and to reflect the stages outlined by the Dating Analogy Model framework. The questions went through an initial testing, re-writing and ordering process before being used with the participants. The guide was further refined as the interviews progressed and patterns of behaviour emerged.

2. The Participants

The organisations selected for the case studies cover a range of classical and contemporary forms of live performance including theatre, music and dance. The PAOs were all long running organisations (a minimum of ten years) and vary in size. ‘Size’ was judged on the number of permanent administrative employees as PAOs often have a substantial number of staff employed on a project basis. The participating corporate sponsors varied in size from local to national and global entities, and from several different industries. Whenever possible, more than one of the PAO’s corporate

sponsors was interviewed. This provides some insight into the influence of the individual sponsorship manager on the relationship. As the performing arts industry is relatively small and in order to preserve a degree of anonymity, for the participants, the arts organisations are only identified as 'pao#' and the sponsoring organisations as 's#'. The order of listing in the tables and the numbering of the organisations do not correspond to any given relationship. The only identified participating organisation is Creative New Zealand (CNZ). In terms of the dating framework, CNZ play a critical role as a wing man and trusted, independent advisor.

The initial contact with participants was made through my professional network across the performing arts fields. An introduction to the appropriate contact for the sponsoring organisation was then made by the arts organisation participant (snowball technique). While it is impossible to preserve the anonymity of the respective participants between a specific sponsor/sponsee, the confidentiality of the responses has been maintained.

3. Four Case Studies & Ten Interviews

The Dating Analogy Model implies a minimum of two perspectives. Four PAOs participated and five corporate organisations. Two of the sponsors had relationships with more than one of the PAO respondents. The participants were expert informants with direct involvement in one or more aspects of the sponsorship discussed and most with over five years experience in sponsorship, marketing or general management roles. Using respondents from different sizes and industries has enabled the research to explore the validity of this model and its applicability to the sponsorship partnership experience across a variety of live performance art forms. Differences in decision priorities, courting capabilities and appeal were examined in relation to the sponsorship drivers of the corporate firm. Five interviews were conducted face-to-face and four over the telephone.

Creative New Zealand (CNZ) plays a critical dual role. While they act as a conduit for government funding distribution decisions, they also act as an information and practical advisory group. This position closely resembles the Swedish government's policies highlighted by Lindqvist (2013). Many

of the current reporting practices and processes have developed as a direct result of the performance measures used to justify these funding decisions (Allan, Grimes, & Kerr, 2013; O'Brien, 2010).

The objective of the interviews was to capture of the entire relationship including preparation, opportunity seeking, obtaining, first experiences, novel experiences and signs that it is time to end the experience. The interviews also examined the relative importance of the participants' objectives and performance measures. The willingness of parties to explore alternate value propositions based on mutual understanding of the businesses and possible levels of exchange was also tested. The specific details of particularly successful projects are not identified in this research as they are a source of competitive advantage to those firms. Instead, the general processes and relationship elements that created the opportunity are the focus.

Relevant documents and digital sources were examined for clarification and verification of the types of exchanges, performance goals and metrics. Publicly available data such as that found in annual reports, statements of intent and on the organisations' websites was also used to access information such as the sponsor mix and organisational values.

4. Testing The Model

An iterative process of coding and classification of themes uncovered by the interviews within the Dating Analogy Model was used to analyse the data. An inductive approach of comparing and contrasting the data from each respondent across art forms, duration of relationship and size of organisation was undertaken in order to identify variables that contribute to the success of the sponsorship experience. 'Willingness' to engage in sponsorship packages that vary from traditional offerings was measured by a comparison of what has actually occurred and discussion of potential future avenues.

Decomposition of responses was used to identify critical elements within a given relationship. The types of performance measurements currently used were investigated. To provide an indication as to the prevalence of particular experiences, frequency of occurrence of critical incidents has been

included in the research. Where possible, results from the case studies have been benchmarked against the results of the international survey, “12th Annual IEG Performance Research Sponsorship Decision-Makers Survey” conducted by IEG (2012).

5. Limitations

The literature generally acknowledges the challenges of attributing particular variables to a measurable degree of success (e.g. Brooks, 2004; O’Reilly & Horning 2013). Human elements such as personality mix are intuitively known to influence outcome but are almost impossible to quantify. Exploration of the psychology of the interaction of personalities and performance outcomes are beyond the scope of this study.

Nominal measurement instruments are subjective and answers are subject to inconsistency and the challenges of replication. It is also important not to confuse rates and weighted scales with actual quantities. Outliers in aggregated information also need to be closely examined. By definition, aggregated information is average therefore it is in the outliers that best and worst practice may be found.

Analysis Within the Dating Analogy Framework

1. How it began.

There were a total of seven different relationships examined between the eight respondents (excluding CNZ). Of these, three of the relationships were ‘inherited’ by the parties interviewed (5 organisations over 3 different sponsorship contracts). The average duration of the sponsorships were 8.3 years and ranged from 4 to 20 years in duration. While direct approaches to a PAO from a business were rare (1-3 per year) one business reported receiving between three and five proposals per day. Even those PAOs whose compliance regulations require requests for proposal (RFP) from a prospective sponsor still made the initial approach before going through the formal process. As one PAO respondent said, “You don’t get approached for sponsorship, you go out and hunt for it.”

The IEG 2012 survey results (Appendix B) shows that companies are increasingly choosing a partner for strategic purpose. This is supported by the interview findings. However, the PAOs are equally strategic in their choices: “We have been quite targeted in our sponsorships.” A critical part of targeting is understanding what your objectives are, what you have to offer, and what the other party is looking for. CNZ’s advice is to create a prospect list and to profile those businesses. Research and demonstrating your understanding from a business perspective is critical for both parties. As stated by CNZ, “That research is the difference between success and not.” This is supported by the experiences of the interviewees from both sides of the relationship. However, as one PAO noted, “[A] prospect list is a worthy goal it doesn’t happen that much as there are a very finite group of organisations in NZ who will sponsor and they like to be exclusive in the sector as well.” Their advice? “Look for who might have a gap in their portfolio, look for a contact, make an approach.” Table 1. Lists the key advice and experiences of what are the key elements that need to be highlighted when making an approach and what the prospective partners are looking for in the other. These clearly align with the priorities outlined in the literature review (e.g. Bower, 2009; Geldard et al., 2004; Greenhalgh et al., 2013; Wishart et al., 2012).

Table 1. Setting yourself up for success

	Aggregate Responses
Duration of this sponsorship.	Mean: 8.3 years Range: 4 - 20 years.
How did it begin?	7/9: “Tested the waters” via personal network and/or request for proposal (RFPs). 5/9 also working with inherited sponsorship contracts.
The Approaches	Business approach to PAOs: Rare: ranging from 1 - 3 per year. PAO approach to Business: 4/4 (includes RFPs)

	Aggregate Responses
The Pitch.*	<p>1 Sponsorship profiling:</p> <ul style="list-style-type: none"> • Brand synergy • Shared values • Understand business (“over your work”) understand the drivers, recognise you as a business not a purse. <p>2 Value offerings:</p> <ul style="list-style-type: none"> • Positioning (CSR) • Conduit for connections (CEOs, Policy Makers, Customers) • Hosting opportunities <p>3 Marketing:</p> <ul style="list-style-type: none"> • Get in front of the decision makers. • Use the Board.
Attractive Features.*	<ol style="list-style-type: none"> 1. Relationship 2. Brand association 3. Reach/Noise in the market 4. Connections B2B & Customers; Positive experience. 5. CSR 6. HR benefits.

NB: Respondents 4 x PAOs, 5 x Sponsors. * CNZ included

The 2012 IEG survey adds some specific detail to the categories of information sponsors are generally seeking. It was evident in the documentation provided by PAO participants that demographic, audience attendance and market reach are a standard offerings. More significantly, information was also tailored to suit the specific sponsoring, or prospective, client.

As many of the relationships explored in the interview endured over an extensive period of time it is not surprising to find several inherited relationships. This can create conflict with differences in expectations. For most of the interviewees there was little or no difference in the nature of the exchange as the personnel changed. However, one particular inherited sponsorship changed the relationship significantly. This was largely a contra based exchange where there was a change in the key PAO manager of the relationship. The first three months were a period of learning about what had been set up -- but, “it didn’t work for me.” The parties sat down together and revisited the substance of the exchange (the dollar value remained the same). The willingness of both parties to honestly explore the most effective way to use the skills and talents of all those involved. This process “set up the relationship for the next four years.” A relationship that the initiator of the change described as “the most satisfying of my career.”

2. The nature of the exchange

Arts groups should have a clear idea of what we do and how their style will fit with our brand when seeking support — if they can make a strong case for this it becomes more attractive to support them.

Source: Allen Consulting Group (2010, p75)

Much of the literature including the surveys conducted by IEG (2012) and Allen Consulting Group (2010) cited above focus on what the PAO needs to provide for the corporate sponsor. The interviews gave a more balanced view where the expectations of the exchange were to have mutual business benefits. Table 2 outlines the broader types of value exchanges and to which organisation the benefits accrued in those exchanges. Appendix B: ‘The Exchange’ lists more specific items identified in the IEG survey (2012). There is some debate in both the literature and in the results of the interviews about the continued value of hostings. This may be more closely attributed to the particular objectives of the sponsoring client. For example one of the sponsors was looking for “noise in the market that we can than harvest from.” While another participant was focused on the opportunities for networking with other CEOs and policy makers. One of the PAOs noted a shift in preference for pre-show. This reflects the changing demographic of the sponsorship managers where they and their clients have “...families with the baby sitter meter running.”

Table 2. Putting yourself out there.

	PAO	Sponsor	Mutual
Types of exchange.	<ul style="list-style-type: none"> • In Kind • In Kind & Cash • Specific event or programme (eg education, season or special purpose fund raising) • Specific artist 	<ul style="list-style-type: none"> • Tickets • Direct association with event • Artist support • Hosting • Backstage experiences • Collateral • Naming rights • Digital presence • Specific artist 	<ul style="list-style-type: none"> • In Kind • Specific event or programme (eg education, season or special purpose fund raising) • Specific artist

Unlike other relationships, sponsorship does not imply monogamy. Both PAOs and commercial firms hold a portfolio of sponsorship arrangements. As Table 2.1 shows, not all have been strategically

chosen. Four of the four PAOs had a specific process and strategy for guiding their sponsoring partnership decisions. The Sponsors, on the other hand, were mixed in their responses. Those with less formal strategies explained that their portfolio was largely influenced by an advocate (internal or external). However, the final decision to select or continue a contract were either values and brand congruency based: “[The PAO] mirrors everything we aspire to ourselves.”

Table 2.1 Not monogamous.

	PAO	Sponsor
Portfolio Strategy	4/4 respondents listed: <ul style="list-style-type: none"> • Commercial utility • Brand Congruence • Values Congruence 	<ul style="list-style-type: none"> • 4/5 Commercial Utility. Of these: <ul style="list-style-type: none"> • 4/5 - Business 2 Business focus • 2/5 - Business 2 Customer focus • 3/5 No formal strategy • 3/5 Values Congruence • 2/5 CSR

There were several innovative value exchange opportunities that were discussed during the interviews. In the words of one PAO, “It is offered but not a lot take it up.” Table 2.2 uses a nominal method to indicate how open each party was to the possibility of exploring other sources of value each party may have to offer. The score is impressionistic rather than absolute and is based on several factors including the number and diversity of the value exchanges for a given partnership, the reaction to other possibilities when raised in the conversation, the style of language used in the discussion, and the expression of hope, wish or resignation. The PAOs tended to be more open than their corporate partners which may be able to be partially attributed to the nature of their business. This coincides with those corporate sponsors whose business is also creative in nature. The mean aggregated result show an overall willingness to explore alternate forms of value exchange.

Table 2.2 Openness to alternative forms of value

	Aggregate response	pao1	pao2	pao3	pao4	s1	s2	s3	s4	s5
0 Closed 5 Open	3.33	4.5	2	4.5	3	3.5	4.5	3	2.5	2

Table 2.3 Boundaries.

	Aggregate Responses * CNZ included
Limiting Factors	<ol style="list-style-type: none"> 1. Internal capacity to support partnership. 2. Second table negotiations (local, national &/or international level resistance): <ol style="list-style-type: none"> a) too alien from current practices; b) fit with current policy 3. Limited depth of relationship. 4. Isolated activity -- Not included as part of the business as a whole

“A lot of what we hear is, ‘We’d love to do more but we just don’t have the time’.” There are a number of realities of business that create obstacles to either party setting up more a novel mode of exchange. The top four most frequently cited reasons are listed in table 2.3 above. The challenges of internal capacity centered on resourcing issues and core businesses schedules that were not always conducive to radically new initiatives. As one PAO responded, “...lots of things need to be worked on simultaneously.” Another sponsor expressed it as simply having reached their ability to serve any new relationships. Resistance was also attributable to the position of sponsorship within the corporate sector. Only one respondent noted that sponsorship was considered a shared service within the business “...[that] goes far and wide...We integrate it into everything we do.” It is more difficult to identify broader opportunities without the perspective of other departments within a business. This further highlights the weight of influence carried by those indirectly involved in the sponsorship exchange -- second table negotiations. In some cases, the policy has been set at a global level which has limited the local and national level opportunities. “Its all down to the individuals involved and what they are empowered to do” says one PAO participant. CNZ pointed out that the sponsorship exchange is still dominated by brand for cash transactions and that the idea of “partnership is still quite new to the corporate world.”

“To do what we had in our vision took bravery from the client’s point of view and obviously it took time, because we couldn’t do that in the first year -- it took four years.” This statement made by a corporate respondent encapsulates one of the critical influences on openness. The greater the trust and

understanding of each party's business the broader the view, increasing the likelihood of spotting opportunity. This was particularly highlighted in one of the relationships whose grasp of the other's business enable the PAO to refine the offering to maximise the value added to both. However, in most of the relationships 'understanding' was focused on the sponsor rather than being a reciprocal arrangement.

3. The nature of the relationship

"We both get it. Both parties understand each other and we both respect each others' values." (A sponsor.) "The best relationships are a relationship." (PAO participant.) The term 'relationship' was used 37 times over the ten interviews. 'Communication' and 'understanding' were used 30 times. PAOs and sponsors gave equal emphasis to the importance of the partnership and relational behaviour elements such as communication; style, frequency, honesty and openness; and understanding the sponsor's business. Greater depth of understanding seemed to be expected from the PAO about the values and general mechanics of the sponsoring organisation's business as well as their specific marketing objectives. The sponsor's focus was a mixture of shared values of the brand and companies. Others focused primarily on their marketing objectives. The third group tended to be deeply involved in the business of the PAO and so had a more personal, business-to-business exchange beyond the tickets for services exchange. Table 3 lists the most frequently cited contributors to a successful partnership. These bare a striking resemblance to those relationships conducted on a more personal level. "Partnership -- you can't force that on people. We work really hard to have that relationship where you can be presenting those ideas and leading them down where you think they need to go, but its a two-way street." (PAO respondent.)

Table 3 also indicates that the relationships have changed since the world economic crisis as suggested by the literature. There is a stronger focus on return for investment rather than philanthropic giving. Spending is under greater scrutiny and as one sponsor put it, "[you] can't be seen to be parting with company money on a whim, its all got to be thought through a little more scientifically and clinically." Both PAOs and their partners emphasised the growing commercial aspect of their relationships.

Table 3. Having a successful date

	Aggregate Responses * CNZ included
Success Factors. (Top five most frequently cited responses)	<ol style="list-style-type: none"> 1. Relationship 2. Communication 3. Know your sponsor; Commercial focus (its a business); Open, honest, trust, mutual respect, genuine interest. 4. Matching values. 5. Deepening trust over time. Increase risk tolerance.
Observed Changes Over Time (not ranked)	<ul style="list-style-type: none"> • Still primarily transactional. • Increased commercial focus. • Increased depth of understanding of business drivers. Giving rise to collaborative opportunity development. • Degree of change is largely dependent on the nature of the business of the sponsor.

The number of touch points between organisations tended to add depth to the relationship and increase the delivery of appropriate value exchange. As one sponsor related, “It makes the relationship much stickier as well, its harder to let go of it than if you have all those relationships running through just one person.” Table 3.1 lists the “stickiness” ratings for each of the relationships discussed. This rating was based on the number of touch points between the various partnerships, the ease of saying ‘yes’ to contract renewal, brand congruency, shared values, reciprocity within the relationship, level of trust expressed and the scope of value offerings exchanged. The ratings are not necessarily the same for both partners. Nor does it imply ‘good’ or ‘bad’ but rather the transactional nature of the exchange. In the case s5 was still having their particular communications goals met by the PAOs and the felt relationship was positive.

Table 3.1 Relationship ‘Stickiness’

	Aggregate response	pao1	pao2	pao3	pao4	s1	s2	s3	s4	s5
0 = not sticky 3 = could do without but want to stay 5= Sticky	2.7 mean	4, 3.5 & 2	2.5 & 2	3	2.5	4	3.5	3	3	1 & 1.5

4. Reviewing the relationship

Almost every respondents first reaction to the question of measurement was to chuckle. As one sponsor explained, “The reality is that you can’t get an accurate fix on the return... It is part of an overall annual marketing mix.” The literature agrees with this assessment as it becomes challenging to isolate the elements that contribute to a specific result (e.g. Colbert et al., 2013; Meenaghan et al., 2013; Thomas et al., 2009). All PAOs used a mixture of formal or informal metrics to evaluate the state of the relationship. The PAOs tended to have the more comprehensive list of formal measures. This could partly be attributed to the processes and systems that are already in place for reporting to other funding bodies. By contrast, informal metrics dominated the sponsors’ side of the relationship. Only one of the corporate partners used extensive metrics to form a ‘Net Promotor Score’. This may be a reflection on the types of marketing and communication goals of this particular sponsor. For several of the contra-based sponsors the value gains sort related to the creation of a virtuous circle of business-to-business interaction where “...ultimately it is the relationship and how it positively or negatively informs the work.”

The flow of information largely reflects the level of formal measurement. The sponsor with the greatest level of formal metrics openly shared those findings with their partners. Likewise, the PAOs reported on the specific outcomes of that relationship. The types of data shared are very similar to those listed in the IEG 2012 survey (Appendix B, Tables 3.1 & 3.2). Three PAO respondents also shared information on a less formal basis about potential opportunities for that client. Their client saw this brokerage role as “...the cream on the top.”

The subjective nature of the measures for success are further reflected in the list of signs that it is time to move on (table 4.1). Even for the sponsor with the clearest set of metrics, poor return on benefits was last on the list. As one participant describes, “...its just got to with the relationship. Its more of a feeling, is this relationship going smoothly or not?”

Table 4 Measure progress

	PAO	Sponsor
Metrics Used	Formal: 3/4 Reporting to trusts. Reporting on sponsor agreement. Informal: 4/4 Review meetings (internal & external) Newsletters	Formal: 2/5 Digital data Ticket Sales 1/5 Extensive metrics to produce 'Net Promotor Score'. Informal: 4/5 Regular reviews (internal & external) Brand continuity.
Data Exchanged	All shared specific data with their sponsor.	All shared some information with the PAO. Dominant information flow: PAO to Sponsor

Table 4.1 Just not that into you

	Aggregate Responses *
Signs to “let go”: (not ranked)	<ul style="list-style-type: none"> • Communication -- lacking; hidden agendas; no longer open & honest. • No longer getting the expected benefits for the spend. • Quibbling -- about money or delivery. • Moving in different directions. • Being treated badly -- lack of respect.

There are several indicators that sponsorship in New Zealand has made its way into a ‘partnership’ space rather than purely transactional. The clearest of these indicators are in the dominant vocabulary of relationship rather than ownership and of the shared expectation of a collaborative approach to defining the substance of delivery on the specific objectives of a given arrangement. Table 4.2 lists the most frequent responses to the question of the future direction of sponsorship relationships.

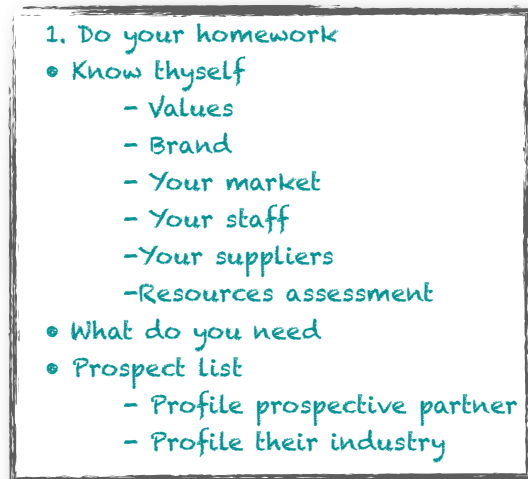
Table 4.2 The next step in the relationship

	Aggregate Responses *
Future Trends (not ranked)	<ul style="list-style-type: none"> • “Partnership” rather than “sponsorship” -- a collaborative, business centric approach. • Commercially savvy and business focused -- Invest in a specialist • Increase the touch points across all parts of the programme • Sponsorship/development is an integral part of meeting internal and external strategic needs. • Increased scrutiny on spending -- Need to build a business case to support investment. • Digital communication channels opening up new and cheaper measurement possibilities.

Discussion: Lessons from the Dating Analogy Model

One of the original intentions of this project was to collate the most profitable ideas into one document. It quickly became obvious that there were two obstacles to this: First, these ideas form the basis of competitive advantage; and second, many ideas work because they are bespoke -- designed to suit the needs of the two specific organisations. The test now then, is to outline the broader themes and findings that have emerged from analysing the sponsorship relationships using the Dating Analogy Model.

To set yourself up for success both parties need to do their homework. As one sponsor advises, "Do your homework. Understand what the sponsor wants. Don't take a blanket approach -- take the time to understand the business." Risk is taken on by both sides particularly in the early stages of a relationship. Research provides information that can reduce the risks of connecting with an unsuitable arrangement or

- 
- 1. Do your homework
 - Know thyself
 - Values
 - Brand
 - Your market
 - Your staff
 - Your suppliers
 - Resources assessment
 - What do you need
 - Prospect List
 - Profile prospective partner
 - Profile their industry

partner. Starting with congruency of brand and shared cultural values can quickly provide a simple yes no judgement of whether it is worth 'testing the waters'.

To be able to look for unique value add opportunities it is important to know yourself as well as your prospective partner. Do you have the capacity to support a sponsorship? Transactional arrangements may need less communication and time resources. Exchanges on this level may be able to be integrated into existing reporting needs. This can only be spotted if these systems have been identified. In the experience shared in an interview of an in-kind partnership, having a broad understanding of the cost structure of their partnering sponsor enabled the PAO to broker an arrangement that was more cost effective. The internal staff of the PAO did all the menial work which allowed the sponsoring partner to focus on the high value level delivery.

Profiling a prospective partner is seen by CNZ as a key ingredient to a successful approach. Being able to accurately target your market and present a business case to support the potential partnership reduces the risk of the endeavour (Bower, 2009; 2010). Using the language of business to present a tailored offering demonstrates credibility of the offer and reduces risk perception (Daellenbach, 2012). The key factor each participant emphasised was showing an understanding of the drivers for that business and that each was going to be better off as a result of a collaborative effort.

‘Testing the waters’ was seen as an important initial strategy for both new sponsorships and for new or novel value offerings. It is a low risk step confirm if there are common objectives and values upon which to structure a sponsorship package. To do this it seems that there is nothing stronger than face-to-face contact. The general advice was to “[get] on the phone first of all, at the highest level. Ultimately it is probably going to be the top person decides how the money is spent, in consultation with the head management team.” (Sponsor.)

- 
- 2. Get in front of the decision makers.
 - A taste of what you can offer
 - Tailor for particular client.
 - A business-to-business approach
 - Define your objectives
 - Define how success is measured
 - Face to face
 - Use a 'wing man'
 - Board members
 - Social networks
 - Business networks
 - CNZ
 - Hire a professional

This is the point at which the concept of social network theory and the role of a ‘wing man’ seems to fit most closely (Daellenbach et al., 2006; O’Reilly et al., 2013). Getting in front of the decision makers is challenging. Daellenbach’s (2012) research examines the role of the advocate in detail. One starting point for finding these connections is your internal networks such as the board and employees, as well as external networks through business contacts, clients and suppliers. Once you are there it is important to make the right impression. The advice from several participants on both sides of the relationship was that if you don’t have those particular skills, was to engage a professional. “How do you get cut through if you do it as an amateur?” (PAO.)

Linqvist (2013) described the advocacy role of government agencies in Sweden. Australia has the Australian Business Arts Foundation and New Zealand has CNZ. They offer a range of services beyond simply being a source of distribution of government arts funding grants. Through their website, organisations can access practical tools for formulating proposals as well as current market research and one-on-one advice. The Allen Consulting Group report (2010, pp39-41) has a comprehensive list of a number of agencies in New Zealand and their support initiatives.

“Above all, open and honest communication and regular communication is the trump card.” The sentiments of this sponsor were echoed by each of the respondents. The extra value gained was clearly illustrated in the story told earlier of the

3. Relationships

- Communication goes two ways
 - Be honest, open and respectful
- Seek to understand the other's business
 - Opportunities for adding value
 - Opportunities to increase touch points
 - Activation of sponsorship matters

inherited in-kind sponsorship where the honest appraisal of “It just didn’t work for me” made by the PAO led to a particularly successful outcome. However, this was not an isolated incident. Five of the respondents told stories where an honest appraisal of a situation led to either a stronger value proposition. “There is a real help each other out thing going on.” (Sponsor.) This learning exchange builds trust and deepens the relationship through improved understanding of the needs and limitations of the other party (Lund, 2010).

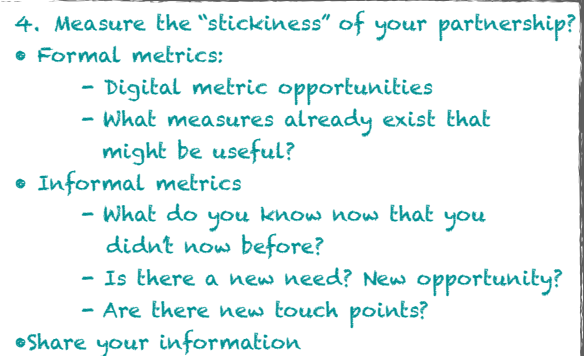
Communication of this nature is made easier if the parties involved share similar cultural values. Time and resources are scarce so investing in a well matched long term prospect will give you a better return on your total investment. The co-creation of the virtuous circle reinforces the quality of the exchange and the willingness to remain in that relationship. As a sponsor describes: “We did some great work that good a good result. That become a virtuous circle. The more we were able to get a good result the more the organisation was able to trust us, the more freedom we got to do better work and the more desire we had to invest more.” Having a similar outlook not only led to higher value offerings appropriate to that client relationship. It creates a deeper level of engagement and an ability to overcome adversity.

Activation of the sponsorship matters. Having made the commitment, both parties need to be looking for ways to leverage the best from the project. The generally recommended ratio is 2 or 3:1 (Meenaghan et al., 2013; O'Reilly et al., 2013; Quester et al., 2001). The IEG (2012) survey results show a spend of \$1.70 by the sponsor for every dollar spent on the exchange. Interestingly, the survey also shows that although firms are aware of the necessity of devoting resources to leveraging the sponsorship, one out of five spent nothing. CNZ noted that the activation rate for the performing arts need not be as great as other industries, "...because of all the bells and whistles they can add on." Other respondents suggested that money was not the only way to assist a sponsor to leverage their sponsorship. For example, some PAOs were able to act as a conduit to provide business introductions or to spot opportunities that arose through their day-to-day activities.

The exchanges that had the greatest return for both parties occurred later in the relationship. It takes time to build trust and understanding (Lund, 2010; Ryan et al., 2003). It takes courage to step outside the box and the support of those ultimately held responsible to their stakeholders. Some of the participants found that their value added offers were less enthusiastically received by those outside the initial idea exchange. As the sponsorship manager for one company explained, "...it comes back to what the partners and the senior team are interested in...out of the box things...would be quite a big leap for them." By contrast, examples where more unusual arrangements contracted, the sponsorship managers were able to convince their respective 'second tables' of its value. This could be attributed to the relatively small size of those companies. For the global firm the structure of the company places sponsorship partnership as both an external marketing agency and an internal service provider.

The management of sponsorship partnerships requires a heavy time commitment. "To make the most of it you've got to invest time into making it work." (Sponsor.) Clearly, it is important to be able to measure the return on the invested time, money and resources (Meenaghan et al., 2013; Rentschler et al., 2001; Zinger et al., 2010). Giving money for no expected return is philanthropy (Walker et al., 2013). "There was a huge amount of spend and for me, it wasn't really clear what the value return

was back to the business,” said the Sponsor of an inherited arrangement. All respondents cited the importance of regularly reviewing the sponsorship proposition. And yet this research showed a belief that formal metrics are limited to largely transactional based objectives. Even the IEG (2013) survey showed a contradiction between acknowledging the need to measure and yet not being willing to allocate the resources to this activity. One in five did not measure sponsorship return and 44 of the 105 respondents spent less than 1% on evaluation (IEG, 2013, p10). This is an extraordinary reality when one takes into account the amount of time spent on searching for, brokering and managing a sponsorship partnership. This belief may also reflect the difference in view of the purpose of measurement and how it may tie into less tangible aspects of sponsor partnership.

- 
- 4. Measure the “stickiness” of your partnership?
 - Formal metrics:
 - Digital metric opportunities
 - What measures already exist that might be useful?
 - Informal metrics
 - What do you know now that you didn't know before?
 - Is there a new need? New opportunity?
 - Are there new touch points?
 - Share your information

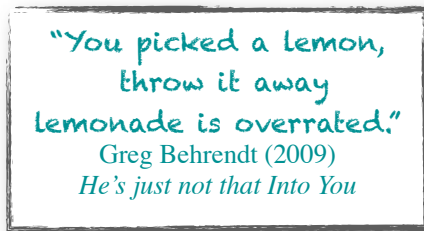
Measuring intangibles is challenging but not impossible (Hubbard, 2007; Sullivan et al., 2009). “[The]...lack of having an exact number is not the same as knowing nothing.” (Hubbard, 2007, p64) The regular informal and formal reviews conducted by all of the participants confirm this belief. Digital communication channels are providing greater opportunities to track exposure, purchasing behaviours and brand association. These quantifiable elements can be combined with weighted and rated subjective measures to create a fuller picture of the progress of a given relationship (Hubbard, 2007; Sullivan et al., 2009). If the purpose of measurement is taken from being a precise quantity to include an estimated understanding that reduces uncertainty, then it becomes easier to explore ways of monitoring both financial, material and relational aspects of a partnership (Hubbard, 2007). By this method it is possible to evaluate the worth to the company of “...fit with your core values and things that make you Zing” (Sponsor).

Each sponsor & sponsee sort objectives from their particular engagement. The challenge is really in defining the problem and the value of the information it will provide. Hubbard (2007) provides an

excellent guide of six questions to clarify the objectives to be measured. (These are listed in Appendix C.) The value to the company may be broader than financial or marketing communications. For example, six of the ten respondents spoke in terms of the depth of engagement or ‘stickiness’ of the partnership. If this measure had been conducted by each of the participants they may have come up with a different rating, or range of ratings, based on how they weight particular objectives. For example, for one sponsor their prime objective was maximising regional engagement of their customers. That sponsor has developed both commercial and brand metrics to generate a Net Promotor Score. These metrics would also provide significant information for other sponsors however, they may give those measures a different weighting. The sponsor whose objective is reach the CEOs of another business would rate hosting opportunities more highly. A PAO may prioritise other aspects of a sponsorship, focusing their resources on in-kind exchanges that the sponsor finds easy to say ‘yes’ to when it is time to renew the contract. While priorities differ, what is clear is that if partners are to avoid the problems caused by misaligned agendas or disappointed expectations, they will need to agree on what and how success is to be measured.

Both parties who are investing time and resources may find it particularly advantageous to explore how to extend the touch points between their firms. This creates a need to remain engaged where “...the staff are getting involved in the sponsorship, clients are getting involved, [and] potential clients are getting involved.” (CNZ.) These touch points ensure that, “...you are on their radar, you are on their profile” explained a PAO. The benefits are seen as being mutual as both parties are heavily invested. As a sponsor noted, “...its harder to let go of it than if you have all those relationships running through just one person.

No matter how much you like a company, or the the people, sometimes it just doesn’t work as well as it should. The business environment can change and the partners may start moving in different directions. Regular formal and informal conversations (not just information exchange) are an integral part of any relationship and are no less important in a business partnership. Emotional attachment to a company may not hold enough sway if it is not serving the objectives of both firms. The signs that all



is not as it should be are very similar to any personal relationship: quibbling about money, hidden personal agendas, lack of communication, poor delivery on promises. As one sponsor expressed it, "...lack of sincerity or belief in the partnership when it starts out is probably going to lead to a pretty quick divorce." In business terms, when the objectives are being measured and the sort value targets are not being met and the brand congruency is no long strong, it is time to re-assess the partnership (Greenhalbh et al., 2013; Mazodier et al., 2012; Meenaghan et al., 2013). Sometimes it is the human element that simply doesn't gel. "Occasionally you'll think you've got a client for life and the head of marketing will change and they don't think much of you. You can't do much about that." (Sponsor.)

Conclusion

The need for PAOs to look toward the commercial sector for additional funding has been well established in current literature(e.g. Allen et al., 2013; Lindqvist, 2013; Thomas et al., 2009). Despite the dominance of relationship theory in the literature, most research only looks at one side of the equation. In this analysis, there has been an opportunity to examine the interaction of each perspective. While transactional sponsorship arrangements appear to dominate, they also have elements that create deeper, enduring, high value engagements that strongly align with partnering relationship theory. How those relationships look varies according to the nature of the business of the sponsor, the nature of the interaction (in kind, cash or a combination), and the reasons for sponsoring that particular PAO.

It appears from the experiences of the interview subjects, that fully formed symbiotic relationships are still relatively new in New Zealand. As CNZ observed, many sponsors still tend to "...consume it rather than sit along side it." Two of the sponsors also felt that it was important that the PAO do "some of the heavy lifting." The language used by the participants was also a mixture of 'asset', 'property' and 'partner'. However there were also examples of added value offerings. The PAOs tended to be

the initiator of many of these but offers were also made by their partners. The reaction of the second table to those offers mirrors the interactive nature of relationships in our personal lives. What we do affects others and this was shown to be equally true in business terms. If an offer is too alien the interaction may resemble the parents reaction in the film, "Guess who's coming to Dinner."

One thing is certainly agreed upon across the participants -- relationships are time and energy consuming. Therefore taking the time, and expending the resources, on research and profiling reduces the risk and expense of making a poor choice. 'Testing the waters' on a relatively low cost, short period engagement -- a first date -- is the next step towards gathering sufficient information to evaluate the potential value of the partnership over the life of the sponsorship.

Small organisations, both the PAO and commercial enterprises, may not have the internal capacity to fully support this type of partnership. The Dating Analogy Model offers an opportunity to explore who could fill the role of 'wing man' and the various forms that role can take beyond the more obvious role of advocate as studied in current research. This may take the form of a professional as six of the respondents recommended. "However, they are expensive," grimaced a PAO. If sponsorship was set as part of a larger strategy, such expertise could be focused on specific aspects such as brokering a proposal. It may also take the form of tapping into existing expertise within the organisation or from external sources such as CNZ.

The high time component (and initial financial out-goings) need to be balanced against the expected value of the gains. The Dating Analogy Model assumes that sponsorship is going to be one of the sources of revenue for a PAO and part of the marketing mix for a commercial entity. However, it may be more cost and time effective to raise funds through community trusts and government grants? Could metrics used for a commercial partnership also be used for other funding sources? Using the same information to report to multiple stakeholders enables the cost of data gathering, collation and reporting to be spread over a number of entities. Further research into the potential information cross-overs points and time per revenue dollar raised across different sources would enable more accurate

assessment of a sponsorship partnership as the most productive use of a small PAOs resources. Alternatively, in-kind or contra sponsorship arrangements that will positively impact the overall value gains for both companies may justify the costs. In kind exchanges provide a guaranteed income for the sponsor and a guaranteed discounted or set price of an essential service for the PAO (e.g. auditing, lawyer services, transport).

The purpose of any framework is to use a new lens to look at an old problem in order to find a new solution. Using the Dating Analogy Model we see that what applies to one partner may also apply to the other. Sponsorship is most effective when it forms a part of an overall business strategy for both. To realise the full potential of any business-to-business exchange all those involved need to have a clear grasp of the purpose of the partnership and what success looks like (Bower, 2009). The literature supports the theoretical elements behind the Dating Analogy Model and the research conducted in this report shows some strong correlations between personal and business relationships. However, no matter how many novels one may read, there is really no substitute for reality. The next step toward testing and refining this model would be to conduct workshops with sponsorship and development managers from both commercial enterprises and performing arts organisations.

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Appendix A: Dating Analogy Model

Dating advice	Sponsor	PAO
<p>1. Setting yourself up for success</p> <p>a) Define expectations</p> <ul style="list-style-type: none"> - Know what you want - Know what you need <p>b) Get yourself looking good</p> <ul style="list-style-type: none"> - Know yourself - Build on your assets <p>c) Where to look</p> <ul style="list-style-type: none"> - Friends, clubs, associations - Find the place where your potential partner hangs out 	<p>a) Define expectations</p> <ul style="list-style-type: none"> - Sponsorship vs philanthropy - Define marketing objectives - Strategic fit, corporate citizenship, HR objectives. - Define 'Value' - Platform type <p>b) Get yourself looking good</p> <ul style="list-style-type: none"> - Congruency with purpose & brand - Physical and knowledge based resourcing as well as financial. - Activation ratio <p>c) Where to look</p> <ul style="list-style-type: none"> - Geographic - Networks -- social, associations, in-house connections 	<p>a) Define expectations</p> <ul style="list-style-type: none"> - Define what it is you need. (Performing Arts Value Chain) - Define your values - Define your brand - Assess your resources: Financial, physical, knowledge, skills and time. - Create a prospect list - Research their industry - Profile prospective sponsors. <p>b) Get yourself looking good</p> <ul style="list-style-type: none"> - Professionalism, business-to-business marketing approach - Build a business case - Position & scope - Assess all assets: traditional hosting, ticking, event & backstage options - Plus: transferable skills such as: innovative thinking, problem solving, collaboration <p>c) Where to look</p> <ul style="list-style-type: none"> - Be targeted. - Pathways: social/ business networks & associations - Social Network Theory - Advocacy - Wing man

Dating advice	Sponsor	PAO
<p>2. Putting yourself out there</p> <p>a) Ask questions</p> <p>b) Be specific</p> <p>c) Be honest</p> <p>d) Ask for a date</p> <p>e) Be outcome independent</p>	<p>a) Ask questions</p> <ul style="list-style-type: none"> - Research possible opportunities - Brand congruence, possible conflict with other sponsors - Time commitment as well as resource - Conjoint analysis <p>b) Be specific</p> <ul style="list-style-type: none"> - Corporate hosting? - Employee rewards? - Time horizon: testing the waters or one off? <p>c) Be honest</p> <ul style="list-style-type: none"> - How much time/HR/\$/ physical resource can be offered - 2nd table negotiations (Senior Management, national/global policy) <p>d) Ask for a date</p> <ul style="list-style-type: none"> - Pre-purchase decision vs Ad hoc evaluation as approached - Include as part of comms strategy - Suggest a project - Resource it. <p>e) Be outcome independent</p> <ul style="list-style-type: none"> - Return on Relationship vs ROI - Evidential & informed intuition 	<p>a) Ask questions</p> <ul style="list-style-type: none"> - Research possible opportunities - Brand congruence, possible conflict with other sponsors - Time commitment as well as resource - Conjoint analysis - Partnership viability <p>b) Be specific</p> <ul style="list-style-type: none"> - Corporate hosting. Ticketing allowance. Naming rights. Activity specific support. - 'Backstage' offers (creativity, innovation) - Time horizon...testing the waters or one off? - Boundaries. Level of participation. Creative integrity Vs practical contribution <p>c) Be honest</p> <ul style="list-style-type: none"> - skill strengths and weaknesses - level of commitment of time & resources - 2nd table negotiations (funding compliance, Senior Management) <p>d) Ask for a date</p> <ul style="list-style-type: none"> - Advocacy: product champion - Use a professional <p>e) Be outcome independent</p> <ul style="list-style-type: none"> - Holistic assessment (artistic merit, contribution to community, organisational effectiveness, brand enhancement) - Return on Investment & Rate of Return

Dating advice	Sponsor	PAO
<p>3. Having a successful date</p> <p>a) Good manners</p> <p>b) Don't talk about past relationships</p> <p>c) Be interested & interesting</p> <ul style="list-style-type: none"> - be positive <p>d) Don't make the first date too long</p> <ul style="list-style-type: none"> - Don't go at warp speed -- it takes time to get to know someone. <p>e) Give yourself plenty of things to talk about</p>	<p>a) Good manners</p> <ul style="list-style-type: none"> - Building trust - Learning the language of the other industry - Relational approach <p>b) Don't talk about past relationships</p> <ul style="list-style-type: none"> - Track record may be important. <p>c) Be interested & interesting</p> <ul style="list-style-type: none"> - Alliance partnership Vs fee-for-rights - Building a common understanding of rights and the rewards of additional effort - Be open to new possibilities - Activation spend - Research the PAO <p>d) Don't make the first date too long</p> <ul style="list-style-type: none"> - Risk reduction through short term opportunity. - Risk reduction through research - Risk reduction through metrics - Opportunistic approach <p>e) Give yourself plenty of things to talk about</p> <ul style="list-style-type: none"> - More than a free ticket. Entrepreneurial opportunity beyond the event. - Understanding needs & develop packages to meet those needs. - Understand the other's business 	<p>a) Good manners</p> <ul style="list-style-type: none"> - Total Relationship Management <p>b) Don't talk about past relationships</p> <ul style="list-style-type: none"> - Track record is relevant. - Proof of ability to deliver - Inter-sponsor leverage <p>c) Be interested & interesting</p> <ul style="list-style-type: none"> - Building a common understanding of rights and the rewards of additional effort - Be open to new possibilities - How to assist activation <p>d) Don't make the first date too long</p> <ul style="list-style-type: none"> - Iterative process. - Opportunistic - Risk reduction through research - Risk reduction through metrics <p>e) Give yourself plenty of things to talk about</p> <ul style="list-style-type: none"> - Entrepreneurial opportunity beyond the event. - Understand the other's business - Targeted packages.

Dating advice	Sponsor	PAO
<p>4. Building on the relationship</p> <p>a) Avoid being smothering</p> <ul style="list-style-type: none"> - Assess your feelings & - Give them time to assess theirs <p>b) Be honest</p> <p>c) Show emotion maturely</p> <ul style="list-style-type: none"> - If this is a casual hook up say so from the beginning <p>d) Don't try too hard -- allow spontaneity</p> <p>e) Know what's reasonable.</p>	<p>a) Avoid being smothering</p> <ul style="list-style-type: none"> - Rate of Return & ROI - Effectiveness in objective achievement - Utility Theory, Exchange Theory <p>b) Be honest</p> <ul style="list-style-type: none"> - Reporting results - Share information - Measure effectiveness - Measure non-financial and financial objectives. <p>c) Show emotion maturely</p> <ul style="list-style-type: none"> - opportunistic or testing the water - Iterative process <p>d) Don't try too hard -- allow spontaneity</p> <ul style="list-style-type: none"> - Understanding needs & develop packages to meet those needs. - Openness to explore unexpected added value offerings <p>e) Know what's reasonable.</p> <ul style="list-style-type: none"> - TRM: Mutual respect 	<p>a) Avoid being smothering</p> <ul style="list-style-type: none"> - Rate of Return & ROI - Effectiveness in objective achievement - Utility Theory, Exchange Theory <p>b) Be honest</p> <ul style="list-style-type: none"> - Reporting results - Measure non-financial and financial objectives. <p>c) Show emotion maturely</p> <ul style="list-style-type: none"> - Opportunistic or testing the water - Iterative process - Create a "sticky" relationship <p>d) Don't try too hard -- allow spontaneity</p> <ul style="list-style-type: none"> - Iterative process - Understanding needs & develop packages to meet those needs. - Openness to explore unexpected added value offerings <p>e) Know what's reasonable.</p> <ul style="list-style-type: none"> - TRM: Mutual respect

Appendix B: IEG (2012) Survey Results

Source: IEG (2012, March 19) *12th Annual IEG Performance Research Sponsorship Decision-Makers Survey*. Retrieved from: www.performanceresearch.com/2012-IEG-Study.pdf

How it Began

Table 1.1

How do you typically go about choosing a property to sponsor?	IEG Survey (% of respondents)	Trend (Since 2008)
Strategic Choice	84	increasing
Approached Directly	70	average
3rd party	44	average

Table 1.2

Information Sort Pre-Sponsorship	IEG Survey (% of respondents)	Trend (Since 2008)
Demographics	88	decreased
Attendance	73	decreased
Fan Passion / Affinity	76	increased
Psychographics	47	average
Growth trends in property	50	increased

The Exchange

Table 2.1

Top 5 Value Offerings	IEG Survey (% of respondents)	Trend (Since 2008)
Category exclusivity	62	average
On-site signage	51	decreased
Broadcast ad opportunity	45	decreased
Title of proprietary area	39	decreased
Presence on property website	44	no change

Table 2.2

Highest Rated Sponsorship Objectives	IEG Survey (% of respondents)	Trend (Since 2008)
Create Awareness / Visibility	70	increasing
Increase Brand Loyalty	72	increased
Change / reinforce Image	66	increased
Showcase CSR	43	increased
Access platform for experiential branding	38	no change

Table 2.3

Highest Rated Marketing Communication Channels	IEG Survey (% of respondents)	Trend (Since 2008)
Traditional advertising	72	decreasing
Public relations	77	average
Internal communications	77	increased
Internet tie-ins	60	decreasing since 2010
Social Media	74	no prior data

Measuring Success**Table 3.1**

Metrics used to measure sponsorship return on investment or on objectives	IEG Survey (% of respondents)	Trend (Since 2008)
Lead Generation	56	increased
Entertainment of key customers or prospects	61	increased
Response of employees or internal constituents	60	increased
TV logo exposure	46	increased
Response of trade or channel partners	47	increased
Lower customer acquisition cost	41	increased

Table 3.2

Importance of various types of analysis	IEG Survey (% of respondents)	Trend (Since 2008)
Internal feedback	42	average
Sales / promo bounce-back measures	32	decreased 9%
Primary consumer research	29	no change
Dealer / trade response	22	average
TV exposure analysis	13	decreased 10%
Print media analysis	21	increased 7%
Syndicated Consumer Research	11	decreased

Appendix C: Six Questions in the Universal Approach

Source: Hubbard, Douglas W. (2007,p39)

1. What are you trying to measure? What is the real meaning of the alleged 'intangible'?
2. Why do you care? What's the decision and where is the 'threshold'?
3. How much do you know now? What ranges or probabilities represent your uncertainty about this?
4. What is the value of the information? What are the consequences of being wrong, and what, if any, measurement effort would be justified?
5. Within a cost justified by the information value, which observations would confirm or eliminate different possibilities? For each possible scenario, what is the simplest thing we would see if the scenario were true?
6. Who do you conduct the measurement that accounts for various types of avoidable errors (where the cost is less than the value of the information)?

Appendix E: Sample Consent Form



Personal Interview
CONSENT FORM

I agree to be interviewed by Janina Panizza for the purposes of her MBA Business Research Project and consent to the use of my opinions and information. I understand that none of the opinions or statements that I make during the interview will be attributed to me personally, and that I may withdraw from the research before Friday 3rd October 2014. I am also aware that the findings derived from this study will be published in the Victoria University Library and excerpts may be included in academic publications and/or academic conferences.

I have been informed of the purpose of the research and the confidentiality conditions.

I understand that raw data collected during the interview will only be available to the researcher, Janina Panizza, and her supervisor, Dr David Stewart.

I have been informed that I will receive electronic access to the recording to correct and approve before Wednesday 1st October, 2014.

I agree for this organisation to be identified in the report (please circle). Yes / No

Name: Date:

Signed:

If you would like a copy of the research summary please add your email/address below:

.....

Appendix F: Interview Guide

Prior to the interviews the respondents were asked to provide information (if possible) and were sent the following questions as a guide.

- **Corporate Sponsor:**
 - Current marketing and/or business objectives
 - Example of sponsorship application form.
 - Metrics used to measure the performance of the sponsorship

- **PAO:**
 - Current sponsorship package offerings
 - Funding portfolio weighting (government, philanthropic, trusts, revenue generation and corporate funding percentages)
 - Metrics used to measure performance for corporate sponsors
 - Metrics used to measure performance for other funding agencies.

- **Creative New Zealand:**
 - Current objectives for funding decisions.
 - Metrics used to measure performance.
 - Information regarding the change in government funding. Surveys, annual reports.
 - List of mechanisms/people in place for supporting/encouraging PAOs to seek commercial funding.

Sample Questions

Creative New Zealand.

Overview: The scope, duration and evaluation of corporate sponsorship relationships. The duration of a particular relationship, objectives (marketing and non-marketing), your sponsorship decision making process and changes that may have occurred in that process over recent years.

The interview will be semi-structured along the following lines:

1. What are the current objectives for funding decisions?
2. How has this changed in recent years (the last 10 years)?
3. What metrics used to measure performance of this funding?
4. What services are provided to assist performing arts organisations to support funding applications and reporting?

5. How long does it generally take to compile the main funding applications? (Are there any estimates?)
6. How long does it generally take to compile the information for reporting?
7. How much does it generally cost per company?

8. What support does CNZ currently (or plan to) provide for performing arts organisations seeking commercial sponsorship?
9. What changes do you see in respect to commercial sponsorship relationships?

Corporate Sponsorship Organisation

Overview: The scope, duration and evaluation of corporate sponsorship relationships. The duration of a particular relationship, objectives (marketing and non-marketing), your sponsorship decision making process and changes that may have occurred in that process over recent years.

The interviews will be semi-structured along the following lines:

1. How long have you been sponsoring XXX?
2. How did this sponsorship begin? who approached whom?
3. How many others did you approach/were you approached by before XXX?
4. If you were pitching to yourself how would you do it? What would you say?
5. What made you attractive to XXX? Did you actively promote these assets? How?

6. How would you describe your sponsorship exchange? One off? Experimental? Serial? On-going?
7. How does this relationship fit within your other marketing and business activities?
8. How do/did you measure the performance of the sponsorship?

9. What made this particular sponsorship relationship work? How do you keep it going?
10. Has the relationship changed? How?
11. What are the signs that you should let go of a sponsorship partnership?
12. How might you progress in the future?

Performing Arts Organisation

Overview: The scope, duration and evaluation of corporate sponsorship relationships. The duration of a particular relationship, objectives (marketing and non-marketing), your sponsorship decision making process and changes that may have occurred in that process over recent years.

The interviews will be semi-structured along the following lines and focus on one of your corporate sponsors as a case study:

1. How long have you been sponsored by XXX?
2. How did this sponsorship begin? Who approached whom?
3. How many others did you approach/were you approached by before XXX?
4. If you were pitching to yourself how would you do it? What would you say?
5. What made you attractive to XXX? Did you actively promote these assets? How?

6. How would you describe your sponsorship exchange? One off? Experimental? Serial? On-going?
7. How does this relationship fit within your other sponsorship relationships?
8. How do/did you measure the performance of the sponsorship?

9. What made this particular sponsorship relationship work? How do you keep it going?
10. Has the relationship changed? How?
11. What are the signs that you should let go of a sponsorship partnership?
12. How might you progress in the future?