

# Sponsorship Makes Good Business Sense

*Prepared by Elizabeth Bihl, Artsfunding International, Ottawa.*

The idea of a corporation partnering as a sponsor with a cultural group is still a rather new concept. But, recently, corporations have found considerable benefits in such a relationship, with target marketing and business-to-business networking in the 90s being accomplished more and more through "corporate sponsorships".

Companies have found that mass marketing is not quite as effective as it once was, because today's consumers are becoming increasingly discriminating. The trend towards sponsorships is found worldwide as companies become attracted for a variety of reasons:

- favourable media exposure
- opportunity to entertain clients
- building company/product presence
- reaching select market segments
- business-to-business networking.

The term corporate sponsorship generally refers to a partnership which has been established for mutual benefit between a business sponsor and an event or a non-profit group.

Such a partnership has little to do with charity, donation or philanthropy; instead, it is a business arrangement between two partners.

**It is important that sponsorship dollars support specific business goals.**

Canada's cultural groups are highly regarded ambassadors around the world and have been invited to participate and perform internationally for the past century.

A business sponsor's involvement with such a touring group can be highly productive when applying suitable marketing techniques to position new business abroad or to develop new business networks. Touring cultural groups can act as excellent vehicles for supporting a specific business goal (such as reaching target audiences to convey corporate messages or developing business-to-business relationships).

## Return for Investment

Generally, a sponsor will look for a situation where its marketing ambitions coincide with the needs of the cultural group to create a win-win outcome. This means the sponsor and the cultural group have to share common ground.

This is achieved, basically, by creating suitable marketing elements around a central activity such as a concert, dance or theatre production

Each performance can offer business networking opportunities

through invitations and receptions, as well as prominent sponsor recognition within the touring group's promotional materials, advertisements and media relations.

## Guidelines for Success

It is important to define clearly the role and needs of each partner as both parties are entering negotiations to establish returns for their respective investment. Once a business deal, which must be negotiated step-by-step, has been agreed upon, it must be honoured fully and completely. That is, the business sponsor and cultural group must service what has been agreed upon.

## Locating Partners

To facilitate a successful match-making of business and cultural groups (what works best for one business may not be suitable for another) potential sponsors must develop clearly definable company policies and guidelines regarding corporate sponsorship goals.

These must relate to company objectives and may include:

- cultural preferences (e.g. bands only)
- targeted services such as "in kind" or "employee support"
- marketing objectives
- levels of financial involvement.

Once guidelines have been established, businesses will be in a position to seek out or initiate sponsorship opportunities.

Canadian exporting companies which have already partnered in sponsorship with Canadian cultural groups touring abroad echo the advantages that major international corporations have long claimed and benefited from. Based on their experience, they see sponsorships clearly as "ideal" forums for reaching target markets, entertaining clients and many other intangible

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