Sponsorship as a Business Exchange: An Application of Relationships and Networks in the Performing Arts

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ABSTRACT

This paper examines the concept of a sponsorship relationship between artistic and corporate partners in the performing arts. While sponsorship may have originally consisted of a benevolent contribution of funds to ensure the survival of cultural institutions, this is not the case today. Sponsorship relationships are predominantly formally contracted relationships, with synergistically matched partners, each seeking reciprocal benefits. An examination of theory pertaining to relationships and networks, suggests its relevance to modern sponsorship relationships in the arts. Furthermore, sponsorship relationships that may have commenced as bilateral relationships, involving interaction in a dyadic relationship, usually end up encompassing a network of liaisons. The paper concludes with a qualitative examination of sponsorship relationships pertaining to a cross-section of performing arts organisations in Sydney, Australia, which provides a practical illustration of the application of relationship and network principles.

Key Words: Marketing Communications, Sponsorship, Relationships, Networks, Exchange, Performing Arts

Introduction

As sponsorships constitute an increasingly important component of the communications mix for businesses on both sides of a sponsorship exchange, each party's knowledge of relationships and networks becomes imperative. It is also valuable for theorists in both the sponsorship and relationship/network spheres to recognise the commonalities shared. The paper will commence with a generic examination of the sponsorship concept, followed by a consideration of relationships and networks. An examination of the linkages and commonalities between sponsorship and relationships/networks will then be made with a

conclusion examining qualitatively the sponsorship relationships and networks developed in the performing arts industry in Sydney, Australia.

A Generic Consideration of Sponsorship

Earlier definitions tended to reflect the philanthropic nature of sponsorship, while later ones reflect a business-based relationship backed by legal arguments, definitions of property rights, returns-on-investments and the exploitation of mutually beneficial relationships (Cornwell 1995). While there is no clear-cut definition of sponsorship (Meenaghan 1983; Dolphin 2003; Walliser 2003), a definition of sponsorship that captures the relationship aspect well is one offered by Tripodi (2001).

> "Sponsorship is the provision of assistance by a commercial organisation (sponsee), in cash or kind, to a sports[*] property (sponsee), in exchange for the rights to be associated with the sports[*] property for the purpose of gaining commercial and economic advantage" (Tripodi 2001 98).

[*]The words "arts" or "charity" may be substituted for "sport".

It is suggested that sponsorship is the world's fastest growing form of marketing investment with figures reaching $22 billion worldwide in 2001 (Lardinoit and Quester 2001) with leveraging costs doubling this expenditure (Quester and Thompson 2001). An international comparison indicates that corporate support for the arts (donations and sponsorships) accounts for approximately 15.6% of the revenue of performing arts companies in Canada; 40% in the USA and 25% in Australia (Colbert, d'Astous and Parmentier 2005, p. 48). Investments in cultural sponsorships are likely to grow as a result of the increasing saturation and costs of larger sports events, as well as associated ethics, health and scandal issues more often associated with sports.

Relationships and Networks

The development of the study of *relationships* and the subsequent development of the Industrial Marketing and Purchasing (IMP) group in 1976 recognised shortcomings in conventional transactional marketing, in representing the nature of business-to-business trading (Gronroos 1997). Researchers recognised the importance of developing, understanding and nurturing business relations to facilitate their long-term success (Anderson, Lodish and Weitz 1987; Dabholkar, Johnston and Cathey 1994; Ford 1997). Evolving from the relationship concept has been recognition of the *interaction process* between the social systems, structures, strategies, technologies, resources and individual attributes - of two organisations (MacDonald 2000). An extension of the interaction approach is *network theory* which recognises that simple dyadic relationships may not always capture the complexity of marketing decision-making or organisational behaviour in complex commercial environments (Hakansson and Snehota 1995). The network approach expands the traditional economics-oriented view of interorganisational markets to include non-economic bonds between organisations (Easton 1992). The network theorists consider the various linkages between various business participants or "agents" as a total exchange system (Hakansson and Snehota 1989; Anderson, Hakansson and Johanson 1994). The network approach places less emphasis on hierarchical organisations and structures, instead recognising that many firms are forming loose alliances that may interconnect at various levels of organisations, with a reciprocal transfer of something of value to each partner (Cook and Emerson 1978; Powell 1990; Thompson 2004). The unit of exchange of each participant in the network involves recognition of its core competency (Hamel and Prahalad 1993), which it exchanges for another resource that it needs. Thus each participant in the network builds up a reputation regarding its core competency, which feeds into other relationships in the network, leading to a "network identity" (Anderson et al. 1994).

Specific models emerging from this paradigm include the Morgan and Hunt (1994) model based on ten discrete relationships under the four banners of supplier partnerships, lateral partnerships, buyer partnerships, and internal partnerships. In the relationship marketing context, the 30 R's detail specific dyads such as those between a firm, and its customers, suppliers and employees (Gummesson 1999).

The following is an examination of the pre-existing sponsorship literature, seeking evidence of application of relationship and/or network theory.

Sponsorships and Relationships: A Literature Review

Two comprehensive sponsorship literature reviews, have served to provide practitioners and academics with a relatively thorough overview of the sponsorship literature up to the point of their respective publications. The first by Cornwell and Maignan (1998) established the following five streams of research: (1) *The nature of sponsorship* covering the development of sponsorship from its approximate foundation in the mid-1980's in the USA, (2) m*anagerial aspects of sponsorship* covering areas such as objectives and motivations, (3) *measurement of sponsorship effects* suggesting that demonstrating the commercial value of sponsorship was probably the best way of legitimising it as a valid marketing technique, (4) *the strategic use of sponsorship* covering areas such as leveraging with advertising (Cornwell 1995) and ambush marketing (Sandler and Shani 1989), and (5) l*egal and ethical considerations in sponsorship*. The *relationships* construct is conspicuous in its absence in the Cornwell and Maignan review.

A later review (Walliser 2003) chose to use the same categorisations as Cornwell and Maignan, excluding *legal and ethical* considerations, and focussed on more recent literature including more European studies. Of particular interest in this section was the highlighting of several papers examining sponsorship from a relationship and networks perspective. In

particular Walliser (2003) identifies a body of sponsorship literature that suggests this perspective leads to a deeper understanding of the nature of the internal and external exchange processes pertinent to sponsorship. This facilitates an appreciation of the value of the sponsorship network, as well as the contribution of each sponsor or sponsee partner.

The bilateral relationship aspect of a sponsorship is the most straightforward exchange considered. Thompson (2005) notes that although an arrangement between sponsor and sponsee often commences as a legally-defined, contractual arrangement whereby a sponsor contributes a sum of money in return for defined benefits such as seats at games or performances, the true value elements in the exchange are much more difficult to define. An effective synergistic sponsorship relationship is not just an injection of funds but the development of a mutual understanding of the values and needs of both parties, leading to mutual value creation, with all parties actively trying to maintain and enhance the relationship with the discarding of unnecessary bureaucratic and legal agreements in favour of the development of mutual assets (Gummesson 1999).

A successful bilateral sponsorship relationship is then likely to multiply into a series of successful bilateral relationships that eventually form a network, or map of exchange linkages (Chelladurai 1994). What may start out as a series of bilateral relationships, say between sponsor and sponsee, or between audience and players, may develop into an entire network of relationships involving more than the mere sum of these bi-lateral links (Farrelly, Quester and Smolianov 1998). Farelly et al. suggest that the business objective of sports bodies is to maximise the flow of income dollars through ticket sales, purchase of sporting equipment and memorabilia, membership and subscription fees to clubs, publication, media fees and sponsorship. Included in the network are advertising and public relations agents, sponsorship agents, legal practices and financial institutions.

This mapping of a series of bilateral relationships, which Farelly et al. (1998) portrayed for certain sports also applies to the arts. Stegemann and Thompson (2005) and Thompson and Stegemann (2005) outlined a similar mapping of elements contributing to brand equity in the visual and performing arts. As with sport, they noted in the arts a series of bilateral relationships between consumers (audiences), artists (performers), arts workers (gallery owners, producers, directors etc), sponsors and media companies. In either sphere, each of these entities is not only important in its own right but must work in a synergistic manner to maximise the contribution and earnings of each agent. This synergy of relationships ultimately leads through the extension of bilateral relations to the formation of a network of interactions, which will now be examined more closely.

Initially, with the advent of the IMP-network marketing-relationships paradigm in the mid 1980's, network theory tended to focus predominantly on production/distribution services. Erikson and Kushner (1999) suggested the application of network theory, not only to pure service organisations, but to "public events", which they viewed as "extreme virtual corporations" with a "date equity" - an alliance that comes together for a brief period of time on a certain date, involving partners who are absolutely dependent on one another for success. The staging of a successful event requires the successful management of facilities, promotions, performers, sponsors and media in a series of dyadic relationships/networks. Since production of the service/delivery to the customer are instantaneous, the network must operate successfully from the outset. For sponsors, such networks will find specialty dyadic relationships between sponsors, teams, individual performers, the media, facilities, audiences, governments and final consumers of sponsors' products (Erikson and Kushner; p. 4).

Further recognition of the relationship/network concept, in sponsorships, highlighted the limitations in the normative perspectives of much sponsorship research (Olkonnen, Tikkanen and Alajoutsijarvi 2000; Olkkonen 2001). As such they realised that sponsorship had been

largely viewed in the context of mass communication, drawing heavily on stimulus-organism-response (S-O-R) theory. Similarly, the marketing signalling functions of sponsorship have been acknowledged (Thompson 2003). But other aspects of the sponsorship exchange relationship have largely been ignored.

Olkonnen et al. (2000) provide a theoretical framework to further examine the sponsorship relationship, as it pertains to sponsorship in all arenas - the arts, sport, science, education and the media. The framework considers the similarities and differences of the <u>interaction</u> and <u>network</u> approaches to sponsorship (Moller 1994).   It describes the <u>interaction</u> approach as concentrating mainly on dyadic relationships and interactive behaviour through which a relationship is established, developed, maintained and terminated (p. 5). This approach can be further divided into two main areas - one which employs the constructs from social exchange theory (Blau 1964) and the other consisting of the IMP approach (Moller 1994). The <u>network</u> approach goes beyond the dyadic relationship to incorporate networks of relationships (Johanson and Mattsson 1994).

The Olkkonen et al. (2000) consideration of sponsorship from an <u>interaction</u> perspective commences with the recognition that sponsorship involves the formation of a sponsor-sponsored dyad, or even a system of interorganisational sponsorship networks which require interaction and communication at organisational, departmental and personal levels involving economic, legal, information exchange processes and actors, over time (Hakansson 1982). Olkkonen et al. (2000) examine how sponsorship relationships start, develop and decline as a result of "strings of interaction" (Duck and Perlman 1985). Olkkonen (2001) analyses sponsorship using the interorganisational network frame of reference, emphasising the importance of different network actors, activities and resources (Hakansson and Johanson 1992) bringing to the arrangement, not only their own resources and capabilities, but also their own sponsoring company's aims. This may generate favourable publicity for the

company (and/or its brands) among relevant target groups by mass communicating the company's relationships in activities (e.g. sport and arts) which are not directly linked to its normal business. They thus suggest that when planning sponsorships, companies need to assess not only the sponsored event/organisation (its resources), but its corresponding network (ability to link activities and tie resources with other actors), that is the "network identity" of the sponsored entity.

Olkkonen et al. (2000) conclude that the network approach can be seen as a useful tool in an organisation's strategic and operational sponsorship planning, helping managers to assess which relationship portfolio is best when valuing sponsorship investments. They suggest that managers of the sponsoring organisation benefit from a holistic picture of their sponsorship operation, capturing the essence of the crucial relationships, activities and resources in the focal relationship net. Erickson and Kushner (1999) suggest that by better understanding what makes a desirable partner in a given sponsorship network, organisations can more accurately assess their own strengths and weaknesses, and address any shortcomings. This may even necessitate identifying the structural and situational triggers that can lead to the fading and eventual ending of a sponsorship relationship (Olkkonen and Tuominen 2005). Cultural-sponsorship relationships/networks are further considered as being a cooperative, long-term and mutually beneficial business relationship between two actors - the sponsor and the sponsored (Olkkonen and Tuominen 2005). Other actors, such as advertising agencies or public relations agencies will also form part of the network. In concluding the literature search, the value of the relationship/network approach to the study of sponsorships, has been ascertained. It has also been established that the cultural-sponsorship entity can also be seen to fit with the relationship/network theoretical framework. The nature of this sponsorship relationship in the performing arts will now be examined.

The Sponsorship Relationship in the Performing Arts

In the performing arts, the sponsorship relationship is seen to be part of the "performing arts value chain" where the impact of the arts on society extends beyond immediate audiences and workers, to embrace a wider societal signalling, and public good function (Kotler and Scheff 1997; Preece 2005). In general, arts audiences are typically older, less affluent, more highly educated, and less numerous than sports audiences. Therefore, these patrons are also perceived as often being more influential, so that cultural sponsorships are useful in the pursuit of image objectives, rather than market objectives (Quester and Thompson 2001). Currently in Australia, performing arts organisations are facing reduced government funding, with increased operating costs, so that successful attainment and maintenance of sponsorship funding is becoming increasingly important. Therefore emphasis is placed on the importance of longer-term linkages and processes, which involve greater understanding between organisations than does conventional transactional marketing (Hakansson and Snehota 1997). The purpose of the remainder of this paper is to examine pragmatically, sponsorship relationships and networks as they pertain to the performing arts industry in Sydney Australia. The study focuses on three research questions:

Research Questions

1. What are the general characteristics of sponsorship relationships being practised in the performing arts industries?
2. How are these sponsorship practices conducted by sponsor and sponsee?
3. What current and future application of relationship and networks principles may apply to the sponsorship relationship?

Methodology

The study is exploratory, involving qualitative data based on case study interviews, and secondary data from websites, theatre programs and annual reports from a cross-section of six

performing arts organisations in Sydney, Australia. The organisations vary in terms of their art-form (theatre and dance), location, size of company, and positioning (mainstream, non-mainstream and Indigenous). For the purpose of analysis, they were segmented as mainstream (representing Sydney's principal theatre and dance companies), non-mainstream (representing Sydney's smaller and/or less mainstream performance companies) and Indigenous (a successful dance company forging a specialist niche in Indigenous performance). Utilising the (McCracken 1988) long interview method, an interview guide was developed, and primary data was gathered via personal interviews with marketing/management personnel of arts organisations. The case study approach is deemed suitable in this context in that theoretical uncertainty exists (Yin 1981).

Sponsorship Relationships and the Performing Arts in Practice

Mainstream Performance Companies

The two mainstream performance companies incorporated into this study were, The Sydney Theatre Company (STC) which is the state theatre company of NSW, and The Sydney Dance Company (SDC) which is one of Australia's premier modern dance companies.

Examining firstly STC, although the research emphasis was initially the study of a dyadic sponsorship relationship, it was soon apparent that sponsorship relationships are part of a broader network of STC relationships (Hakansson and Snehota 1995), involving visual arts organisations, other performing arts organisations, governments - both State and Federal, non-arts firms (sponsors and non-sponsors), community groups and schools.

STC is generally perceived as being positioned at the higher socio-economic end of the audience spectrum, and attracts a number of relatively sought-after performers. In a previous sponsorship term, the foyer of a waterside theatre acted as a showroom for a Mercedes car, providing a synergistic display of the relationship between sponsor and sponsee - both

seeking the same upper-echelon target market. Prestigious sponsors seek sponsorship of STC

as attendance at STC performances provides social and business networking opportunities.

Examination of the STC website reveals the businesslike ethos of sponsorships (partnerships);

reciprocation is the underlying principal, with no suggestion that a sponsorship of this

company is in any way charitable:

> *"Sponsorship of Sydney Theatre Company is recognised as a sophisticated marketing tool which has the potential to add value to your business and inspire the creativity of your stakeholders. We offer partners dynamic, reciprocal packages - individually tailored by our marketing and sponsorship professionals to meet your specific entertainment and business development objectives."*
> http://www.sydneytheatre.com.au/content.asp?lID=21&cID=185

The sponsorship network established by STC is sophisticated, with approximately sixty

partnering companies listed on its website. As such, the theatre company is able to offer its

partners brand alliance and synergy of image, when developing a sponsorship package:

> *"For significant association with the internationally recognised STC name, Presenting and Associate Sponsorship packages include brand alignment with selected subscription season productions or major projects."*
> http://www.sydneytheatre.com.au/content.asp?lID=21&cID=40

Considering now the case of The Sydney Dance Company (SDC), it too has a successful

hierarchical partnership program, offering reciprocal benefits to corporate sponsors. A large

part of the success of STC is attributed to the artistic director, choreographer Graeme Murphy,

who not only receives accolades for his creative work, but who also develops relationships

and networks of value to SDC:

> *"His philosophy has been to bring artists of every form into the theatre, so he's used painters or architects or film-makers or fashion designers - not just musicians but lots of different types of artists. If Graeme likes their work he will invite them in to do set design, costume design or special effects. He's just really good at collaborating with people in terms of letting them bring their strengths so that their ideas expand. He's helping people to help themselves, creatively. His style, has made Sydney Dance a creative Mecca."*

Of immense value to a performing arts organisation, as it prepares to launch a "public event" with a

"date equity", is a reciprocal transfer of favours to the media (Cook and Emerson 1978). In the case of

SDC, a mutual exchange is easily facilitated - the media gain an interesting story and SDC gains publicity. When asked if the press was interested in the work of SDC and Murphy, the following response emanated:

> *"Yes. Yes. Yes. Because, for them, it's like, "Great! We can do something different, rather than just doing an arts story about the choreography - we can talk to the painter, or talk to the musician'. So, you're kind of broadening the whole scope of that."*

This high degree of media and public interest also attracts sponsorships from companies who wish to be associated with such a vibrant and dynamic performing arts entity, even though SDC is not part of its usual "interorganisational network frame of reference" (Olkkonen, Tikkanen and Alajoutsijarvi 2000). As such the SDC brand has a powerful meaning, which invites interest from a broad network within the community:

> *"There are many entities that have a direct relationship with the Company - these are patrons, supporters, sponsors, friends and partners. But then there are other people who just want to feel like they live in a city or a country that has a contemporary dance company that they're proud of. So even if they might not ever come to see a show, they still might feel proud of us as a kind of flagship modern dance company on their home soil."*

Non-Mainstream Performance Companies

In this study, several non-mainstream performance companies were also studied, one a city theatre company, Company B Belvoir, and two smaller theatre companies in suburban Sydney. First examining Company B Belvoir, its origins stem from an embattled past when the much-loved theatre company housed in the old tomato sauce factory (Nimrod Theatre) in Surry Hills, faced financial demise, but was rescued by a consortium of arts lovers and arts workers, who formed the Belvoir Street Theatre Company. Now known as Company B Belvoir, it continues to be known as one of Australia's most progressive theatre companies, often performing new and controversial works, under the guidance of its artistic director Neil Armfield, who like Graeme Murphy with SDC, is an integral component of the Company B entity, and one with which sponsors enjoy forming an interaction. Company B continues to work with a "rustic" positioning, atmosphere and character which remains a core part of its identity. Yet this image is in contrast with its artistic output which is often rated as world

class. This conflict of identities is a challenge and an opportunity, for Company B marketers and sponsors:

> *"The whole thing with our business and corporate sponsorship, is that it's almost not wanting to be seen to be too successful, or too conspicuous in our appearance and the way we do things. We like a slightly quirky, hand-made feel to things, not too slick or glossy. We have a small pocket-sized subscription brochure, not large and pretentious. The theatre is a bit rough and raw – there's no hiding the pipes and the electricity cables. So I guess there's that slightly 'rough around the edges' feel that is reflected in our environment. But it's not reflected on the stage – our productions, feature artists, set designers and directors are the calibre of anywhere else in the world. Perhaps that's the only danger, that we don't overpower our actual work with that quirkiness."*

An egalitarian philosophy is a basis of operation of Company B, with equality of salaries, non-differentiated ticket-pricing throughout the week, the provision of free or cut-price tickets to the needy, and the provision of drama to schools in low socio-economic areas. While this philosophy qualifies Company B for some Government funding, it is the basis of the organisation's ethos which involves building strong networks with the core community of inner-city Sydney. Sponsors may also see synergistic value in being part of this community network. A law firm, for instance, sponsors the disadvantaged schools' program.

Part of the success of Company B also is based upon the relationships and bonds that have developed over the years between the company and its workers - performers, theatre workers etc., many of whom helped save the theatre company and its premises in its dark days, but many whose careers were launched here too. The value of this reputation-building relationship and network bonding as follows:

> *"We will get the calibre of actors and directors and creative people like designers, who will work for very little money because they want to work with the Company. The theatre has quite a history of being the founding place for a lot of people who've gone on to have quite big careers. So, it works from both sides. It works for our audience, but it also works for staff. There aren't many companies, businesses, whose brand kind of works for suppliers. They're constantly knocking on our door because they know it will generate them other business."*

Company B enjoys sponsorship assistance from a large number of corporations, on both a cash and a contra basis as follows:

> *"Optus is our main corporate partner, and the list of all the other sponsors is in the brochure, but we have a whole range of finance and communications sponsors – a lot of them are contra deals, like, somebody to do mailings for us, or some guys working on a new website for sponsors, so there's a whole range of financial and contra partnerships going on."*

However of particular interest is the relationship enjoyed with the Principal Sponsor, Optus, which is described on the Optus website as follows:

> *"Our partnership is a symbiotic match. We both offer intelligent and challenging alternatives to thinking customers and audiences."*

<p style="text-align:right">http://www.optus.com.au/portal/site/aboutoptus/menuitem.cfa0247099a6f722d0b61a108c8ac7a0/?vgnextoid=c53c58ebbebd1010VgnVCM100000c8a87c0aRCRD</p>

A study of the Company B-Optus sponsorship relationship opens up discussion to many relationship issues, many of which differ from other types of business relationships. From Company B's perspective it is critical that regardless of financial pressures, the organisation maintains its creative integrity. Sponsoring businesses must respect this principle.

> *"The integrity of the brand, Company B, becomes most critical when considering sponsorship, in the sense that the relationship between the business aspect and the artistic process is at its most delicate. We mustn't allow a sponsorship investment to influence what we do on stage. We have this energy and this ability to stay and do whatever we want, and nobody's here to question our purpose. It also gives integrity to them to know that we're just not going to kow-tow and always do what somebody else would do. Our artistic integrity comes first. I think the sponsors need to know that."*

The question must then be asked - does Optus abide by these principles as Principal Sponsor? Company B's response is as follows:

> *"Yes. And that is probably one of the reasons that Optus was keen to come on board, because it wanted its customers to see it as being different from Telstra - that Optus was thinking differently, and was challenging established methods of working in its business, and I think that's the sort of thing that appealed - our synergy of purpose."*

Ultimately, a sponsorship relationship involves some controlled and managed aspects that can be pre-ordained on a contractual basis, and some aspects of the relationship that emerge as being successful or otherwise, as the relationship develops. Often these might be what Easton

(1992) referred to as "non-economic bonds" in a sponsorship relationship. In some ways it can be compared with marriage:

> *"A sponsorship is almost a marriage of two brands, and there are lots of issues about how that relationship is expressed - it's about finding the perfect way to do it, and that way is not going to be the same for everyone. We discuss some issues like how big should their logo be on stage. It's more about managing expectations up front. When you're getting married, you would like to know what you're getting! Who you're going to bed with!"*

The two smaller <u>non-mainstream</u> theatre companies, although successful in their own right, have little to tell about sponsorship success. Both are based in the west of Sydney. The Q Theatre at Penrith is a presenting company, purchasing ready-made productions both at their home theatre and on a travelling basis around NSW. As such it is the recipient of funding from its local council and for travelling from the Australia Council. Unlike STC, fewer resources are available for sponsorship-seeking. An administrator tells:

> *"I haven't tried to find sponsors - not in the time I've been here. I mean, it's a whole job in itself, corporate sponsorship, if you want to do it well. We've recently been funded for a whole new project by The Australia Council, which is huge."*

Operating a cultural organisation in the west of Sydney presents a different set of challenges to those faced by city performance companies. When asked about the possibility of attaining corporate sponsorship, through local businesses wanting to be associated with the arts, the following response was received:

> *"It is difficult to persuade local businesses of the value of a cultural association with us. In terms of sponsorship, a lot of the bigger businesses will sponsor the disadvantaged in the area or local health. Kids with terminal illnesses and those sorts of organisations attract some form of sponsorship. Out here, I guess, the major sponsorship goes to sport."*

Many sponsorship challenges thus lie ahead. A similar sponsorship scenario exists for the final <u>non-mainstream</u> performance body, Theatre Nepean., which is the performance-educational wing of a university. As such Theatre Nepean exists on sparse university funding, but with no other government assistance, no sponsors and the frequent need for fund-

raising from its students. Nonetheless a sense of enthusiasm manages to survive, as best

described from the following website extract:

> *"Theatre Nepean is a young, exciting acting institution nurturing today's talented artists
> and is, without a doubt, a vital contribution to the arts industry. It is one of the most
> well- respected acting institutions in Australia and continues to produce graduates of a
> highly professional standard who gain fantastic exposure within the industry.*
>
> http://www.artsconnect.com.au/troupes/theatrenepean.htm

Indigenous Dance Company

The final case to be examined is an <u>Indigenous</u> dance company, Bangarra Dance Theatre. A

description of the background and cultural output of Bangarra comes from its website as

follows:

> *"Bangarra Dance Theatre is one of Australia's most unique and innovative dance
> companies .... The company blends traditional Aboriginal and Torres Strait Islander
> history and culture with international contemporary dance to create a truly Australian
> dance language. Under the Artistic Direction of Stephen Page since 1991, Bangarra
> has thrilled audiences across Australia with electric, startling and inherently spiritual
> dance works of immense theatrical presence."*
>
> http://www.bangarra.com.au/history/evolution.html

Bangarra enjoys a number of significant sponsorships, as well as substantial funding from

both Federal and State Governments due to the educational and cultural roles played by

Bangarra:

> *"Art is a great teacher and its people within Bangarra will take the role of art as
> education very seriously. The Company can act as a bit of a conduit between what's
> going on in Aboriginal communities and white mainstream theatre-goers . . . . . people
> who come out of Bangarra performances often say that they felt like there was an
> emotional connection, or a spiritual connection, but it is an education, as well."*

Its Principal Sponsor is Telstra, and the following website testimonial provides an insight to

what an evolving sponsorship relationship of value to both parties, can involve:

> *"Telstra is delighted to be Bangarra's Principal Sponsor, with 2005 making the fifth
> year of this exciting partnership. We are proud of the relationship that Telstra makes in
> promoting indigenous culture. In the first year of the partnership it was of particular
> importance to provide regional Australia with increased access to Bangarra's creative
> work. This was achieved by improving Bangarra's Internet capabilities and by enabling
> them to tour more widely in regional areas. While this early objective remains, the
> relationship has moved well beyond the initial expectation. Today, Telstra and*

> *Bangarra show a truly integrated partnership that is innovative, open and flexible. . . . .
> As Bangarra continues to inspire and captivate audiences across the country, and
> around the world, Telstra is proud to take a leading role in helping to bring Bangarra to
> more people."*
>   David Moffatt, Group Managing Director   http://www.bangarra.com.au/partners/partners.html#

The Telstra sponsorship of Bangarra also facilitated a relationship between Bangarra and schools, with the Telstra funding of an educational CD on Indigenous culture. Building relationships with the media becomes another important challenge for arts organisations. Bangarra explains how such a relationship-building exercise takes time and effort but is worthwhile:

> *"For an exciting new season we start publicity with a long lead, in all the glossy
> magazines. Some accept us willingly, others are more reluctant . . . . it's all about
> building a relationship. You know, making sure that they actually come and see a show.
> You can't drag them. You can invite them, you can ring them and say 'You should come
> and see it, then you'd understand what I'm talking about'.   So, it takes a while for that
> sort of process to eventuate."*

Summary

The qualitative analysis reveals some interesting results involving relationships; sponsorships are not the only relationships that matter!   Performing arts organisations place considerable emphasis on developing and maintaining relationships, that involve effort, trust and commitment with both individual consumers and other organisations. Consumers include subscribers, occasional ticket buyers, employees, support group members, and artists/performers. Organisations include sponsoring organisations, other arts organisations, governments, supplier firms and contractors, community groups, educational institutions, and media groups. This large network alliance represents an excellent application of at least some of Gummerson's 30 R's linkages, and partially addresses research questions one and two. Other interesting findings relate to sponsorship relationships. Amongst participating organisations, sponsorship goals vary, as do outcomes, according to each organisation's size, location in a city, status, or repertoire as mainstream or alternative. Sponsorship-seeking and -maintenance for a flagship theatre company, although challenging, is generally well-

managed with resources allocated to the process. Such performance companies have prestige attached to a sponsorship, which is accompanied by attention from the media, governments and the upper echelons of society. The sponsorship relationships inherent in less-mainstream arts organisations often require different criteria to maintain long-term success. They depend for their success on experimentation, liberal interpretation of scripts, risqué language and the introduction of unknown cast members, so attract sponsors that are prepared to associate with such phenomena in a non-restrictive manner, and benefit their own brand via such an association. Finally, there are the "sponsorship strugglers". These are small, lesser-known, non-glamorous, arts organisations which perform in ordinary venues and suburbs, with lesser-known performers, but which play a tremendously important role in providing culture to residents and schools. Sponsorship managers in such organisations usually have multiple roles within the organisation and operate with limited staff and facilities. It is perhaps this cohort that would benefit most from an understanding of the principles of relationship-building, or relationship-marketing, as they seek to develop their own unique, local sponsorship relationships, with businesses that can mutually share the types of local social benefits that the arts provide. Research questions one and three covering current and future sponsorship, relationships and network practices have thus been addressed.

Contribution

The contribution of this paper is firstly to provide a comprehensive analysis of the sponsorship literature from an IMP angle. The paper then extends this theoretical analysis by conducting a case study analysis of a cross-section of performing arts bodies in Sydney, Australia, and reveals the intricate network of sponsorship and other relationships involved in their operation.

In times of ever-decreasing Government funding to all arts organisations, as well as the phenomenon facing business of media saturation, consumer cynicism and other problems

reducing the effectiveness of advertising and promotion, arts and business gave much to gain by embarking on well-considered sponsorship relationships. This paper illustrates how a sponsorship is not simply a one-sided act of benevolence by a prosperous business entity to a needy arts entity, but a win-win relationship enhancing corporate communication via a synergistic process. Such a process has the potential to connect business with culture and communities, with the scope to signal an ethos to the marketplace that is more credible than that achievable via conventional advertising.

The connecting of the study of sponsorship with relationships/network theory will lead to a better understanding of the potential of sponsorship. Relationship and network theorists may also lean something from the examination of successful sponsorship relationships. The analogy is drawn in this paper between a sponsorship and a marital relationship emphasising the importance of appreciating the uniqueness of each partnership. Extensions of this phenomenon are applicable in all business relationships, where differences in business ethos, purpose, or nationality need to be appreciated before a fully synergistic relationship can develop. This study makes a contribution by enhancing the understanding of the sponsorship relationship from the perspective of both sponsor and sponsee.

Future Research

The study reveals the enormous scope for further application of the principles of relationships and networks, to sponsorship management. On an immediate level, the current explorative/qualitative study could be further developed into a more comprehensive quantitative study from which inferential projections could be made. Sponsorship management would also benefit from research into other areas of relationships development, such as the development of an understanding of trust in a relationship, the role of power, and analysis of commitment, norms and expectations in a relationship and an analysis of closeness and cooperation.

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