

TE MANATŪ TAONGA
MINISTRY FOR CULTURE AND HERITAGE

The second survey of business sponsorship of cultural activities and events was undertaken by Statistics New Zealand on behalf of the Ministry for Culture and Heritage. It was conducted in November 2001.

**SURVEY OF SPONSORSHIP
OF CULTURAL EVENTS AND
ACTIVITIES 2001**

BUSINESS SPONSORS

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SURVEY OF SPONSORSHIP OF CULTURAL EVENTS AND ACTIVITIES 2001 BUSINESS SPONSORS

Background

In November 1998, the then Ministry of Cultural Affairs conducted a survey of 100 New Zealand businesses. The survey aimed to obtain a feel for the cultural sponsorship intentions of large businesses over the next three years. Past sponsorship of cultural events and activities was also asked about, along with opinions of why businesses undertake cultural sponsorship. Seventy businesses returned completed or partially completed questionnaires. The intention was to make the survey a regular three-yearly collection of data so that trends in sponsorship could be monitored over time.

The 100 businesses were not selected on the basis of any statistical design. Rather, the Ministry chose the companies that would receive the questionnaire on the basis of size and, in most cases, a known cultural sponsorship history. This method of sample selection meant that findings could not be generalised to the total population of businesses. Results from the survey were summarised in a Ministry of Cultural Affairs publication, *Survey of Sponsorship of Cultural Events and Activities*, published in January 1999.

Introduction

This paper contains some summary statistics from a repeat of the cultural sponsorship survey, undertaken in November 2001. The same questionnaire was used with relevant changes made (i.e. years altered in questions asking about sponsorship in the last three financial years or sponsorship intentions over the next three financial years, and deletion of "Millennium events", which had been included in the 1998 survey as one option for sponsorship outside cultural activities).

The list of companies approached to participate in the 2001 survey was similar to that of 1998. Where a company was no longer in business or had ceased trading in New Zealand, a replacement was made in the same business category using the choice most commonly suggested in consultation. In one case, where no obvious alternative existed, the next most popular suggestion was selected, regardless of business category.

So, as in 1998, questionnaires were sent to 100 businesses in various industries in New Zealand. This time, despite follow-up phone calls over a number of weeks, only forty-seven questionnaires were returned. It was difficult to determine the reason for this low level of response. A couple of businesses simply stated they did not wish to participate, others said that completing the questionnaire would be "not appropriate" or "commercially sensitive". One company refused on the basis of "never having participated in something like this", while others claimed they could not contribute because they did not make sponsorships. Other more positive comments included the

need to conduct a sponsorship audit among staff, and sponsorship plans currently being under review.

Caveat

Because of the low level of response to the survey, extreme care should be taken when using the results of the 2001 survey and when making comparisons with the previous survey in 1998. The return of 47 questionnaires means that information on sponsorship behaviour has been obtained from less than half the sample. The data collected in the survey cannot be viewed as automatically representative of the 100 businesses surveyed. Non-responding businesses could have different characteristics from responding businesses, resulting in bias in the survey data.

Data highlights

Some businesses chose not to answer some questions. The percentages quoted in the following highlights have been calculated from the total number of respondents to each individual data item (i.e. a different number of responses may have been obtained for each question or for items within questions).

CULTURAL SPONSORSHIP IN THE PAST THREE YEARS

Number of events sponsored

- Of the businesses that took part in the survey, 40 (85 percent of all respondents) had provided some cultural sponsorship during the previous three financial years. This is very similar to the 83 percent that reported providing cultural sponsorship in the three years prior to the 1998 survey.
- More than 6 in 10 businesses (62 percent) had sponsored four or fewer different types of activity (similar to the 67 percent reported in 1998).

Types of event sponsored

- At 11 percent each of all sponsored activities reported, the most popular items for sponsorship were: the operational costs of a cultural organisation, cultural competitions, awards, prizes; the provision of services free or at a reduced cost to a cultural organisation; and an annual season of performing arts.
- Next in popularity for sponsorship were: arts festivals (10 percent of all reported sponsorships), and single productions or performances by an arts or cultural group (9 percent).
- These results are similar to the 1998 survey, although the order of popularity is slightly different. In 1998, the most popular events or activities for sponsorship were: arts festivals (12 percent), the provision of services (11 percent), single productions (10 percent), operational costs (10 percent), an annual season (10 percent), and exhibitions (10 percent).
- The most noticeable changes between the 1998 and 2001 surveys were a doubling of the percent of businesses sponsoring infrastructure or equipment for a cultural organisation (4 percent to 8 percent) and a halving of the percentage of businesses sponsoring exhibitions (down from 10 to 5).

Proportion of sponsorship budget spent on cultural sponsorship

- As in 1998, more than 50 percent of businesses reported spending up to 20 percent of their sponsorship budget on cultural sponsorship over each of the last three financial years. This shows that a majority of businesses spend most of their sponsorship budget on non-cultural events and activities.
- In each year, between 14 and 16 percent of businesses spent 80 percent or more of their sponsorship budgets on cultural sponsorship.

Importance of factors in deciding whether to sponsor

- Businesses that had provided cultural sponsorship in the previous three years were asked to rank the importance of a number of factors in deciding whether to sponsor a cultural activity. Based on the number of businesses describing each as "very important", the factors of greatest importance in decision making were: reaching a particular market segment (85 percent), and increasing brand awareness (75 percent). These were also the two most important factors in 1998, although the order was reversed.
- Other factors identified as very important in decision making were: serving the public good (49 percent); being the sole sponsor or one of a small number of sponsors (49 percent); providing client hospitality (48 percent); and associating their business with an activity or event of national significance (44 percent).
- As in 1998, the factor of least importance was supporting the personal interests of the business's management or board members (89 percent of businesses claimed it was "of little or no importance").

Importance of funding from central government

- Businesses that had provided cultural sponsorship in the last three years were asked about existing funding from central government. When they were deciding whether to sponsor a cultural activity or organisation, how much weight did they give to whether the activity or organisation is already receiving funding from central government? Three-quarters (76 percent) stated that they give no weight at all to this (similar to the 73 percent in 1998).

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

- Fifty percent of businesses answered that they never want a say in the content of a cultural activity or event they are sponsoring (up from 42 percent in 1998). Just under one-half (48 percent) replied that they want a say "in some circumstances". Only one business said they always want a say.

INTENDED FUTURE SPONSORSHIP

Number of events/activities that might be sponsored

- Businesses were asked which cultural events or activities they might contribute to through sponsorship in the next three financial years. Eight of the businesses taking part in the survey (17 percent) indicated that they were unlikely to contribute to any.
- Of the businesses that indicated they might undertake cultural sponsorship in the next three financial years, one-quarter (26 percent) indicated that they would most likely sponsor one event or activity (this compares with 23 percent in 1998).
- Twenty-one percent of businesses indicated that they might sponsor four events or activities, 18 percent indicated three events or activities, and 10 percent indicated two events or activities.

Types of event that might be sponsored

- The three most popular events or activities for future cultural sponsorship were: cultural competitions, awards, prizes or scholarships (16 percent of all prospective cultural sponsorships); the provision of services free or at a reduced cost to a cultural organisation (15 percent); and the performing arts (a series or single productions) - also 15 percent. The next most popular events or activities were the operational, capital or infrastructure/equipment costs of a cultural organisation (13 percent), and arts festivals (12 percent).
- These five activities were also the ones shown in the survey to have been the most popular for cultural sponsorship in the last three years.
- They were also the most popular when businesses were asked in 1998 to consider their likely cultural sponsorship over the next three financial years. However, in 1998 the order was different: performing arts (18 percent), provision of services (14 percent), arts festivals (14 percent), competitions/awards (11 percent), and exhibitions (11 percent).

Proportion of sponsorship budget that might be committed to culture

- Businesses that indicated they might undertake cultural sponsorship in the next three financial years were asked how much of their sponsorship budget they thought they would be committing to cultural events and activities. In each of the next three financial years, more than 60 percent of businesses indicated that this commitment was likely to be "up to 20%".
- Around one in five businesses believed their cultural commitment would be 61% or more of their sponsorship budget.

Comparison of next three years with last three years

- Of those businesses that answered the question, 58 percent believed their cultural sponsorship in the next three years would stay about the same as the last three years, 18 percent thought it would decrease and 8 percent thought it would increase. The remaining 16 percent did not yet know.

Factors influencing businesses to reduce their cultural sponsorship

- Businesses that thought their cultural sponsorship would decrease over the next three years compared to their previous commitments were asked what factors had influenced that change. Only one business said it was because they were dissatisfied with what they had got from past sponsorship. Almost equal numbers of businesses indicated the state of the economy, sponsorship of other things, and "other factors" had influenced their business to make a change.

Non-cultural sponsorship

- Businesses that indicated their sponsorship of "other things" had influenced them to decrease their cultural sponsorship were asked about their involvement in some major non-cultural events. Some other businesses chose to answer this question as well. "Other" events were what most businesses thought their sponsorship would be linked to in the future, followed by the America's Cup, other major sporting events, and then the Olympics. The greatest change between the 2001 and 1998 surveys is that in 1998 no businesses indicated likely sponsorship linked to the America's Cup.

Amount of sponsorship available for cultural events and activities

- Businesses were asked a general question about what they thought was likely to happen to the amount of cultural sponsorship by New Zealand businesses over the next three years. Of the businesses that expressed a view, one-half (50 percent) thought that cultural sponsorship would stay about the same, 26 percent thought it would increase, and 24 percent thought it would decrease. These views are more optimistic than those expressed in 1998 when only 18 percent thought cultural sponsorship would increase and 42 percent predicted a decrease.