

# **Corporate sponsorship for non - profit art or- ganisations in Finland: criterion of success.**

**Case company -The Black & White Theatre Festival**

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Julia Vernigorova

## Abstract

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Abstract <p>Nowadays art sponsorship is the intensively developing, complex and potentially huge sphere of relations between art organisations and corporate business. The central bodies in any sponsorship relations are the sponsor and the sponsee. The corporate business already increased the financial investments in art sponsorship; thus, they require exact outcome, such as brand awareness, consumer loyalty and evaluation of results and grow.</p> <p>The main objective of the study was to explore potential sponsor's motivation, main criteria of choice and object of interest before and in the process of sponsoring. The study was commissioned by Black and White Theatre Festival (Mustan ja Valkoisen Teatterifestivaali). Annual festival, taking place in Imatra, Finland.</p> <p>This thesis work begins with a review of the different types of definitions of the term sponsorship, objectives of the participants, stakeholders, and construction of general framework. It discusses the variety of perspectives and objectives in the mainstream sponsorship literature. Secondly, it is proposed a framework for categorising sponsorship motives of effective sponsorship relations.</p> <p>The empirical part aims to determine the important criterion of success and potential of exactly case company to increase sponsorship financing. Case study was chosen as qualitative research method. And the data for this study was collected by interviewing responsible people from 3 potential corporate sponsors.</p> <p>The main criterion of success in getting sponsorship relations were identified and checked in practice. The main difficulties and opportunities were identified for the case company for entering the corporate sponsorship relations. Significant gap was identified among big corporate companies and small and medium-sized companies in awareness and usage of sponsorship as effective marketing and relational tool. Thus, further research is necessary.</p>		
Keywords art, sponsorship, sponsor, sponsee, corporate business, non-profit organisation, theatre, festival, experience economy, COVID-19		

## Table of contents

1	Introduction .....	1
1.1	Background.....	1
1.2	Problem formation .....	4
1.3	Objectives and research questions .....	5
1.4	Delimitations of the study.....	7
2	Theoretical framework .....	8
2.1	Diversity of meaning term sponsorship.....	8
2.2	Stakeholders of sponsorship relations .....	14
2.3	Objectives and additional value creation.....	21
2.4	Sponsorship effectiveness criteria .....	23
2.5	Congruence in art sponsorship .....	27
2.6	Sponsorship in experience economy context.....	28
3	Research method: justification and design .....	30
3.1	Qualitative research .....	30
3.2	Selection of the case.....	33
3.3	Design of semi-structured interview.....	34
3.4	Data collection and analysis .....	35
3.5	Criticism of qualitative method .....	37
4	Case company.....	38
4.1	History of The Black & White theatre festival .....	38
4.2	The financing and sponsorship process.....	41
4.3	Characteristics, previous work done and advantages of the festival....	43
4.4	SWOT analysis in marketing and sales channels .....	44
4.5	Economic importance for the local society.....	50
5	Presentation of empirical study results .....	50
5.1	Process of choosing potential sponsors.....	50
5.2	Sponsee's point of view for criterion of success .....	51
5.3	Corporate business (Sponsor's) point of view for criterion of success.	55
5.3.1	Fortum.....	55
5.3.2	OP.....	57
5.3.3	Neste.....	58
5.4	Data received from secondary sources.....	58
6	Conclusions and implications.....	63
6.1	Conclusions .....	63
6.2	Further research implications.....	64
	References .....	66

## **Appendices**

- |                                    |   |
|------------------------------------|---|
| Appendix 1.                        | List of contacts and chosen corporations.             |
| Appendix 2.<br>corporate business. | List of addressed questions to the representatives of |
| Appendix 3.                        | Corporate sponsor's summary of criterion              |
| Appendix 4.                        | Questionnaire for the CEO of the Festival.            |

# 1 Introduction

The objective of this study is to build understanding and knowledge about art sponsorship by studying previous research on the art sponsorship topic. This chapter assesses suitable research methods and explore current economic framework. Under identified research objectives research questions will be specified. and identify exact criterion, which should be considered in process of entering to sponsorship relations by corporate sponsor and art organization.

## 1.1 Background

According to IEG yearly report, sponsorship is one of the fastest growing industries and effective methods of promotion, marketing and communication (Andrews 2019). According to data from Sponsorship outlook 2019, the worldwide sponsorship market in total amounted at \$65.8 billion in 2018, up from the \$62.7 billion in 2017 or 4,9%. Portion of sponsorship in art and culture amounted \$1.03 billion (3% from total sponsorship volume) in 2018. The total spending by Finnish companies amounted to \$225 million in 2018, and \$40 million (17,78%) were spent for cultural events. The range of sponsored activities has increased steadily. Sports represent significant part of sponsorship relations, however art and other cultural events in north America and Europe start go grow. (Andrews 2019.)

In February 2020, the world was infected by the Coronavirus, and worldwide pandemic was announced. (WHO.org 2020) Cultural and art sectors are among the most vulnerable and unprotected sector over the pandemic hit, because in the critical situation of scarcity of financial resources, sponsorship or even normal marketing expenses will be first line for closure. (OECD.org 2020.) The main specific here is the threat of illness, theatres and art festivals were closed in the first turn, because people spread illness visiting events. According to OECD.org (2020) research the effects from lockdowns and anti-pandemic measures will last for month, not if more years, especially for cultural sector.

Despite significant economic recession, appeared due to coronavirus pandemic situation; and different political issues, the festivals are still very popular world-wide and in Europe. In September - October 2020 almost all festivals who survived, announced next year performances and started to get ready. (Finland Festivals official site 2020) Partnership relations and sponsorship responsibilities are still exist, according to sponsorship agreements and approved budgets. All over Europe festival associations still actively searching and try to implement new forms, formats and concepts in art generally. While at the same time, they try to increase the volume of audiences, putting together art professionals, government institutions, independent funds and businesses together.

Colourful example of such effective work - Fringe Festival, the largest art festival in Europe. In 2019 more than 3M tickets were sold (Fringe Festival annual report 2020), and the budget spent for art festival amounted to £5,5 mln. In comparison, Pori Jazz festival in the year 2018 amounted to 343 thousand participants, Finnish largest art festival - Helsinki Festival gathered 236 thousand visitors in 2018 vs. 213 thousand in 2017 (Statista 2020).

**Not only about money.** With the growth of sponsorship volumes, the transformation in classical approach of relations can be seen between the festivals and business. Classical sponsorship model – business exchange marketing and visibility benefits to financing of art event. By analogy with the sports sponsorship this can be defined by the term transactional sponsorship. (Gordon & Cheah, 2017). Although now more complex system has been detected, in which both parties according to their values, purposes, commitments and objectives invest and develop project together. Ikävalko M. (2004) called this system the relational exchange. Updated vision for sponsorship model is based on the more efficient results for both sides, where any kind resources (financial or in kind) are combined, and decisions are taken to reach mutual goal. Building long lasting and valuable business relations via sponsorship bring to the sponsor higher visibility and trust for its own product and for sponsee resources for development and creativeness. (Lund, Greyser 2015).

What are the other reasons for development corporate sponsorship? These reasons are obvious due to constant development and optimisation and cannot be laid off:

- restructuring of financial support - the decrease of governmental support.
- refusal by the people of traditional marketing operations – high awareness of marketing trucks,
- festivals as a company want to become profitable – thus the increase of festivals' commercialisation can be detected, and
- the incredible competition, and
- the increase of festival quality and volume lead to increase of costs.

Thus, it is necessary to understand that the festivals or art events are the limited-period event on one-year scale (festivals usually performed once per year). The main complexity here is the constant remind to the public about the presence of festival. It can be done in the format of expectation before the festival event and memories of how cool it was after the event. Collaborative relations partnerships aimed to leave a long-term reflection in people's memories.

### **Financing composition (government and business, US and EU)**

In European Union, the financing of arts is usually the part of the Governmental strategy (for example, in Germany public agencies and state give about 75% for art sponsoring). (Kirchberg 2003.) Art and culture projects get funding more from public rather than from corporate business. In order to stimulate involvement of business in art sponsorship some EU countries have implemented laws, promising economical and tax advantages to business or individuals, who will support arts (EU Parliament 2011). The law aims at stimulating the economy, business, art organisations by providing them additional resources to generate additional income from other sources and fulfilling number of social necessities.

Nevertheless, all this laws and regulations vary from country to country and EU has not yet proposed unified recommendations regarding relationships between corporate sponsors and non-government art organisations.

In the year 2003, Finnish business spent in total 4,1 mln. EUR on art sponsoring and art purchase. Recent valuations determined that corporate art sponsorship and sponsorship in culture amounted approx. 10 mln. EUR. *There are no legislative or special administrative arrangements that would offer incentives for business sponsorship.* (EU Parliament 2011).

In opposite, in the United States the corporate art sponsorship represents about 18% of the latter's revenues, while individual giving represents another 20% or so of the revenues. (EU Parliament 2011). Only 15-25% of the funding for the current expenses of main US art organisations arrived directly from state funds. (Kirchberg 2003.)

## **1.2 Problem formation**

Kushner & Poole (1996) think that, the main problem in researching sponsorship in non-profit art organisations (later in the text - NPao) is the lack of research and limited context under which sponsorship in NPao was performed. For previous 10-12 years sponsorship was explored quite intensively, although majority of literature focuses on sports sponsorship and sponsor's angle. (Toscani 2018.) Toscani (2018) argues, that image of sponsor's brand influence sponsee and own brand, that is why NPao ought to consider sponsorship relations very carefully. Significant research was done regarding (i). sponsor-dominant attitudes, (ii). marketing implications, (iii). reciprocal exchange; and (iv). the co-management of the investments in promotional activities. Nevertheless, art sponsorship relations have been less researched in the scientific literature. (Toscani 2018).

The marketing science suggests that sponsorship is the fastest-growing marketing tool both in terms of complexity (Meenaghan, McLoughlin, & McCormack, 2013) and volume (Andrews 2019). Thus, companies can effectively build own positive image using sponsorship relations with NPao, which operate and influence the same or mutual economical niche. (Lee, Kotler 2011).

Maintaining customer relations in order to increase the target audience, brand perception and recognition can be difficult in current economic conditions, because there are significant competition and limited number of customers. Thus,



some companies try to engage co-marketing strategies to reach additional resources and to construct relationships among new target audience in a more flexible way. Sponsorship is one of such co-marketing types. (Lund, Greyser 2015).

Art organisations in general and theatre festivals precisely facing financial challenges today, especially after COVID-19 pandemic, and as a rule they build positive cultural image, attract the same amount of visitors as sport, so sponsors start to realise, that supporting NPao they can reach new customer segments. (Toscani 2018). In opposite, sponsees are searching for new financing, not only governmental, and corporate business suitable for this role – all parties winning.

### 1.3 Objectives and research questions

**Objective.** The purpose of this research is to understand the term sponsorship in general and in the art context precisely. This research will summarize different types of sponsorship relations and determine criterion of effectiveness in sponsorship. Consider current sponsorship situation on the EU market and research the development potential in condition of increased world pandemia of COVID-19.

The aim of the empirical study is to identify and structure the exact criterion, which should be considered in process of entering to sponsorship relations by corporate sponsor and art organization. Identify awareness of potential corporate business sponsors in different characteristics resulting into value co-creation. This will be done with the potential of attracting new corporate financing for case company.

In general, this thesis should provide corporate sector and festivals with structured tools and highlights in implementing exchange sponsorship model.

This work also will discuss sponsorship in the context of experience economy. Experience economy was invented by Joseph Pine and James Gilmore in the year 1998. Pine and Gilmore (1999) insisted that business should organise bright, significant, interesting events for their customers in order to force them experience something valuable and associated with this business. Such different approach in selling goods and providing services is crucial for increasing value, margin and perception from the business.

Experience economy creates new layer of understanding art sponsorship. Due to fast development of experience economy (Finch 2020) and high effectiveness of such partnerships and sponsorships, so the financial resources in art, theatre and different types of festivals will be significant in forthcoming years. According to Statista (2020), population is tiered from coronavirus restrictions (in the year 2020 almost all summer festivals in Europe were closed), and in the year 2021-2022 will boost experience economy and theatre festival are one of the beneficiaries.

According to all above mentioned facts and to reach specified objectives of this thesis, thus **the research question** can be defined as: **What criterion should be considered by the corporate sponsor and non-profit art organization to enter art sponsorship relations?**

Previous research was performed in exact financial and marketing indexes for both parties. Also, some researchers were performed studies to get knowledge in exchange of relations, commitment, dependencies of strength of relation in short- and long-term art sponsorship. Another significant part of research related to understanding of congruence in objectives, operation, audience, missions, images and so on. (Toscani 2018). This thesis focuses on identification and systematization of criterion of successful art sponsorship.

Thus, the following sub – questions will help meet research objective:

### **1. How art sponsorship is defined and work?**

The research explores definition of sponsorship in the art context. Sponsorship is explored heavily in previous decades, art sponsorship was also researched intensively during the last years, although research of sponsorship from art organization angle not often discussed, classified, prioritized and studied. Based on the previous research of art sponsorship theoretical framework of art sponsorship was discussed.

### **2. How effectively choose potential sponsoring company, under which criterion?**

This thesis considerably study objectives and criterion of choice in art sponsorship company from all possible sides of the process. Author defines the range of stakeholders from whole art sponsorship to determine the most important criterion. This study also determines nuances appeared in the art sponsorship in growing influence of the experience economy. Information will be summarized and studied in theoretical framework part and proved and actualized for the local necessities (South of Finland) during semi-structured interviews, performed for empirical research.

### **3. How art sponsorship can add value in corporate business in its interaction with customers?**

As was discussed above, a new era of experience economy is coming. After COVID-19 restrictions in the year 2020, people (the customers of corporate business and festivals) will demand more travel, more feelings, more new experiences, and more emotions. Researches, which are done today, prepared framework about the subsequences to experience economy. However, the author of this thesis insist, that it is necessary to prepare theoretical framework for changed reality and create clear and explicit list of criterion (or even algorithm) of effective and valuable choice of sponsors by art organizations.

#### **1.4 Delimitations of the study**

The purpose of this study is to understand the term sponsorship in the art context. In existing theoretical framework there are no clear and explicit model of effective and valuable choice of sponsors by art organizations. Art sponsorship as a rule was studied from sponsor's leading position, values, and angle.

Theoretical part will be limited by the terms: sponsorship, art sponsorship, objectives of art sponsorship, art relations stakeholders. Also, theoretical framework is limited by (i). the art context of sponsorship only, and other types of sponsorships are laid off; and (2). assumption, that assessment of criterion on enter is separate process from evaluating the results of art sponsorship interaction. Because in real life decision of entering art sponsorship relations are taken without knowledge of results. In order to narrow research objective and issue general criterion of enter-

ing art sponsorship relations, relations will be considered in general, without specification to long – or short-term. In the theoretical part there will be no analysis of competition, strategic planning within the company, including strategic planning in marketing and management.

The empirical part of the thesis will be focused on case company – The Theatre of Black and White Theatre (Mustan ja Valkoisen Teatterifestivali) analysis only. The method for empirical study was limited by case company methodology, because the objective of the study to get deeper understanding of art sponsorship and specify general criterions of choice. There also will be no considerable analysis regarding festival content and target marketing tools. The list of interviewed potential sponsors will be limited by the South-Karelia region, because case company performance place is Imatra, South-Karelia, and popularity and familiarity with the festival in the region is high for potential sponsors.

## **2 Theoretical framework**

The purpose of this chapter is to create full picture of the term sponsorship. This chapter analyses sponsorship as the main phenomenon of the study. The chapter also includes the analysis of the related concepts such as objectives, criteria, stakeholders, and measurement of the sponsorship. This theoretical chapter gathers the background theories and information which will support the analysis of the interviews in empirical part.

### **2.1 Diversity of meaning term sponsorship**

There is tremendous amount of research work regarding sponsorship, where various aspects of the phenomenon are disclosed since 80's, when it was for the first time defined. After intensive study of literature regarding art sponsorship, the majority of topics are concentrated on business management context and does not consider cultural organisations as a specific kind of business, which bring values differently. And main attention in this works was on sponsorship as marketing tool or strategy (Cornwell & Maignan 1998), laying off the possibility of complex relational exchange, which bring to all participants benefit.

**History of the term.** Starting from the early 80's term sponsorship received wide popularity and was researched intensively. It was differentiated from other support giving terms, such as philanthropy and patronage, and was considered as *part of the communication strategy of an organisation* (Walliser 2003). Meenaghan (1983) gave his own definition, which became classical, as *the provision of assistance either financial or in-kind to an activity by a commercial organisation for the purpose of achieving commercial objectives.*

The doctoral research on complex relational exchange in art sponsorship was performed by Minna Ikävalko in 2004, Finland. In the research author considered wide variety sponsorship definitions. Extracting different definitions from previous researches, Ikävalko (2004) specified the "objectives" of the sponsorship agreement and "type of contribution" (Refer to Table 1.).

**Table 1. Elements of sponsorship in different definitions of the phenomenon.**

Author	Main objective	Sponsor	Sponsored organisation	Contribution
Meenaghan (1983)	To support corporate objectives	Commercial organisation	n.a.	Financing or in-kind
Grönkvist (1985)	Combined with public relation activities	Company	Organisation or individual	Service
Gardner and Shuman (1987)	To support corporate or marketing objectives	n.a.	n.a.	n.a., investment
Sleight (1989)	For commercial advantage	n.a.	Individual, event or organisation	Funds, resources, services
Wragg (1987)	Tangible benefit	n.a.	Activity or event	Support
Abratt et al. (1987)	Promotion strategy	n.a.	Association, team or individual	Some aid
Javalgi et al. (1994)	To support corporate objectives	n.a.	Individual or joint event	n.a.
D'Astous & Bitz (1995)	To increase image and awareness	The firms	Individual, group or organisation	Financial support

Cornwell & Maignan (1998)	Marketing activities	n.a.	n.a.	Fee
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Source: Ikävalko, *Pas de deux of art and business*, 2004.

Ikävalko (2004) dissertation allows to understand the specifics of definition of sponsorship in 20th century – mainly it is usual oneway commercial contract. The concept of sponsorship evaluated, and through the years and in different environments the concept has been also modified. Skinner-Rukavina (2003) even provided Sponsorship historical timeline with its main milestones of development (refer to Table 2.).

**Table 2. Timeline of sponsorship transformation.**

1B.C. – 1600-1900-1924-1970	1970-1984	1984-1990	1990-2000	2000 – now
The Era of Patronage → Advent & Advertising- → The early pioneers	Intensive Development	Sponsorship Explosion	Added Value	Technological era
	Changed State policy – reduction of alcohol and tobacco advertising	Relatively low expenses vs traditional marketing, Changed media sources	Corporate social responsibility (CSR) grew, Internet	CSR, Experience economy, circular economy

Source: Skinner-Rukavina (2003).

The first step before considering arts sponsorship, however, one must understand term art independently. Art existed thousands of years ago and was defined differently through ages. According to Toscani and Prendergast (2018) modern definition of the art industry was offered by Colbert (2014), *art distinguishes between industries that produce multiple copies of a work of art and those that focus on the production of a prototype that is not intended to be reproduced. Thus, art could be the single production of any prototype in music, architecture, visual, or performing art.*

**Art sponsorship.** There is significant number of definitions of art as a concept, and the scientific literature exploring sponsorship does not clearly distinct *art sponsorship*. Olkkonen and Tuominen's (2008) studied cultural sponsorship, and

mainly concentrated on museums. However, they also do not propose a specific definition of art or cultural sponsorship.

Lee and Kotler (2011) proposed that art sponsorship is associated with the process of using marketing tools and principles to advertise to the target group behavioural patterns, that will bring benefit for the society in general. So, the approach to the target audience is not direct here and in the process of sponsoring art organisation, the sponsor should consider *socioeconomic status* of the target audience and *demographic characteristics*, which significantly influence the attitude and effectiveness of the sponsorship. It cannot be denied that art sponsorship is significantly different from sports sponsorship, which mainly considered as commercially – oriented, then dependencies are straight and more predictable. (Quester & Thompson 2001).

Regarding distinction and specification of art organisation also inconsistency between researchers exist. Olkkonen and Tuominen (2008) studied cultural sponsorship on museums example, and still no specific definition of term cultural sponsorship. Quester and Thompson (2001) operate with the fact, that art audiences are completely different from sports audiences, and no specification about art organisation. Some opinion was expressed, that arts sponsorship is the part of big cultural sponsorship phenomenon, and art organisations such as orchestras, museums, dance companies, and theatre groups operate there. (Gardner & Shuman 1987).

**Modern treatment of the term.** In the 21<sup>st</sup> century the phenomenon of sponsorship gained its own independence and is not considered as the part of marketing tool or strategy, however it is strongly connected with the creation of strong brand image and increase of brand awareness (Gwinner 1997.)

The development of the brand image and the brand awareness through sponsorship nowadays treated as one of the main outcomes in sponsorship understanding. At previous decade, the evolution of this understanding grew tremendously. Toscani (2018) insist that, popularity of art sponsorship is growing, and sponsors aim to invest different resources (financial and not) in exchange for even mediated participation in art performance or festival.

Olkkonen & Tuominen (2006) provided more deep interpretation and defined art sponsorship as *the co-operative, long-term and mutually beneficial business relationship between two business actors – the sponsors and the sponsored*. The main difference here is the agreement, where peer relations are fixed.

According to Cornwell (2020) early terms and contracts of art sponsorship do not disclose full potential of sponsorship as a partnership relation. This happened because in the most sponsorship relationships, there were no equality in power. As a rule, the sponsee organisation is often dependent on the sponsors from financial point of view.

Many literature sources have argued that sponsorship is like a “co-marketing alliance” (Farrelly & Quester 2005), “cross-sector partnership” (Seitanidi & Crane 2009) or “marketing partnership” (Meenaghan 2002). It is important to emphasize that, on both sides, sponsee and sponsor consider each other as “partners.” According to this term, the relationship is considered as valuable and beneficial for both parties (win-win strategy) and not a relationship in which one group exploits another.

Thus, why it is necessary to use specific term “sponsorship”? Firstly, there are so many types of partnerships in business and society; it differentiates the understanding when one describes the relationship as a sponsorship. Secondly, it really describes the form of relationship. Across the world, term “partnership” means legal relationships formed by the contract or law, in which two entities interact with each other, and each contributes, shares gains and losses. In opposite, sponsorship is negotiated agreements of support from one entity to another. In this sense, the term “sponsorship agreement” serves well. (Cornwell, 2020).

The author of this thesis tried to find some models, which could somehow explain, systematize and put in order motives and criterion which business use for art sponsorship choice. Thus Kirchberg (2003) created **four models of corporate business art sponsorship motivation**.

(i). **Neoclassical model**. It appeared from the basic purpose of the corporate art sponsorship relation – growth of returns to the company. Regarding to this motive model art sponsorship from company has direct objective of increase sales



figures, improvement of corporate image, increase volume of auditorium, services scale and other marketing goals. Basically, wealthy clients are the target group of any corporation, and art sponsorship is the perfect method of getting them. According to this model, art sponsorship treated maximally close to marketing tools and valued respectively.

(II). **Ethical model.** This model insists and emphasizes on the corporate social responsibility values in the business world. This model is based on "the good corporate citizen" idea and construction of management culture. The personal values of the chief executive officers are the main factor in the decision on art sponsorship relations. Ethical reasons to support the local population. This is a personal desire to get contacts with the important, valuable and creative world outside the company. This model argues that business bring additional value to the local cultural picture and enforces community relations with the local government and population. And the government and citizens, in return, - are the significant target audience covered at one shot.

(III). **Political model.** It treats corporate sponsorship in art as try to create and promote business power, business autonomy, business culture. Corporations struggle to limit state and political control or possibility to influence over their business by creating and maintaining own eco-systems and networks (via sponsorship), consisted with own products, services and loyal partners. The evolution of this motivation grew all business society support any organisations via sponsorship tool, and it also leads to limitation and creation of rules of sponsorship volume. The main idea of the political model is the ability to influence on community decisions and even strategic political decisions - through the support of art.

(iv). **Stakeholder model.** It stresses attention of the business to those targeted groups (stakeholders), which they affect. In opposite, business itself is influenced by their own corporate behaviour towards the stakeholders. Shortly, the corporations do not desire to influence, they are themselves influenced by stakeholders. Business knew that art organizations develop society in general, improve creativity and educational level, so business also receive benefits operating in such society. The colourful example of such symbiose of art and business via

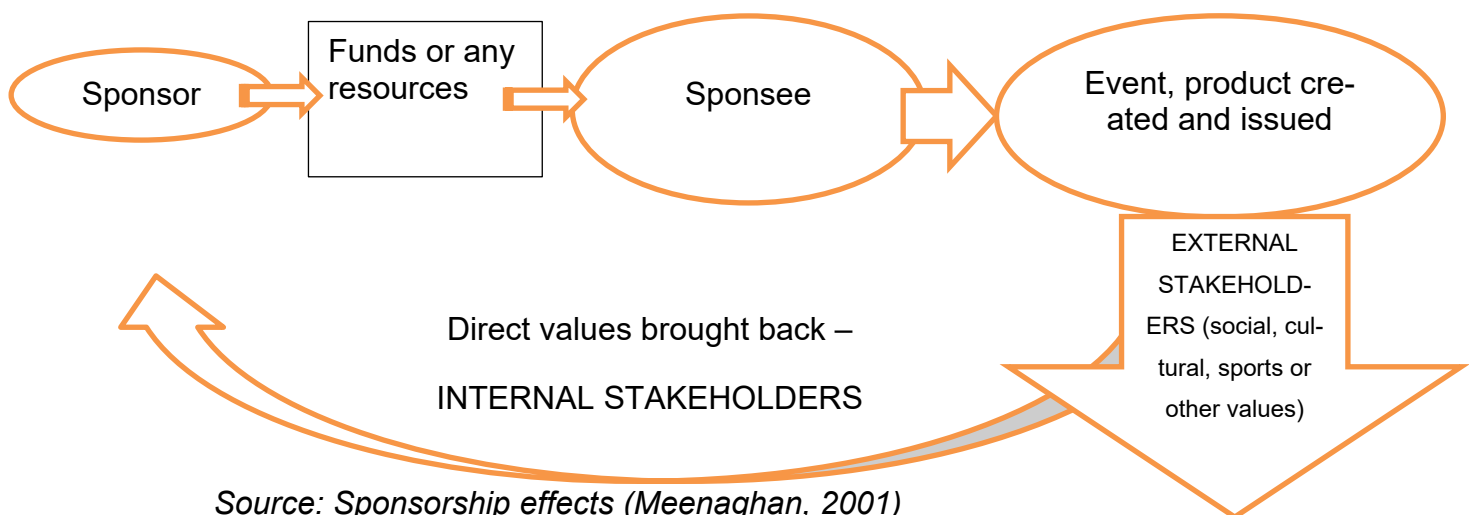
sponsorship tool, is qualitative social life at exactly location, so it can attract highly qualified labour force, additional local and international tourists, other businesses, increase cost of property, create additional demand and so on. According to Kirchberg (2003) research it was identified that art sponsorship is higher where large business actively involved in stakeholder's life. Researcher concludes that *income is greater, unemployment is lower and the welfare ideology is more liberal*.

## 2.2 Stakeholders of sponsorship relations

Extensive literature review was performed in regard general definitions and description of the term sponsorship. To understand deeper and get more systematic view of phenomenon sponsorship, it is necessary to consider two fundamental constituents: (i) stakeholders of sponsorship, and (ii) objectives of sponsorship.

Based on the definitions above, sponsorship relations were formalized to the following Table 3.

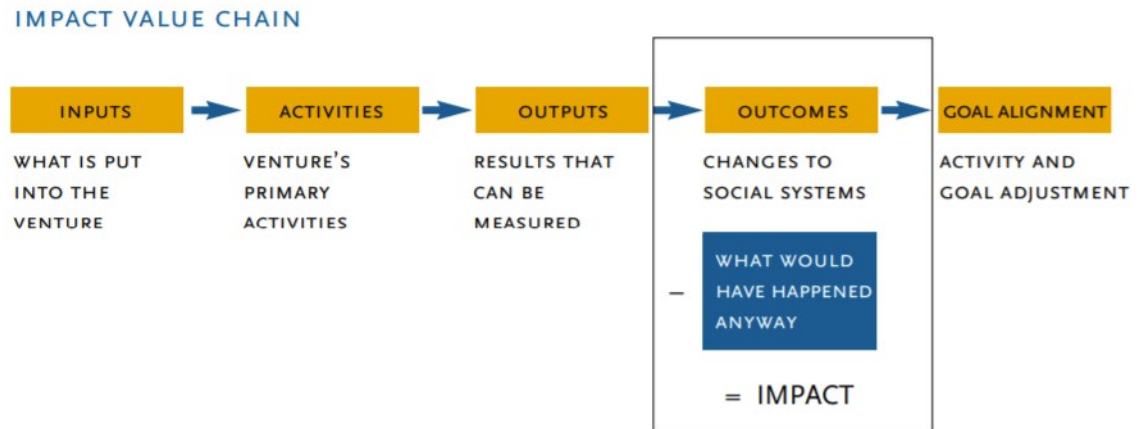
**Table 3. Sponsorship relations.**



Source: *Sponsorship effects* (Meenaghan, 2001)

The primary goal of non-profit art organisations related not on the financial success or profitability, although rather sustainability and positive social impact for diverse stakeholders. (Achleitner et al. 2013). The stakeholder is defined as a person, society, group, system, or organization which affects or can be affected by the non-profit organisation's actions. (Manville et al. 2013).

It is important to specify also term social impact, because on its base author identify stakeholders. So, Clark et al. (2004) propose to realise this term in the following social impact value chain see **Table 4. Impact value chain.**



*Source: Clark et al. 2004, pp 9.*

"Inputs" here are the resources that contributed to the event, performance, program, or anything by non-profit art organisation (NPaO). "Activities" are what NPaO does with its inputs in order to achieve its mission. "Outputs" are the results that can be measured or assessed directly and explicitly. And specifically "Outcomes" are the ultimate changes that NPaO is trying to make in the world (Clark et al. 2004).

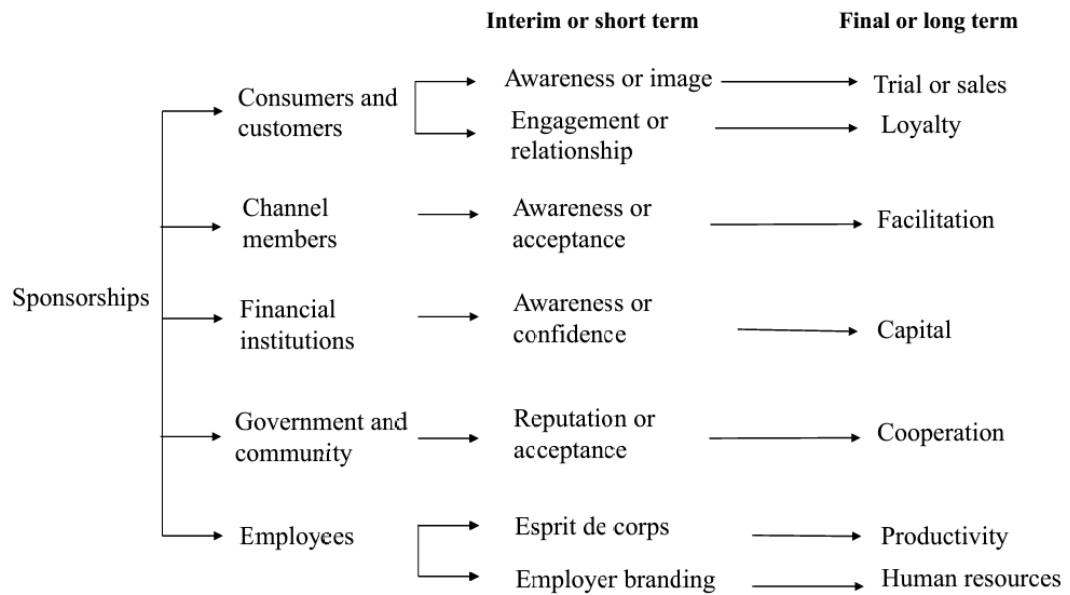
Thus, the social impact is the portion of the total outcome that happened as a result of the event, performance, program or anything, excluding what would have happened anyway. Social impact can be considered as total changes resulting from an event, performance, program or anything. It includes intended and unintended effects, negative as well as positive, also long-term as well as short-term. To value this social impact, it is necessary to measure what is going to happen if the certain NPaO did not exist and did not perform (Clark et al. 2004, 77).

According to Manville et al. 2013, stakeholders should be determined from the level of social impact for: (i). individual, (ii). community & family, (iii). Services, (iv). Society.

According to performed research the stakeholders were determined into two main classes: **Internal stakeholders** are represented by employees and management of the NPao, who receive salary. Volunteers and participants, who help and receive initial experience during the whole process of cultural event. Attracted international or local artists. **External Stakeholders** are represented by City, where event take place, and the local business including shops, hotels, taxis, restaurants and so on. Tourists are also valuing from this by receiving new excitements and positive emotions visiting exact place. (Manville et al. 2013).

Therefore, some examples of the stakeholders on NPao who were mentioned in research and who needed to be classified according to some other criterion: (1) community and family: citizens of the specific area, parents of the students, employers; (2) services: partner and competitor organizations, enterprises in the same area, owners/investors; (3) society: city, state, media, society, economy.

From other source Cornwell (2020) determined five stakeholders' types with alike interim communication processes and targeted outcomes. There are consumers or customers, channel members, institutions (e.g., financial, non-profit), government and community leaders, employees and future employees (see Table 5.). Although a sponsorship relationship could be directed at any stakeholder group or public of an organization, overwhelmingly the interest has been focused on consumers. (Cornwell, 2020).

**Table 5. Stakeholders and objectives.**

Source: Cornwell 2020.

### Consumers and target groups

Sponsorship as an idea is often targeted to reach a specific target group. Classical example is the banks or multinational corporations advertised in prestigious art performances, where wealthy people are informed about banking services or potential business for investments or whatever. (Cornwell, 2020).

Comparing and analysing the types of customers of direct brand segments and an audience at potentially sponsored event is the common practice and a typical approach in whole process of sponsoring, although is it optimal and universal? Percy and Elliott (2005) identify an important difference between target groups and target markets. They concluded that target markets are defined as a part of segmentation process, in opposite target groups are defined by their wide, and then common communication potential. Effective marketing communications should orient to desired target groups, and these might be a particular set of clients within the brand's overall target market. (Cornwell 2020).

The discussion about targeting potential customers with the use of sponsorship becomes more complex and interesting. First, clear understanding the target audience for the brand directly, and the audience for the sponsored event. The demographic and psychographic question is - does the target audience for the sponsor's brand match with the audience of the sponsored event? Second, if the brand manager desires to reach a communications audience based on brand-related behaviour, not only demographics criteria, how is it possible to extract \ to bold those potentially interested in the brand? Nevertheless, for the beginning it is necessary to specify the basic demographics and psychographics, looking for the optimal way to reach the brand's target auditory, for the sponsorship variant it is by understanding brand related behaviours. (Cornwell, 2020).

### **Sponsee audiences versus brand target audiences**

In considering audiences for brands in sponsoring, it is essential to remember that the sponsee's brand has an audience as well. This is an additional level of complexity of which it is necessary to be aware. Bergkvist (2012) questioned fans of the one football team in order to learn about their perceptions of sponsor's beer brand, and their rival and its sponsoring beer brand. The research showed that there is a negative transfer of image from the rival team to the brand, sponsoring it. It was concluded that the same target group with the same preferences and demographics can be split to the competing fan groups (for example, hard old-school rock-n-roll and RAP music fans, theatre and opera fans and so on), and respective sponsorship and formulate also negative brand perception of sponsor in rival fan group. Bergkvist (2012). The impact of being a radical rival varies culturally, with, for example, Canadian fans are less aggressive toward rivals than US fans (Cobbs et al. 2019).

Negative outcomes for the sponsor brand or product are less likely in the absence of a strong basis for rivalry and less likely for products not consumed in public, nevertheless, worthy of managerial attention. *Basking in the reflected glory* (BIRGing) of team or event performance can affect to the sponsoring brand; likewise, distancing *oneself from poor performance* (CORFing) might also influence sponsors. Fan passions can be directed toward anything related to the home

team or the rival. These analytics can help in understanding the dynamics of sponsorships that involve intense fan behaviours. (Cornwell 2020).

### **Channel members as target audience**

Cornwell (2020) says that very little is written about how sponsorship targets channel members. Channel members are those who included in long line of co-operating and dependent parties. One way in which sponsorship reaches channel members is in the franchise model. For example, K-Group, headquartered in Helsinki, Finland, sponsors the Soft ball teams that is played annually in the same cities. This softball events are held in local stadiums and speaks not only to direct consumers and at the same time to current and potential franchisors in K-Group.

Another variant in which channel target groups can be reached by sponsors is in events that are trade focused. For example, Conagra Brands separate and highlight their special brand Glutino, a gluten-free food, and other brands annually at the Natural Products Expo West (Cornwell 2020). This case of sponsoring gives for the brand Glutino the chance to reach both distributors and suppliers at one point.

### **Financial institutions, governments, and non-governmental organizations as target audience**

Financial, governmental institutions (at all levels) and community oriented non-governmental organizations (NGOs) play important roles in business decision making locally and especially at international level.

Within one country or even local sponsorship is the case that cause-linked sponsors in areas of social, art and cultural concern often should interact with governments and NGOs. Reaching multiple audiences and at the same time supporting multiple objectives is naturally the case in cause sponsoring. When a corporate sponsor, or a non-profit organisation, or government from any level are working together, each of them has a different aim. The corporation may want to increase reputation and develop goodwill in a particular country or region, while the government may want to cover social projects or build tourists attractive conditions,

and the non-profit organisation may create mechanism between this two and bias interests of other social group. Also, corporate enterprises desires to reach the opportunity to do good things and build their corporate social responsibility impact. Commercial enterprises must, however, also be transparent to shareholders that search information how money not brought back as dividends is spent. (Cornwell 2020).

International sponsorship and governments. According to Cornwell (2020) international sponsoring is one significant way that nations implement cultural diplomacy and tolerance in global relations. The main idea is to create values and preferences for others to forward own agenda (Dubinsky 2019). The colourful example of soft diplomacy is acquisition of the 2022 FIFA World Cup finals by Qatar. According to Grix et al. (2019) it is designed to showcase a small country to the world. At the same time such globally visible actions bring to the country positive image at the international stage and reveal softly problems related human rights violations. For example, migrant workers that built the infrastructure for the 2022 World Cup. Goodwill of the country or region in whole development is a long-term multifaceted process. (Cornwell 2020).

### **Community as stakeholder of sponsorship**

There significant development and expansion of corporate foundation giving, which is orientated to community support, is a global trend. In 2018 Sprout Social, determined that 2\3 of USA consumers think it important that brands and corporations take a position on social and political issues (Oster 2018).

One of the effective ways that commercial companies can become involved with solving social issues is for sure through sponsoring. Tendency toward community and non-profit sponsoring also can be seen in many companies as an area of development. Almost all businesses in branches or locally are often allocated budgets that are supposed for spending on local sponsorship projects. This develops community understanding and relationships, although could also result in a diffuse brand image, if the brand will be involved in radically different quality of sponsorships over time. (Cornwell 2020).

### **Current and future employees as stakeholders**



The importance of sponsorship could play vital role in internal marketing. Cornwell 2020 determine it as promoting company values, objectives and product or service positioning within own employees. Usually, employees are not the top target audience in sponsorship. Nevertheless, the idea of using sponsorship as employer branding seems to be vies (promoting company mission, vision and values; and associated as suitable employer to potential job candidates). This marketing source of company development is only at the beginning stage in many companies. (Cornwell 2020).

### 2.3 Objectives and additional value creation

Skinner and Rukavina (2003) propose the **wide range** of firm sponsorship objectives such as improved visibility, growth of reputation, teambuilding, and commitment among employees, creating marketing opportunities, bolding product from those of competitors and performing active promotions. Also, Shank (2009) represents nine **general and different objectives** for companies in order to be sponsors. Motives for sponsorship were formulated as demonstration or improvement of

- social responsibility (CSR),
- customers' experience and perception from the company,
- sales,
- relationships with partners as well as creating internal value,
- employees' relationship with the organisation and
- the company's reputation.

In contrast to Shank (2009), Slåtten (2017), examined sponsorship objectives **from a wider business perspective**. Using a case methodological approach, the authors identified four main sponsorship motivational objectives: Opportunistic – Altruistic motives and External – Internal motives.

In the study, performed by Seguin et al., (2005) the researchers mention the results focusing **on corporate objectives** of sponsorship. By referring to extensive literature review, they identified a significant range of sponsorship aims targeted in the studies: corporate image, corporate perception, corporate awareness,

brand recognition, intensity of sales, raising involvement with the local community, enhancing employee relations and motivation, building trade relations, transforming competition, reaching target market and other.

The studied literature suggested a variety of objectives for the companies to enter sponsorship relationships. Then it reveals that the previous studies of corporate objectives in sponsorship relations share a dominant emphasis on the outward or external focus (i.e., customers as the target group) and less exchange of values.

According to Cornwell (2020) one significant challenge appear in learning objectives in art sponsorship - the outcomes and back values are hard to validate, calculate and trace. For this reason, objectives need to be part of an overall strategic plan. (Cornwell 2020.)

The stakeholder theory formulated by Freeman et al. (2010) is closely related to strategic management. And author argues that values are created more - during the process of stakeholders' interaction, and less – just when resources are consumed. Yngfalk (2013) insist that additional value extraction is done via integration of competencies, knowledge, commitment, skills, and attitude to the whole process of joint event.

Lund (2010) was those, who performed research about additional value creation through art sponsorship. Developing relational approach in assessment art sponsorship, he argues that it has changed position from one off passive relations to long-lasting partnership interaction type, thus, additional value is created and the success can be recognised. (Lund 2010).

Regarding to Lund (2010), creation of additional value is found in each art sponsorship relations, and this system can bring **tangible** and **intangible benefits**. The intangible benefits listed by Lund (2010) can be listed as: (i). access to new markets, (ii). specialised skills, (iii). different marketing investments and (iv.) possible connections to new sponsors. Nevertheless, this list is not exhaustive, and value is recognized individually, especially when different people assess it. Furthermore, additional value cannot regularly be associated with a specific affair

and can happen at any point of the relationship or of the execution of the project (Farrelly, Quester and Burton 2006).

The content created through the art sponsorship project can be determined as the tangible benefit of the co-created value, anticipating that it brings possible results such as an increased number of spectators or social media indexes improvement.

In opposite, each art sponsorship relation generates another intangible benefit, which more difficult to calculate. So, the intangible value can be specified as a short or long-term benefit having a positive outcome aimed to on one or more counterparties - partner, festival, audience, participants. (Farrelly, Quester & Burton, 2006).

#### **2.4 Sponsorship effectiveness criteria**

In order to propose the effectiveness criteria, it is necessary to determine **what outcomes sponsorship create**. According to Walliser (2003) the outcomes of sponsorship are to sponsor's brand awareness and positive image perception. According to Cornwell (2020), two more categories most of all treated as sponsorship outcomes – positive attitude and purchase intention of sponsor's goods. It is necessary to notice, that all mentioned outputs determined from the sponsor's perspective, as recent researches were concentrated on this. According to Tsocani (2018) sponsee's angle of outcomes is the unresearched field.

**Brand awareness.** It is one of the main objectives and positive outcomes from sponsorship relations – by this index sponsor create understanding how audience remember sponsor's brand after the event (Cornwell et al., 2013). Although many researchers agreed that feelings generated by a sponsored art event can be measured by *memory recall*. (Cornwell 2008.) Memory recalling can be measured by the following four methods proposed Tripodi et al., (2003) the reaction related to visited event and asking questions:

- "Which sponsor comes to mind **when considering visited event?**"
- "Which sponsor comes to mind when **considering brand of the sponsor?**"

- “Which sponsor comes to mind when considering [any general category], such as sport or classical music?”
- “Which brand comes to mind when considering exact sponsorship?”

The main idea that brand awareness and recall of the brand appear via two mental work – consciously or and sub – consciously, based on associations and attractive pictures noticed and sounds recognised.

**Positive image.** Sponsorship relations are the tool of increasing the positive image in audience’s perceptions. This is dynamic process and absolutely the primary aim for corporate business, playing the role of sponsor. This outcome is vital and medium level of difficulty. The colourful example of economic sectors that have a poor image, such as insurance companies, and they are extremely interested and enter actively in sponsorship relations (Yang and Ha, 2014.)

Positive image perception delivered by sponsorship relations are very attractive and can be reached in reality, and the sponsor’s responsibility is to be clearly recognised on the market and within the competitors. Unique products have less risk of being confused in audience’s perception by a competitor’s product and brand respectively. In opposite, brands what lost consumer loyalty via scandals have different opportunity to change the strategy and search positive image improvement, for example, searching for suitable sponsees. (Toscani 2018).

Another factor of success in building positive brand image - the size and impact of the brand itself. Big and sustainable brands interested in sustainable or\and unique sponsees. In opposite, new and fresh brands are ready for contemporary, modern, experimental and 'cool' sponsees (Grohs 2016).

Positive image perception results from sponsorship relations vary regarding to the type of sponsor. Those that offer experience products and services receive more advantages received from positive image perception (Toscani, 2018).

**Perception of sponsor after the event** (image perception). Participation in art sponsorship events is a powerful mechanism aimed to link audience’s positive perception and attitude for the sponsor's brand (Close et al., 2006). According to

Quester et al. (2013) socially or culturally oriented events can improve consumers' positive perception regarding the sponsor's brand, so suggesting that a sponsor should choose a community-linked sponsee.

Effective "visual support", such as brands and logos, should force the audience to notice the sponsor's brand within sponsee's event and lead the mental process which establishing a strong link between brand and event (Close et al., 2013). These findings and conclusions are very important, not only in successful construction of image perception, and also when the brand must solve the problems related to negative perception from sponsor's brand (Cornwell 2020).

**Purchase intention.** The sponsee's willingness and ability to force the audience purchase intention increases its chance to enter more sponsor relations (Cornwell and Coote, 2005). Event audiences can effectively associate purchase intention with the sponsor's brand, when corporate social responsibility (CSR) is developed in sponsor's strategy and mission (Close et al., 2006.) This category – intention is extremely difficult to calculate or somehow evaluate, thus, "non/purchase evaluation scale" was proposed by Olson and Thjømmøe (2011).

According to Meenaghan (1983, 1991) there are wider list of criteria, which need to be considered in the process of making decision about issuing sponsorship:

1. **Objectives.** The basic criterion in evaluation of the sponsorship proposals and predict its potential success is capability of Sponsee to fulfil stated objectives and suitability of sponsor for the art event, organised by sponsee. These objectives can be in both brand awareness and positive image terms at both the corporate and brand level. (Tosokani 2018.)
2. **Positive and effective image development.** The particular sponsorship is involved its own personality and perception among people's mind and is a key criterion in sponsorship choice. Positive image delivery works perfectly when a sponsored event or organization is congruent with the sponsor's image (Yang and Ha, 2014)

3. **Target audience and its coverage.** Commercial business can have a various target audience for their potential and actual sponsorship activity. The ability to match interested target audience with the sponsorship program is the important factor in selecting sponsorship relations. This matching process can take place at several contexts: demographic, level of income, geographic, family status and lifestyle. It can be done in two directions: (i). increase volumes in the same target audience, (ii) obtain new potential interested target audience.
4. **Costs of sponsorship program.** It means, that potential sponsor needs to evaluate, whether it have enough money to invest in sponsorship relations, and does they included into the yearly budget. Every sponsorship relations need to be preliminary evaluated and included, for example, in strategic plan.
5. **Power of association.** It can determine the possibility of a particular sponsorship iteration or campaign to bring a required image perception and positivity, brand awareness or intention to purchase, through association with the sponsored organisation.
6. **Congruence.** It means, that sponsor and sponsee or its product comparable and sponsorship relations will bring maximum outcome from this comparability. It does not mean, that the sponsee or sponsor have to be from the same industry or the products are used by some of them. For example, McDonald's is the general sponsor of Olympic Games.
7. **Media coverage.** This factor was created before World Wide Net (Internet) became usual and normal media in 21th century, so successful sponsorship campaign unthinkable without targeted advertising and presence in ALL social media – YouTube, Facebook, Twitter, Instagram and so on.
8. **Guest hospitality.** This factor related to the possibility of the sponsor make personal contact with potential customer during the events organised by sponsee. The sponsorship relations with significant social event creates an

ideal opportunity for reaching the target audience. As Ikävalko (2004) mentioned, that guest hospitality today became *the dominant criterion in the selection of a particular sponsorship*. In experience economy context this criterion furthermore need to be researched and structured.

9. **Geographical coverage.** In globalized world this factor is very important. The right determination of the target audience and target region is the crucial element in selecting the right sponsorship relations. Properly defined geographical coverage will help in choosing the most suitable sponsorship relations within the World.

## 2.5 Congruence in art sponsorship

Main concept evaluating branding and sponsorship effectiveness are the concepts of positive brand image transfer and formulated congruence between sponsor and sponsee. Positive brand image transfer works well when a sponsored event reflects congruence for the sponsor. Due to these reasons congruence is an important construct in pairing a sponsor and a sponsee. Congruence may predict the outcome of a sponsorship initiative at the beginning level of sponsorship relations. **Congruence** between sponsor and sponsee *means, that consumers are more likely to purchase a product as a result of logical decision rather than intuition.* (Toscani 2018).

Pappu and Cornwell (2014) proposed the following congruence factors to expand knowledge in effectiveness of sponsorship relations.

1. Sponsorship relationship fit,
2. Human correspondence bias,
3. Fit and similarity interaction.

Prendergast (2016) propose two classes of congruence: (i). functional congruence and (ii). image congruence.

The sponsor's product in ideal should have **functional similarities** with the event (organized by the art organisation) where the product already or potentially could

be used. The products of the sponsor and sponsee should have **image similarities**, then the image of the event is related to the image of the product and called image congruence. Such similarity will be recently appearing, only if one art organisation will support another.

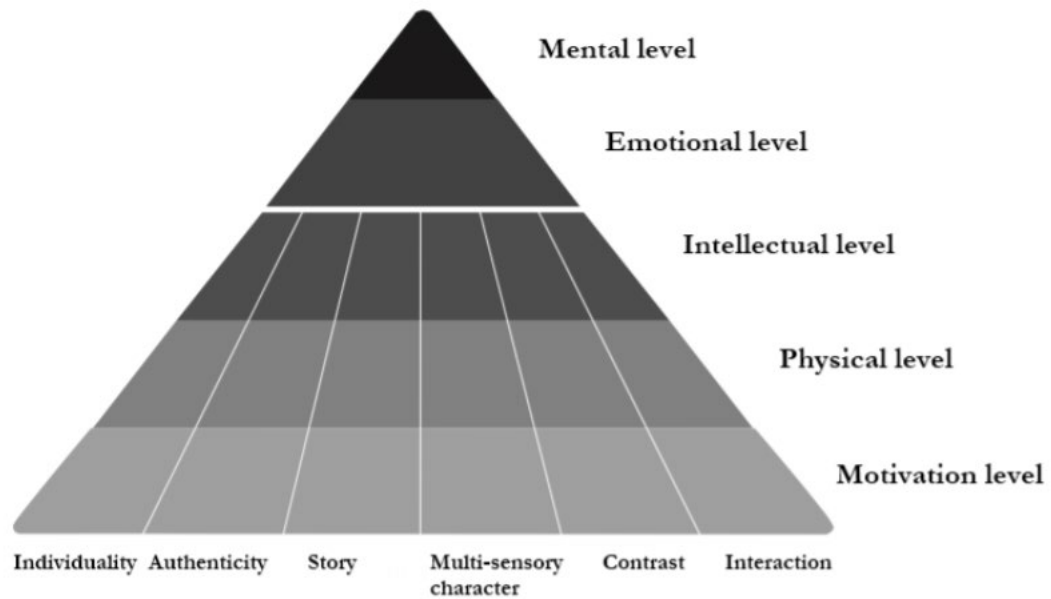
## 2.6 Sponsorship in experience economy context

The main idea of experience economy is evolution from consumption model. Economists describe it as the people in developed countries decrease expenses for purchases of things (clothes, TVs, phones, cars and so on) and increase spending for events and performances, which bring experiences and emotions. (Jensen 1996). Jensen (1996) argues that the story or surrounding event that formulate emotions will become significant part of what people targeting when they perform purchase of the product. Jensen determined this trend as *the commercialization of emotions. In 25 years, what people buy will be mostly stories, legends, emotion, and lifestyle.* (Jensen 1996).

This new waive in economy development happened because, such terms as *exceed expectations, customer service*, experiential marketing and other entered in todays life as something natural. Furthermore, this approach created new platform or basement for creating additional value. Secondly, it was scientifically and statistically proved, that the customers put the same or even more value to experience of purchase, not just the net value of goods owned or servise consumed. Finally, exact research methods, such as design thinking, improvisation skills, ethnography, customer journey – that were mostly neglected for years now are becoming first level of interest. (Jensen 2015).

Pine and Gilmore (1999) describe the experience economy by following dimensions: entertainment, education, escapism, and esthetics. In 2007 Tarssanen and Kylänen (2005) created the model of the experience triangle based on Pine and Gilmore's model. The model represents experience from two perspectives: (i) unique elements of the product or service; (ii) customers' own experience.





**Figure 1 Model of the experience triangle.** (Tarssanen and Kylänen, 2005).

According to Jensen (2015) experience is *a distinct form of economic output, and as such hold the key to promoting economic prosperity*. The fact is that classical boost of economy due to increased industry volumes will not work – industrial revolution happened long time ago and transformed into global economy. Thus, goods and services will give space for the experiences as the main factor of new economic boost, the basic reason for gross domestic product (GDP) growth and the source of new jobs. (Jensen 2015).

According to IEG (2017) millennials' (people born after 2000s) preference of less physical products consumption has created a new sponsorship category - *experience providers*. Physical property providers should collaborate with experience providers or act as sponsors to survive and develop economy. In coming decades especially after COVID-19 pandemia the postponed demand for experiences – art, culture and sport, will exceed the supply. Although the companies, which preliminary will be prepared for such experiences sales and will collaborate or sponsor the right types of experience providers – will benefit from the experience economy in general and pandemia in precise.

### **3 Research method: justification and design**

The purpose of this chapter represents the discussion of empirical research methodology of gathering and analysing information. The case study was chosen as the research method for the empirical part of this study. In this chapter all identified findings will be addressed when performing case study, collecting, analysing the data. Finally, the whole research process will be critically discussed, and limitations are given.

#### **3.1 Qualitative research**

The convenient research method allows the researcher to get reliable information and answer the research question of the study. Literally for empirical study researcher can consider two options – the quantitative (statistical) and qualitative methods. (Silverman 2000).

McNeill (2006) determined quantitative methods as those which analyses significant amount of numeric information by statistical tools and correlations could be determined. According to Mason (2018) in situation when phenomenon analysed from substantial point of view, for example, people's behaviour, factors of choice – quantitative methods are the best. McNeill (2006) insist on using qualitative method of research, if collected data will be presented in words, rather than numbers, or quality of interaction will be assessed.

One of the significant advantages of the qualitative research method is at the same time the tricky aspect of gathering and analysis of information – consistency. Performing quantitative research mathematical and statistical rules are used, although using qualitative research person need to keep this consistency by himself and work with information extremely carefully. And from other hand, this research type, especially interviewing, allow to consider and analyse more complex systems, dependencies, relations, and correlations. (Mason 2018).

As the objectives of this study is determination and description of criterion which should be considered by the corporate sponsor and sponsee to enter effective sponsorship relations, so qualitative method is optimal. Phenomenon under the

study are so complex and voluminous, thus qualitative approach will allow to build the solid picture of studied phenomenon.

The researcher plays a key role in qualitative research because the information collected, studied, considered and analysed by researcher subjectively under his/her background come into research results and conclusions. Researcher will pay more attention on description and logical dependencies. (McNeill, 2006). However, according to Mason (2018) qualitative approach is the best way of researching phenomenon in different contexts and identify new horizons of exploration of the topic. Because qualitative research method based on argumentation and analysis of complex dependencies, in parallel original conclusions and hypothesis could be created.

The purpose of this study is to understand the term sponsorship in the art context and determine criterion of effectiveness in entering sponsorship relations. The suitable research method will allow the researcher to get relevant and reliable information and answer the research question of the study.

The qualitative research method was comprised of two major approaches:

- **Primary sources.** To perform extensive review of published literature that focuses on the theoretical, empirical or conceptual investigation of art sponsorship. In this research information will be semi-structured interviews both with potential and current corporate sponsors and non-profit art organization – The Black & White theatre Festival (case company).
- **Secondary sources** will be represented by internal documentation of the case company, newspapers and public data from Internet.

Since the decision is made to research the phenomenon using the qualitative approach, various sub-methods are available for researcher to gather and analysis data (Silverman 2000). In this thesis, data for research will be gathered by studying respective documents – sponsorship strategies and social responsibility reports, semi-structured interviews, gathering opinions, questionnaires and observation of resources in social media, which will serve as a base for description current situation and identification of criterion of effective sponsorship relations

between corporate sponsor and art organisation. According to Yin (2018) the most suitable method of research, when sponsorship relations will be described and analysed, is the case study. Also, looking to the determined research questions – it will be necessary to answer to the questions how and why – and explain complex issues, determine criterion and types of relations, thus case study is the best research method. (Yin, 2018).

In this thesis work the main sources of information will be semi-structured interviews both with potential and current corporate sponsors and non-profit art organisation – The Black & White theatre Festival (case company). Secondary sources of information will be represented by internal documentation of the case company, newspapers and public data from Internet.

**Classification and choice of case study analysis.** Stake (1995) provides the following classification of case studies and approaches for analysis.

#### *Intrinsic case study*

This type of study usually used, when the research question and research objective directed for exactly this case. If researcher need to get knowledge exactly for the case company and interested in it. Case company is researched in the context of some theoretical framework, not contrary.

#### *Instrumental case study*

This type of study is used when researcher need to with the help of the case company get information and analyse interested phenomenon. It is opposite for intrinsic case study, research question and objective related to scientific phenomenon and for deeper understanding and generalisation instrumental case study is used. Case company as instrument.

#### *Collective case study*

If researcher need to study phenomenon and prove dependencies via several case studies – instrumental approach, or if number of similar case studies will help identify similar characteristic or dependency inside such cases – intrinsic approach.

According to Yin (2018) the most suitable method of research, when sponsorship relations will be described and analysed, is case study. Also, looking to the determined research questions – it will be necessary to answer to the questions **how** and **why** – and understand complex system, determine criterion and types of relations, thus case study is the best research method. (Yin, 2018). The specific features of case study method are shown in Table 6.

**Table 6. Case study characteristics**

	Focus	Type of problem best suited for design	Discipline background	Unit of analysis	Data collection forms	Data analysis strategies	Written report
<b>Case study</b>	Developing an in-depth description and analysis of a case or multiple case	Providing an in-depth understanding of a case or cases	Drawing from psychology, law, political science and medicine	Studying an event, a programme, an activity, or more than one individual	Using multiple sources, such as interviews, observations, documents and artefacts	Analysing data through description for the case and themes of the case and themes of the case as well as cross-case themes	Developing a detailed analysis of one or more cases

*Source: Creswell (2013).*

Research method in this thesis work is qualitative research method. It is based on a theoretical framework and semi-structured interviews of corporate specialists from marketing or financial departments. It is planned to acquire data from the side of case company and from the sponsors side in the form of semi-structured interviews. It would be useful to extract the exact outcomes, characteristics and criterion necessary from case company to formulate sponsorship relations with the business. Received data will be collected, compared, analysed, thus, exact and explicit steps will be proposed for the case company in order to increase sponsorship the festival and attract additional financing.

This research work is addressed to one case company, and objective is to get more structured and systematic understanding and knowledge over the phenomenon – instrumental case study will be performed.

### **3.2 Selection of the case**

This study is instrumental case study, consisting of Etelä - Karjala region, Finland well-known theatre festival – The Black & White Theatre Festival, which usually

take place for one week at the beginning of the summer. Initially, request was from the case company related to assessment of additional financing perspectives of the festival. Except for the utilization purposes and society benefits, it was decided to perform instrumental case study and issue general principles and criterion of success in increasing financial support of such local one-week festivals, which have significant importance for local economy. (For details of importance refer to Chapter 4.)

Lund and Greyser (2015) identified, that relations between art organisations and corporate business bring significant benefit for both parties. *The partnership with an international arts museum (art organisation) can be seen to support the bank (corporate business) in differentiating its services from competitors on the basis of cultural and symbolic dimensions of value creation.* (Lund, Greyser 2015). Research of sponsorship relations was performed between big international bank UBS and multi-site major museum (Guggenheim). Thus, for this study work locally important event was chosen. The researcher's knowledge of the Black and White theatre festival was collected via newspaper articles and Internet sources, in opposite for local community festival is well-known, because it operates for 17 years. Also this case is suitable for research, because it has important position in local cultural life, it has significant experience in submitting financial resources from the government organisations and from corporate business. Also, local business new about this cultural event.

### **3.3 Design of semi-structured interview**

Regarding Mason (2018) the research design is defined *as essentially a plan for processing* the research.

At the early stage of the research, theoretical framework was learned, all necessary concepts and definitions of the phenomenon were studied. Also, contexts and all possible criteria were preliminary identified in the literature. Previous researches of exactly this case company were studied. Significant researches and different considered contexts were observed. This stage aimed of understanding the environment and the context to formulate research questions in such a way that they become relevant and informative.

The semi-structured interview of the case company CEO – Katri Lätt, was performed to identify priorities of the sponsee and values, which it can bring for the corporate sponsor, also it helped to keep both the focus of the right information gathering as well as the suitable sampling of respondents (corporate sponsors).

The next stage, preliminary questionnaire was formulated and sent to the local potential sponsors via e-mail, to identify the corporate business, which is interested in sponsorship in art organisations.

The third stage is performing personal or Zoom or Teams interviews with the respective experts. Preliminary, interested questions were formulated and they were changed from who, what and where to how and why. Because such kind of questions allow researcher to receive solid picture of the research question, interpret histories and experiences of respondents, and identify wider knowledge and understanding of the researched phenomenon. (Mason 2018).

Gathered empirical data was systematized and combined with the theoretic knowledge in order to create clear and wide list of explicit and implicit criterion of success of getting sponsorship and build successful sponsorship relations.

At the final stage, interpretations of the analysed data were combined with the extended literature review to form conclusions regarding main criterion for successful sponsorship relations between corporate sponsors and non-profit art organisations will be given.

### **3.4 Data collection and analysis**

The initial data about festival in this thesis was gathered from festival organisation manager (CEO - Katri Lätt) via Strategic 5-year report, accounting report, marketing review results, performed in 2018, official internet site and direct semi-structured interviewing of CEO. The work started in early June 2020 and finished at late December 2020. During all the time semi-structured questions were asked via e-mail and one formal semi-structured interview was performed in November 2020. For the list of Questions refer to the Appendix 4.

Corporate businesses semi-structured questionnaires were formulated on the basis of case company knowledge and theoretical framework. The primary information consists of three semi-structured interviews conducted in late November-December 2020. The length of the interviews was from 45 to 60 minutes each.

The semi-structured interview protocol, including questions and space for answers, was prepared preliminary, Because of the COVID-19 and its second wave the interviewees were conducted via Zoom or MS Teams software. Generally, such method of communication is suitable for the interviewed person, because it is safe and easy to organise. For the researcher, because electronic means can perform video and voice recording and also it is fast. All interviews were semi-structured, with open-ended questions specifically targeted to this research and focused on understanding the central phenomenon of the study (Creswell, 2013) – arts sponsorship, the criterion of success.

Information received from CEO of festival was split to the two main parts- basic knowledgeable information (internal) and information of perceptions, congruence factors and values exchange (external information). Internal information was presented in Chapter 4. and External information was structured regarding criterion of success in Chapter 5.2.1.

Information received through semi-structured interviews with corporate business was transcribed and analysed by the author of this thesis. The asked questions were categorized by the following topics:

- Internal structure and process of choosing the right sponsee. Timeframes and deadlines.
- Congruence factors – what are the important criterion for choice.
- Principal criterion of success in entering sponsorship relations.

Information was analysed and de-coded according to above sections and respective conclusions were done in Chapter 6.



### 3.5 Criticism of qualitative method

There is some criticism regarding case study approach. It was mentioned the gathered results and information are not structured and massive, it pointed that poor and not reliable scientific conclusions can appear, provided results are difficult to read and analyse. (Yin 2018). Usually, this reasoning considered as a main boundary for the acknowledgment of case study researches. *Critics state that single cases offer limited basis for generalization.* (Lund, Greyser 2015). According to Yin (2018) this criticism put the similarity to the case study and quantitative research methods and try to compare them. However, it will be better to recognise *case studies as a better basis for contextual and analytical generalization.* (Lund, Greyser 2015).

This thesis using instrumental case study systematise different factors, that can be potentially learned and extended to the other studies. Case study approach, if it is well – planned, well - designed, considerably performed and analysed, can give reliable information and conclusions.

## **4 Case company**

In this chapter there will be presented basic knowledge of case company, which were obtained from semi-structured interview of CEO of the festival Katri Lätt.

### **4.1 History of The Black & White theatre festival**

The Black and White theatre festival (juridically it is Association) was established in the year 2003. The Black & White Theatre Festival first performance held in Imatra in 2004. This is local small company, which is sponsored by local government organisation and Art Council of Finland (Taiteen keskustoimikunta). The goals and objectives of the organisations were out of profit categories, so it was formed as non-profit organization. They started from puppet theatre activities, and already from the year 2007 in addition to the puppet theatre other types of performances were added.

At the Black and White Theatre festival the artists from different countries perform in Argentina, Azerbaijan, Belgium, England, Estonia, Japan, New Zealand, Spain, Iran, Sweden, Germany, Russia and other. (Suominen 2011, Lätt 2015.)

The year 2020 was emergency year, because COVID-19 pandemia has started and all events were cancelled. Only during the September 2020 one day festival was organized. So, this year is representative and below normal operating conditions of the festival will be described.

#### **Main objective of the festival**

The South Karelia's international theatre festival operates for already 17 years. The festival organized more than 250 performances from 47 countries. The general aim of the festival is to present\popularize international and local modern theatre and circus art and bring together theatre professionals from all over the world, attracting spectators of all ages to explore the wonderfully comedy, tragic and sometimes insane world of art.

One more purpose of the festival is to bring different theatrical trends to Finland, to South Karelia and to Imatra. It is more international than any other event in South Karelia. It gathers spectators and performers from around the world and

thus, the existence of the Black & White Theatre Festival is also known abroad. The main idea of the Black and White theatre festival is their art and creative do not know the limits, and there should be no borders between countries and cultures.

### **How festival is organised**

The Black and White theatre festival's aim is to bring high quality performances in every play. Maximal number of performances was during the period 2016-2018, however, in 2019 it has decreased. Because organizers sure, that the excessive number of performances will not increase value for the audience and spectators. During the festival week maximum 30 performances were presented. But, the event management realised, that even fans of the theatre could not physically watch all performances without speaking about usual spectators. During the year 2020 one day festival was organized (due to COVID-19), and there was limited amount of visiting theatres.

The program of the Black & White Theatre Festival is created in specific way for the audience, who want to experience and be familiar with different artistic trends in theatre art. The festival organisers believe that high quality theatre performances in general increases the audience's theatrical taste and culture level. The festival every year perform new, modern, non-typical, experimental and diverse performances, including every time new audio visually performances.

### **Festival audience**

The target audience of the festival is wide: starting with the parents and ending with the children. At the same time festival desire to raise interest about theatre and art in young generation. Thus, the Black & White Theatre Festival attracts children and young people in different way – free tickets for the kindergarten performances and volunteering programs for teens. The main stages, where performances take place are at Kävölykatu Koskenparta, Imatra's city theatre (Teatteri Imatra) and Culture House Virta (Kulttuuritalo Virta). Also, local kindergartens and other different small stages are used.

Traditionally the performance week announced in late July. During the summer there are significant number of events take place throughout Finland although the festival's audience and locals are aware of the Black & White Theatre Festival take place almost at the same time, so the basic audience can be attracted. However, festival can be treated as "all year round" event, because additionally (i). puppet and children's theatre event held in September-November, and (ii). dance event in January-March.

Prices for the Black & White Theatre Festival performances are kept on the lower level in comparison with the other similar events. During the year 2019 the organizers performed experiment (trying to increase the tickets sales volumes) and reduced prices for the tickets. Although ticket sales volume was at the same level as during the previous year, so festival attracted less money as expected.

### **Management of festival**

The organization structure of the festival as of winter 2020 is simple and includes: artistic director - Kamran Shahmardan, chairman of the association – Katri Lätt, who is also the executive (CEO) director, Anne Hinkkanen – the secretary and international relations - Alina Serous. The secretary and international relation specialist are part-time workers and attracted for the work if necessary, in general all preparation operations were covered by two people and volunteers help during the festival. The tasks are divided in two parts: creative in performances (Kamran Shahmardan) and overall organisation (Katri Lätt).

The artistic director from the very beginning and still is Kamran Shahmardan. He is film and theatre director and producer; his origin is Azerbaijan. He and his family has lived in Imatra for many years. He produces theatre and movies both in Finland and other countries, thus his work was awarded at international festivals.

Executive director is applying for grants and build communication with performing troupes: discuss and signs contracts, organise tickets sales process, negotiate accommodations for the guest theatres, and so on. The secretary coordinate also works of the members of the festival and perform general help. International relations specialist performs proficient applications and communications in English, when needed.

Usually there are about 35-40 volunteers are working couple weeks before and during the festival. The main tasks are assigned mostly according to basic skills and knowledge of the volunteers.

During the year 2019, the artistic director for the first time was paid a regular salary in order to cover time and efforts spent for creative performances and to hold the quality of the event on the top high level. This increase festival budget significantly. As a result, the festival does all marketing operations by CEO forces. Here is the moment of balance between shortage of financing and quality of performance and advertising of the event. That is why this thesis work is aimed to research the financial potential of the festival.

The organizers of the Black & White Theatre Festival wish to scale and increase the importance of the event locally and internationally. Firstly, it is always the question of financing. Secondly, scaling mean also extending the event schedule, as it was planned in 2019, during the winter they organise dance event, in summer regular the Black and White theatre festival, and in autumn puppet theatre performance. Although during the year 2020 COVID-19 pandemia appeared, regular event was cancelled, one-day event (local performers and puppet show was done) in autumn was performed and no prognoses about the year 2021.

The festival have opportunity to organise events also in Lappeenranta – town near Imatra, although the negotiation process there is complicated. Only one in the year 2013 the Black & White Theatre Festival performed in Lappeenranta.

#### **4.2 The financing and sponsorship process**

As it was mentioned above the main financing of the festival is performed by the local government of town Imatra and Art Council of Finland (Taiteen keskustoimikunta – taike.fi). Also, in the years 2016 - 2018 20% from total festival budget formulated from selling tickets. In the year 2019 after the failure of discontinuing program this figure fell down to 5%. So, available financial report of the festival related to the year 2019 and there 90% of financing is performed via direct local grants (2018: 70%).

Festival also participate in some art associations, which provide one-off support, advertising and provide contacts for communication. There are some small foundations granting from € 200 and more (and still not significant amounts), however, all sponsors are equally presented and advertised equally, because every euro is really important for the festival. All Black & White Theatre Festival sponsors and partners can be viewed at the official site of the festival: [blackandwhitetheatre.net](http://blackandwhitetheatre.net) . (New one - [blackandwhitetheatre.fi](http://blackandwhitetheatre.fi)).

### **State sponsors:**

The Imatra's government bodies, who participated in sponsorship (money and in-kind) of the events in different years: (i). the City of Imatra, (ii). Theatre Imatra, (iii). Kulttuuritalo Virta, (iv). Imatra Region Development Company, (v). Karjalaisen Kulttuurin Edistämissäätiö, (vi). Imatra Base Camp (Kehy), and (vii). Imatra city centers Imitsi.(Viii). Karelian Cultural Fund.

### **Funds memberships:**

- International puppet theatre organization UNIMA since 2005
- Imatra city centers - Member of Imitsi since 2006
- Association of Workers' Stages since 2010
- Europa Mime Index (Move-Award), August 2013 (Antwerp, Belgium)
- EFFE Label (international festival network and quality label) 2017

### **Private business:**

- Stora Enso – small amounts of money,
- K-ryhma - in-kind,
- Vuoksen Kalastaspuisto - discount,
- Center Hotel Imatra – discount,
- Ovako – small amounts of money,
- Metku – small amounts of money,
- Kent Steak House – discount,
- Leipomo Toivonen – in-kind,
- Ravintola Kulmahuone – discount,
- Advertising agency Dominus – advertising discount,

Regarding **expenses** – the significant part of the budget goes to performers' salaries. The money also spent for marketing and hotels for the international performers. The Black and White theatre festival created in 2016 year the five-year strategic financial plan 2017-2020, which the festival's CEO need to renew after five years. As in the year 2020 there were no main festival arrangements, thus financial plan shifted one year forward. The CEO of festival insisted on the fact that the Black and White theatre festival is not a commercial story. The highly cultural event, from the EU practice and Finland in precise, and large culture events are supported and financed by the State or at least by the city. Thus, in order to increase financing it is necessary in work in different directions: State, town, corporate business, local business and independent international funds.

### 4.3 Characteristics, previous work done and advantages of the festival

To improve, analyse and research The Black & White Theatre Festival's organisation, operation and financial support there were a lot of research and analysis performed.

- **Target audience** was researched by Helsinki 'Sponsor insight' company (sponsorinsight.fi) and Imatran BootCamp in the year 2018.

The objective of the survey was to recognise the perception of the Black and White theatre festival visitors (77 peopled take part in survey) about the organisation of the event, associated services from partners. Respective development proposal was issued. The study also aimed to determine, how much money the visitors spent at the event and in the Imatra area.

- **Strategic management and environmental analysis (2018)**. The whole system was analysed and implementation of environmental analysis was advised under the research.
- **Volunteers perception (2014)** was identified and studied. Internal stakeholders benefits.
- **Tools for event evaluation (2019)** were identified and research within the Imatra area.
- **Event marketing plan was studied (2011)** – strong and weak sides identified.

#### 4.4 SWOT analysis in marketing and sales channels

Based on all above research works and own understanding author created SWOT analysis of the Black & White Theatre Festival.

##### In marketing field:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Circus and mad performances no analogy at the territory – unique type of performance.</li> <li>- Quality of the performances</li> <li>- International concept of the Festival</li> <li>- In-house professionals\performers already exist</li> <li>- Loyal customers</li> <li>- The tourist business perfectly developed on the territory</li> </ul>	<ul style="list-style-type: none"> <li>- Developed by own forces.</li> <li>- Volunteers and free labour forces (practicians)</li> <li>- Weak social media (not effective)</li> <li>- No sales and marketing strategy</li> <li>- Weak participation in professional societies</li> <li>- No financial plan for boosting this event</li> <li>- No loyalty programs</li> <li>- No ticket basket on the official site</li> <li>- Timing</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- To cover market via Blew ocean strategy.</li> <li>- Business model can be in scaled</li> <li>- Low prices for HR</li> <li>- There is potential to increase customer basis</li> <li>- Inter business collaboration can be done with low costs</li> <li>- Opportunities for personal brand development</li> </ul>	<ul style="list-style-type: none"> <li>- Small budget</li> <li>- No results from weak social media</li> <li>- Lost profit from almost free marketing means</li> <li>- Festival potentially loose opportunities for financing from different professional societies.</li> <li>- Direct sales from official internet site or via loyalty program</li> <li>- Thera quite many theatre festivals at the region</li> </ul>

As the Festival is not so big, so **Marketing budget** and resources are **limited**. Although there is possibility to attract volunteers or practicians for the simple, general or specific tasks. There is Circus school in Lappeenranta (30 minutes drive from Imatra) and its students can act as volunteers and even the artists at the festival. This can help in practising yuong people in circus profession. There is also SAMPO professional school at the territory, where technical specialists





can be attached for the professional practise during the festival – this is good professional practice.

**Brand** is quite solid and symbolic for the Imatra town. Its classical model of Yin Yang symbol created from two swans (local territory symbol). And the name of the town can be seen, however, the name of the festival “The Black & White Theatre Festival” or even abbreviation B&W not clearly identified. One more issue was detected, another design in all social media. Design, main idea and name viability is perfect, also work related unification and recognition of the brand was done.



**Personal branding.** Most of host performances are done by the local Art Director Kamran Shahmarda and Chairman Producer Katri Lätt. In narrow circles people knew who they are, and it is necessary to promote personal brand for the potential spectators and visitors of the festival (open the door of personality and copyright beautiful story telling) via backstage videos and charismatic work of the master.

**Social media.** Festival has some not so active social media: FB.com, VC.com (both presented at the official internet site), Instagram, twitter and youtube.com.

All personal accounts (if personal brand promotion will be accepted) need to be interconnected with the Official Festival accounts and related information need to be cross referenced there. Also need to issue on regular basis news, storytelling or memories about just finished festival. Because at the date when announcement of new event will start all social media will not feed this for potential customers.

**TikTock** is extremely popular within young people – exactly target auditory, however, not used by the festival management. And coverage can be done quite wide. As this social media is international, so festival can be promoted internationally. It is necessary to issue a little bit specific content. **Youtube** should be done very intensively, because festival represent quite good visual content, thus bright and sparkling moments need to be advertised. **Instagram – online streams** from the place should be done for the advertising-the-same-day. This also will work because locals can be interested and the distances are not so big, so at the evening show management of the festival could sell more tickets.

**Official internet site.** It is weak and not modern and not interactive. Structure a little bit complicated and overloaded. It is possible to create new official Internet site via free site constructors (WIX.COM or any). Hosting anyway will be paid. Also it is possible to take for the practise respective graduating IT Bachelor student and ask for optimization and new design. Also, official site should provide **on-line tickets basket** and partnership banners with transport and accommodation facilities (collaboration and product placement). All provided **links need to be short** and harmonically posted into the mails of representatives of the festival team.

**Creation of unique concept.** Theatre festivals are performed in many towns in the area. And according to Blew ocean strategy it is necessary to perform development in small not fulfilled niche. Thus, in the South – Karelia there are not represented on the entertainment and circus art, although the human resources and art director are taken place. It will be interesting to promote Festival as **extreme** and **circus** and **acrobatic** art. Some kind of "mystery". The Black & White Mystery can be advertised and attract potential visitors.

**Timing.** Need to analyse the full schedule of events in the region. It is necessary not to come in direct competition with the same or big popular international events<festivals and so on. Also, collaborations can be performed with the similar cultural events within the territory or even with Helsinki friend-organisations. It can be even Savonlinna Opera Festival, because content is absolutely different, and they cannot be considered as 100% competitors.

**Traditional methods of marketing work.** As it mentioned above, such festivals increase attractiveness of the area for the tourists and for local cultural life. Thus, different collaborations on barter basis can be done with local towns news-papers. Main requirement of the press release is to print logo and give internet site for purchase tickets.

**Involvement of celebrities.** In order to attract attention of new target audience, public person need to be invited and widely advertised after the event.

As it discussed above, now festival has limited funding, so it was summarised below all possible Marketing steps, which can be applied in different aspects.

1. **Mission, vision, values** need to be specified and implemented to **SMART<sup>1</sup> KPIs**. As the Festival plan to expand\boost and become bigger, so this is the first and necessary step.
2. Coverage of more types of social media - same content everywhere. Include **storytelling**. Also schedule need to be distributed for free performances on the streets. **(BRAND / visibility)**
  - TikTok
  - Youtube
  - Fb\Instagram
  - Posting news in social media beforehand
3. Personal brand not developed **(BRAND / visibility)**
4. Not recognizable (as a sound and as a picture) brand – or it is necessary to make brand more recognizable. **By what means:** It is possible to make re-branding (and this require financial resources). **Second option** – make it more visible – at every social media need to post same logo. The owner's of the festival need to associate personal branding with the festival's brand. **(BRAND / visibility)**
5. **Local sources** – distribution of booklets, distribution at the partner points and tourist places or via restaurants – may be on the barter basis. **(PAPERS spread).**

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<sup>1</sup> SMART - Specific, Measurable, Achievable, Relevant, Time-Oriented

6. **Collaboration** with the same festival at different timing – even with the Savonlinna, because content is absolutely different and they cannot be considered as 100% competitors.
7. Involvement of local or international celebrities. **(Collaborations)**.
8. **Crowdfunding** as source of financing not used. **(Patreon.com)**
9. It is necessary to be represented more in Finnish theatre societies. **(Admin)**.
10. Internet site does not provide sales and purchase tickets. **(Technical issue)**
11. **Headliner's (popular art groups) – it is possible to communicate with the ex-residents of Du'Solei circus.**

Strong and weak sides of exact **festival's sales system**.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Main Funding is performed by one local organisation, which covers all expenses</li> <li>- Unique performance and strong professional network were created</li> <li>- Locally well-known brand</li> </ul>	<ul style="list-style-type: none"> <li>- Main Funding is performed by one town organisation</li> <li>- Sales of tickets cover 5% of all expenses</li> <li>- There no sales basket on the site</li> <li>- Weak marketing channels</li> <li>- No loyalty program</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Good conditions for collaborations (this is covered funding-without-funding)</li> <li>- Sustainable high-quality product – can easily be sold</li> <li>- Permanent\loyal visitors exist within the territory and can attract more visitors</li> <li>- Potential for scaling and development is high</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Small budget for marketing and development in general</li> <li>- Only one source of funding is quite risky</li> <li>- All expenses spent for marketing via social media is wasted because no sales basket on the official site</li> </ul>

**Tickets sales policy.** According to previous experience of the festival – discounting of the tickets prices is not acceptable, so stable tickets sales policy need to be organised.

Regular prices need to be created and price policy reworked. Potential customers should have opportunity to purchase tickets for the exact show, and there should be created “package” tickets for thematic performances. Also “children” package needs to be created.

The main issue, that Festival have **NO sales basket** at the official site as a result even if potential customer **want** to purchase (through any mean – social media or she\he see the paper ads) – there no fast overview of prices and means of purchase. CUSTOMER JOURNEY is stopped at the moment when customer need to put an effort how to purchase the tickets. This process is very narrow and important, because in social media new information will arrive in 7 seconds. So, it is necessary to create basket in the official site, then, link it to all social media and personal papers of producer. After that, official site need to be promoted in google feed. Target marketing also need to be fulfilled.

Loyalty programs and collaborations. **Loyalty program** is the best solution for the festival sales and coming for some profits. How it works? After the current festival have been over, it is necessary to propose for the visitors opportunity to purchase tickets – any type - for the next year performance (yes-yes, they do not know the contents or something, however, they will receive huge discount (for, example - 50%) for the performance and festival will receive money immediately).

Festival owner need to organise **collaboration programs** – after purchasing and attending the festival customer, can receive discount in the local restaurant, shop, hotel or regular theatre performance.

**Crowdfunding and regular sponsorships.** Patreon.com – is donating service, which can be once implemented for those, who want to participate in sponsorship. Also, private companies who searching such opportunities can be sure, that Festival is opened and seeking for sponsorship.

#### 4.5 Economic importance for the local society.

The international festival has significant economic impact on the local society and region in general. First, the festival itself spin up the economy of the region because in-house performance needs to be prepared, financed, advertised and on. Secondly, international invited performers need to come by any mean of **transport** (local air, train and bus infrastructure involved), **accommodation** (hotels and hostels are involved), **eat** (restaurants and grocery shops are benefitting) and **use local infrastructure** (taxes grew – town benefitting). Third, local spectators and tourists (satisfied from the town image and general atmosphere) bring their own money to the area's shops and services. And forth, the local citizens of Imatra, when they watch high-quality performances, are satisfied and outflow of population does not appear (**population effects**).

Imatra is a strong tourist city and the festival is one of the key additional reasons to travel to the locality – positive image of town for **tourist industry** in general.

In Imatra there are many great, visually attractive and also sport events are held today, however additional value of the Black and White theatre festival consists of it **unique content**, attractive for wide variety of people (children, young people and adults) and deep **cultural impact** for the area cannot be overrated.

## 5 Presentation of empirical study results

This chapter represents the structured results from performed semi-structured interviews.

### 5.1 Process of choosing potential sponsors

Starting to formulate the list of potential corporate sponsors, and the list was formulated by the following significant criterion:

- The entities operating on the territory of Finland and South-Karelia.
- Corporations are public and possibly listed on Helsinki (Nasdaq) and other stock exchanges

Thus 12 companies operating on the territory of South-Karelia, were identified. (refer to details information to Appendix 1). The most significant (according to profit in the year 2019) were chosen. As they are public, so basic information about companies is open and can be analysed. After scanning Internet sites and corporate social responsibility reports (CSR 2019), The electronical mails with preliminary round of questions have been sent to 10 companies, diversified by industry – it was decided to avoid interviewing, for example, only banks of paper and packaging companies.

Only three of them agreed to go through semi-structured interview and all 5 proposed to follow electronical application forms and CSR reports for getting the same information. Refer to Appendix 2. for addressed questions.

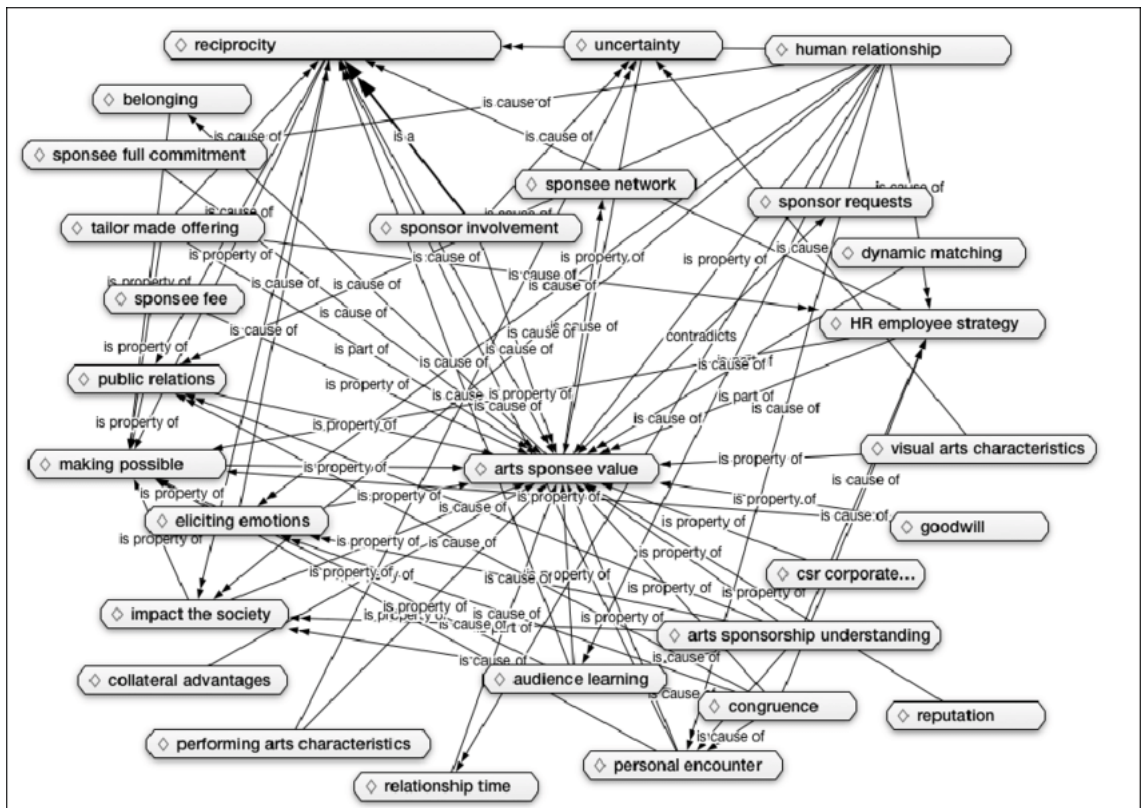
## **5.2 Sponsee's point of view for criterion of success**

For the main objective of this study, initial interview questions were created on the base of initial e-mail communication with Katri Lätt and preliminary studied theoretical framework. Values, which art organisation (sponsee) can bring and other questions refet in Appendix 4.

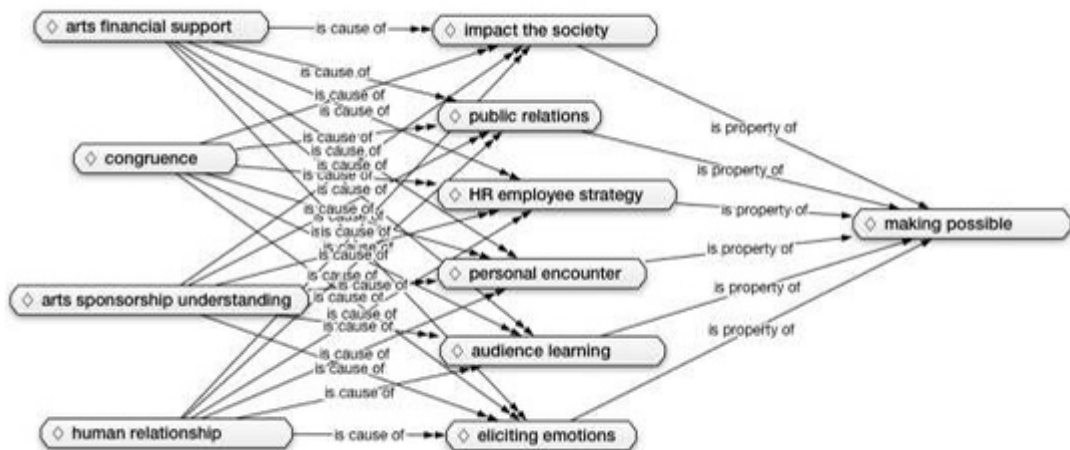
Under the performed semi-structured interview representative of art organisation mentioned that it is quite difficult to become part of the culture. The most difficult is developing critical thinking and enjoy the show, which is difficult to perceive. And both of this are possible only though ongoing iterations and existence of variety of artistic events, shows and other types of culture expression within the territory, country continent. When COVID-19 arrived and financing shrink and public funding or government support could sooner or later become not available, so it is necessary to increase the variants of financing such important sphere of all society's life.

**Deep mission, complex vision, and priceless values.** During the preparation for this research author found the Doctoral research where Toscani (2018) extracted from his research such category as "Making possible", which appeared regularly in his interviews with art organizations, when the question about what values art organization can bring to sponsor? – from this category answers were started and Toscani (2018) created the following chart of factors, which \*mace it

possible\*. During the interview with CEO of festival author also identified and discussed reliable categories.



After some systematization It can be seen, what criterion are influencing Sponsee.



Source: Toscani (2018).



Answering the question about the potential values, which festival bring to the corporate sponsor, she answered, that

1. **Educational values.** Starting from giving the opportunity for the young people to help during the festival (described above Art School and SAMPO school) as volunteers and finishing the cultural education of new generation of young spectators. Via modern art children can be acquainted with the classical world works – literature and music.
2. **Children and youth variety of education topics.** Any topic actually can be presented in artistic form – it can be changed climate, nature protection, expression of different fillings and so on.
3. **Cultural level** in general. Be acquainted with different new styles of art. Develop intellectual level and educational level for all layers of society.
4. **Local place attractiveness:** for the local society, who is labour force at the territory and for the tourists (in-house and international).
5. Developing **international connections** and links.
6. Festival already well-known locally and internationally, and approved its **perfect reputation**, thus sponsorship relations and fulfilment of responsibilities for 100%.
7. **Reliable and sustainable.** Festival has 5-year strategy, where it formulates own plan for development, marketing researches were performed – all necessary metrics for the corporate sponsors can be provided fast.

After the getting all these positive outcomes from festival the author of the study noticed, that all this values are so massive, complex and may be a little bit spiritual. People of art always use such and they are inspired of such high perception of own mission. Although the author of research re-formulated and stressed attention on consequences of all these values brought to society by festival, in order to make the more understandable for the corporate sponsors. Investing in to the

1. Culture of visiting events lead to increased consumption, however not just food, clothes and new smartphones, as well as for books, literature, films, theatres, opera and ballet and so on
2. Education of young people also inspire them to be more protective and start projects by themselves – which also lead to intensity of economy.

3. Educated person (person with clear life values) in general will act responsibly, respectfully and nice. Artistic industry can give “second chance” for normal life for alcoholics and narcomans (addicted people), thus this portion of society also will increase consumption and economy growth.
4. Native advertising during the event, which bring positive emotions also can **trigger** corporate business **sales**.
5. From analogy with sports – millions of fans travelling for the championship events through over the world, thus sponsoring art events business stimulate number of industries, such as **transport, accommodation, food, clothes**. When the place need to host ant type of event repairment works locally are performed – which spin off economy development.
6. For the business, who operate in the region, sponsoring of local art events is crucial, because in such a way it increase the quality of life for all sitizens and **employees precisely** – **satisfaction** level and production efficiency correlate. **Improvement** of local **infrastructure**.
7. During art event people are working – thus sponsor create **additional working places**.
8. Art events by substance perfect place for product placement, because there are so many types of preparation services and goods need to organise, thus the companies – business receive **native advertising for free**.
9. Diversified target auditory can be covered, via sponsoring different types of events. Regarding case company – it attract the young generation (spending for children is extensive) and older generation (pensioneers are ready to spent – they have no time to save) – and both of this target groups are can bring for the business **additional sales**.
10. Sponsoring art events business can receive loyalty from different social groups and **increase in such way corporate social responsibility**.
11. Sponsors are provided the place for **creative variants of advertising**. Advertising as art also can attract target audience by themselves.
12. Festival has it's own strong **brand**, thus less known **business** can get value from sponsoring this event.
13. Referring to the **experience economy** chapter, it can be considered, that sooner or later the main marketplaces will be focused near performances, festivals, shows and events, where new experiences and emotions are

created, thus entering art sponsorship today will **bring value in experience economy** in future.

It was also mentioned that there are two main forms of support: (i). direct financing, (ii). In-kind format. Thus, all **local businesses**, if they have no budgets for investing, can participate **in-kind** and increase own **positive brand image**, for example, electricity, free private stages, accommodation for international performers, free food supply.

Basic problems and difficulties, the author would say – uncertainty, can be formulated as:

- Does financing arrive and does sponsorship contract will be implemented smoothly and effectively.
- Does congruence in objectives and values come together this time?
- Will sponsorship relations effective and will they bring satisfaction for both sides?

### **5.3 Corporate business (Sponsor's) point of view for criterion of success**

Refer to Appendix 2. For asked questions.

#### **5.3.1 Fortum**

Under the semi-structured interview with the expert it was found, that the company in the previous year's actively supported the cultural and art movement. Starting from spring 2020 they changed the focus and announced the main topics, which need to be promoted via sponsorship relation is (i). Climate and its changes; (ii). New types of materials; (iii). Children education according to two abovementioned topics.

Usually, Fortum accept application on year-round basis, but the main Board meeting and acceptance of budgets is performed at the end of October. Quarterly they can accept 2-3 projects, but main work is performed before this timeframe. This information is not available at the open sources, but for the potential sponsee it is very important to be aware about such specifics.

Potential sponsee can apply for sponsorship support (it can be in four formats in this company – sponsorship, donations, in-kind and free volunteers) via electronic application at the official site. Company does not organise separate foundation. Own sponsorship department work with all sponsorship applications. The senior managers of this department is the first filter for all applicants and only one person exclude non-suitable projects. And only short-listed projects are discussed with marketing department and on the Board meeting.

The main criterion mentioned via semi-structured interview is the **topic** of the event and the topic of the company strategy need to be the same. Expert mentioned, that in order to get sponsorship support is possible to separate the section about climate or new materials – variations are possible, and they are quite flexible in the process. Although demonstrating only the logo of the sponsor is not enough in 21<sup>st</sup> century. Here we can notice, that corporate sponsor need high **level of congruence** and **similarity in mission, vision and values**. Expert also mentioned, that being the sponsors of the same project sponsored by the competitors – is absolutely excluded.

The expert also mentioned standardised requirements, about **volume of target audience** (direct audience), **developed social media** and its coverage (indirect audience). Sponsee need to be medium-sized because company highly interested in the **International level** of projects, the art organisation has the possibility and efforts, qualification to repeat the project, mitigate risks. The expert insisted, that no need to provide specific Strategic plans and reporting documents, but application form is quite extensive and require from potential sponsee clear view on own abilities, qualification, **risk management** and strategy of development. Also company need to have developed social media and own official site, which presumes **medium-sized** budget.

The most valuable, which mentioned by the expert is the unique values, which project can propose for the corporation – new approach and non-standard presentation of the topic, possibility for replication and risk management plan. Under this criterion of success, the corporate business decides whether long or short-term conditions will be proposed for the potential sponsee. Sponsorship agreement is in corporate standard form and can be insignificantly be tailored.

According to the contract sponsorship financing and free marketing support can be proposed.

### 5.3.2 OP

The semi-structured interview with OP bank specialist disclosed, that OP bank main sponsorship topic is exactly culture and art development at the activity regions Finland mainly and minor Estonia, Latvia and Lithuania.

The main corporate objective of sponsorship with OP bank is that the target audience of the potential sponsee adds value *to the thing they value*. It means, that art event creates and performs **diverse, cultural, and social valuable content**, it means, that the art organisation has clear mission, mission and own values and strategy for development. As expert commented, not exactly formally created, but vision should be clear. It should be higher-quality events by substance or provided services congruent with the own development strategy. In comparison with the previous corporate company – OP bank **promotes unique concept** of art event without involving in the topic or content of the event. It is aimed to get positive image via participating in already solid cultural event.

OP Financial Group is operation on win-win principles, which means the **low level of congruence** at operational level is required. OP's basic **mission** is to promote the sustainable financial well-being, safety and success of its owners, clients and operating local territories. The expert of the bank mentioned the main **values** as proximity to people, high level of responsibility, and success together.

Successful sponsorship relations with OP bank is those, which are represented in (i). the successful marketing work and bank positive image is actively promoted via art event; (ii). communications and customer work - also adds value to our business and supports our **company's reputation**. As the expert specified this can be done **indirectly** or immediately (**directly**) during the event.

The main criterion of success for choosing the art event as sponsee should:

1. **socially significant** topics are covered during the event,
2. **regionally or nationally** bank representation (geographical congruence),

3. **the target group coverage.** The amount of target audience should be approved by previous valuation and active social media coverage. But still the expert disclosed, that audience, visiting the art events and banks are absolutely congruent with any of the strategic development of the bank. Thus, this factor plays secondary role.
4. **high standards and development level** of the event itself.
5. The OP bank expert mentioned that potential sponsee needs to act **responsibly** and in accordance with **sustainable values**. Mission, vision and values congruence.
6. Corporate social responsibility congruent values and directions for development.

Usually, OP bank proposes sponsorship relations on a **long-term basis**, thus the selection is performed from the best events in the country, but unique factors and unusual types of art events are preferred.

### 5.3.3 Neste

Interview was performed after the thesis work was done and upload to the Turnitin.

## 5.4 Data received from secondary sources.

During the process of corporation choice, it was identified, that some of them already has structured application process for sponsorship. Thus, we entered to the official sites and identified main criterion of successful sponsorship relations for the potential sponsees. The process basically standartised and include as a rule the following stages: (i). **Qualification** – compliance stage, where all illegal or politically motivated projects are excluded; (ii). **Basic information** of the potential sponsee; (iii). **Initiative justification**; (iv). Complete stage.

I. **FORTUM** (<https://www.fortum.com/about-us/sustainability/our-people-society/csr/csr-support-guidelines/csr-application>)

The main criterion, which need to be fulfilled to receive sponsorship financing is formulated in Guidelines for Fortum's social responsibility initiative support.

All initiatives are to be related to Fortum's Corporate Social Responsibility programme's **strategic focus areas**:

- Climate (environment and water),
- People (particular emphasis on Children, Youth and Education. Should have element also from either Climate or Material Revolution),
- Material revolution (recycling and waste).

Also, potential sponsees need to satisfy ***basic qualification criteria***. Only qualified sponsees can go further into the evaluation process:

Sponsorship is not impossible in case of:

- Any political context
- Public authorities (e.g. officials, police, military)
- Labour organizations
- Municipalities, local governments-accessory advertisements
- NO SPORTS (only if aligned with the CSR programme topics)
- Religious context
- Illegal, unethical context or activities harm environment or safety
- Simple advertising trucks - anything for logo visibility only (no value, no mission, no vision).

At the basic information level it is necessary to provide at least one **social media channel and own official internet site**. Mentioned **target countries** – Denmark, Estonia, Finland, Germany, India, Latvia, Lithuania, Norway, Poland, Russia, Sweden or Other country under discussion.

**Reasons** and **aim** of the project need to be carefully disclosed and interconnected with the sponsors' outcomes. The strong factor is the connection of local society development and corporation involvement in this. Details about target groups (age groups portions – minority, majority) need to be carefully disclosed planned activities and intended outputs from it need to be created and presented for the consideration. The criterion increasing the probability of sponsorship relations is coverage as much stakeholders as possible and presenting this in application form.

**Clear KPIs** need to be created and implemented into the Development strategy, because potential sponsor requires – **increase of knowledge of topic, changed opinion** on related topic.

**Identification of challenges and risks** of the project and mitigation of this risks.

## **II. OP bank ([https://www.lyyti.fi/reg/Sponsorointihakemus\\_8296](https://www.lyyti.fi/reg/Sponsorointihakemus_8296))**

**Main prerequisites for the sponsorship.** OP strategic requirement to participate in sponsorship projects at those locations where bank perform is operation activity. It means that main targeted **geographical region if Finland** (Baltic countries are the minor target region, however, can be considered). The OP bank process applications twice a year, but there no information in open sources at what periods exactly this happening. But application form is available for filling year-round.

What and who do we sponsor? OP provide sponsorship for **culture and socially exciting projects** in Finland and Baltic regions.

OP Financial Group **does not sponsor individuals**. In uncommon and specific cases individual can receive sponsorship support. Such events must be in line with OP bank's sponsorship entities, and they must be especially interesting, unique in content and format of presentation.

The potential sponsee should have actual social media and official website, in order to evaluate target audience coverage and it's quality.

### **The following types of sponsorship can be proposed:**

- a single event or sponsorship of a short activity,
- long-term / continuous cooperation / partnership – main category,
- support / advertisement – in-kind support is possible,
- product or monetary donation – one off transactions can be issued in exceptional cases, and some other form.

**The target of sponsorship can be:** (i). local or regional; (ii). Nationwide; (iii). extending to a wider area.



It is necessary briefly describe the art or other event, which need to be sponsored. The following main aspects need to be covered: (i). area of operation, (ii). time of operation, (iii). organization and (iv). development plan.

What are the main target groups to which the activities are directed and the size of the target group?

**What partnership type is searched by the potential sponsor?**

- main partnership
- one of several partners
- will be agreed separately

**Other open questions** targeted to identify the congruence points. Why do you think OP bank would be a good partner for your location? What compensation do companies receive in cooperation, how can cooperation be utilized? What other partners do you currently have? – this question exclude the variant of being presented with the competitors and non-reliable companies. How is socially responsible doing (social responsibility and environmental responsibility) reflected in your operations? – most of the corporate businesses require sustainable partnerships. 10-15 years ago such questions were something specific, but today in 2020 it is like normal filter question, which is rarely answered as no – the organisation does not care about society and environment.

**III. Neste (<https://www.neste.com/apply-sponsoring-and-marketing-co-operations>)**

*For the benefit of communities – support for the public good.* This is the slogan of the Neste official Internet site, which entitled the social corporate responsibility page, where non-profit organisations can ask for sponsorship or support.

The main targets of Neste for social development are – work together and develop solutions that change the world on the path to **a carbon neutral future**, establishing a **healthier planet** for future generations. The main theme and positive image under which Neste works is – sustainable and ecological picture of the company.

Neste considers the sponsorship as the effective tool for marketing collaboration. The corporation actively builds its positive brand image. It heavily invests to causes based on its mission, vision and values. Neste establish sponsorship relations on the company's strategy and its global operations.

The main categories, with which corporate business ready to work are - culture, arts or entertainment, social support, sports, collaboration with schools, environment and other. It means, that the range are quite wide. The corporation is interested in exact **geographical** areas – areas where business is represented. As it can be seen from application questions, the corporation also searches the **congruence in missions, visions and values** with sponsee. And also **creative and unusual integration of target topic** in sponsored event will enforce the position of potential sponsee in application process.

One more specific value company want to engage with several communities - **support work for the public good**. Preferably it need to be done via promotion and visibility of new sustainable renewable products and solutions.

Neste separately mentioned, that **research and development activities** play an important role in businesses and have chance to receive support. Main mission and vision in research and development is to fight against climate change and promote the circular economy. Thus, innovative solutions are highly welcome. Sponsoring collaborations connects the global concepts and common values and strengthens corporate stakeholders interactions and loyalty.

There are electronical applications of potential corporate sponsors, available in the Internet. They ask questions to choose right sponsee. From company to company most of the questions are the same, so in order to systematize the information, it was obtained from the companies: FORTUM, OP, Neste, Handelsbanken, Nordea, Kesko, YIT, and other aggregated to the pivot table, where criterion for the sponsee can be clearly seen. See Appendix 3.

## 6 Conclusions and implications

### 6.1 Conclusions

The categories and terms, which are used by the art organisation are not the same as potential corporate sponsor operate. The main difficulty of the art sponsorship is high level of uncertainty and complexity (structure and content), where potential sponsor cannot use standard advertising models. And at the same time this is advantage, because variances for promotion goods and services are significant during art event. The experience economy era is coming, and target audience will be mostly represented at the different events, including art, so sponsorship is rather perspective promotion tool. However, main question appears - who need to find the possibilities for partnership, sponsor or sponsee? Who need to act proactively and find best fit and congruence with the partner? This these are good questions for further research.

Both theoretical and empirical research has identified that the art sponsorship could connect both, sponsor and sponsee, brands specifics together and give the possibility for creation of a more qualitative content linked to main vision, mission and values of both organisations. Effective sponsorship in such case will act as synergy of resources and boos the development and performance of both parties.

Art sponsorship is still including a big risk for both sponsor and sponsee. Making such relations more and more complicated than before. However, world is changing, especially the year 2020 and COVID-19 pandemia revealed, that complete renewal of promotion and interaction strategy need to be done. The festivals have to face new reality and realise the long-term potential of corporate sponsorship instead of resisting to the new context of financing events.

It was identified that big corporate business is perfectly developed and followed own corporate social responsibilities, including sponsorship, partnership and donations programs. They propose convenient and easy to follow application process via own official Internet site. Clear and explicit, and not excessive questions with MSQs and open questions usually proposed. So, it is positive factor of communication, although from other side – absence of personal dialogue or pitch procedure exclude the opportunity for non-standard projects receive sponsorship or

discuss possible variants of support. Thus, the process here is like “black box” and more transparency necessary to implement.

Corporate business in general have highly developed CSR strategies and clearly understands what values and benefits from sponsorship congruent and fit with they’s strategy, under which base they take decision for starting sponsorship relations. However local big and medium-sized businesses have not possibility to change marketing strategy to sponsorship model due to lack of information spread. For example, experience economy and increased efficiency of sponsorship model was not researched heavily, thus it can be further research perspective.

In general, big corporations have the same sponsorship process, except small specifics and topic differences. Despite the fact, that the process of the sponsee highly formalized and staged, however, in open questions it is possible to describe all specifics of forthcoming project and the most important factor - explain to the corporate business, how it would benefit from such cooperation. Business search for unique projects although need to enter long-term relations in order to reduce expenses, in opposite, the sponsee receive benefits from long-term relations and it brings stability in its operation.

It was identified in corporate business companies, that at the initial stage of sponsorship process projects are filtered by 1-2 people from one department, which can lead the bias threat and loose of opportunity from marketing point of view. From compliance and independence point of view all projects need to be filtered and short-listed via joint meeting of managers from different departments to catch valuable sponsorship projects. This phenomenon needs to be researched separately.

## **6.2 Further research implications**

The quantitative research can be performed in the medium-sized local companies because they are benefitting the most from performing such cultural events. However, the problem is in the low development of marketing channels and in any

emergency situation (e.g. COVID-19 pandemic) marketing budgets are closed. Thus, it is necessary to create sponsorship journey for medium-sized local companies, to increase efficiency of sponsorship process.

One more direction for development is delivering the latest scientific achievements regarding marketing and effectiveness promotion via art sponsorship, which in experience economy, will become the favourite promotion tool in forthcoming decades.

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### Appendix 1. List of contacts and chosen corporations.

Name	Art sponsorship?	Preferred sponsorship type	Where art Sponsorship	Sponsorship budget (2019)	Contacts
<b>Fortum (international)</b> – the biggest <b>electricity</b> generation plant in Imatra	Yes	Sports – 34%, Environment – 23, R&D-12%, art and culture – 9%, Children – 7%, Other – 15%,	Fortum was a main sponsor of Øyafestivalen 2019 – an annual music festival held in Oslo, <b>Norway</b> . As part of Fortum's activities at the festival, Fortum launched a concept called	3 mln EUR	Soili Juuri, Assistant, Public Affairs, Tel: +358 50 453 6090, <a href="mailto:soili.juuri@fortum.com">soili.juuri@fortum.com</a>  Merja Paavola, Vice President, Corporate Public Affairs, Tel: +358 50 396 1161, <a href="mailto:merja.paavola@fortum.com">merja.paavola@fortum.com</a>
<b>Stora Enso (international)</b> – one of the biggest <b>paper and packaging</b> companies	No	Education – 18%, Environment, and Resilient (6%) local communities(66%).	Sent electronical form and sent to the CSr reope	2,7 mln EUR	Ulrika Lilja, EVP, Communications, tel. +46 72 221 9228
<b>OP</b> – one of the biggest and oldest banks in Finland	Yes	Sport, Art, Children Financial Education, Charity		2,1 mln EUR	<a href="mailto:kati.ihamaki@op.fi">kati.ihamaki@op.fi</a>  <a href="mailto:satu.kuoppamaki@op.fi">satu.kuoppamaki@op.fi</a>
<b>S-ryhma</b> – one of the biggest multi industrial groups in Finland	No	Sport	Sent	n.a.	vbo.sponsor@sok.fi
Nordea (part of Sampo Group)	Yes		Sent	n.a	<a href="https://nordea--engagement.sponsor.com/form?pid=0&amp;cid=39007">https://nordea--engagement.sponsor.com/form?pid=0&amp;cid=39007</a>
Sampo Group	No	Education	NO, Big – group of comapnies	230 000 EUR	Not sending due to small budget and NA of information. Also significant amount of different companies are entered into the group.
Neste (International) – <b>oil and gas sector</b> . One of the biggest international company	No	N\ a	Sent	1,8 mln EUR	Direct form for application , Susanna Sieppi , Vice President, Communications, Tel. +358 50 458 4156, <a href="mailto:susanna.sieppi@neste.com">susanna.sieppi@neste.com</a>  Sari Lehmuskallio, Head of Business Communications Tel. +358 50 458 9251 , <a href="mailto:sari.lehmuskallio@neste.com">sari.lehmuskallio@neste.com</a>
<b>Holiday club (International)</b> – big chain of hotels. Indian owner. <b>Hotels</b> under this brand are widely represented in Finland.	No	N\ a	Sent	0	The Managing Director of Holiday Club Resorts Oy is Maisa Romanainen; contacts and requests for interview <a href="mailto:maisa.romanainen@holidayclub.fi">maisa.romanainen@holidayclub.fi</a> /tel. +358 (0)300 870 900.

Kone Group(Int.) – the world biggest elevator’s company	Yes, but not in EU	N/a	Sent	N/a	<a href="https://rust-pear-4drz.squarespace.com/kcf-foundation/#anchor4">https://rust-pear-4drz.squarespace.com/kcf-foundation/#anchor4</a>  KONE centennial foundation
mogroup.com - Outotek	No	Social projects	Sent	N/a	HELENA MARJARANTA  Vice President, Head of Communications and Brand, Metso Outotec Corporation  Phone: +358 20 484 3212  Email: <a href="mailto:helena.marjaranta@mogroup.com">helena.marjaranta (at) mogroup.com</a>
YIT	No	Sport, social projects	Sent	N/a	Mia Ranta-aho, Vice President, Sustainability, <a href="mailto:mia.ranta-aho@yit.fi">mia.ranta-aho@yit.fi</a> , +358 50 3839490 ,  Saara Haapasaari, Specialist, Sustainability, <a href="mailto:saara.haapasaari@yit.fi">saara.haapasaari@yit.fi</a> , +358 40 7583573
OP	Yes	Art, culture and child education	Sent	3 mln EUR	Corporate responsibility contacts: <b>Kati Ihamäki</b> Director, Brand and Corporate Responsibility <a href="mailto:kati.ihamaki@op.fi">kati.ihamaki@op.fi</a>  <b>Satu Kuoppamäki</b> Sustainability Manager <a href="mailto:satu.kuoppamaki@op.fi">satu.kuoppamaki@op.fi</a>



## Appendix 2. List of addressed questions to the representatives of corporate business.

Who?	Questions	Variants
QUESTIONS SENT via e-mail	<ol style="list-style-type: none"> <li>1. How small or medium size organization (in our case small but International art festival) can ask for sponsorship support from such big corporation as Fortum? What is the mechanism of interaction (initial contact, secondary communication)?</li> <li>2. What requirements (criterion) corporation issue for protentional sponsee (art organization). long-term, short-term relations?</li> <li>3. Are there any deadlines in applying for sponsorship in connection with the whole company budgeting process?</li> <li>4. What sponsorship format is preferable: in-kind (provision of free electricity or property or other recourses) or direct financing or what else?</li> <li>5. How final decision of issuing sponsorship financing is taken?</li> <li>6. What return corporation expect from sponsorship interaction? Does marketing department perform such valuation?</li> </ol>	
SPONSOR - sponsorship process. Own financial system in sustainability and sponsorship	Does corporation have own foundation or sponsorship strategy?	Yes\no
	How foundation\specific department work?	
	What sponsorship format is preferable	in-kind \ money\volunteering
	What type of relations with sponsee preferred, time context	Long - \short-
	<b>What requirements (criterion) corporation issue for protentional sponsee (art organization)</b>	
	Medium small organizations	Yes\no\does not matter
	Does the amount of event participants matter. Figures?	<10 000, more 10 000
	Does potential sponsee need <b>marketing research</b> regarding <b>positive image</b> and <b>recognisable own brand</b> ?	
	Marketing research' regarding positive image	Yes\no\does not matter
	positive image of sponsee's brand	Yes\no\does not matter
	Strategic plan	Yes\no\does not matter
	does the event should be <b>International</b> ?	Yes\no\does not matter
	Does it need to bring <b>social impotence</b> ? How you evaluate?	Yes\no\does not matter

Who?	Questions	Variants
	Initial interaction, application or Cold calls from potential sponsees? Whom? How to know? Why do not organise on-line applications?	
	What is deadlines in applications - connected with budgeting process?	
	Any reserved financing (budgeting) for 'unexpected' sponsee's projects.	
	How final decision of issuing sponsorship financing is taken - not one stage and what one-person financing limits??	
	What return corporation expect from sponsorship interaction?	
	Does marketing department perform such valuation?	
Who?	Questions	Variants
ABOUT SPONSEE in the eyes of sponsor	Do you know Imatra town?	
	Why do you know about it?	
	<b><u>Are you aware of International Black and White theatre festival in Imatra?</u></b>	
	Coverage audience	15-20 th participants.
	International	yes
	Marketing research' regarding positive image	yes
	Strategic plan	yes
	Social importance	yes
	positive image of sponsee's brand	yes among locals and tourists

### Appendix 3. Corporate sponsor's summary of criterion.

No	Questions	Fortum	OP bankki	Neste	Handelsbankki	Nordea	YIT	S-ryhma	Kesko (K-ryhma)	Holiday Club Ryhma
1	Not looking new sponsorship at the moment. (December 2020)							twice per month	✓	✓
2	Perform on-going consideration of potential sponsee?	✓	✓	✓	✓	✓	✓	✓		
3	Detailed application form	NO	NO	NO	NO form	YES	YES	NO form		
4	Type of sponsorship	yes	yes	yes	yes	no				
	Sport			✓		Wide range of topics	✓			
	Art and culture		✓	✓			✓			
	Entertainment			✓						
	Education (science)		✓				✓			
	Children and youth		✓	✓						
	Environmental goals	✓					✓			
	Social support			✓			✓			
	CSR	✓								
	Other			✓			✓			
5	What kind of sponsorship is it:									
	a single event or sponsorship of a short activity	✓				✓				
	long-term / continuous cooperation / partnership	✓				✓				
	support / advertisement	✓								
	product or monetary donation	✓								
	Other									
6	The target of sponsorship is:									
	local or regional	✓	✓	✓						
	nationwide\international	✓	✓	✓						
	extending to a wider area			✓						
7	What sponsorship format is preferable:									
	in-kind	✓	✓							
	or direct financing	✓	✓			✓				
	volunteers	✓	✓			✓				



No	Questions	Fortum	OP bankki	Neste	Handelsbankki	Nordea	YIT	S-ryhma	Kesko (K-ryhma)	Holiday Club Ryhma
15	Why do you think XXX Group would be a good partner for your destination? - congruence according to substance and values.	✓	✓	✓						
16	What compensation do companies receive in cooperation, how can cooperation be utilized? - what sponsor will receive back?	✓	✓	✓	✓	✓	✓			
17	What other sponsors do you currently have?	✓	✓	✓	✓	✓	✓			
18	What is the annual cost of the main partnership?	✓	✓	✓	✓	✓	✓			
19	What percent of whole budget consist requested amount?		✓			✓				
20	How is socially responsible doing (social responsibility and environmental responsibility) reflected in your operations?	✓	✓	✓	✓	✓	✓			
21	How does your values support our values? Does sponsee goals fulfill CSR values?	✓		✓			✓			
22	Simple Risk management programm	✓								
23	How does the initiative can be replicated?	✓								
24	Official internet site of the organisation.	✓				✓	✓			

#### **Appendix 4. Questionnaire for the CEO of the Festival.**

The interview Part 1 was presented as follows:

- How do you think, how sponsor can be chosen?
- Who is involved in the decision? What are the main criteria for searching new financing?
- What factors do you consider for selecting?
- What are the positive consequences (do have you experience?) of selecting sponsor?
- What are the negative consequences (do have you experience?) of selecting the sponsor?
- How you identify non-fitting sponsor?

The Part 2 of the questions:

- What value can festival provide for a sponsor by offering arts sponsorship compared to other kinds of sponsorship?
- How you can list the emotions from art in comparison with sport? What about learning by art?
- What main difficulties or problems art sponsorship face?
- How would you select the sponsor, under which criterion?
- Does it important for sponsee categories of alike-ness or comparability, similarity of mission, vision?
- Do you remember you first submission of funds for the festival and how this emotions and process changed through years?
- What is preferable long- or short-term relations? Explain?