

CORPORATE SPONSORSHIP: FACT, FICTION, AND PRACTICALITIES

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- Sponsorship is a cash or in kind fee paid to the museum in return for access to the exploitable commercial potential associated with the museum.
- Sponsorship is an opportunity for mutually beneficial cooperation between the museum and a business. Businesses will require a return on their investment.
- Sponsorship is a way of advertising that can get the word out in an insidious way. You can't help but be affected by a sponsor. You can't change the channel, or hit the mute button.
- Sponsorship is part of the New Media. Sponsors play a supporting role in an activity that the consumer is interested in.

Why are companies spending money on sponsoring museums?

1. Generates awareness of their company or product.
2. Helps shape consumer attitudes. Piggybacks on the goodwill the museum has already created with its customers.
3. Differentiates the company from competitors. Sponsors expect exclusivity.
4. Helps target specific geographic or demographic audiences.
5. Helps motivate distribution channels. Gets the local middleman excited about the mother company.
6. Creates merchandising opportunities.
7. Demonstrates positive product attributes if the product is used by the museum.
8. The Bottom Line: Sponsorships build sales!

What are the Advantages of Sponsorships to the museum?

1. Provides unrestricted revenue.
2. Is a means of cooperative marketing.
3. The promotional resources for reaching visitors is very large.
4. Builds public awareness of the museum.
5. Allows for the development of special programs for distinct groups: i.e., red carpet treatment for company employees.

What are the Pitfalls of Sponsorships?

1. *Greenwashing* (Exxon sponsoring The Nature Conservancy).
2. *Rejections and amount of work involved in finding sponsors.* Expect lots of time and energy expended, and lots of rejections. Contract negotiations can be horrible.
3. *Reputation of sponsor might change.* Be careful of a change in public perception after the sponsorship agreement is in place. Have out clauses in the sponsorship contract.
4. *Misleading partnerships and public misunderstanding.* Is the sponsor controlling the content of an exhibit or program? The museum must have the final say! Don't allow tradeshow exhibits to be placed in the museum under the guise of education. Be willing to say no to a sponsor even if they are offering unrestricted funds. Tell the sponsor our restrictions up front. They want to know where we stand.
5. *Siphoning off other revenue sources.* Must be careful that sponsors are not direct competitors of other philanthropic supporters: i.e., Local Coca Cola distributor may not appreciate a corporate sponsorship from Pepsico.
6. *Be aware of the sponsor's activities.* Stay away from companies associated with tobacco, alcohol, and gambling.
7. *IRS considerations.* There is a gray area between the museum offering sponsorship benefits, and the museum offering their space as advertising. If sponsorship money comes out of a company's philanthropic budget, then we must be careful about what benefits we offer.

What Benefits can Museums offer for Sponsorship?

1. Exclusivity. No other sponsors.
2. Preferred vendor status.
3. Promotional rights. Use of museum trademarks and slogans.
4. On-site sales exclusivity: i.e., Only sell Coca Cola products.
5. On-site sampling and/or corporate displays.
6. Promotional offer redemption credit. A form of joint marketing. The company reimburses the museum for number of people who brought in a coupon or free pass.
7. Corporate Logo/ID in museum advertising or newsletters.
8. On-site signage.
9. Use of mailing list.
10. Sponsor VIP package.

What Price is Realistic for Sponsorship?

The price must be based in reality. It must be based on value not on need. What will the sponsor get out of the deal? Must consider tangible and intangible.

Asset:

Sponsor ID in guaranteed media----
ID in other media-----

Value:

Ad rate x 5% to 10%
\$.0025 to \$.05 per impression.
Price depends on significance of impression:
verbal acknowledgment vs large sign vs
small sign etc.

Sampling-----

\$.15 per sample distributed.

Tickets/VIP Package-----

Face value. May need calculation.

ID on website or hot link-----

\$.006 per hit or \$125 per month.

Use of Facility-----

Face value of rental fee.

Mailing List Use-----

\$.065 to \$.12 per name per use.

How to Control Your Commercial Destiny.

1. *Set sponsorship policies.* Always protect your image and reputation.
2. *Predetermine sponsorship restrictions.* Have an institution-wide agreement on sponsorship.
3. *Identify acceptable categories.*
4. *Limit the overall number of sponsors.* Remember that exclusivity is extremely important to sponsors.
5. *Put in place pre-approval process that includes everyone who is affected by the sponsorship.* Must have support from management and board.
6. *The sponsorship coordinator must be empowered to commit.* Sponsors don't want to work on an agreement, and then have the museum representative say, "I'll check with the sponsorship committee, and get back to you."
7. *Plan a course of action for when things go wrong.* Open communications between museum and sponsor. Out clauses in the contract.
8. *Centralize sponsorship efforts.* One contact person from museum. Develop a personal relationship. Create ownership and partnership with museum mentality.
9. *Protect your mailing list.*
10. *Educate visitors on the sponsor's role in supporting the museum's programs etc.* It isn't advertising, its sponsorship.

The biggest reason sponsors renew their commitment or become philanthropic as well is treatment from the museum. How well did the museum educate the public? How well did the museum respond to the sponsor's needs and questions? What kind of service did they receive?

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