Partnering With Business: What’s In It For Them?

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Abstract: The benefits sought by businesses when they enter into partnerships with recreation and park agencies are identified. Sponsorship benefits can be classified into four broad categories: increased awareness, enhanced image, product trial or sales opportunities, and hospitality opportunities. The potential role of each of these benefits in facilitating the product adoption process is discussed. Corporate philanthropy is an oxymoron because even though some corporate contributions may be technically accepted by the IRS as donations, they are not, in fact, altruistic. Four primary motives are identified which undergird corporate donations to park and recreation agencies. They are: product trial, public relations, healthy community context, and employee development and morale.

Keywords: sponsorship, donations, businesses, motives, benefits.

Introduction

Before the tax revolt occurred in the mid and late 1970s, the primary task of recreation and park managers was to wisely distribute the tax funds allocated to them by councils and legislatures. While this basic administrative task remained after the tax revolt, it was noted that the job expanded and a new primary orientation emerged so the recreation and park manager was now viewed,

as an entrepreneur who operates in a public sector environment. He or she is charged with the responsibility of aggressively seeking out resources for the agency and with exploiting those resources to ensure that client groups receive maximum possible satisfaction from them (Howard & Crompton, 1980, p. 1).

This early observation proved to be quite prescient, and today effective managers recognize that their role is to leverage the limited tax dollars they receive by seeking external resources from others to broaden the array of services they are able to offer client groups.
Businesses are a fertile source of external resources and the purpose of this paper is to explore the corporate sector’s motives for entering into partnership relationships with agencies to provide these resources. The paper commences with a review of the distinction between sponsorships and donations. It then goes on to identify the benefits that businesses seek from sponsorships and donations, using examples from a variety of recreation and park agencies to illustrate these benefits. It concludes with a discussion of the media’s key role in these arrangements. The paper’s raison d’être is based on the premise that park and recreation managers seeking to induce more support from corporate entities should focus on the potential benefits they can offer businesses. The key is to find the *quid pro quo*, that is, to answer the question, “What’s in it for the business?”

The benefits that park and recreation agencies seek from businesses as their part of the *quid pro quo* may take the form of monetary or in-kind assistance. There are four main types of in-kind benefits that a business sponsor or donor may provide: (a) product support, which could include equipment, supplies, food and beverage; (b) personnel support, which may take the form of expertise to address specific problems or simply “extra hands” in the form of non-expert voluntary labor; communication resources and expertise to increase public awareness and interest in the agency or specific services it offers; (d) the intangible benefit of “institutional clout” conferred on the agency by associating with a business that enjoys a high reputation in the community.

**Differentiating Between Sponsorships and Donations**

A major demarcation to consider when developing a taxonomy of motives for corporate support is the distinction between investments in donations and in sponsorships. The terms “donations” and “sponsorship” are often used interchangeably and considered to be synonymous, but this is a mistake. They are conceptually different even though the notion of voluntary exchange underlies both donations and sponsorships. This notion requires that something of value be offered by the recreation and park agency in exchange for something else of value provided by a business. Thus, before either a donation or a sponsorship investment is made, the company’s managers are likely to ask two questions: “What is in it for us?” and “How much will it cost us?” The trade-off is weighed between what will be gained and what will have to be given up.

The distinguishing feature of donations is that they should be perceived to be made for altruistic reasons. That is, their focus is upon humanistic or community concerns, rather than upon a commercial return on the company’s investment. The donor receives no tangible, net economic benefit from the contribution. The value which is supposed to accrue to the donor is the satisfaction of knowing that good is being done with the donated resources. For donations to be accepted by the IRS as tax deductible, they must be for “exclusive public purposes.” A company cannot receive tangible “economic benefit” in return for a donation or it
will not be allowed. In contrast, sponsorship is defined as a business relationship between a provider of funds, resources or services, and a recreation and park program or organization which offers in return some rights and an association that may be used for commercial advantage (Sleight, 1989). The distinctive terms in this definition which differentiate sponsorship from philanthropy are *business relationship* and *commercial advantage*.

The *conceptual* distinction between the two types of support is clear, although in practice the classification of a given contribution as being a donation or a sponsorship depends on a company’s success in persuading the IRS that it receives no financial gain from the partnership. In some instances, the underlying motives that stimulate a sponsorship and a donation may be similar. However, the context in which a given situation may result in the IRS classifying the support into one category rather than the other. Within a company, classification of the two alternative sources of support is usually based on the company budget line from which the support originates. If resources come out of the marketing/promotion budget, then it is classified as a sponsorship, whereas if its source is the community relations budget then it is considered a donation.

A company’s support for both donations and sponsorships may be in the form of money, but it is increasingly likely to be in the form of in-kind contributions or from a cause-related marketing effort (Crompton, 1987). Often it is easier for companies to make in-kind contributions, because they can be “hidden” from shareholders or employees who may be skeptical of the value of the donations. It is difficult for a company to explain to employees who are receiving no pay raises, or to shareholders receiving low dividends why they can afford to make monetary donations. Thus, for example, in the Department of Recreation in Philadelphia:

Gerrard Roofing Technology provided the materials and work for a new roof for a dilapidated community center building, work estimated at $30,000; Asplendh, a tree-cutting company, made its trucks equipped with high ladders available to the department to fix the lights in all the open baseball and basketball courts, estimated at $6,000; finally, the *Daily News* a local newspaper provided on-going publicity for the department’s annual fund-raising run and its pool campaign, estimated at $57,000 (Perlmutter & Cnaan, 1995, p. 32).

The discussion of benefits sought from sponsorships in the next section is followed by a similar discussion of companies’ donation motives. In both sections, for purpose of exposition, each motive is discussed independently. However, it is recognized that any partnership support from companies is likely to be stimulated by some combination of these benefits. A company is likely to devise as many benefit opportunities as possible from a partnership in order to optimize return on its investment. For example, sponsorship of a single major recreation event may lead to increased awareness of the sponsor’s product; stronger bonding by extending hospitality to
existing key clients, potential clients, distributors and decision-makers; using hospitality privileges to create staff and dealer incentives; and to induce product trial by potential new customers.

Benefits Sought From Sponsorships

Until relatively recently, park and recreation departments showed little interest in sponsorship. Three factors have resulted in sponsorship now being viewed as a major and growing source of financial support for their programs. First, sponsorship revenue has been crucial to departments being able to operate some programs, events or facilities that could not be afforded without this source of funds. Second, there has been an extraordinary growth in the number and scale of festivals and special events staged by departments. These have proved to be appealing vehicles for sponsors. Third, a better understanding of the role of sponsorship has evolved. Many managers failed to appreciate the difference between sponsorships and donations, and to understand the assets they controlled which would be of benefit to businesses. These failings meant that many perceived asking for financial support to be akin to “begging.” Managers were reluctant to “beg” for money from local businesses to support a department’s offerings. They tended to view sponsorships as “guilt money” that a local business felt pressurized into contributing to a department program because it was located within the city (Cicora, 1991). Now, more recreation and park managers recognize that they are brokers who can provide companies with valuable vehicles that enable the companies to more effectively communicate with their customers.

The magnitude of the growth in corporate interest in sponsorship can be gauged by comparing the $4 million cost of being an official corporate sponsor of the 1984 Los Angeles Olympic Games, with the $40 million paid by each of the eight primary corporate sponsors of the 1996 Atlanta Olympics. The extraordinary amount of corporate investment in sponsoring professional and elite amateur sports suggests that there are opportunities for recreation and park agencies to make quantum gains in the resources they are currently acquiring from these sources.

Sponsorship has two special strengths. First, positioning has become a central concept in marketing, and corporate and brand image development are key factors in positioning. Positioning refers to the place that a product occupies in the minds of potential purchasers, relative to their perception of other products that they identify as competitors. Image is used to differentiate and position products that are essentially similar. Sponsorship is particularly suited to image enhancement. Second, in many situations sponsorship may offer opportunities for a company to establish a more intimate and emotionally involved relationship with its target audience than is feasible with other communication vehicles. A company’s relationship with most of its audiences is usually rather distant and obviously commercial, while sponsorship enables a target market to be approached through activities in which they are personally interested. The intent is to commu-
nicate with audiences through their interests and lifestyle activities. In the context of recreation and parks, sponsorship allows a company to deliver its message to consumers who are relaxed, in a state of mind, and in an environment that makes it likely they will be receptive. It may facilitate potential customers spending quality time with a company and its products: "When you reach prospects who are interested in or are attending an event, they are yours. They are there because they want to be. They’re part of the event and in a receptive mood" (McCabe, 1989, p. 4).

A large number of relatively narrow focused benefits may be sought by businesses from sponsorship, but they can be classified into four broad categories: increased awareness, enhanced image, product trial or sales opportunities, and hospitality opportunities (Figure 2). It is assumed in this discussion that businesses are seeking product/service benefits from their sponsorship. The profusion of multiple product/service companies has caused many corporations to recognize a need to raise their corporate profile with financial institutions, shareholders, and other key publics. This has led some businesses to seek to communicate messages through sponsorship about the corporation as well as its products/services. Hence, the benefits listed in Figure 1 may be applied to corporate entities as well as to their products/services.

| Figure 1 |
| Benefits That May Be Sought By Business From Sponsorship |

1. **INCREASED AWARENESS:**
   a) Create awareness of a new product
   b) Increase awareness of an existing product in new target markets
   c) By-pass legal prohibition on television advertising imposed upon tobacco and liquor products

2. **IMAGE ENHANCEMENT:**
   a) Create an image for a new product
   b) Reinforce the image of an existing product
   c) Change public perceptions of an existing product
   d) Counter negative or adverse publicity
   e) Counter behavior that is detrimental to the company's interests
   f) Build pride among employees and distributors for the product
   g) Assist employee recruitment

3. **PRODUCT TRIAL OR SALES OPPORTUNITIES**
   a) Offer product trial to potential new customers
   b) Induce incremental sales increases through promotional give-aways, couponing, tie-ins, sweepstakes, and point of purchase displays
   c) Create on-site sales opportunities
   d) Promote a different use of an existing product
   e) Reinforce the image of an existing product

4. **HOSPITALITY OPPORTUNITIES**
   a) Develop bonding with key customers, distributors and employees
   b) Develop in-house incentive opportunities
The Relationship Between Sponsorship Benefits and the Consumer’s Purchase Decision Process

A variety of decision-making paradigms that model the stages through which potential consumers pass before purchasing a product have been proposed (Reid & Crompton, 1993). The most widely accepted of these models is the AIDA concept (Lamb, Hair & McDaniel, 1992). The acronym stands for Awareness-Interest-Desire-Action. In the model of the product adoption process shown in Figure 2, an additional stage, Reinforcement, has been added to the end of AIDA sequence. It has been noted that:

What the company does to nurture the relationship with the customer, to build it, to strengthen it, is crucial to the company’s marketing effectiveness and efficiency. To work hard to attract new customers and then to be complacent in strengthening the relationship makes little sense (Berry & Parasuraman, 1991, p. 132).

Hence, customer retention as well as attraction of new customers is likely to be a primary objective of some businesses sponsoring recreation. This involves reinforcing, reassuring and confirming to customers that they made a wise decision in purchasing the company’s product.

The product adoption model shown on the left side of Figure 2, suggests that potential purchasers of a product or service pass through a process that consists of five stages from initial awareness to committed loyalty. They are defined as follows:

*Awareness*: an individual becomes aware of the existence of a particular product and acquires some limited knowledge of its attributes.

*Interest*: more detailed knowledge of the product’s benefits is acquired. Interest in it and a preference for it develop as a favorable attitude emerges. A distinctive image of it evolves.

*Desire*: an appraisal of the product’s merit is made. If it is perceived to meet an individual’s needs better than alternative offerings, then there is a desire or intent to purchase.

*Purchase Action*: this is the culmination of all that has gone before and the product is purchased or rejected.

*Reinforcement*: to reassure and confirm to purchasers that a wise decision was made, and to consolidate loyalty to the product.
Figure 2
The Potential Roles of Sponsorship in Impacting the Product Adoption Process

Product Adoption Progress

Awareness
Aware of a Product's Existence, Some Limited Knowledge of its Attributes.

Interest

Desire
Appraisal of a Product's Relative Merits.

Purchase Action
Decision to Purchase the Product.

Reinforcement
Consolidate Loyalty to the Product.

Potential Sponsorship Benefits

Awareness

Image Enhancement

Product Trial or Sales Opportunities

Hospitality Opportunities
The product adoption model emphasizes that a purchase decision is usually the culmination of a process that starts long before an actual purchase takes place, and continues long after an initial purchase is made. A company’s challenge is to design sponsorship benefits that will move potential customers from their present stage in the adoption process on to the next stage toward committed loyalty. Figure 2 illustrates how the four main benefit categories available to businesses from sponsorship may be used to facilitate the product adoption process. The lines drawn from the boxes on the right of the figure to those on the left indicate the stage in the adoption process at which each of the sponsorship benefits may be targeted. For example, the two lines emanating from hospitality opportunities indicate that this benefit may be targeted at two stages: to reinforce and consolidate links with existing customers and suppliers; and/or to nurture interest in the company and its products/services of those individuals who have been identified as strong, future prospects. In the following subsections, the potential role in facilitating the product adoption process of each of the four categories of sponsorship benefits is described and illustrated.

*Increased Awareness*

Sponsors who seek awareness benefits are trying to move potential consumers on to the first stage of the adoption process (Figure 2). Thus, if a sponsor is a well-known company whose products/services already have high levels of awareness, then this benefit will not be sought, because sponsorship could only marginally increase awareness. For this reason, most major sponsors who have a high profile with their target markets tend to use sponsorship to influence other stages of the product adoption process (Figure 2). However, in cases where the awareness level is low, sponsorship can have an impact in expanding the number of potential consumers, which then provides a broader base at which to target communication strategies aimed at more advanced stages of the adoption process:

- **Trailhead Outfitters** is an outdoor specialty store located in Chesterton, Indiana. It serves as a jumping-off spot for visitors traveling to Indiana Dunes State Park. The store coordinated a National Trails Day event that involved restoring 25 miles of trail in the Knobstone area of southern Indiana in a two-day period. The store manager was surprised at the interest in the event from the local community and the traffic it ultimately brought into the store: “We received coverage in the local paper, and many first-time shoppers said this coverage is what brought them into the store. The event itself wasn’t expensive, and the return has been immense...Protecting the land and getting involved on a grass-roots level with trail conservation is something that goes hand-in-hand with our store...Outdoor specialty stores are supposed to provide quality service, and this includes services outside the walls of the store. It’s a great equalizer with the megastores, and if you do it right, it isn’t expensive to initiate” (O’Brien, 1995).

- Since 1990, Indianapolis Parks and Recreation Department has collaborated with one of their support groups, the Friends of Holliday Park,
and the Orchard Country Day School Parents' Association to produce an annual "Orchard in Bloom Garden Show." The event has become a springtime tradition incorporating not only landscaped gardens, garden exhibits, retail booths, and educational displays, but also an educational symposium, fashion show, and musical performances by children.

In the mid 1990s, Target Stores expanded its scope to include outdoor gardening centers and wanted to generate awareness of this expansion. These centers were intended to be superior to those which had long been opened by such competitors as K-Mart and Wal-Mart. The Orchard event organizers were able to supply Target with details of visitor numbers and profiles based on market research they had undertaken at previous years' events. Target Stores agreed to be the major sponsor for the event. They invested $15,000 and it provided them with the opportunity to showcase their new venture into the bedding plant, tree, and shrub market, which substantially increased the awareness of gardening enthusiasts that Target was now able to meet gardeners' needs. Target used couponing, permit promotion, and cooperative radio advertising to support their direct sponsorship investment (Younger, 1995).

**Image Enhancement**

Image is the sum of beliefs, ideas, and impressions that a person has of a business or its products (Kotler & Adreasen, 1991). It may formally be defined as the mental construct developed by an individual on the basis of a few selected impressions. Images are ordered wholes built from scraps of information, much of which may be inferred rather than directly observed or experienced, and these inferences may have only a tenuous and indirect relationship to fact.

The importance of corporate and brand images to companies is well documented (Johnson & Zinkhan, 1990). Image benefits are most frequently sought by companies that are striving to create interest and a favorable attitude toward their products by "borrowing" the image of a recreation program or event and using it to enhance the product's image with its target audience (Figure 2):

In crude terms the company says, "We want to be known as a company that recognizes and pays tribute to excellence. We do so publicly in this exhibition." The institution says, "We will lend our prestige to X company and help it to get the recognition it deserves for bringing this exhibition or concert to the public"...It's a lot cheaper than taking out ads saying how great we are (Elicker, 1978, p. 18).

This association is likely to be particularly effective when a relatively new product/service or a product or company with low awareness is involved. Because few or no competing impressions of the product/service currently exist, the company hopes that by associating with a program, the program's image attributes will be associated with its product. Consider the image enhancement that products gained from the following linkages:
• Nissan provided the Los Angeles County Department of Beaches and Harbors with 37 new lifeguard trucks valued at $280,000, in return for the right to advertise the Nissan line as the official vehicles of the beach for a five-year period. Nissan incorporated its official status in its TV and print advertisements in the Los Angeles area. Nissan’s truck merchandising manager said the arrangement fit in with the company’s advertising campaign for its “hard bodies” pickups. Hard bodies is West Coast patois for the lean and tawny among beach goers (Pringle, 1986).

• In Phoenix and in Indianapolis, the water companies, which are private utilities, sponsored a Kool Kids program. Whenever the heat index rose over 90°, then the children in the inner city were allowed to use the city swimming pools in those areas at no charge. Announcements were made in the media when these conditions arose to alert residents that this opportunity was available. The pools stayed open until the heat index dropped below 90°. Sometimes it meant the pools remained open until 11 p.m. When it gets that hot, people become irritated and short-tempered. This opportunity was intended to alleviate those reactions. The water companies paid the entrance fees for these children. This sponsorship positioned the water utilities as caring companies in the community. However, they also invested in it because on hot days, inner-city children are tempted to turn on fire hydrants in the streets, lowering the pressure and wasting water. The Kool Kids program was a constructive alternative (Younger, 1995).

Professional sports players and teams have an image of being overpaid, spoiled and exploitive of communities among a section of the public. To improve that image, many professional teams have sponsored public recreation programs in their communities:

• In Philadelphia the professional baseball franchise was asked to assist in maintaining a baseball league and purchased 14 pitching machines to enrich the local youth baseball league. As well as demonstrating good citizenship, the Phillies were also assuring increased present and future interest in the game (Perlmutter & Cnaan, 1995, p. 34).

• Through a partnership with the City of Oakland, the Golden State Warriors basketball franchise created Nite Hoops to provide a place for young men to play organized basketball during the late night hours from 9 p.m. to 2 a.m. The program incorporated a mandatory component requiring participants’ attendance in educational and employment training sessions (Witt & Crompton, 1996, p. 278).

Although image association with a recreation and park agency or program is a primary reason why sponsors invest in it, the reciprocal potential for positive association with a company may be equally as important to an agency. If the agency links to a sponsor with a strong, positive public image, then this “institutional clout” may help enhance its status in the community and improve its public persona.

Image is not static. It is amended by information received from the environment. However, it is unlikely to change easily. Once people develop a set of beliefs and impressions about a product, it is difficult to change
them. This relative permanency exists because once people have a certain image of a product or company, they tend to be selective perceivers of further data (Assael, 1995). Their perceptions are oriented toward seeing what they expect to see. Hence, it is likely to be difficult for sponsorship to be effective in changing image. Thus, in addition to impacting the interest stage of the adoption process by borrowing a recreation program’s image, many companies use image enhancement to reinforce existing product image, give existing purchasers good feelings about purchasing it, and to encourage their loyalty towards it (Figure 2). Cadillac, for example, has an established image and the company’s sponsorship objective is “to reinforce and enhance Cadillac’s image among the general public—to use our name as a metaphor for excellence: ‘The Cadillac of its class’” (Perelli & Levin, 1988, p. 4).

Product Trial or Sales Opportunities

Product trial or sales opportunities may be used to impact the desire, purchase action or reinforcement stages of the adoption process (Figure 2). Product trial opportunities are particularly valuable because moving people from interest in a product to the desire stage, which involves seriously evaluating its merits to determine whether a purchase should be made, is a difficult communications task (Figure 2). There are likely to be many products/services in which individuals may have an interest and are favorably disposed toward but that they have never tried, especially products/services for which the cost of trial is high in terms of money, time, potential embarrassment, or whatever. Sponsorship offers a vehicle for encouraging trial which frequently is the most effective method by which potential customers can assess a product’s merits:

- The makers of Ultra Fuel high-carbohydrate energy drink and Hydra Fuel fluid replacement drink sponsored 75 multisport and 6 cycling events soon after the drinks were launched. A spokesman observed, “We’re not like Gatorade, with a big ad budget that allows us to go after everybody. Our objective is to get our drinks into the hands of premier athletes and the people who follow the sports in which they compete. Brand identity for the two drinks is not there right now. Fewer than 10 percent of triathletes and biathletes have tried the products. Our goal is to sample 50,000 people this year.” At each event, the drinks were poured at all aid stations on the course, at a booth at the finish line, and the company received signage and the right to display an inflatable (International Events Group, 1992, p. 6).

A recreation event may be used to identify prospects for product trial. In such cases, subsequent tailored packages can be developed to induce the trial:

- Bell Cellular Inc.’s primary sponsorship goal is sales, so it uses on-site presence to generate targeted leads. These are followed up with tailored pitches. For example, the entry form to win a car, includes questions on earnings and other key demographics (Lavelle, 1991, p. 4).
• Manufacturers Hanover Bank sponsored Corporate Challenge races in 12 U.S. cities and in Oslo and Stockholm. The runner’s release form asked entrants if they owned or rented their homes and if they would consider switching banks. This enabled the bank to target prospects with tailored follow-up action (Bleakley, 1991, p. A7B).

Product trial may also be used to reinforce the favorable feelings that existing users have toward the product/service (Figure 2). When a beverage company or its distributors sponsor races, the availability of complimentary beverages at the end is intended to remind runners of their refreshing, recuperative qualities and to consolidate loyalty towards them.

Hospitality Opportunities

Hospitality opportunities may be used either to interest targeted individuals in a product/service or to strengthen bonds with existing customers and reinforce their commitment to the company and/or its products (Figure 2). “Guest hospitality refers to those opportunities whereby the company can make face-to-face contact with select publics in a prestigious social context, thereby strengthening and personalizing relationships with decision-makers, trade channels and business associates” (Meenaghan, 1983, p. 37). Hospitality is a key element in many companies’ relationship marketing strategy:

• Philip Morris Corporation sponsored The Vatican Collection, an exhibition at the Art Institute of Chicago that presented several centuries’ worth of papal acquisitions. Before the exhibition opened to the public, the company held preview receptions for selected guests, including government officials, religious and business leaders, and other people important to its tobacco and alcohol businesses. The receptions gave Philip Morris executives a chance to hobnob with these individuals in a positive setting (Steckel & Simons, 1992, p. 23).

Relationship marketing is concerned with attracting, developing and retaining customer relationships. Its central tenet is:

The creation of “true customers”—customers who are glad they selected a firm, who perceived they are receiving value and feel valued, who are likely to buy additional services from the firm, and who are unlikely to defect to a competitor. True customers are the most profitable of all customers. They spend more money with the firm on a per-year basis and they stay with the firm for more years. They spread favorable word-of-mouth information about the firm, and they may even be willing to pay a premium price for the benefits the service offers (Berry & Parasuraman, 1991, p. 133).

Establishing this kind of relationship requires the building of social bonds with customers, “staying in touch with them, learning about their wants and needs, customizing the relationships based on what is learned, and continually reselling the benefits of the relationship (Berry & Parasuraman, 1991, p. 138). The objective of offering hospitality at a recreation event to existing or prospective customers is not to conduct
business, but rather to use a relaxed informal context outside the normal business environment to create a personal interactive chemistry which will be conducive to doing business later. The role of hospitality opportunities in facilitating sales at the interest stage of the product adoption process (Figure 2) was well articulated by the observer who noted:

An invitation to discuss trade is often counter-productive because the target audience is wary that acceptance of the invitation to discuss trade will be interpreted as a commitment to actually trade. Moreover, in the case of a meeting which has as its sole objective the investigation of opportunities for trade, embarrassment is the only result where one party wishes to trade but the other does not. This contrasts with a situation where any non-professional common interest—stamp collecting, social drinking or recreation event—is either the pretext for a meeting, the real objective of which is to investigate opportunities for trade, or is the main attraction where trade is discussed only incidentally. In these cases both parties can avoid loss of dignity in the event that they are unable to reach agreement about prospects for trade, and can meet again in the future to discuss other projects without rancor (Bentick, 1986, p. 176).

Consider the experience of Citibank, which made a major sponsorship investment in underwriting the New York Philharmonic Orchestra on a tour of Europe:

Top bank management and local staff entertained at pre-concert cocktail parties, sit-down dinners, buffet suppers, and post-concert receptions in the cities that the orchestra visited. Their guests included current and potential clients, local elected officials and other dignitaries, and leaders from the business community. Citibank credited the tour and its related events with having bolstered relations with current customers, developed future prospects, and improved the bank’s international standing (Goodman, 1981, p.14).

Citibank equated the cost of this sponsorship as being equivalent to six 30-second network television commercials, and they believed the sponsorship investment was much more cost-effective in enabling them to reach and impact their selected target audience.

Recognizing the importance of hospitality to sponsors, the Indianapolis Parks and Recreation Department established a Hospitality Division and offered hospitality services to sponsors as an option in its contractual agreements with them (Younger, 1995). This relieved sponsors of the responsibility for making the hospitality arrangements for their event. The Division organized tents, tables, furnishings, decorations, food and beverages, transportation of guests to and from the site, name-tags, and in the words of the Indy Parks Director “anything else that will make the sponsor feel good.” Indy Parks had a short list of companies in the city who met their standards, from which it solicited bids for these services. Caterers offered an array of different menus from which sponsors could select, and contracted companies provided the beer or liquor license if this was needed.
Benefits Sought From Donating

Corporate philanthropy is an oxymoron. Even though some corporate contributions may be technically accepted by the IRS as donations, in most cases they are not altruistic. Corporations do not exist to give resources to public agencies or non-profit organizations. Rather, the motives stimulating donations reflect “enlightened self-interest” in which companies seek to enhance their positions in the marketplace and their profitability through donations they make (Kelly, 1991). The director of Philanthropic Administration at General Motors Corporation said, “We view philanthropy as an investment, a strategic asset that requires the same level of disciplined processes and evaluation as any other aspects of the business” (Alperson, 1995, p. 19).

The officers of a corporation have no mandate to give away their stockholders’ money. Their charge is to invest company resources in a way that optimizes the return to stockholders on their investment. It is the prerogative of the individual stockholders to make donations out of dividends received from the company if they wish to do so, but the corporation has no right to make donations on their behalf: A business should only make donations when it believes it is in its selfish interest to do so. This guiding principle dates back to the 19th century when railroads supported the Young Men’s Christian Association, which provided cheap lodging for workers, and later for crew members who often ended the workday far from home.

In this section, four primary motives are identified that undergird corporate donations to park and recreation agencies. They are: product trial, public relations, healthy community context, and employee development and morale.

Product Trial

Before organizations or individuals purchase a product or service, they like to try it. If a company can induce such a trial through donations, then that is a major step toward securing a sale. Product trial was identified in the previous section as a benefit sought from sponsorship. In the context of sponsorship, the product trial motive is overt, highly visible and actively promoted by the recreation and park agency with its corporate partners. There is a commitment by the recreation and park agency to assist the company in achieving a quid pro quo. In the context of donations, no such commitment is forthcoming and the company’s expectation of an exchange is less ostentatious and more speculative. Ostensibly, the donation is a one-way contribution with no recognized reciprocation from the other party in the exchange. Consider the following examples:

- Mower manufacturers, golf cart companies, and other equipment suppliers to agencies are frequently willing to donate equipment, especially new models, in the hope that an agency will either be sufficiently impressed to place a major order or at least that its managers would feel comfortable endorsing it to their peers.
Prospective food concessionaires seeking to service special events or functions operated by the agency, may donate their services to a function to demonstrate their competency.

Wilson Racquet Sports developed a nationwide tennis racquet donation program. It required all Wilson’s promotional players and advisory staff members to return their previous supply of promotional tennis rackets to Wilson at the beginning of their new contract year. This resulted in 15,000 rackets being redistributed annually. After inspection, they were donated to tennis organizations that did not have the resources to provide new players with equipment. The intent was to strengthen Wilson’s brand recognition at the grassroots level and to recruit additional new players to the sport of tennis (Schmid, 1995, p. 24).

Livingston and Company is a small advertising agency in Seattle with a longstanding commitment to doing pro bono work for local non-profit and public organizations such as Seattle’s Museum of Flight, zoo and aquarium. The agency believes the best way to generate paying work is to do donated work on high-visibility ads. With donated work, their creative staff are freed from client constraints and can indulge in dramatic ads that appear on high-visibility donated billboards in the city. They aim to make people stop and ask, “Who did that?” A senior manager stated, “We love pro bono work. It’s the best way we could advertise the agency” (Steckel & Simons, 1992, p. 138).

Public Relations

Some business leaders feel that donations made by a commercial enterprise are a tax imposed upon them for doing business, and failure to make them would damage their public image. They view it as a response to criticisms that suggest that business serves no social good and does not distribute its resources equitably among those who generate those resources.

They recognize that donations to a park and recreation agency can help visibility and respect in a community. These are assets that have considerable value to a company. The public relations function, and corporate image that it is designed to create, cannot replace substance in a business operation, but without them a company cannot always obtain full commercial advantage from its achievements.

Northwest Airlines donated more than $100,000 to the Memphis Arts Council. The gift was comprised of cash, airline tickets for guest artists who fly to Memphis to participate with the city’s cultural groups, and free companion airline tickets for individuals who donate to the arts. The airline had an advertising campaign based on the theme “Northwest for Memphis.” Their spokesman said, “We want to substantiate our advertising claim that ‘Northwest is for Memphis.’ We can’t advertise it unless we are. We are trying to be a viable corporate citizen in Memphis, and, hopefully, we are proving ourself” (Romine, 1995, p. 7).

Donations enhance a company’s autonomy by giving it more freedom in dealing with issues of public concern. For example, United Airlines used
a donation to shift its image in Indianapolis from that of a “taker” to a “giver.”

- When United Airlines established a major new maintenance base at Indianapolis, they were given substantial financial incentives by the city to move there. The airline planned to move 6,500 people to Indianapolis over a five-year period to the $300 million maintenance facility. They wanted to convey an image that they were good corporate citizens and would give back to the community, not just take resources from it. They wanted a high-visibility project. Initially Indy Parks approached United about refurbishing the city’s 120 playgrounds, especially those in the inner-city. However, United’s employees and their flying customers didn’t live in the inner-city. They are relatively affluent and live in the suburbs, so they were not likely to identify well with a playground renovation program.

The airline was responsive to Indy Park’s next suggestion, which was a tree planting program. Trees have connotations of clean air, filtration and beauty, which counter the negative image associated with pollution from aircraft. This was a program with which their environmentally conscious, middle-class employees and customers could identify. Thus, United agreed to plant a tree every year for every employee who was working in Indianapolis, for the next ten-year period. The program was called “United’s Neighbor Woods.” In the first year, 450 trees were planted, but by the fifth year when full capacity was reached, United was planting 6,500 trees per year. This donation fully funded the city’s urban forestry program. The trees were three-inch, seven to eight years old, and cost approximately $150 each.

United Airlines received high visibility for the donation. Each year there are four or five editorial articles in the Indianapolis media. Indy Parks makes sure United employees are involved in ceremonial plantings to generate publicity, and they stage plantings to create photo opportunities for the media.

Similar motives of public concern possibly accounted for the following donation:

- Canon USA gave the National Park Service $1.2 million to conduct natural resources research and restoration work in the national parks. The donation funded a program called “Expedition Into the Parks: Preserving America’s National Treasures” which sent volunteers into 20 parks to help researchers inventory and monitor plants and animals and their habitats. The donation was used to restore habitats that these species need for survival. Canon also provided the volunteers with equipment such as laptop computers, cameras and binoculars that helped researchers perform their work. Canon is a major producer of camcorders and photocopiers. Many people use camcorders to preserve their memories of visits to parks. This was a way in which Canon could establish or strengthen the nexus in people’s minds between the company’s camcorder and park visitation. The company’s photocopiers use large volumes of paper. Through this donation, Canon sought to reinforce its position as an environmentally aware and sensitive company, rather than an exploiter of natural resources.
One business executive expressed the value of donations in the following terms: "We believe we win dividends most responsibly and consistently—in recruitment in the marketplace, in access to research, in our strong association with community service, and in fostering a reputation for excellence" (Kelly, 1991, p. 366). The dividends of image, respect and commitment to the community become particularly important to a company in times of crisis. For example, in a corporate down-sizing or a plant closing situation, corporations are likely to be granted more goodwill if they have demonstrated good corporate citizenship through donations to the community over the years. Another of the dividends from making donations to a public park and recreation agency is that they may create opportunities for senior managers to establish closer contacts with a jurisdiction’s political leadership, or to call on support from influential organizations in the community to assist the company. Consider the following example:

- Philip Morris Corporation is a major producer of cigarettes and beer. For several decades it has also been one of New York’s and the nation’s largest sponsor of the arts. In addition to many millions of dollars in cash it donates to New York City arts groups, the company offers other kinds of support such as assistance with audience development and advertising. It often pays for lavish opening-night parties at which the Philip Morris cigarettes at every table are the only obvious signs of their support.

When New York City proposed strong public anti-smoking legislation, the company’s executives phoned arts institutions that had benefitted from their donations and asked them to lobby the City Council to abort the legislation. The dilemma for the arts groups was, do they stand aside and risk offending their most generous benefactor, or do they participate in lobbying and perhaps offend many of their individual patrons? The company had established long-term relationships with many of the groups to which it gave money. An arts organization spokeswoman said, “I don’t smoke and I hate people smoking, but Philip Morris is a great supporter. They are our largest corporate supporter. I say thank God for sinners; they are the only people to support the arts.”

Her remark underscores the clearest benefit Philip Morris gets from its arts philanthropy: a positive image among people who would normally have few kind things to say about a cigarette and beer maker. Through the arts, it creates a positive and influential constituency from people who are unlikely to think positively about the company’s Marlboro advertisements (Goldberger, 1994, p. A1).

**Healthy Community Context**

A company is an element of the community in which it is physically located. To some extent, its well-being is dependent on the social and physical well-being of that community. Hence, enlightened self-interest by companies extends to recognizing that if a community is healthy, then its industry and business is more likely to be healthy:
- Tokyo Electronics was located on the southside of Austin. The company wanted to invest in its neighborhood to demonstrate its intent to be a good neighbor. The city was constructing a new sports facility in the area. Tokyo Electronics agreed to donate $25,000 for the purchase of equipment for it. The company selected the equipment to be provided through the donation from a list developed by the city. It chose relatively permanent equipment such as exercise machines, scoreboards, and weight training equipment that would carry its name for several years to maximize visibility from the contribution.

Crompton, Love and More (1997) explored the role of quality-of-life, and specifically parks and recreation, in business location decisions. They reported that these factors were the most important elements in the decisions of small businesses to locate in Colorado, which was where the study was undertaken. The importance of quality-of-life and community attractiveness in recruiting and retaining highly qualified technological and scientific personnel is increasingly recognized. Companies that are located in communities that do not offer high levels of such amenities are likely to have to pay substantially higher wages to attract the same quality personnel. Companies that are sensitive to this:

- When Motorola, which is a major electronics company, recruited executives for its Austin plant, a central focus of the recruitment appeal was the high quality of life available in Austin. The company invariably lodged the potential recruits at hotels that faced Town Lake, the city's most distinctive park feature and asset. The hotels abutted on to a hike and bike trail that stretched around the lake's perimeter for 15 miles. It offered a delightful aesthetic experience for hotel visitors who strolled along it, as well as for the large number of residents who walked, jogged, and biked it. Keeping the trail clean was difficult because of its heavy use. Motorola donated $10,000 a year to support clean-ups, gravel for the trail, bridge repair, and trail repair. In return, the city arranged a media event at which Motorola presented its outsized check and ensured the company received recognition from the council.

Urban customer service firms such as retailers and financial institutions are particularly sensitive to the opportunities offered by corporate social and physical investment in maintaining or improving their market areas. Their need for an ordered, growing local economy encourages them to spur economic development, along with the park, recreation, cultural and artistic attractions that draw people and their money. If the neighborhood or service area in which they are located deteriorates, then the financial health of these businesses is also likely to deteriorate. Improvement in the health of the local community will mean, in the long-term, improvement in the profits of business. In order to attract the best people to work in the area, it has to be made an attractive place to live and work.

Employee Development and Morale

Companies may make donations by making the expertise of their employees available to park and recreation agencies. Such donations are
likely to be relatively substantial because employees’ time, especially if specialist or management staff are involved, is expensive. Shared managerial expertise may be forthcoming in computing, legal, financial, engineering, human resource or any other technical area that is found in recreation and park agencies. Companies benefit from the enhanced skills and broader perspectives that employees gain from working in a different context:

- A vice-president at Arco Chemical Company in Philadelphia planned the move of the city’s Please Touch Museum to a $1 million building, calling on the experience he gained by working on a billion dollars worth of plant construction over his career. He noted, “Meeting people outside my industry and learning to deal with them really sharpened my interpersonal skills” (Dann, 1985, p. 145).
- Compos-It, Inc., was a 30-person graphic design and typesetting firm in Montgomery, Alabama, which made partnerships with local arts groups a key component of its business strategy. Each year the company donated $20,000 in-kind services to local arts organizations. The company’s owner helped found Jubilee, an annual three-day arts festival. She and other Compos-It employees sat on boards of several arts organizations. “Nobody knew who we were until we became involved with the arts,” said the owner. “Now we are viewed as the quality place in town for graphic design and typesetting work” (Steckel & Simons, 1992, p. 15).

I.B.M. (UK) loaned employees to public and non-profit organizations and in its policy statement, it identified the benefits to the organization, the employee, and the company.

The employee gains an opportunity to:
- practice and test business skills in an alternative environment
- develop previously unused skills
- develop a lasting interest in social problems
- encounter different concepts, ideals, priorities, values, cultures, and ways of life.

The receiving organization gains:
- expertise and experience it could not otherwise afford to buy in
- a fresh approach to a problem
- a contact in a different field of work that may be helpful in the future.

The company gains from:
- the increased and broadened approach of its employees
- the easing of promotional log-jams and manpower imbalances
- an opportunity to influence realistic community planning
- general approval that employees give to such enlightened company initiatives
- keeping its goals and values in step with those of the rest of the community (Clutterbuck, 1981, p. 28).

Finally, it should be noted that supporting public recreation and park programs may be perceived as a means of building employee morale. Shell Oil Company alludes to this concern in its donations policy statement:
Our programs of charitable giving are related to the civic responsibilities of employees of the sponsoring Shell companies. In a sense, the Company regards itself as their partner in citizenship. For this reason, most charitable support is made on a local basis where Shell people live and work.

The Media's Key Role in Enhancing Benefits

One of the central issues in negotiations between a sponsor and a park and recreation manager is likely to be the probable extent of the program's media coverage. A park and recreation manager is likely to solicit three types of sponsorship benefits: financial, media and in-kind. It is often best to secure media sponsorship first. Having print and air sponsors commit to the dollar value of their support and to agree to promote other major sponsors is likely to make securing financial and in-kind sponsorships easier. An alternative is to ask the major sponsor which media the company would prefer to be associated with, or with whom it has worked effectively in the past, and then to approach those media. Often, the first question asked by a potential company sponsor relates to how much media coverage will be forthcoming. If a sponsor is seeking increased awareness or image enhancement benefits, then a key to receiving them is the extent of visibility, and the quality of that visibility in terms of its compatibility with the intended projected image, that can be achieved with the target audience. As one major company president who sponsored an art exhibit at the Metropolitan Museum observed:

The visibility we're after can take several forms. Not only are we careful to see that as many attendees as possible recognize our part in the exhibition, but we are very interested in getting media coverage to extend that recognition. I can't overstate the importance of this to us, or to any other company that sponsors an exhibition or other cultural event (Elicker, 1978, p. 18).

It is likely that a sponsor will require a projection of the extent of media coverage before committing to an investment. In addition to extending the audience, coverage by the media has a second important dimension in that it takes the form of news, which engenders greater credibility than exposure gained through advertising.

Park and recreation agencies often have access to celebrities such as professional sports personalities, performing artists, and television newscasters. Delivering these celebrities as part of a sponsorship agreement adds value for the sponsor. It is also likely to substantially increase the quantity of press coverage provided and enhance the quality of the event in the public's eyes.

There are two types of media exposure that recreation and park agency sponsors may seek. First, there could be trade-outs, whereby the media provide promotional air-time or space in exchange for recognition as the "presenting sponsor." Ideally, these partnerships would be negotiated with
a television station, radio station, newspaper and outdoor billboard company. The benefits associated with this title may include rights to transmit the program, program tickets, or program merchandise that the media sponsor can give away as prizes to its audience.

Alternatively, media exposure may be of an editorial nature. Many sponsors think of the media only as a conduit to a wider target audience. However, in an editorial context there is no exchange of benefits and the media are interested in satisfying their audiences not sponsors. Sponsor visibility may be important to the sponsor, but it is not important to the media. To achieve exposure, the sponsor and park and recreation manager have to start from a position of satisfying the media’s needs by providing interesting and informative stories.

Obtaining media coverage for sponsors is not always easy. The media are frequently reluctant to accept and acknowledge the role of sponsors at a recreation event. Many newspapers and television stations believe that to credit sponsors of recreation events in editorial coverage could potentially harm their advertising revenue, since companies are spending their communications money on the sponsorship rather than on advertising. A media executive noted, “When you are in the business of selling air time, you don’t want to give away air time” (Lowenstein, 1986, p. 33). This explains why one company received so little television news coverage in its sponsorship of a major marathon:

In more than three hours of coverage, our logo never appeared recognizable even though it was on the runner’s bibs, start and finish line banners, and signs along the route. In fact, although pre-race interviews were conducted beneath the starting banner, shots were kept tight to frame our logo out of the picture (Eaton, 1991, p.4).

Concluding Comments

Support by businesses for public park and recreation services is not new. However, in recent years the extent of agencies’ reliance on non-tax dollars to support services is a dramatic new phenomenon. In the past, contributions were forthcoming on the initiative of the business. Thus, in 1978 the CEO of a prominent business sponsor observed:

I am not at all sure that the potential of corporate contributions to the arts is fully appreciated by most museums. When we decided to get involved in contributions to the arts, we contacted various museums. We contacted them. Why didn’t someone contact us? (Elicher, 1978, p. 18)

This situation is unlikely to occur today. Most agencies now make a deliberate effort to foster partnerships with businesses as part of their strategy for countering budget cuts. The onus now is on the park and recreation manager to assume the entrepreneurial posture that has been traditionally associated with leadership in the commercial sector. Contribu-
tions from businesses used to come into the field randomly like leaves falling off a tree. Today the park and recreation manager has to shake the tree and try to direct the contributions to fall into this field rather than into another.

Recreation and park managers are most likely to succeed in forging partnerships if a marketing approach is adopted, which means that they look at their sponsorship and donation opportunities through the eyes of the business from which they seek to attract investment. This approach is illustrated by the well-known marketing aphorism, “To sell Jack Jones what Jack Jones buys, you have to see Jack Jones through Jack Jones’ eyes.” Central to this approach is an improved understanding of the quid pro quo that companies seek, which has been the purpose of this paper.

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