teaching note

Corporate Sponsorship for Nonprofits: The case of Reach High Texas not reaching in the right direction

have sparked a decline in the overall number of individual donors that contribute consistently. This decline in financial security has created financial concerns for Sherri Bakain, the founder of Reach High Texas, as the stability in monetary donations help her to be able to predict the number of projects her organization can contribute to.

Sherri recently committed to a larger project that will require a more significant amount of money than anticipated. Although she could continue to rely on individual donations and spend time promoting individual donors to contribute, the average amount of money individual donors contribute is low, making for more work for Sherri as she would need more donors to support her goal. Sherri has thus decided to pursue the idea of having a corporate donor instead. She knows that if she can secure a corporate donor, it would save her the time of having to promote the many individual donors that would financially match one donation made by a corporate donor.

Unfortunately, although this plan is valid, Sherri, having never had a corporate donor before, is not familiar with how to approach one and instead approaches individuals within the corporation the same way she would approach individual donors. This faulty approach leads to rejection, leaving Sherri hopeless and fearful that she will now no longer be able to keep her commitment to the project she made, anticipating corporate funding.

Teaching Objective

According to Catherwood and Van Kirk (1992), as companies began to see the benefits of branding, significant growth in the amount of corporate sponsorship for events has been observed. Presented in this case study are real-world examples of how an organization, as well as an event, can be affected negatively by not correctly addressing the audience in which you intend to.

Corporate sponsorship does not, of course, end at being able to address the corporation specifically but knowing how to adequately appeal to them so that they want to be your sponsor. In essence, by the end of this case study, students will be able to:

1. Analyze the best approach to understanding how to better adapt to audiences in the effort to market their events and organizations.
2. Evaluate marketing and sponsorship strategies while taking into consideration the various perspectives necessary to achieve their goals.
3. Compare and contrast the implications for shifting financial goals to obtaining corporate sponsorship than individual donors.

Teaching Audience

The case study itself is understandable at the undergraduate

level. It is also still relevant at the graduate student level for students studying either business administration, hospitality management, or event management. The analysis portion that also includes evaluating the finances of the nonprofit and creating a future financial portfolio for a hypothetical subsequent year, however, is more suitable for discussion by graduate-level students.

While the entirety of this case study is geared toward graduate-level, instructors may find it useful to incorporate this case study into an open discussion in an undergraduate classroom. The themes present are also applicable to an undergraduate level of education but are intended to engage the readers to think beyond an undergraduate level of event and organization sponsorship dilemmas.

Teaching Approach

Prior to the lesson, students will be asked to read this case study along with the additional readings on event sponsorship, cause marketing, corporate sponsorship, and event marketing. Students will be asked to have a general understanding and be able to discuss the following topics:

1. Revenue generation strategies for nonprofit organizations
2. The difference between corporate sponsorship and individual donors
3. The importance of brand equity for corporations
4. The usefulness of event-brand congruence
5. Strategies to maintain a growth of corporate sponsorship

To stimulate class discussion, instructors can utilize an open discussion format to ask questions to engage students. For example:

- Was Sherri's scope on corporate sponsorship too broad?
- How could she have better narrowed her target audience?
- Is there a limitation on the number of corporate donors an event should have?
- What would a harmony of individual-corporate donors look like for a nonprofit organization?
- What kind of incentives can you offer as a nonprofit to corporate sponsors for their funding?
- How can you ensure that your incentives are being matched adequately to their contribution?
- What is the best practice to maintain corporate sponsorship for nonprofit events in the future?
- What kind of practices distinguishes an approach to individual versus corporate sponsorship?

This case study can be taught in a variety of ways. For example, class sessions could be broken down to dedicate one session to

cause marketing, with another day dedicated to soliciting corporate sponsorship vs. individual sponsorship. Alternatively, one class period could also be used to address all three of these topics. Each topic was divided among groups to further explore and re-address as a group discussion with the entire class.

Each area of discussion would require at least an hour to fully explore and investigate the various positions that could be taken in multiple alternative settings and why. The class plan is designed to be taught with a minimum of 2 hours of instruction time; however, instructors are welcome to either reduce or expand this time frame given their own objectives for their classroom.

Students will be asked to form small groups of no more than four per group (2 minutes). Each group will be given instructions to provide a case study synopsis, highlighting the main ideas and main concerns of Reach High Texas (25 minutes). Each group will also be assigned the task of answering the questions from one of the three main topics provided above (25 minutes). During a class discussion, each group will present their thoughts to the class, allowing time for questions and debate (35 minutes).

The instructor will pose guided questions based on the additional readings. In the remaining time (33 minutes), the instructor will ask the students to write a brief summary of their own opinions and perspectives on the three main topics to be able to better check the students for content understanding.

Additionally, students will be asked whether their own views and perspectives changed regarding sponsorship attainment and the financial struggles of nonprofits as a result of the more extensive group discussion to engage them to think of the learning objectives beyond the text.

For the final assessment, the students will be given an assignment where they will be asked to write an essay on one of the main topic areas, which defends their own perceptions of the choices and the approaches taken in the case study. The students should use this opportunity to explore the challenges of sponsorship in a multitude of challenging settings. Instructors can prepare students for writing this essay by briefing the students before assigning the task on samples of small businesses and nonprofits that have locally faced similar challenges while exploring with the students in an open-forum ways that they have observed these organizations and companies face those challenges. The short essay consists of four-five pages, not including references. Students must include three to five references other than those provided by the instructor.

Analysis of Teaching Objectives

Sponsorship in this case study can best be defined in economic and marketing terms as "…an exchange relationship involving pay-ments made to events by external organizations or persons, for specific benefits provided by the events" (Getz and Page, 2016, p. 339). The discussion raised in this section should probe students to think beyond individual donations/contributions contributing to the finances of nonprofit organizations and begin to think instead of how obtaining corporate sponsorship can not only provide a significant strategic advantage to an organization but also an enormous responsibility that needs to be kept.

This case study sheds light on a situation that the individual had not yet had exposure to, in regard to the substantial differences, in terms of etiquette, on how to approach corporations for sponsorship. Premature confidence regarding her approach allowed this individual to commit to responsibilities that they more than likely would not be able to fulfill without the assistance provided by corporate sponsorship. It would be beneficial for the instructor to engage with their students on the importance of understanding the dual responsibilities that come with corporate support as well as the bilateral relationship that must exist more formally between a corporation and a nonprofit organization than that of an individual donor.

Theoretical Concepts

Undoubtedly, the attainment of sponsorship for a nonprofit can be a difficult task in any environment. Sherri recognized that she needed more financial help than she currently had and that she needed it to be able to sustain her desired activities for her organization. Brand image has been defined as the perceptions about a brand as reflected by the brand associations held in the consumer's memory (Keller, 1993). Reach High Texas is known more for having a good deal on used appliances than its return back to immigrant families. Sherri wants to pursue more remarkable and more consistent sponsorship but recognizes that it would be beneficial to consider strategies of branding her nonprofit first before approaching a corporate sponsor. This image that is perceived as a representative for Reach High Texas needs to be worked on if Sherri looks to convince sponsors of attaching their name to her mission.

To reiterate, obtaining corporate sponsorship does not end at being able to address a corporation specifically but knowing how to adequately appeal to their own values and mission so that they want to be your sponsor. According to Social Identity Theory, individuals who identify with an organization will commit themselves to actions that support the organization (Dutton and Dukerich, 1991). This needs to be Sherri's target mentality to succeed in this venture. When a sponsor identifies with a nonprofit like Reach High Texas, they become vested in the organization's successes and failures (Ashforth and Mael, 1989). Subsequently, the success of the nonprofit organization becomes the success of the sponsor. Similar to sponsors, if organizational identification is strongly identified for a nonprofit, the sponsor will be

just as likely intertwined (Ashforth and Mael, 1989). Nonprofits need to be continuously aware of their brand image because it reflects upon how the sponsors evaluate in deciding whether to associate their business with the nonprofit in question.

The audiences that Sherri was engaging through social media outreach were not adequate when leveraged against the effort she was putting into them. Donations that other local companies made were also not consistent and typically only one time. It is possible that Sherri lost out on continuous sponsorship opportunities with these smaller business sponsors because Sherri did not have a plan to follow up with one-time sponsors to turn them into repeat sponsors. It has been proven that sponsorship leveraging activities can help to transfer the image of the activity to the brand image (Gwinner, 1997). When Sherri dedicates her time to activities that are not necessarily relevant to her goals as a nonprofit but were simply for generating temporary revenue, she would discourage more prominent donors from approaching her as they didn't help to shape Reach High Texas' brand image strength.

A new financial strategy certainly needs to be made for Reach High Texas. With a corporate sponsor, the rationality is that the energy one currently puts into one-time donors that are unpredictable in their return investment can instead be put to appeasing a corporate sponsor with a consistent and regular donation schedule. This consistency will help Sherri be able to further plan out her events and thus obtain a higher level of success through her ability to utilize that time and financial contribution more efficiently. Due to her limited income and with the current economic environment, Sherri's first steps are to re-establish her brand officially through online platforms such as Facebook and her website. That being said, it is not enough to simply share your passion with a corporation and hope that they'll want to support your cause. Therefore, when Sherri approaches potential corporate sponsors next time, she plans to show how she has increased Reach High Texas' virtual footprint. Although the new amount of dedication she plans to commit to having a presence online will require more human and capital resources, she still plans to commit to maintaining engagement and having a continuous follow-up to show that she is both in-tune with the expectations and trends of today and that her nonprofit is worth investing in.

Sherri needs to consider plans to recognize sponsors to try and maintain them, as well as learn to build a brand image that correlates with her sponsors. Sponsors, however, typically want to see the commercial value of an organization's cause before committing. Facebook, Twitter, and Instagram hold essential self-representation functions and generate attention and create social and network capital (Piccoli et al., 2017). Sherri is considering investing more money into her website and online presence, but that will be a significant investment that she is unsure she has the financial stability to be able to commit

to full-time. She is also unsure if it will be worth the effort before first identifying how she wants to brand Reach High Texas. An idea that Sherri has come up with to be more cost-effective has been to establish an online newsletter potentially targeting former associates that have donated in the past. In that newsletter, she hopes to continuously highlight both individual and company sponsors that she can get onboard and try to solicit new ones by showing the direction that Sherri hopes to move in with the organization. Sherri hopes that she can appear to the sponsors as forward-thinking and worth the corporate investment by modernizing her marketing strategies. There is a legitimate fear however that her 'new ideas' are merely reinventions of previous mistakes.

Additional Readings

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