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# Who Pays the Piper?

## Understanding the experience of organisations sponsoring the Liverpool European Capital of Culture

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## Summary

This report sets out the findings from research with the organisations acting as sponsors of Liverpool's European Capital of Culture 2008 (ECoC) programme. It was conducted shortly before the official launch in January 2008. The research explores how the sponsors describe and understand their experience of the programme and provides a qualitative insight into how they view and engage with the ECoC in the lead up to the actual event. This report forms part of the longitudinal Impacts08's research programme. A follow-up study will be conducted early in 2009 in order to track the changes in sponsors' perceptions after the ECoC has come to a close.

The research aimed to understand:

- the sponsors' involvement with the ECoC, their relationship to the city of Liverpool and their involvement with Liverpool City Council;
- the working relationship between the sponsors and the Liverpool Culture Company addressing the day-to-day relationship with the Culture Company, as well as concerns that have developed during the build up to 2008;
- the sponsors' views on the potential legacy of the ECoC on Liverpool;
- the impact sponsoring ECoC has had on their organisations, and their views on the role of culture and cultural sponsorship in the future.

The key conclusions of this report are summarised as follows:

- All of the ECoC sponsors have a strong link to Liverpool
- The process of getting involved as an ECoC sponsor varied from organisation to organisation
- Sponsors' involvement in the ECoC was primarily a business decision
- Culture is a broad concept, and was used differently by each of the sponsors
- The ECoC sponsors have few existing links with cultural organisations
- There were some repeated concerns expressed by sponsors in relation to communication with the Culture Company in the lead to 2008
- Sponsors expressed concerns about the perceived lack of planning beyond 2008 and the implications for the legacy of the ECoC
- Sponsors are optimistic about the potential for a positive impact of the ECoC on Liverpool generally

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## 1. Introduction

This report sets out the findings from research with the organisations acting as sponsors of Liverpool's European Capital of Culture 2008 (ECoC) programme. It was conducted shortly before the official launch in January 2008. The research explores how the sponsors describe and understand their experience of the programme and provides a qualitative insight into how they view and engage with the ECoC in the lead up to the actual event.

The report divides the research findings into four key topics. It begins by discussing the research methods and aims of the research. It then moves on to discuss the sponsors' involvement with the ECoC, their relationship to the city of Liverpool and their involvement with Liverpool City Council. Section three then explores the working relationship between the sponsors and the Liverpool Culture Company, addressing the day-to-day relationship with the Culture Company as well as concerns that have developed during the build up to 2008.

The final two sections discuss the impact of the ECoC. The report outlines the sponsors' hopes for a positive legacy from the ECoC in Liverpool and the impact sponsoring the ECoC has had on their organisations, as well as discussing the sponsors' views on the role of culture and cultural sponsorship in the future.

The report then concludes by offering a summary of the key points and concerns raised by the sponsors during the research.

### 1.1. Aims and Methods

The Liverpool ECoC has attracted a range of sponsors from both the public and private sector. They are involved through the Culture Company, the organisation set up by Liverpool City Council to deliver the ECoC in Liverpool. These sponsors are involved at different levels of funding and commitment; as official partners (the top level), supporters, suppliers or friends. As of 1 January 2008, there were 11 partners and information from the Culture Company has identified 4 supporters, 6 suppliers and 5 friends (see Appendix 1).

The data used in this research were collected using 11 semi-structured interviews with representatives from the different ECoC sponsor levels, in which all of the interviewees were asked to speak on behalf of their organisations. The interviewees were drawn from two groups: those with day-to-day responsibilities for their company's involvement as ECoC sponsors; and staff at senior management level. The questions differed depending on the institutional position of the interviewee. Some questions were asked to both groups to get a sense of how the strategic policy decisions may be affected by the everyday relationship between the Culture Company and the organisation. In addition a member of staff from the Culture Company was interviewed to gather background information on the development of the Culture Company's sponsorship programme.

The main research questions considered by this project are:

- The sponsors' reasons for getting involved and their expectations for their sponsorship
- The process of becoming a sponsor and the working relationship with the Culture Company
- Their expectations of the impact of the ECoC
- The role of culture more generally in the sponsor's organisation and how this is affected by ECoC sponsorship.

Primary data collection was carried out in October and November 2007 by an experienced researcher from the University of Liverpool, working with Impacts 08. The usual ethical issues were taken into account.

## 2. Sponsoring the European Capital of Culture

The ECoC title is an award of the European Commission that is allocated on a rotational basis to each of the member states of the European Union. Each member state is then asked to nominate a host city, often after a competitive bidding process. Since the 1990s, the ECoC has been established as a desirable event that can act as a catalyst for cultural and economic regeneration, with an important role in projecting positive images of the host city and the event stakeholders. The latter has led to growing expectation regarding the marketing and branding assets of the title. However, the European Commission does not provide a marketing framework to promote the title – there is no established ‘European Capital of Culture’ brand – and neither is there an established funding structure. This means that the approach to attracting income varies extremely from host city to host city. As the Palmer/Rae (2004)<sup>1</sup> report indicates, most host cities have relied mainly on public rather than commercial funding and private sponsorship levels have remained low, with few exceptions.

In Liverpool, the Liverpool Culture Company has set up a sponsorship programme that is partly inspired by the model of large sporting events such as the Olympic Games and Commonwealth Games. Within this model, the establishment of a strong and commercially attractive brand for the 2008 edition of the title (‘Liverpool 08’) has been essential.<sup>2</sup> However, due to the already noted lack of an established international ‘ECoC’ brand, the sponsorship process has encountered some important challenges, in particular with regard to the local versus national or international dimensions of the brand, and its ability to be easily recognisable and associated with established values or assets. The sections below outline the profile of the Liverpool ECoC sponsors and their reasons for wanting an association with the title.

### 2.1. Who are the sponsors?

The Liverpool ECoC sponsors are a wide variety of public and private organisations. Their main feature in common is that they all have strong local interests in Liverpool. The sponsors include two local media organisations, as well as other commercial and retail businesses with a base in Liverpool. Three of the sponsors acting as ‘08 partners’ (the top level of investment and involvement), British Telecom, Enterprise and Northwest Regional Development Agency, have existing links with Liverpool City Council, whilst the two media partners along with Sayers (a prominent Liverpool bakery) and Arriva played some part in the city’s bid for ECoC status. As such, there are no official partners that do not have a strong tie to the city, including Virgin Trains, which is interested in developing its connection to Liverpool. (See Appendix 1 for a full list of current sponsors.)

#### 2.1.1. The sponsors’ target groups

All of the sponsors were asked to identify their target groups to clarify which groups the sponsors were aiming to affect with their sponsorship. The discussions revealed a range of target groups that fell into three main categories: an organisation’s customer base; an organisation’s staff; and the entire city of Liverpool. There was no clear consensus in the interviews between these three understandings of the key groups for the sponsors, but more often than not an interviewee would describe them in the broadest terms:

*‘... all of the business markets in Liverpool: the public sector, the private sector, the professional community and also the neighbourhoods.’*

Interviewees were discerning about their involvement with particular communities. For example, a high proportion of the organisations discussed the way that particular target groups may be more or less important to them, based on their organisation’s particular focus:

<sup>1</sup> Palmer /Rae Associates (2004) European Cities and Capital of Culture (obtainable from [info@palmer-rae.com](mailto:info@palmer-rae.com))

<sup>2</sup> See the Liverpool 08 ‘Using the Brand’ webpage at; <http://www.liverpool08.com/commercial/UsingTheBrand/index.asp>

*'So, obviously, the main focus for us is the business community because we are appealing to them as a community but then we also get involved in a lot of other communities in our Corporate Social Responsibility plans around Liverpool as well.'*

The importance of having a strong link between the organisation's main activity and their cultural and community activity was stressed throughout all of the interviews and is a common theme that runs through all of the questions discussed by this research.

## 2.2. Why sponsor the ECoC?

There were various rationales discussed by interviewees for the sponsors' involvement in the ECoC, based around three core themes:

- the sponsor felt they had to be involved;
- the sponsor saw a business opportunity;
- the importance of Liverpool to the sponsor meant they wished to be part of the ECoC.

All of these narratives were interlinked by the sponsors and interviewees used all three, stressing different elements, to describe the rationale for being part of ECoC.

### 2.2.1. The sponsor felt they had to be involved

A common theme throughout sponsors' descriptions of their involvement was their feeling that they 'had to' get involved with the ECoC, because of the opportunity it presented, or because of their role in Liverpool:

*'And then just as a company just to be a part of it, it is something that's going to go down in history as being Liverpool's most exciting, best year and to be a part of that is something that we want to achieve and celebrate it.'*

*'Well from the excitement that was being generated at the time the bid was being put in, we were all obviously very keen to see that Liverpool might win it, and we obviously as well saw opportunities for the city, for the people of the city, and indeed for ourselves if we did. So when it was announced then we started to look at ways that we could help, could get involved.'*

### 2.2.2. A business opportunity

The sponsors also saw the business opportunity presented by the ECoC. The sponsors all felt there needed to be a reason for sponsoring a cultural event and all of the interviewees discussed the business opportunity presented by the ECoC:

*'Why did we come in? It was partly defensive, we did not want another firm to hold this position, and it was partly offensive in that we saw it as an opportunity, a catalyst to develop our own profile, business'*

As well as business opportunities the majority of interviewees linked their involvement to brand identity and awareness:

*'The brand awareness is very, very important to us. We wanted to get across that we're a full business provider to the business community so it would help us with our message that we're a full business provider with all our products that we have'*

*'Promoting ourselves, really, as being one of the partners and we've got this deal, we need to shout about it and tell people why we're partners and what we want to do with it.'*

For a small number of sponsors the ECoC presented a strategic opportunity to remake their brand identity and transform public awareness of their organisation

*'The Capital of Culture has given us an excuse, I suppose, or the impetus to create a brand identity'*

### 2.2.3. The importance of Liverpool

Finally it can be observed that although four out of the 11 top sponsors ("Official partners") are national firms, they are all organisations with a strong local or regional interest or base, which suggests that only firms with a connection to Liverpool were attracted by this sponsorship opportunity. This is for a variety of reasons, including the alternative opportunity offered by the London 2012 Olympic Games, which was announced in June 2005, clashing with the period of sponsorship capture for the ECoC. On this front, it is worth noting that interest from sponsors without links to Liverpool has increased following the formal opening of the ECoC in January 2008. All of the existing sponsors stressed their links to Liverpool as an important reason for their sponsorship, and some sponsors made the importance of Liverpool explicit, stressing how they would not have become involved in the ECoC without their connection to Liverpool:

*'Let's be hypothetical and say Leeds had won Capital of Culture, I can't imagine that we would have got as heavily involved as we have, we are a proud Liverpool business'*

## 2.3. Levels of Sponsorship

All of the sponsors were aware of the levels of sponsorship offered by Culture Company's programme (see fig 1-1 below for types and associated funding values). However, these levels tended to be more important to supporters, suppliers and friends, as interviews with the partners indicated they wished to have the highest level of involvement and had not considered the other options.

The partners all described their involvement as 'all or nothing' and that partner status was the only one that suited them:

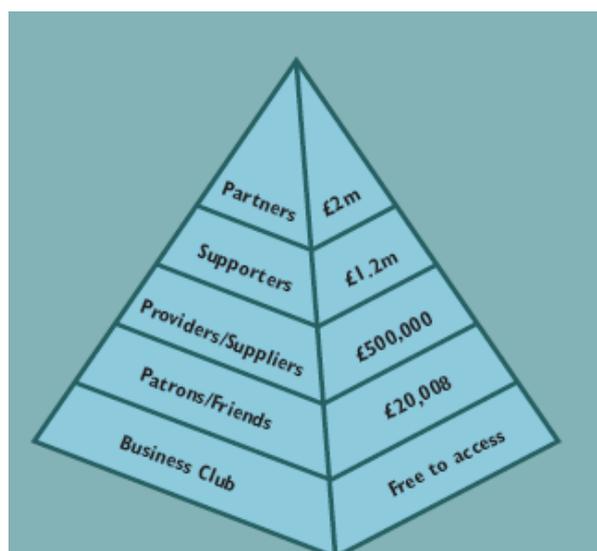
*'Well I think it was a case of, dare I say, partner or nothing, really. It was a case that we wanted to be at the top table, basically, in terms of involvement with it and we knew we'd have no problem fulfilling the criteria.'*

*'We wanted to get completely involved with all aspects of it'*

There was also clear business rationality for the partners:

*'Also if we were going to do this then we wanted to make sure that it was, from a business point of view, worth our while as well. So actually going in at a smaller level, what was the point in us doing that?'*

Figure 2-1: Levels and Values of Liverpool 08 Sponsorship



Source: Liverpool Culture Company (2006) Delivery Plan 2006/07

Supporters, suppliers and friends felt that the opportunities offered by partner status did not fit with their organisations approach to sponsorship, or their business model:

*'We had a bit of a difficulty with that [Partner Status] ourselves because, as I said earlier, we don't generally put straight cash into things, there was very little cash that we were prepared to do, but we were happy to sponsor things in kind'*

### 3. Working with the Liverpool Culture Company

#### 3.1. The initial relationship

The process of becoming ECoC sponsors varied from organisation to organisation. In a majority of cases this description was common:

*'we approached the Culture Company just about the same time as they were approaching us as to whether we would have an interest in being involved going forward.'*

Interviewees then described becoming sponsors after a process of 'bidding', making offers to the Culture Company against rival organisations from the same or similar business sectors. This 'bidding' process was not discussed during interviews involving those organisations with strong pre-existing partnerships with Liverpool City Council. Finally a minority of interviewees described not knowing the exact process of involvement. A minority of interviewees also mentioned the importance of personal networks in the process of setting up their sponsorship, especially the links to those Culture Company individuals with experience of working on the 2002 Commonwealth Games in Manchester and sponsors' staff with similar links.

##### 3.1.1. Impacts on the sponsor's organisation as a result of becoming ECoC sponsors

The interviewees described a variety of approaches to sponsorship. Some sponsors used their sponsorship as part of a restructuring of sections of their organisation; some appointed new staff to oversee their sponsorship,

whilst a minority felt the sponsorship had made little or no impact on their internal structures. For some sponsors the ECoC meant new opportunities within the organisation, such as staff events:

*'I think it's been a catalyst really, to do a lot of things'*

*'We'd never done anything like that and people suddenly went "Wow!" and the feel good factor and the pride and everything else. So, anyway, that's just one little example but we really are on this cultural evolution, cultural journey.'*

### 3.2. Sponsors' day-to-day relations with the Culture Company

Day to day, the sponsorship agreements are managed by a Culture Company employee, the sponsorship manager, who is responsible for responding to sponsors' queries, organising meetings and keeping sponsors informed of events. All of the sponsors described day-to-day relations with the Culture Company, via the sponsorship manager as good. They all spoke highly of the sponsorship manager's performance in responding to their requests.

*'To be honest we have a really good relationship with the Culture Company and with the people who we deal with on a very regular basis so we do have a lot of regular contact with people'*

Sponsors also mentioned meetings between their directors and higher level staff and the equivalent staff from the Culture Company. These partner meetings were taking place every six weeks during the run up to the launch of Liverpool ECoC 2008. The Culture Company has also introduced breakfast meetings to improve communications.

However, there was some confusion when dealing with other parts of the Culture Company

*'I find it a bit confusing really ...as to who actually deals with what. What I've found is that there's so many different departments, there's a marketing department, an events department, there's a new events department, there's someone that deals with the local communities, someone that deals with arts and then there's a branding person and it does seem to be quite difficult.'*

And the interviewees all tended to indicate that the relationship with the Culture Company had developed over the period of their sponsorship:

*'I think it's been a learning process on both sides because the Capital of Culture team has obviously grown over the years so new people have been coming on board; there have been some hiccups'*

The most common frustration voiced by the sponsors has been their communications with the Culture Company. While day-to-day dealings with the Culture Company are generally positive, strategic communication has been a problem, specifically regarding information about ECoC events:

*'I think we bring this up quite regularly in partners' meetings and you'll probably see that in minutes from meetings that we find communication is, [a problem]. But communication is the most important thing that we need to improve. We need to know about things earlier, we need to know as sponsors before they go out into the press if things are happening and we put all these concerns forward and it is slowly starting to change.'*

*'I think one of the biggest frustrations we've had, and I'm sure all the other partners would say the same because we talk about it regularly between us, is the lack of advance information. So everybody has pushed them to get next year's event programme out but not just the name of the event but how many tickets are we going to have, what's it all about etc.'*

Lack of advanced information about tickets was seen to be a key concern, especially as the Culture Company did not seem to fit with the sponsors' need for information:

*'But a perfect example is we used to know about advertised tickets two weeks before, well that's no use to us, the clients that we're actually inviting have very busy diaries so we need to let them know at least five, six weeks in advance.'*

Although this was raised as an issue by the sponsors, the Culture Company felt that problems around informing sponsors about events and tickets reflected the reality of developing and managing the programme, especially because the ECoC involves events that are not directly run by the Culture Company.

One interviewee suggested a way to keep sponsors up to date with ECoC events:

*'You know, what would be really useful is if there was a, at worst, monthly bulletin of all the events that are planned, even if it is just a summary list saying what they are'*

The Culture Company does publish an events guide for the sponsors but does not send it to all of the sponsors' staff.

The lack of information has also created confusion about further sponsorship opportunities. The Culture Company gives sponsors first refusal on new opportunities to fund events that are not part of the existing agreement and this may be the cause of confusion about the way sponsors funding is integrated into the ECoC programme:

*'I think something for us would probably have been better planning, you know we've been waiting for the events schedule for a while now. The thing with the partner meetings is that they'll often come to us with "We want to run this event," and they seem to be asking for more money from people constantly and that wasn't something that was ever in our... our understanding was that we have this agreement and that will encompass all of these things and we weren't expecting to have to pay extra amounts if we wanted to do additional things on top of it. So I think that was a bit... it made us feel a bit disappointed. Better planning and better communication, I think, knowing who is who and who's dealing with what and what their actual aims are because...we're not able to answer these questions.'*

### **3.3. The sponsors' corporate image and profile**

A minority of sponsors brought up the way in which their profile may have been affected by negative media coverage in the run up to the ECoC:

*'We obviously have an association with the Culture Company and any negativity associated with them will also have a negative impact on our brand. An example of this is the Mathew Street fiasco of which we were uncomfortable with the council wrangling in the local press; this will obviously have an effect on our brand in the local community'*

This issue has also been a concern for the Culture Company and may reflect the timing of the research interviews. The Culture Company now has a settled management structure and feels the negative press generated in the run up to 2008 is far outweighed by the positive coverage of the opening weekend.

A minority of sponsors also raised concerns that their profile had not been as strong in the build up to the ECoC and were confused over the disappearance of banners put up in the run-up to 2008 to give added value to the sponsorship:

*'I think generally the profile of the sponsors has dropped in the last twelve months, in fact about eighteen months now, I've raised this a number of times with the Culture Company because all the lampposts and the various signage that used to be around, the banners, they all disappeared with the road works and the construction and I think that created a big drop and people internally were saying "Well what's happened? We don't see our name round any more," and all the rest and it hasn't been replaced. So I think that's been disappointing, I think that even with the road works and all the new lampposts and everything there could have been ways in which some things could have been replicated.'*

The Culture Company has noted that some of the lamppost banners had to be withdrawn due to the harsh weather conditions at the start of 2008 and the difficulty to ensure that banners were kept at the appropriate standard to ensure they projected a quality image.

### 3.4. Using the Liverpool 08 brand

The sponsors all spoke about the use of their own corporate logo on promotional material from the Culture Company and at events as a benefit of their sponsorship. The use of their logo on cultural events was seen as generally positive. However, there was some concern as to the use of the 2008 ECoC logo on the sponsors' materials.

#### 3.4.1. Figure : The Liverpool 2008 official brand and adaptation for sponsor usage



Source: selected brand usage options from the Liverpool Culture Company

Some sponsors embraced the logo and some had gone as far as to use it to gain national recognition for the ECoC and their sponsorship:

*'So if, by chance, somebody in Cardiff were to ask or have an interest in Capital of Culture then the colleagues in that store would be able to say that as a company we are supporting the event.'*

There were a minority of sponsors who describe the way in which the 'Liverpool 08' logo was a problem for their promotional material. Sponsors discussed how they had not used the logo nationally because of a lack of recognition. This lack of recognition may have changed following the impact of the opening event in January 2008, but it was perceived as a relevant issue in the lead up to 2008.

*‘Q: So you haven’t used the 2008 brand nationally?’*

*A: Not at all, no. It just gets completely and utterly lost and it just doesn’t wash with them [our target audience] at all. Northwest, yes, we’re starting to see Manchester people getting involved and wanting to be involved but outside of that no, not at all’*

This reflects an ongoing issue regarding the level of recognition about the ECoC brand. While other established major events, such as the Olympics or Commonwealth Games, have an established brand that specific host cities can associate themselves to and develop, the ECoC does not have any recognisable logo or visual identity and, as such, each host city has had to create their own imagery starting from scratch. As mentioned earlier, the announcement of the 2012 Olympics in June 2005, midway through the planning stage towards the ECoC year in Liverpool, had some negative impact on the level or visibility and recognition of the Liverpool ECoC logo at a national level, as it was competing with the attention gathered by Olympic-related branding within key platforms such as the Department for Media, Culture and Sport (DCMS) website.

## 4. The impact of Liverpool’s nomination as European Capital of Culture

### 4.1. What does the 2008 ECoC mean to the sponsors?

Interviewees narrated the ECoC in two ways; as a corporate opportunity and as an opportunity for Liverpool. The key term running across sponsors’ narratives was the ‘opportunity’ offered by the ECoC. Although it was rare for sponsors to echo the language used by the Culture Company’s promotional material, many of the interviewees saw the ECoC as:

*‘A once in a lifetime opportunity’*

The sponsors saw the corporate opportunity in similar terms to the rationale for their sponsorship of the event:

*‘What does it mean to us? Obviously, because you’re talking to a corporate company the first thing is it’ll mean a lot of branding messages, it means that we’re going to be in the spotlight which is fantastic.’*

Finally, the majority of sponsors referred to the opportunity for Liverpool, in terms of its regeneration, its re-branding, its economic recovery, and its cultural renaissance:

*‘I think it means a great opportunity, I think it means a fantastic chance for Liverpool to actually get the shoe up the ladder that they’ve been waiting for for such a long time. I think it’s a chance to prove what is good about this city, it’s a chance to shrug off the negative images that a lot of people have had about the city but I also think it’s a challenge and I think it’s a great opportunity’*

### 4.2. Sponsors expectations of the impact of the ECoC

Sponsors’ descriptions of the impact of the ECoC on Liverpool generally fell into three areas:

- the impact on the city;
- the impact on Liverpool’s population;
- and the need for a sustainable legacy from the ECoC.

Sponsors were generally positive about the effects of the ECoC, although a minority raised questions about the extent to which the entire Liverpool population felt involved. Almost all of the sponsors discussed the feeling that the legacy of the ECoC was uncertain and required much more strategic thinking, an issue accepted by the Culture Company. However, it must be acknowledged that planning for the legacy of this event goes beyond the central remit of the Culture Company, particularly given that the organisation will not be in place post 2008 in its current form. Plans for the legacy are ongoing as part of discussions within the Liverpool City Council and involve a wide range of stakeholders within the city-region.<sup>3</sup>

#### 4.2.1. *The impact on the city*

Several interviewees talked about Liverpool's image and the problems that are associated with the city. This type of comment was very common:

*'I think Liverpool still does carry that tag that it's had since the '70s, it's not necessarily seen as a good place to come, ... people remember the Toxteth riots and that's what they talk about when they talk about Liverpool, they don't talk about how it's growing, how it's changing, the cultural side of things. And it tends to be more British people, the foreign people can't wait to come, but it's more British people who are saying "Oh the Toxteth riots," and they think it's going to be like that and it's not'*

This quote highlights the way many sponsors felt social problems from the past, for example, the riots and other associated problems from the 1980s, still dominate Liverpool's image.

The majority of sponsors hoped the negative image attached to Liverpool would be changed, but wondered whether the ECoC would have a lasting effect by helping to overcome, and offering a positive alternative to, the most negative associations.

Some interviewees were pessimistic:

*'Yeah, it's the bigger issue of this city being taken seriously in every quarter of how it operates – in the business world, in the arts world, in the entertainments world, commerce, it's everything. Having a nice new road network is one thing but attracting Vodafone or O2 or Sony or someone to set up a base in Liverpool is a completely different picture and I think when the dust has settled and the TV cameras have gone, that's the important part.'*

While other interviewees were much more positive about the city's image and the sustainability of positive associations:

*'It is a place that people want to come and visit now isn't it? When you think back to the early '80s when it was completely different. So I think it is just changing the face of the city and putting us on the map really, it's a bit of a cliché but I think it's true'*

Interviewees expressed their hopes that Liverpool was a city changing for the better. The interviewees specifically compared Liverpool with neighbouring Manchester as an example of what Liverpool might become and the kind of development they would like to see:

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<sup>3</sup> Between June and November 2008, the Liverpool City Council has set up a 'Cultural Legacy Scrutiny Panel' that will produce a legacy recommendation paper by December 2008. This work is taking place in parallel to a city-wide consultation for a 'Liverpool Cultural Strategy', led by Liverpool First.

*'I actually saw Manchester change, completely and utterly change, from a great urban city to something that is just so cosmopolitan now, metropolitan, it's unbelievable and I can see that slowly starting to happen to Liverpool and it's really, really, truly exciting'*

This change was not described as entirely due to the ECoC. The shopping and retail developments in Liverpool were also seen as a key factor in the city's transformation. In any case, the ECoC and the wider physical developments were seen to be closely related:

*'Things like the new Arena, the Liverpool One: the Grosvenor Street project, things like that – I'm not saying they were driven by Capital of Culture but they've definitely been impacted by it. If that change has happened already then hopefully that will just carry on building and building and Liverpool will be not... so it will come out of that shadow of Manchester'*

Sponsors did not tend to refer to previous European Capitals of Culture as a point of comparison for the potential for change in Liverpool. The only exception was Glasgow, the previous UK ECoC in 1990, although references only figured in three interviews, with a similar type of narrative to the references about Manchester:

*'Capital of culture had a significant effect on Glasgow. It's great to see it's happening to Liverpool now'*

This situation is perhaps indicative of the lack of awareness about what can be achieved by becoming an ECoC, an issue that reinforces the perception that there are no clear associations with the ECoC brand beyond specific city editions.

#### 4.2.2. Impact on local people

Interviewees commented on the extent to which there were still negative elements to the way local people described the ECoC, especially with respect to the cost of the event:

*'I would say it has challenged Liverpool and Liverpool's views. I think it's probably been a bit more thought-provoking than perhaps initially thought when the bid was going in and it was successful. I think it was always going to be met with some support and some resistance, I'm probably a bit more surprised about the level of resistance from all parties, not necessarily the DE demographic:<sup>4</sup> "Who's paying for this?" through to top end at Council. But, to be fair, as time is going to drift along before '08 arrived I think you're always going to have some element of people stone throwing.'*

And the extent to which the Culture Company had succeeded in making the entire population of the city feel involved:

*'There are a lot of people still out there saying "What's it going to do for me?" and that's my concern why are these people still saying that?'*

As well as comments that related directly to the impact on the sponsors' reputation and role within their community:

*'But that is part of an overall much slower thing as the image of the city improves, the image of the people and the services that are provided should also improve, and that is why we very much see things as being partnership arrangements, not only with Liverpool City Council and*

<sup>4</sup> Here it is likely that the interviewee is referring to the National Readership Survey (NRS) social grade classification, with grades D and E being the lower working class rankings.

*the Culture Company, but the other major organisations that we are within. We consider we are part of the community, and, therefore, how that is reflected outside the community reflects back on us as well'*

### 4.3. The Legacy of the ECoC

There was some concern expressed by the interviewees about the event legacy arrangements. Common concerns included general issues, such as the perceived lack of strategic planning for the years following the ECoC in 2008:

*'I would like to hope that it makes all of the cultural organisations stronger; I would like to hope that there is continued investment in the city; I would like to hope that all the infrastructure is finished and there's more of it to come but I have to be convinced of that because there's nothing, there's nobody telling me that with any degree of tangibility what I can expect to see on 1<sup>st</sup> January 2009.'*

A minority of interviewees also expressed general concerns about the lack of a national support for the ECoC:

*'Because it's a fallacy to think that it is just Liverpool, Liverpool just happens to be the place where it's being held but we are the UK's Capital of Culture with a global interest. Particularly for some of the events such as Liverpool Sound, but has the UK really got behind this and has it made it relevant? Has the UK, the Government, whatever made '08 relevant to everybody in the UK, not just to people here? And I think we're a million miles from that.'*

The interviewees hoped that some kind of established city-wide cultural programme would emerge after the ECoC. This interviewee offered tentative ideas about how this might be managed:

*'I don't know what would happen to the Culture Company once '08 has ended but perhaps still have a committee of people who are responsible for keeping the city alive and making sure that these events still happen and it [the momentum] doesn't fade away.'*

There was, therefore, a general consensus on the need for the opportunities offered by the ECoC not to be lost following 2008:

*'Well I suppose one of the things is to keep it going, is to keep that excitement and ensure that people still feel proud of the city and where they live and where they've come from after all the excitement of '08 has died down, is to not let that fade away.'*

In September 2008, Liverpool First has launched a consultation for a Cultural Strategy that is to “continue the momentum achieved”, “build on the successes of 2008 and help rise to future challenges and opportunities.”<sup>5</sup> The aspiration is for this document to be owned by “the city’s growing networks of public, private and voluntary organisations working in arts, heritage, sports and creative industries, its cultural agencies, universities, decision makers, health sector, investors, political leaders and its strong and diverse communities”<sup>6</sup> and ensure strong links between the strategy’s themes and those of Liverpool’s Local Area Agreement and the Sustainable Community Strategy.

<sup>5</sup> See: <http://www.liverpoolfirst.org.uk/consultations/stakeholder-sept2008>

<sup>6</sup> See: Liverpool First (September 2008) Liverpool Cultural Strategy (website as above)

## 5. Impact of Sponsorship on Engagement with Culture in general

To understand the extent to which the sponsors had an existing interest in culture, and to judge whether sponsoring the ECoC had changed the sponsors' views and corporate commitments to culture, the interviewees were asked to discuss the meaning and role culture has in their organisation.

### 5.1. How do the ECoC sponsors understand culture?

There was a wide range of views of culture and its role within a sponsor's organisation. Some interviewees saw culture in a broad sense, encompassing all of their activities, including business, community and staff projects. Two quotes sum up this 'widest' understanding of culture. Culture was seen as:

*'Everything that is going on in the city'*

And:

*'I guess to us it means events, it means... it's basically involvement of the people of Liverpool, I think, and whether that be sporting, culture and heritage or the arts and entertainment or music or comedy'*

However, not all of the sponsors saw culture in this way. Some interviewees expressed doubt at the extent to which their organisation was involved in cultural activity:

*'I'm not sure that's quite cultural though, because we've done things in the past.... which are all community based so they have a fun element and a fundraising element and then we look for projects in the community to hand that money out to. So, I'm not sure I would describe them as cultural'*

There was therefore no clear consensus on the meaning or role of culture, as it varied from narratives of culture as the 'arts', separate from the organisations' activities, to culture as Liverpool's way of life.

### 5.2. Culture and sponsors' staff

The ECoC related staff programmes had been a key success for some of the sponsors. Those organisations that adopted a very wide understanding of culture tended to have existing staff programmes:

*'We like to try and associate the activities that we do in some way with our staff, so if someone approaches us for sponsorship or assistance or perhaps a charity, a charity sponsorship or a donation, it is always best if the person approaching us is one of our own staff, who has an association with it. Because again that is morale boosting for our own staff in addition to the organisation that we help'*

In some cases existing staff programmes had been boosted by the sponsor's involvement in the ECoC:

*'It wasn't a deliberate "Oh we're not going to help any communities out"; it was "How can we get our employees involved?" We found that especially through things like the Capital of Culture, when we started this sponsorship and we asked people would they be interested in doing community work as part of this, people couldn't wait to get involved.'*

The success of the staff programmes was important to all of the organisations in which they exist, and in three cases the staff programmes were part of the sponsors' aims and objectives for their involvement in the ECoC:

*'I think for [2008], I keep talking about it but it's so important to us, is involving our staff, we want real staff involvement and that's going to be one thing across Liverpool. I mean with over 350 events [in 2008] our staff are going to be involved in some way, shape or form ... and that's really important to us and that's definitely what Liverpool means to us [in 2008].'*

### 5.3. Funding cultural activity

The sponsors' various understandings of culture were reflected in their attitudes towards funding culture. The different views of what culture means tended to determine what kind of funding was given. Although four of the sponsors did have some existing budgets, most did not have any specific budgets to invest in cultural programmes, and very few had any contact with arts organisations. Indeed the attitude of the majority of the ECoC sponsors was that any funding needed to have a direct benefit for the organisation. Whilst some of the larger sponsors discussed cultural funding as part of their corporate social responsibility programmes the general approach is illustrated in these quotes:

*'Q: Do you have individual art projects? Do you do anything with the Empire or the Bluecoat or the Tate, for example?*

*A: No, generally we leave that because it's not really our target audience. Obviously business is really important to us so everything that we do has to have a business angle'*

Very few of the sponsors had any existing cultural links before their involvement in the ECoC. Even those who were more obviously involved in Liverpool's cultural life tended not to have any formal agreements with cultural institutions:

*'[there were no cultural agreements] that I know of. We had good relationships with the likes of the Empire and the Philharmonic and so on but nothing in a formal agreement that you would class as a cultural agreement'*

Some of the sponsors did have community programmes that matched their broad view of culture, with youth groups or local non-league football teams:

*'We also have community grants, again for our employees, so if, for example, you were part of a scouting group and you proved that you worked with this scouting group for so many hours per month we would give you a community grant.'*

### 5.4. Sponsoring culture beyond the ECoC 2008

There were reasonably positive responses from the interviewees about the prospects for future cultural sponsorship:

*'Would we sponsor culture in the future? I'd like to think so but really it just depends if it fits with our business needs because at the end of the day we are a business'*

The key idea arising from the positive responses to the prospect of future cultural funding was the importance of cultural sponsorship relating directly to the organisation, as well as offering something to the sponsor.

*'It would very much be subject to the attraction of that event. It would be easy for me to say oh yes, of course we would; it would depend on the event, the backing that was behind that event and, putting my commercial hat on, just exactly what there would be in it for the business.'*

It was only a minority of interviewees that suggested there would be no institutional interest in future sponsorships, but even these negative responses indicated that there had been some, if minor, change in their attitude towards event business opportunities. The key aspect of involvement was that sponsorship of the ECoC was funding a major event, rather than something specifically cultural:

*'If something lands on our doorstep we'll probably look at it a little bit more than normal but my initial answer to that would be actually no, that we did the sponsorship not because of its cultural attributes, we did it for the whole branding exercise'*

## 6. Conclusion

The research interviews have presented a variety of perspectives and understandings of Liverpool ECoC 2008. Ten key points came out of this research:

- **All of the ECoC sponsors have a strong link to Liverpool**

There was no sponsor that did not see Liverpool as a key market or have an office in the city. Many of the sponsors were specifically local organisations. Although the Culture Company was very successful in attracting sponsors, the sponsors' close links to Liverpool reflect a perception by potential sponsors that the ECoC event, unlike the Olympics, does not have a strong national and international profile. This is shown by comments from those sponsors who operate nationally and internationally. It was rare that these sponsors made use of their link with ECoC as part of national marketing or branding campaigns. It was only one interviewee who drew attention to the use of the ECoC logo as part of national promotional material, whilst two of the organisations interviewed stressed the ECoC's perceived lack of relevance to their national and international target groups. However, national perceptions of the ECoC and sponsorship interest have changed following the opening event in 2008, so it will be important to contrast these early perceptions with our follow-up 2009 research.

- **The process of getting involved as an ECoC sponsor varied from organisation to organisation**

From the descriptions of the process given by the interviewees, there did not seem to be any standard model used by the Culture Company to involve organisations as sponsors. The process varied as many sponsors contacted the Culture Company directly, and each organisation had a different set of expectations and corporate structures.

- **Sponsors involvement in the ECoC was primarily a business decision**

The ECoC represents a business opportunity for the sponsors. Some sponsors used the ECoC as part of rebranding their organisation or for improving staff morale, but the dominant rationale behind ECoC sponsorship was the business possibilities.

- **There were some repeated concerns expressed by sponsors in relation to communication with the Culture Company in the lead to 2008**

There were two perspectives on relations with the Culture Company; the day to day relationship with the assigned sponsorship manager was good, but strategic communications were a significant problem especially because of the consensus from the sponsors that there had been a lack of information about ECoC events from the Culture Company in the lead to 2008. This was a particularly grave issue for those sponsors needing information in advance to fit in with their corporate planning and strategy.

- **Sponsors are concerned about the risks to their own brand if the ECoC is perceived as a failure**

Sponsors were concerned that any perceived failures by the Liverpool ECoC would have a negative impact on their brand. A minority of sponsors mentioned the issues facing the Mathew Street festival 2007 specifically. Others did comment on the problems associated with the build up to the ECoC.

- **Culture is a broad concept, and was used differently by each of the sponsors**

There was no one single definition about culture that was shared by all of the interviewees. In essence, culture tended to be viewed as the whole of Liverpool's way of life, complemented by specific references to artistic and sporting events. The Culture Company feels this interpretation fits in with its broad view of culture reflecting all aspects of Liverpool life.

- **The sponsors have few existing cultural links**

The sponsors had very few links to cultural organisations in the city and it is unlikely that their ECoC sponsorship will change this. Whilst sponsors expressed an interest in future cultural links and sponsorship, there had been no changes in institutional behaviour to embrace the value of becoming patrons of culture in Liverpool.

- **Sponsors expressed concern about the lack of planning beyond 2008 and the legacy implications**

There were significant concerns expressed about the legacy of the ECoC. There was a perception amongst the sponsors that there were no firm plans for the years following the ECoC 2008 and those suggestions that had been publicly discussed were underwhelming. However, the legacy is an issue for the Liverpool City Council to plan in collaboration with a wider range of city stakeholders, rather than a direct responsibility of the Culture Company. This distinction was not always clear to the sponsors and created some frustration.

- **Sponsors are optimistic that the ECoC will have a positive impact on Liverpool**

The sponsors wanted the ECoC to make a positive impact on Liverpool; its image and the city itself. Primarily sponsors discussed their hopes that Liverpool would be able to undergo a similar transformation to Manchester, as a result of both the ECoC and the regeneration in the city centre.

## 7. Next steps for the research

This report uncovers the state-of-play for the main ECoC sponsors just before the actual event year in 2008. The main issues raised are indicative of the challenges surrounding the preparation for a large-scale event. They stress the importance of managing communications more effectively, particularly in response to the kind of crises that are common in the build-up to an event year. They also stress the need to share more detailed information about positive elements, such as programming, access to special functions, and availability of tickets, so that sponsors feel more involved and can incorporate stronger links to the ECoC within their corporate planning.

It will be relevant to follow up this research with end-of-year sponsor interviews in order to capture the impact that hosting the actual event programme in 2008 has had on the sponsors' feelings of confidence and commitment to support cultural activities in Liverpool and, potentially, elsewhere in the medium to long term future.

## 8. Appendix: Levels of ECoC sponsorship and sponsor list

### 8.1. Levels of involvement as Liverpool ECoC sponsor

Information extracted from the Liverpool 08 website: **Commercial Support section**  
(available at: <http://www.liverpool08.com/commercial/> (last accessed: 7 May 2008))

#### *Sponsorship of Liverpool 08*

Commercial Partners from the Private Sector are playing an enormous role in both helping us to fund key projects and key elements of our programme and providing resources to make it happen.

Instead of involvement with specific events with a short duration, our partners are integrated across all our programmes. We have been able to develop a true partnership with our sponsors who have been able to use their role in Liverpool 08 to engage their clients and customers, their people and their communities.

It's not too late to find out what this unique sponsorship opportunity could do for your business.

The Liverpool 08 sponsorship programme offers four levels of sponsorship for businesses to support the '08 Culture programme, Official Partner, Official Supporter, Official Supplier and Friend 08.

Sponsorship packages range from £20,008 to £2m, with each level afforded different benefits across all of the Liverpool 08 programme and events.

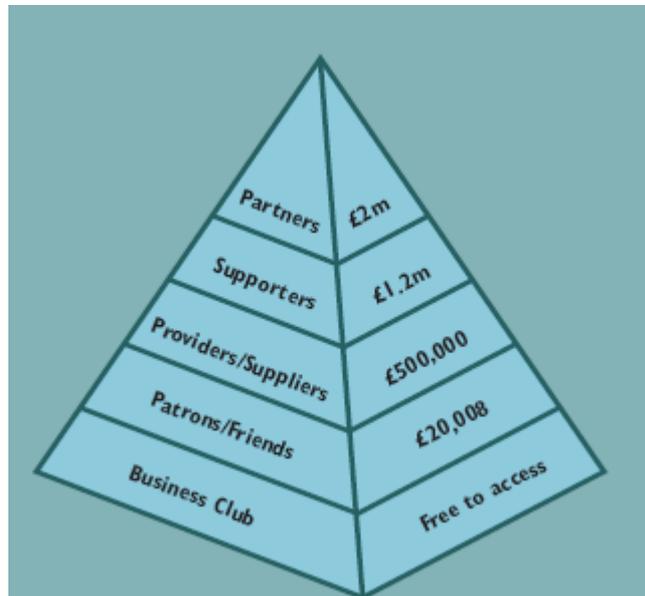
#### **Sponsor Benefits**

Depending on the level of investment, companies can get access to a spectrum of Culture Company assets including:

- Intellectual property (logos, designations, 'Look of the Capital of Culture',)
- Category exclusivity
- Corporate use (letterheads, business cards, B2B promotions, website)
- Consumer use (TV, radio, print, direct mail, outdoor, website, database use)
- Sponsor recognition (banners, advertising, website links)
- Tickets and hospitality (complimentary allocation and access to purchase additional)
- Event creation and involvement upgrades

*Levels of investment*

Information extracted from: Liverpool Culture Company (2006) Delivery Plan 2006/07



**8.2. List of official ECoC sponsors**

<b>Partners</b>	<b>Supporters</b>	<b>Friends</b>
Hill Dickinson	Northern Rail	Ethel Austin Properties
United Utilities	Merseyrail	John Lewis
Radio City	Transpennine Express	Beetham Organization
Enterprise	EMI	Mando Group
Northwest Regional Development Agency		Royal Liver Assurance
Alliance Leicester Commercial Bank	<b>Suppliers</b>	
Sayers	Cains Brewery	
Trinity Mirror (Daily Post and Liverpool Echo)	Arriva	
Merseytravel	Mersey Sound (MSP)	
British Telecom (BT)	Ethel Austin	
Virgin Trains	Liverpool John Lennon Airport	

Source: [www.Liverpool08.com](http://www.Liverpool08.com) (last accessed: February 2008)

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