

**Sponsorships for Nonprofit
Scholarly & Scientific Journals:
A Guide to Defining & Negotiating
Successful Sponsorships**



The Scholarly Publishing & Academic Resources Coalition

21 Dupont Circle, Washington, DC 20036

www.arl.org/sparc

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I. INTRODUCTION

1.1 Purpose of the Guide

Professional societies and other nonprofit publishers of academic journals rely on a variety of business models to generate the income required to offset their operating expenses. These models include individual and institutional journal subscription fees, publication charges, membership dues, conferences and meetings, philanthropic funding, advertising, sponsorships, institutional in-kind support, and others. Each of these has its merits, and many academic journal publishers combine multiple models to fund their operations.

This guide describes how nonprofit publishers can

- evaluate whether a corporate sponsorship program might be appropriate for a particular journal; and, if appropriate,
- develop a sponsorship program as a component of the journal's income stream.

According to IEG Inc., in 2003 over 5,000 companies spent more than \$10.5 billion annually on sponsorship programs in North America. Worldwide, sponsorship spending was estimated to be \$26.2 billion.¹ While much of this spending flows into sports and large-scale events, corporate sponsorship spending continues to increase rapidly across virtually all market segments. Although it is difficult to document the exact extent of the practice, a number of scientific journals—including *Nature*,² Oxford University Press,³ and others⁴—already use sponsorship models to wholly or partially offset their operating costs. For nonprofit academic journal publishers, facing a challenging market environment in which institutional and individual subscription bases continue to erode, corporate sponsorship can offer a potential alternative or supplemental income stream.

While this guide provides information about pursuing sponsorships as one potential source of journal income, it does not attempt to present corporate sponsorships as a universal funding model capable of supporting all scholarly and scientific publishing. Such a disclaimer may seem superfluous. However, as this guide appears, stakeholders in the scholarly publishing process—including authors, researchers, society executives, publishers, and librarians—are energetically debating the merits and defects of the prevalent subscription-based publishing model relative to an “open access” alternative that makes content freely available online to end users. In the context of this debate, potentially effective business models are sometimes criticized as not being scaleable to the academic publishing system as a whole. While such criticisms are sometimes true, they are typically irrelevant to the needs of any individual journal.

This guide explicitly recognizes that sponsorships will provide a more suitable business model for some journals than for others. It therefore describes how a publisher can determine whether a sponsorship program makes sense for any given journal. Further, sponsorships will frequently complement other income-generating models. While some publishers will be able to offer sponsor benefits of sufficient value to attract sponsorships that can support a journal's entire operation, others will use a sponsorship program to supplement existing income streams.

1.2 Intended Audience

While much of this guide should apply to nonprofit journal publishers throughout the world, in some particulars it assumes a North American perspective. Descriptions of the legal and regulatory issues that apply to sponsorships, for example, are based on U.S. examples. While a sponsorship culture and market environment exists in North America, the U.K., Australia, and elsewhere, not all countries have economies or business environments with sponsorship traditions. Further, this guide assumes that a journal offers an online version, although many of the sponsorship programs described could also work—with some modification—for print-only journals.

Both subscription-based and open access journals may elect to make sponsorships part of their income mix. In recent years, budgetary pressures have forced libraries to cancel subscriptions to journals offered by many small and independent publishers. Thus, many nonprofit publishers face a steadily decreasing subscription income stream, with few options for offsetting the progressive loss. Increasing subscription rates serve only to exacerbate the problem by accelerating the rate of institutional cancellations. Further, most societies find it difficult to shift the burden of publication costs to members and individual subscribers. In this environment, income from sponsorship programs may offer a welcome offset to losses in subscription income while maintaining publication quality. Thus, income from sponsorship programs can help nonprofit publishers of subscription and open access journals serve their missions of disseminating research results, whether through affordable access or open access.

1.3 Nonprofit Sponsorship Defined

Before describing specific sponsorship programs that journals may wish to consider, it makes sense to define what we mean by such sponsorships (since the term is used variously) and to explore the implications to publishers of pursuing corporate sponsorships.⁵

- *Sponsorships are not philanthropy.* Philanthropy entails a donor's contribution of cash, cash-equivalents, or in-kind goods and services with no *quid pro quo* expectation. While the journal would typically acknowledge such a donor through a recognition graphic or message, a philanthropic funder would support the journal without any commercial incentive or explicit "pay-back." Sponsorship is not a fundraising tool. From the sponsor's perspective it is a business arrangement that entails the payment of fees for access to marketing assets. Whether philanthropy or sponsorship—or some combination of the two—better serves a journal's needs will depend on each journal's specific situation.
- *Sponsorships are not advertising.* While some nonprofit organizations prefer the term "sponsorship" as a euphemism for "advertising," sponsorship programs differ from advertising placements. Advertising directly promotes a company, product, or service through message placements bought for that purpose. In consumer venues, advertising is a quantitative medium, sold and evaluated in terms of readership demographics and cost per thousand readers, or performance-based measures, such as inquiries or orders generated by ad placements. Scholarly journal advertising is also predicated, at least in part, on quantifiable measures (e.g., circulation, types of readers, etc.) and

typically involves a specific response sought from those exposed to the advertisement. Sponsorship, on the other hand, is a qualitative medium; it promotes a company or organization by associating it with a journal's or publisher's purpose, mission, set of values, and public perception. Indeed, it is largely this intangible affinity that most sponsors value.

- *Sponsorships are a business relationship.* The relationship is between a journal and a provider of funds, resources, or services, in which the journal offers in return some rights and association that may be used for the sponsor's advantage. For such a partnership to succeed, both the journal and the sponsor must recognize that the relationship requires balance and mutual benefit. From a business's perspective, such strategic philanthropy (or corporate social investing) targets the sponsor's giving towards nonprofit organizations that not only serve the public good, but that also fulfill its business purposes and mission.⁶ A journal sponsorship, as part of a well-conceived marketing strategy, allows a corporate marketing partner to communicate with its target market—which may include its own current and potential employees, as well as customers—in ways that go beyond the media components of a sponsorship package. In other words, the sponsoring organization can realize value and attain visibility beyond mere advertising equivalents, and the journal can price its sponsorships to reflect this greater perceived value.

1.4 Why Sponsorships?

In virtually every market segment, brands and products continue to proliferate, causing corporations to constantly seek innovative ways to differentiate themselves from their competition. Sponsorships, more than any other marketing channel, create a positive impact on brand affinity. Corporate brand affinity—sympathy with, or attraction to, a company's image—helps provide this differentiation and translates into increased customer affinity for a company's products and services, as well as for the corporation itself. A strong match of journal and sponsor will allow sponsors to benefit from association with the journal's reputation and from the perception by its readers that the sponsor is providing a societal benefit. Creating this affinity helps sponsors demonstrate their corporate values, build customer loyalty, enhance their corporate reputations, develop and reinforce goodwill within a community, and generate media coverage, thus generating increased sales and higher levels of customer and employee satisfaction.⁷

As a result, the opportunity exists for journals to create corporate sponsorships that advance the journal's mission as well as serve a potential sponsor's business and public relations goals.⁸ To be successful, these sponsorships must be mutually beneficial relationships that involve the exchange of something of value from each participant to the other and where responsibilities and expectations are clearly articulated and understood.

The notion that sponsorships can generate goodwill towards a sponsor is not just speculation. A number of recent studies have documented that consumers consider a company's reputation when making purchase decisions. Indeed, almost 90 percent of consumers indicate that social responsibility and cause-related marketing have a highly positive impact on their perception of a company. Further, multiple studies have demonstrated that consumers find it acceptable for companies to derive some benefit from relationships that support a worthwhile cause.⁹

1.5 Sponsorship Risks and Objections

Corporate sponsorship of scholarly journals entails risk and requires effort. Reasons that might be cited *against* corporate sponsorship of scholarly and scientific journals include the following:

1. Sponsorships might imperil editorial independence as sponsors may seek to influence the journal's editorial content.
2. Whatever the reality, authors and/or readers may *perceive* that sponsorships impair the journal's editorial independence.
3. Sponsorships require considerable effort on the part of a publisher to define, negotiate, implement, and manage.
4. Sponsorships may not generate sufficient revenue to fully support a journal.

The above are logical concerns, and potentially, legitimate objections. However, they can often be effectively countered by careful planning and execution.

While some potential sponsors might expect to be able to influence a journal's content, there are several reasons why this need not pose a debilitating concern:

1. The value that a sponsor gains from a journal sponsorship derives in large part from the reputation of the journal itself. Therefore, anything that would diminish the journal's reputation would similarly affect the value of the sponsorship. Publishers can define their sponsorships in such a way that this value is clear to potential sponsors.
2. Publishers can construct sponsorship underwriting guidelines and policies that prohibit any editorial input by sponsors and explicitly communicate and enforce the journal's editorial independence. *Section 2.5 provides a set of sponsorship policy guidelines that publishers can review and modify to define and communicate a sponsorship program.*
3. The amounts of money sought from any one potential sponsor will often be relatively small and it is unlikely that a sponsor would expect to influence editorial content (unlike, for example, a pharmaceutical company's sponsorship of a research project and the publication of results).

The *perception* of a sponsor's editorial influence probably poses a more serious objection than the actual threat of sponsor editorial meddling itself. While a journal can develop policy guidelines that explicitly preserve editorial independence, this will not always ensure that authors and readers trust and believe such assurances. Prestigious medical journals, which enjoy significant income from reprints of pharmaceutical clinical trials, have faced this issue for a long time.¹⁰ Still, explicit and transparent policy guidelines, coupled with an effective program to educate the journal's audience prior to implementing the sponsorship program, can deflect or moderate such criticisms. In most cases, readers of well-regarded peer reviewed journals will continue to place confidence in the editorial integrity of the publisher and the journal's editors, authors, and reviewers.

Developing, implementing, and maintaining a sponsorship program will indeed require time and effort. Many small independent and society publishers do not have the in-house

business and marketing staff and skills required to develop a successful sponsorship program on their own. That is why this guide is designed to help smaller publishers. Investing in developing strong, mutually beneficial, long-term sponsor relationships will decrease the cost and effort required to maintain the sponsorship program in the long-term, and thus yield a higher return on investment.

Further, simply maintaining its market for journal subscriptions in the academic library market will require increasing effort on the part of publishers. Libraries no longer actively purchase subscriptions passively offered by scholarly journal publishers. Faced with the prospect of contending for subscriptions in an increasingly tight market, some journals may find that sponsorship programs—along with other non-subscription models—offer a more practical approach to generating the income they require.

We will discuss below how to define sponsorships in such a way as to increase and document the value and appeal of these opportunities to potential sponsors. Of course, whether a sponsorship program will—by itself—generate sufficient revenue to support a journal will also be a function of both the journal’s content and its cost structure. In any event, sponsorships might prove an attractive alternative or supplemental income stream for both open access journals and gated journals facing decreasing subscription revenue.

1.6 Structure of this Guide

This guide steps publishers through each of the issues above, and allows them to evaluate and develop a sponsorship program systematically. The guide presents this process in the following steps:

Phase One—Prepare the publisher to seek sponsorship opportunities

1. Determine the goals for a sponsorship program.
2. Assess organizational readiness to pursue sponsorships.
3. Identify assets and value that the journal might deliver to a sponsor.
4. Develop underwriting policies to guide the sponsorships (and to communicate with readers and/or society members).

Phase Two—Plan the sponsorship program

1. Inventory any current society and/or journal sponsorships, partnerships, and alliances.
2. Identify businesses and organizations that might serve as sponsors.
3. Define the potential value of each sponsorship program.

Phase Three—Negotiate and manage sponsorships

1. Develop a sponsorship prospectus for each type of potential sponsorship.
2. Approach potential sponsors and negotiate terms.
3. Review, assess, and manage the journal’s portfolio of sponsorships.

NOTES

¹ International Events Group (2003), 5–9.

² See <http://www.nature.com> and *Section 2.2.4.3*.

³ OUP’s open access journal *Evidence-based Complementary and Alternative Medicine* (<http://ecam.com>).

oupjournals.org) was originally sponsored in part by the Ishikawa Natural Medicinal Products Research Center, although it is not clear whether that sponsor relationship still exists.

⁴ For example, *Nineteenth-Century Art Worldwide* <http://19thc-artworldwide.org/>; *Palaeontologia Electronica* <http://palaeo-electronica.org/>; *Philanthropy Journal* <http://www.philanthropyjournal.org/>; *South African Journal of Information Management* <http://general.rau.ac.za/infosci/raujournal/>; and *Voices* <http://www.voices.no/>.

⁵ In sponsorship marketing, the term “sponsee” is used to refer to the beneficiary of a sponsorship and the term “property” refers to the organization, program, or event that is sponsorable. As these terms are unlikely to find favor with society publishers or their constituents, we have avoided their use in this guide.

⁶ Porter and Kramer (2002).

⁷ For the role that strategic philanthropy plays in corporate marketing strategy, see McAlister and Ferrell (2002); Polonsky and MacDonald (2000); and Sagawa and Segal (2000).

⁸ Nonprofit content aggregations from multiple publications (for example, BioOne) can also pursue sponsorships. In these cases, the issue of editorial independence (discussed below) would be mooted as the sponsorship would be with the aggregating organization, rather than with the individual journals.

⁹ See Cone, Inc. (2002); Environics International Ltd. (2000); and Adkins (1999), 79–81. Conversely, consumers are increasingly willing to boycott companies that they perceive as behaving improperly. This raises the stakes for companies as they seek to improve their corporate image via sponsorships and other tools.

¹⁰ See Smith (2003).

II. EVALUATING THE POTENTIAL FOR JOURNAL SPONSORSHIPS

2.1 Determining Sponsorship Program Goals

Before considering sponsorships as a potential income stream, a publisher should identify what exactly it seeks to gain from a sponsorship program. Even, as will often be the case, when the answer is “revenue to finance journal operations,” it is important to determine with reasonable certainty the actual amount required, any income timing (cash flow) requirements, and other matters. A journal that aims to generate \$5,000 a year might create a sponsorship program that differs in substance and scale (and, possibly, tax implications) from a journal that aims to generate \$200,000 a year.

We have described below some of the potential benefits a journal might seek from a sponsorship program.

2.1.1 Financial Support

The most obvious and frequent benefit that a journal might seek from a corporate sponsor would be direct financial support of the journal’s operations. This would typically take the form of payments to the journal’s publisher, either one-time, or more typically, periodically (such as annually, under a multi-year sponsorship agreement).

While true of most large sponsorship contributions, cash payments especially will require that the receiving journal have a formal financial structure that satisfies the requirements of the sponsor. A sponsor making a significant cash commitment might expect access to an audited (or otherwise certified) financial statement for the journal. If the journal is published by a nonprofit society, the society’s financial management or accounting department could typically provide this type of reporting. (In many cases, providing a copy of the annual report of the nonprofit corporation by its independent certified public accountants will suffice.)

2.1.2 In-kind Contributions

Sponsors might provide in-kind contributions that provide substantial offsets against a journal’s operating expenses. In-kind contributions might provide free or discounted services, including online hosting of a journal’s Web site, technical support, digital preservation services or expertise, office space, administrative support, and other services for which the journal would otherwise have to pay. In the past, academic institutions have often provided such in-kind support for journals edited by members of their faculties, although as institutions come under increasing budget pressure this practice may become less prevalent. Sometimes this support is explicit and quantified; often, it is informal and undocumented. A journal receiving such institutional support may elect to recognize the support as part of its sponsorship program.

Additionally, a sponsor might provide a publisher access to other types of expertise (legal, financial, marketing, etc.). In this way, the publisher would benefit from access to greater resources than it might otherwise be able to afford on its own and/or would conserve financial resources that it can dedicate to the operation of the journal.

Specific types of non-cash (in-kind) support might include the following:

- *Website Design, Redesign, or Development*

A publisher might approach an organization seeking financial and/or in-kind support for designing or redesigning its journal's website or for adding additional features or functionality to the journal site. This type of sponsorship might either be a stand-alone contribution or be bundled with a cash payment. If a journal's current web presence is rudimentary or graphically unappealing, a sponsor might be particularly receptive to funding such work, as the journal's online appearance will reflect on the sponsor as well as on the journal.

A sponsor might either provide a cash contribution to fund this development or might contribute web designer or graphic artist staff resources to improve the appearance of a journal's website. Obviously, in the latter case, the publisher will need to be careful that any cosmetic changes not reflect the look (corporate colors, graphical elements, etc.) of the sponsoring organization, but rather, continue to project the distinct identity of the journal.

- *Contributions of Goods*

Besides services such as those mentioned above, a sponsor might donate free or discounted goods for distribution to a society's members (for example, to replace or partially replace the value of a journal subscription as a benefit of society membership) or for sale on the journal's website in order to generate revenue to support the journal's operation. This latter technique would typically prove most effective for publishers that already support an e-commerce function on their websites and that are familiar with the accounting and any tax implications of such transactions.

- *Increase of Journal Visibility*

As discussed below (see *Section 2.2.2*), a sponsor will expect to benefit from a halo effect, whereby the sponsor benefits from the goodwill and public prestige enjoyed by the journal. Commercial (and even nonprofit) sponsors will often have far greater public relations and marketing communications resources than the publisher itself. To amplify the halo effect, a sponsor might be willing to apply marketing and communications resources—otherwise beyond a journal's marketing competencies and budget—to increase a journal's visibility.

For its part, a new journal might also enjoy wider exposure, greater visibility, and even enhanced prestige (depending, of course, on the relative esteem in which the journal and the sponsor are regarded) from a sponsorship. In effect, the sponsor applies its marketing and public relations resources to create name recognition value for the journal, as well as collateral business value for itself. Obviously, gaining greater visibility via a corporate sponsor reinforces the need to select a sponsor carefully, lest the journal achieve negative publicity and undermine, rather than build, its image.

Increasing a journal's public visibility can also help build awareness of the journal's brand with other businesses and help the publisher secure other corporate sponsors. Contact with businesses to gain sponsorships can have a multiplier effect: working with

one business can result in introductions to, or attention by, other people and businesses that can provide sponsorship and other resource opportunities to the journal.

2.1.3 Program Services

A sponsor might provide services that are valued by a journal's principal audience. In some instances, these services could be passed on as a benefit of membership for a society-published journal. For society journals shifting to an open access model, such services might provide a membership incentive that offsets, or partially offsets, the perceived value previously delivered to members by the journal itself. This might address the concern of some scholarly societies that they would lose membership (and membership dues) if they made their journals available via open access.

2.1.4 Cause-Related Marketing Campaigns

Financial support might derive from a variety of sources. In addition to income from cash donations or grants, a sponsor might earmark proceeds from a cause-related marketing (CRM) campaign to benefit the journal. CRM campaigns link a company's marketing efforts to a nonprofit organization or cause to enhance the corporation's image while benefiting the designated cause. A common model is purchase-driven fund-raising, whereby a predetermined percentage of the sales generated by a consumer product is contributed to the nonprofit.¹¹

While frequently applied to small, high volume consumer purchases, such programs could also be applied to large, professional purchases (such as lab equipment). A sponsor might contribute a stipulated percentage of the sales for a particular product or service over a given period to the journal. In this case, the size of the contribution will be a function of both the percentage and the purchase price of the product.

Such CRM-driven contributions typically run for a relatively short period of time (one or two years at most), and the income stream would need to be replaced or renewed once the program ends. Additionally, unless the sponsor guarantees a minimum contribution, it might prove difficult to count on such a revenue stream as a consistent source of operational support.

2.1.5 Indemnification Sponsorships

An "indemnification sponsor" backs a journal with a commitment to provide funds, or even a line of credit, in exchange for a sponsorship. Sometimes the sponsor might only be obligated to provide funds if certain specified conditions are met. For example, a journal that is transitioning to open access from a subscription-based model might seek a sponsor to help mitigate the financial risk the journal incurs during the transition and until its open access business model becomes self-sustaining. A JISC funding program in the U.K.—supported by government funding—provides one example of how such a program might work. The JISC program, in effect, wholly or partially subsidizes publication submission fees for open access journals from several publishers.¹² Similar approaches could be applied to mitigate other types of transitional risk.

Summary: Assessing Potential Benefits

A publisher should take the above types of desired benefits into account when identifying a potential sponsor. It makes sense for a journal to begin by ranking which benefits it values most highly. If the publisher requires a particular type of expertise or non-cash resource, it will want to bear that in mind when making a list of businesses to approach regarding a sponsorship. If a journal has multiple resource needs, it may want to identify several types of sponsors to contact.

2.2 Identifying Assets and Value that the Journal Can Deliver to Sponsors

There is no one approach to creating corporately funded journal sponsorships. Sponsorship programs can take a variety of forms and each program will evolve under different circumstances to serve the needs and goals of both the journal and one or more corporate sponsors. The following section discusses some possible types of sponsorships that a publisher may wish to consider.

A company will invest in a nonprofit journal sponsorship in order to exploit the commercial opportunities afforded by association with the journal. Presenting a sponsorship opportunity to a potential sponsor requires that the offer features a powerful combination of tangible and intangible benefits, with a compelling case made for the value of the sponsorship assets. We will focus primarily on sponsorships based on the value inherent in the journal itself. However, a society publisher might construct a journal sponsorship package to include complimentary annual meeting attendance, free or discounted society published monographs, attendance at society functions, and/or other benefits that lie beyond the journal proper.

Not all of the potential sponsorship program elements described below will be appropriate or suitable to every journal. The types of content published by a journal, its audience composition, the conservatism of its editorial and governing boards, and a variety of other considerations will affect the viability and appeal of each of these potential programs. Further, while some fields have an established tradition of corporate sponsorship of nonprofit organizations, other fields have no such tradition and might require additional initial effort.

2.2.1 Brand Presence and Identity

The extent to which a journal commands a strong presence and visibility in the market (in other words, with its readership) represents an important element of the value that it can deliver to a sponsor. For example, a prestigious name, long publishing record, editorial selectivity and reputation, and a well-recognized masthead or logo all contribute to the journal's brand identity and translate into value for a potential sponsor. If a journal enjoys a strong reputation and prestigious position in the minds of its audience or audiences, then it should consider what businesses or organizations are likely to value that brand identity (see Section 3.2) and an association with the publisher and journal.

For a newer journal, an as-yet unexceptional reputation or limited publishing record does not entirely eliminate the journal's potential to attract sponsors, but it does require that the publisher make a stronger case for other benefits it might deliver to a sponsor. In the absence of an ISI Impact Rating, a decades-long publishing history, and other status indicators, a

publisher will need to rely more heavily on audience and journal use statistics to demonstrate that it reaches a particular audience and can deliver audience affinity. Additionally, endorsements secured from influential members of the journal's audience would further enhance the journal's perceived appeal.

2.2.2 Audience Affinity and Sponsor Access to Markets

Providing access to customers and markets represents the greatest asset that a scholarly journal can offer a sponsor.¹³ This value rests on both the journal's ability to reach an audience—an audience having a predisposition towards a particular subject, field, or discipline—and to maintain a consistent and mutual connection between the journal and its readers. For organizations trying to reach that same audience, the journal's deep relationship with its readership distinguishes the journal from other potential media outlets that the sponsor might use to reach its market. Thus, sponsorships appeal to companies that wish to associate themselves with, and benefit from, the journal's affinity with its audience. This association helps companies differentiate themselves from their competitors or project their image to a target audience.

Sponsors most value the opportunity to associate their brand with something their target market appreciates. This audience affinity makes sponsorship a far more effective marketing channel than traditional advertising and the principal asset that a journal can offer a sponsor. Audience affinity manifests itself in various ways. Society members, both by their professional orientation and through payment of their membership dues, demonstrate their *commitment* to the society and to the journal. The journal thus provides direct access to a target audience defined by the society members' shared interests and values. Sponsors can appeal to such committed audiences in more compelling ways than through advertising. Further, when a sponsor supports a journal that is valued by the members of a society, it triggers a cycle of *reciprocity* in which the sponsor is rewarded with heightened brand recognition and increased goodwill. In other words, sponsors can align their brands with the values of the journal's audience.

Beyond the halo effect of audience affinity, the journal provides a direct channel through which the sponsor can reach a particular audience to deliver a message, gain product ideas, test product concepts, or otherwise interact with its target market. In the case of advertising, the message is typically a straightforward product or service sales offer. With sponsorships, the message can be simultaneously more subtle and more effective. In some cases, a journal might serve as *the* established communication channel for a particular market or class of users. Where a journal plays such a dominant role, reaching the vast majority of a particular market segment, the value of a sponsorship can be expected to increase.

There are several indicators of a journal's audience affinity. The journal's reputation and brand presence—as indicated, for example, by ISI impact factor—provides a qualitative gauge, while the volume and intensity of the journal's website traffic provides a quantitative indicator. For subscription-based journals, the journal's audience affinity also manifests itself quantifiably through the journal's individual and institutional subscription base.

While we will address sponsorship policies and underwriting guidelines in greater detail below, a publisher must consider the extent to which—from both a practical and a policy

perspective—it will be willing to provide a sponsor with access to the journal’s audience. For example, a publisher might determine not to permit direct product appeals by sponsors, but be willing to allow voluntary surveys of the journal’s site visitors or posting of a company’s mission or issues statement.

2.2.2.1 Segmentation

Given the importance of affinity to a sponsor’s brand building and awareness, companies and their advertising agencies typically use audience demographics as the principal criteria in determining where to invest their marketing resources.¹⁴ Therefore, a publisher’s logical first step will be to carefully segment the journal’s audience into all its meaningful components. As an example, the table in *Exhibit 1: Hypothetical Nursing Journal Readership* illustrates a simple audience segmentation for a hypothetical nursing journal. While nurses are the journal’s principal audience, its audience can be segmented to reveal sub-segments that might suggest and appeal to a range of potential sponsors.

The publisher should also assess whether the journal’s audience represents a particular demographic besides its professional affiliation. Additional journal readership demographic data that a potential sponsor might find useful in considering a sponsorship include

- gender;
- age (e.g., 18–25; 26–35; 36–45; 46–55; 56–65; over 65);
- education level (e.g., high school; some college; college—currently enrolled; college—bachelors degree; Masters; PhD; other advanced/professional degrees as appropriate);
- geographical distribution (by country and/or state or region);
- annual household income (e.g., less than \$30,000; \$31,000–\$50,000; \$51,000–\$75,000; \$76,000–\$100,000; more than \$100,000);
- title or functional position (e.g., staff, senior staff, supervisor, manager, executive); and
- other information—potentially including consuming habits—as appropriate for each journal’s audience.

Based on an understanding of its readership, a journal can determine whether its audience should be further segmented. If a particular segment displays discrete demographic, attitudinal, and/or behavioral characteristics that differ meaningfully from other segments, then the journal should consider segmenting the audience further. This might prove especially important if a journal discovers one or more geographical concentrations amongst its audience and/or identifies potential sponsors that concentrate their sponsorship dollars in the states or regions in which they operate

The segmentations described above and illustrated in *Exhibit 1* reflect a level of audience detail that will exceed the needs of most academic journals. However, segmenting the journal’s audience to the furthest logical extent opens up the broadest range of potential types of businesses to which a sponsorship might appeal. If, upon closer examination, the sub-segmentation is too fine, or if the journal is unable to effectively target a sub-segment within the journal’s audience, then the segments can be recombined into more effective audience

EXHIBIT 1: SAMPLE JOURNAL AUDIENCE SEGMENTATION
Nurses—by Training/Certification Level

Audience Segment	Journal Readers	Percentage of Journal Audience
Registered Nurse		
Hospital Staff Nurse	275	22%
Private Practice Nurse	175	14%
Assisted Living Nurse	50	4%
Hospital Administrator	25	2%
Nursing School Faculty/ Administrator	150	12%
Graduate-level Nursing Student	75	6%
<i>Sub total RNs</i>	750	61%
Licensed Practical Nurse		
Hospital Staff Nurse	75	6%
Private Practice Nurse	25	2%
Assisted Living Nurse	75	6%
Undergraduate Nursing Student	100	8%
<i>Sub total LPNs</i>	275	22%
Advanced Practice Nurse		
Hospital Staff Nurse	100	8%
Private Practice Nurse	50	4%
Graduate-level Nursing Student	50	4%
<i>Sub total APNs</i>	200	16%
<i>Total Nurses</i>	1225	100%

segments. Initially, however, it makes sense to err on the side of over-segmentation.

Performing this segmentation allows a publisher to determine what types of businesses or organizations are likely to value access to those market segments. At the same time, the society's ability to measure and describe its membership and journal readership—and to communicate that information about its audience—makes it easier for businesses to justify an investment in a sponsorship.

2.2.2.2 Obtaining Audience Data

The segmentation exercise described above raises the issue of how a publisher might actually obtain the audience data in the first place. If the journal has an active advertising sales program (managed either directly by the publisher or through an advertising sales broker), there

will usually be a rate card and a program to periodically collect and report such audience data to potential advertisers. Some journals, even without paid advertising sales, routinely collect audience data for editorial or society membership purposes. Journals without such programs can use other methods to discover audience details of interest to potential sponsors. These include journal reader surveys, reader registration, and Web logs.

Regardless of the data collection method used, it is unlikely that a publisher will be able to gather information from every reader. In such cases, the segmentation can be extrapolated to the inferred readership of the journal based on website use statistics.¹⁵ This is a common and valid way to produce audience-wide statistics. However, the reliability of such an extrapolation will depend on the quality of the original audience segmentation data, the accuracy and granularity of the journal's Web logs, quality control, and other factors.

Reader Surveys

Periodically surveying a journal's readers provides a publisher with valuable insight into the perceived value of the journal content that supplements standard measures such as ISI impact factors and quantitative metrics such as Web logs. Online surveys, using low-cost online tools, can be designed to provide basic professional and demographic information about the readership to facilitate a publisher's audience segmentation.

User Registration

To gather detailed information in support of sponsorships, a journal might want to implement a user registration process that both captures general demographic information about the journal's user base and allows the journal to track use at a more granular and meaningful level. As noted above, this information could include the user's profession, job title, geographic location (country and state or region; not individual address), gender, and other demographic characteristics important in demonstrating the value of a journal's sponsorships. To get users to register and provide this information may require that the journal provide additional features or functionality to registered users (e.g., e-mail alerts, customization capabilities, etc.). If a large part of the journal's audience makes business purchase decisions (for example, for equipment, supplies, services, etc.), gathering data on the types and extent of such purchasing decisions may be especially useful in presenting value to potential sponsors.

User Statistics and Use Patterns

Most journal websites will have access to some site traffic statistics. Often this data lacks the granularity or specificity necessary to provide much information about who uses the journal online and how they use it. However, a publisher can license one of several low-cost Web tracking services to provide additional information about a journal's online use, in terms of overall site traffic and use patterns of the journal's various features. As the journal's sponsorship programs will be predicated on the journal's ability to reach specific market segments, the Web traffic and readership/audience statistics should be sufficiently detailed to support its claims for serving the segment.

Web traffic statistics should also include any data on the quality or intensity of the user traffic to the journal's site. This might include unique users, repeat visits, average length of visit, average number of pages viewed per visit, and the like. Such tracking services can also

help publishers identify other websites that link users to their journal's site. This information provides a journal with the opportunity to develop cross-marketing or promotional arrangements with sites and organizations having related interests and audiences.

Useful website traffic categories include

- page views per day/month
- unique users per day/month
- repeat visitors (e.g., 1X, 2X, 3X, 5+X per month)
- unique and repeat visitors by page (e.g., main contents page, features pages, letters to the editor, opinion columns)
- page visits by user type (cross tabulated with user registration data)

It will sometimes be useful to survey users to correlate a journal's professional or functional audience segments with their use of particular journal content (research articles, news, editorials, book reviews, etc.). If the journal's sponsorship program offers separate sponsorship opportunities to various sections of the journal's website, then the Web traffic statistics should reflect the traffic and activity on the web pages in that particular section of the site. For example, if the sponsorship supports a journal's legislative affairs or public policy column, then the sponsorship marketing material and prospectus package (see *Section 4.1*) should document the reach and impact of the column.

Privacy & Data Use Policies

Most online users of any type and for any purpose have privacy concerns. Regardless of how the publisher gathers its audience data, it will need to explicitly articulate a privacy and data use policy, making it clear that the information is only used in the aggregate to evaluate the journal and to characterize the journal's audience.

2.2.3 Access to Potential Employees

Many corporations are continuously engaged in promoting the appeal and availability of employment opportunities and find themselves competing for qualified applicants. This is especially true in a strong economy and when the demand exceeds the available employee pool. Journals that have significant applied, practical, or clinical content often appeal to an audience of practitioners. Journals with such content will want to assess the extent to which they might provide access to potential employees for a business or industry.

In some instances access to such an employee pool might be geographically specific and therefore appeal to a particular organization that draws employees from that same region. Often however—especially with the ubiquitous online availability of journal content—a strengthened employee pool benefits an entire industry or industry cluster. In such cases, seeking sponsorships from a group of sponsors—or an association that represents the organizations—might prove a valuable strategy. As discussed below (see *Section 2.2.5.7*), syndicated sponsorships that bring together multiple sponsors often have real advantages for the journal.

From the sponsor's perspective, the appeal of a journal sponsorship targeting potential employees operates on three mutually reinforcing levels:

- *It provides a targeted media channel through which to reach the pool of potential employees.* A journal sponsorship might provide a direct and efficient channel to the company's employee pool.
- *It delivers audience affinity—that is, the positive emotional and intellectual affinity that readers feel towards the journal—which has a halo effect for sponsoring corporations.* Beyond providing a media channel through which to reach a pool of potential employees, a sponsorship may provide potential employers with positive audience affinity through which to establish—or, in some cases, rehabilitate—their reputations with current and prospective employees.¹⁶
- *It educates, and thus strengthens and improves, the employee pool available to all employers in a particular industry.* By documenting its contribution to the education and/or training of potential employees, a journal can prove that it delivers a valuable service to individual corporations and to an industry as a whole.

2.2.4 Specialized Content and Licensing

Given that content is a journal's principal asset, it provides a logical value component of a sponsorship program. If, besides refereed research content, a journal publishes complementary content of applied or practical utility, that content may appeal to a particular type of sponsor by attracting an audience segment that a sponsor wishes to reach. Examples of such content might include the following:

- *Translations*
Some journals incur significant costs to translate journal submissions into the language(s) accepted by the journal. In these cases, the journal may seek a sponsor to fund the translations in exchange for recognition on the journal's home page and/or on individual translated articles. Potential sponsors for such a program could be drawn from corporations or from governmental or foundation programs intended to support the dissemination of a country's or region's research.
- *Continuing Education Programs*
These programs might appeal to sponsors that benefit from a well-educated and informed workforce.
- *Legislative Affairs or Public Policy Content*
Many corporations and trade and professional associations have a vested interest in influencing policy and legislation that affect the manner and environment in which an industry does business. "Advocacy sponsorships"—which provide links from a journal's legislative issues content page (or other relevant section of the online journal) to white papers and position papers prepared by the sponsor—allow these organizations to get their messages in front of key opinion leaders, while maintaining the journal's editorial independence from the sponsors' positions.

By explicitly and transparently identifying such an advocacy program, a journal can distance itself from the messages being presented. Further, securing multiple sponsors espousing a variety of positions would further insulate the journal from accusations of bias towards any one position. If a journal offers such advocacy sponsorships, it will need to develop underwriting policy guidelines to guide their implementation (see *Section 2.5*) including clear disclaimers.

Even with explicit safeguards in place, however, sometimes the fit between the potential sponsor's needs and the journal's content will be too close to accept such a sponsorship without risking an overwhelmingly negative perception of the journal's editorial independence. Some of the fields and topics most appealing to potential advocacy organizations may be so highly charged that the journal deems the introduction of any partisan presentation as being unacceptable.

- *Career and Professional Advancement Information*
Many societies offer job announcements, conference registration, and other career-related information of relevance to their members. A corporate sponsor might find it appealing to sponsor such a high traffic area of a publisher's website, especially if reaching potential employees is one of the sponsor's primary goals.
- *Best Practices*
Some societies regularly gather and compile industry benchmarking data, best practices, and other case studies. In some instances, advance and/or fuller access to such data prior to its public release, may appeal to a corporate sponsor.
- *Statistical Data Series*
As with benchmarking data, some sponsors will place value in special access to statistical data series that a society might maintain. The value might simply lie in access to time series data in a manipulable electronic format.
- *Surveys and Market Data*
Corporations from within an industry represented by a society or journal might recognize the benefit of sponsoring the development or provision of industry-specific surveys or market data. In some instances, the sponsor may wish to co-publish a print version of the data for distribution to its clients.

A journal that publishes one or more of the content types above should consider whether that content would benefit a potential type of organization. As in all cases, policy guidelines will have to ensure that the sponsor does not—in perception or reality—compromise the integrity of the journal's content.

2.2.4.1 *Content Products as Assets*

Some sponsors will find value in the right to redistribute selected journal content as a giveaway to the sponsor's customers and prospects. Such incentive products could include printed versions of one or more journal articles (for example, on a particular topic of interest) and/or Web access to the content.¹⁷ Even if a journal's content is available via an open access model, such sponsorships could still appeal to a sponsoring organization as an additional oppor-

tunity to publicize its sponsorship. A journal could also increase the value of this benefit by otherwise prohibiting free “commercial” distribution of its content. Beyond the sponsorship value that such incentive products might create, they can also increase the visibility and awareness of the journal to a wider audience (of both end users and corporations that might also serve as additional sponsors).

If a publisher offers such incentive products to sponsors, it needs to ensure the following:

- The journal’s license to the author’s content includes the rights to offer such reprints. The sponsorship agreement should make clear that the content itself must appear as it was originally published in the journal and be available without charge to end users.
- The journal specifies the term for which the right to distribute exists, and whether the right is renewable (at an additional fee). Additionally, as in all recognition opportunities, the publisher should explicitly define and/or approve the wording and appearance of the journal attribution and its relation to that of the sponsor.
- The journal is clearly identified as the source of the content, and that the reprint is clearly branded with the journal’s name and logo or masthead.

There may be tax implications for these incentive products, as the sponsorship income that can be attributed to the market value of the incentives themselves might qualify as unrelated business income.

2.2.4.2 *Sponsored Archives*

One type of sponsorship that might appeal to some journals would be for a sponsor to fund the electronic conversion of a journal’s back volumes. Such retrospective conversion can often be a significant and expensive undertaking, especially when the journal wishes to add reference links, metadata, and other value-added features to a large corpus of retrospective full text content. The expense of such a conversion might well be beyond the financial (and technical) wherewithal of the publisher without outside assistance.

Creating a sponsorship for this type of conversion might have the following characteristics:

- *It is long-term.* As opposed to the “custom archive sponsorship” described below (see *Section 2.2.4.3*), a sponsor or sponsors funding the retrospective conversion of a journal’s content might logically expect that their name would be associated with the retrospective content on a long-term basis, perhaps in perpetuity. To avoid some of the practical legal and operational issues that attend any perpetual obligation, the journal might specify the duration of the sponsorship recognition for some definite period.
- *It has lower perceived conflict of interest.* As the content is retrospective, one would expect that there would be little risk of perceived editorial tampering. This lower risk may allow the publisher to allow a level of sponsor branding on the retrospective content greater than it would allow for current content. For example, the journal might offer such a sponsor a larger recognition graphic than it otherwise would. At the same time, the publisher needs to ensure that the value of retrospective content sponsorships is commensurate with those for current content.

Funding for a retrospective conversion project will typically involve a number of stages and components, all of which would need to be funded. The actual creation of a digital archive and design of the Web portal, search engine, features and functionality, etc.—which might be funded by sponsorships—is then followed with perpetual computer hosting and online availability. The operating costs for these long-term services, which might be supported through a university’s in-kind contribution or by participation in a digital archive such as PubMed Central or JSTOR, might also be defrayed through a corporate sponsorship.

2.2.4.3 *Custom Sponsored Archives*

“Custom Sponsored Archives” enable sponsors to create a marketing vehicle for their messaging. In this type of program, a sponsoring organization would select (or be offered) a set of specific articles from past issues of the journal to assemble a custom archive that best suits its audience and the market positioning it is trying to achieve. The Nature Publishing Group, for example, provides limited-time free online access to collections of articles on selected topics.¹⁸ As with many of the sponsorships described here, a journal’s editorial board will best be able to identify content most likely to appeal to sponsors when packaged in this manner.

Because it could be implemented as a separate web page, a journal could provide a sponsor with more screen space in this sponsored archive environment than it typically could throughout the rest of the journal.¹⁹ This increased screen presence could lend itself to the sponsor’s value messaging, such as white papers, corporate research and deep links back to the sponsor’s own website. If a journal elects to allow this level of corporate branding, even in a segregated part of the journal site, it will want to insist on labeling that explicitly identifies the sponsor-provided information as a paid sponsorship.

2.2.5 Additional Sponsorship Value Components

In addition to the content-specific sponsorship opportunities described above, a publisher could offer additional benefits and recognition opportunities that would increase the sponsorship’s value. Potential sponsorship components might include the following.

2.2.5.1 *Sponsor Use of Journal Logo & Recognition Statement*

Typically, all sponsorships will include a sponsorship recognition arrangement that grants a sponsor limited rights to use the journal’s logo, and a sponsorship recognition statement, on the sponsor’s site (and sometimes in other sponsor marketing materials).²⁰ This recognition notice could link to the journal site, or to specific journal content for sponsorships that support particular sections of the journal. In some instances, a sponsor might want to post journal content on the sponsor’s own site (in order to keep users on the sponsor’s site). If a journal is prepared to allow such posting, it should explicitly identify it as a value component of the sponsorship and establish explicit terms governing its use and attribution. Further, a society that publishes a member newsletter or other journals may offer recognition space in those outlets as well.

2.2.5.2 *Journal Reader Surveys*

A journal might decide to conduct surveys of its users on topics of interest to a corporate sponsor, and make the insights gained from such surveys available to sponsors in advance of broader release. In some instances, a journal may even allow sponsors to participate in constructing a user survey. While this may not always be possible or desirable, in some cases it may prove attractive, as long as audience participation in the survey is voluntary and the sponsor participation is explicit and transparent.

2.2.5.3 *Bounce-back Offers*

As described in *Section 2.1.3*, a sponsor might provide society members or journal subscribers with discounted goods or services as a component of the sponsorship fee. Analogous to a bounce-back coupon—a redeemable offer that “bounces” a customer back to a sponsor to make a discounted purchase—a bounce-back deal can provide value by driving customers to the sponsor. If the products or services offered align well with the journal’s audience—without exciting any conflict of interest issues—such deals can serve the needs of the journal publisher, its readers, and the sponsor.

2.2.5.4 *Integrated Sponsorships*

An integrated sponsorship is a relationship wherein a publisher actively encourages the inclusion of sponsor-provided content. This type of arrangement would more typically be applied to a subject-specific portal than to a peer-reviewed journal. We describe this type of sponsorship here as the number of discipline-specific portals—particularly those with one or more peer reviewed journals—continues to grow.

The Plant Management Network (PMN) provides an example of such an integrated sponsorship arrangement. Published by the American Phytopathological Society, PMN provides an information resource for academic programs and practitioners in the applied plant sciences. PMN is a nonprofit cooperative effort of stakeholders in the applied agricultural sciences, including academic institutions, scientific societies, and commercial enterprises.²¹

Plant science is a field where a legitimate need exists to commingle academic and commercial information and to create a connection between practitioners, academic researchers, societies, and industry. The service comprises

- peer-reviewed journals which provide current information in areas important to practitioners, policy makers, and the public;
- a searchable database of Web-based resource pages contributed by PMN’s partner universities, companies, and associations;
- an image database that collects thousands of digital images of plant diseases and related images for use in teaching, research, and agricultural extension programs;
- annual reports based on replicated disease control tests;
- reports on the performance of seeds, fertilizer, pesticides, and other materials under controlled trials; manufacturers of chemicals evaluated; list of materials for testing; and conversion factors.

These sponsorships can vary by market sector (for example, with different sponsorship terms for industry, academic institutions, and societies) and can specify various value levels based on the types of content that the sponsor can contribute, levels of preferential access terms for sponsors (for example, company or institution-wide access), and masthead and other branding elements. Portals, journals, or other publishing channels that serve both an academic and a practitioner or professional audience, or for which industry-provided content serves a legitimate purpose given the publication's mission, might find this type of integrated sponsorship attractive and appropriate.

2.2.5.5 Increased Recognition for Sponsored Awards

In some circumstances, a journal might be willing to cosponsor awards, scholarships, fellowships, and the like with a sponsor. This co-sponsorship could lend legitimacy and credibility to a businesses' or organization's award program, while further benefiting the audience served by the journal. Obviously, co-sponsorship arrangements increase the degree to which the journal's name and reputation are associated with the sponsor's. Therefore, they must be examined carefully.

2.2.5.6 Category Exclusivity and Right of First Refusal

In addition to the benefits discussed above, a publisher can add value to its sponsorship agreement by offering category exclusivity and/or the right of first refusal for continuing the sponsorship. Category exclusivity is the right of a sponsor to be recognized as the only company or organization associated with a journal or with a specifically defined part of the journal. Right of first refusal refers to the sponsor's right to bid for the same or similar sponsorship arrangements in advance of competing sponsors. These rights would typically be negotiated as part of the initial agreement, and they can help create a sense of value for the sponsorship.

2.2.5.7 Single versus Multi-party Sponsorships

Most of the sponsorships described in this guide can be packaged to serve either a sole sponsor or multiple sponsor arrangement. For example, a publisher might identify one corporate sponsor that would benefit from and value exclusivity, and attempt to get most or all of the required income from that single sponsor. This approach would allow the journal to concentrate its sponsorship management efforts on one sponsor. At the same time, it would increase the journal's relative dependence on the individual sponsor as an income source.

Another approach would be to seek multiple sponsors, either syndicating a single sponsorship type across multiple companies or extending to each company exclusivity in a specific sponsorship category. In either case, multiple sponsors can benefit a journal by

- increasing the income generated by the sponsorship program;
- raising the sponsorship's appeal to individual sponsors by lowering the participation costs of each;
- adding stability and longevity to the journal's sponsorship income, as the income is only partially diminished should one participant withdraw; and

- lessening the real and perceived potential for one organization to exercise an undue influence over the journal's editorial content.

Typically, syndicated sponsorships will become easier to promote once an initial participant is signed up, as participation by a known company will help signal the sponsorship's value and because competitors in a market cluster may wish to avoid being excluded. A journal can maximize this effect by constructing a sponsorship that offers sponsors access to data or market insight not available to non-participants. For example, a journal might make insights gained from a user survey available to sponsors in advance of broader release.

Summary

All of the above components can be used to augment the overall value of a sponsorship or as the basis for smaller sponsorships. Tactically, it would make sense for a publisher to first approach larger organizations as potential sponsors with a sponsorship with multiple value components. If the size or complexity of such a program proves unfeasible, then the publisher could seek smaller, more targeted sponsorships.

2.3 Assessing a Journal's Ability to Develop Sponsorships

A successful sponsorship program requires care in conception, implementation, and management. To support a program of sufficient scale to contribute significantly to a journal's operating income will require that the journal has in place the management and decision-making processes necessary to operate the program effectively. A journal will need to establish management mechanisms by which it can make timely and effective decisions regarding the program in general, as well as specific sponsorship opportunities.

Therefore, an initial step in determining the potential for sponsorship opportunities, and a publisher's openness to pursuing them, is to review the journal's mission or charter and consider how those objectives might be advanced via a sponsorship or partnership with another organization. The publisher should assess its readiness to undertake a sponsorship program and determine whether remedial steps (for example, strengthening financial management practices) might be required prior to pursuing such a program.

In determining its readiness to undertake a sponsorship program, a publisher should consider the following circumstances.

A publisher must candidly appraise whether it is indeed open to entrepreneurial activities, such as developing a sponsorship program. In other words, the publisher must confirm that it has both the interest and the will to pursue sponsorships as an income source.

A journal must have an effective governance and decision-making process that will allow it to effectively pursue sponsorships. This includes the ability to set clear parameters and guidelines for the sponsorship program, make sponsorship ratification decisions in a timely manner, assign resources to cultivate and manage the sponsorship(s), and communicate information about the program to the journal's readers and/or society membership. Often, this authority can be vested in a standing committee convened for this purpose. Insufficient or tentative authority, however, could result in the committee wasting time, effort, and potential sponsor goodwill by initiating a sponsorship that does not receive ultimate approval by the publisher's directors. A publisher should establish a sponsorship management committee

with sufficient authority and standing to ensure decisive and timely decision-making on sponsorship-related issues.

The journal should have a financial management system and structure sufficient to support a sponsorship program. The nature of this system will typically vary with the size of the journal and the scale of the sponsorship program. However, a small open access journal without any formal organizational or financial management structure will often need to implement this framework before it can expect to enter formal agreements with businesses and other organizations. Soliciting corporate sponsorships and cash contributions will require that the journal have a formal financial structure that satisfies potential sponsor requirements.²² A sponsor making a significant cash or in-kind contribution might expect access to an audited or certified summary of the journal's financial records. Society-published journals should be able to secure such financial reporting through the society's financial management or accounting department, and in all cases for a nonprofit corporation, through its annual audit report.

A journal must have the resources—either via volunteer labor or consulting support—to develop a strategic plan for developing and implementing the sponsorship program. As discussed throughout this guide, developing and managing sponsorships comprises a range of activities, including

- translating the publisher's objectives for sponsorships into a clear set of guidelines for those engaged in sponsor development;
- identifying potential types of sponsorships (for example, cash support, in-kind contributions, etc.) that might serve the journal's needs;
- assessing the benefits that the journal might deliver to a potential sponsor;
- developing underwriting guidelines and other public policy statements that establish the parameters within which the journal will accept sponsorships;
- preparing a sponsorship prospectus or other marketing support piece that clearly summarizes and articulates the benefits that sponsors would derive from sponsoring the journal;
- identifying potential sponsors and selecting the most promising sponsor prospects to contact;
- contacting potential sponsors and negotiating agreements;
- maintaining ongoing communication and management of individual sponsors and the sponsorship program; and
- maintaining ongoing communication with journal users, editors, reviewers, authors and staff.

A journal must ensure that its staff is capable of assuming these responsibilities as it implements any sponsorship program that the publisher develops.

2.4 Implementation Costs

The incremental costs for a publisher of fulfilling and servicing a journal sponsorship, while typically low, are nevertheless real. When developing a sponsorship program, the publisher must make sure to build the incremental costs incurred in fulfilling the sponsorship into its sponsorship fee. Hard costs, such as graphic design and programming, staff labor, and the like can be passed on to the sponsor. Corporate sponsors will typically understand that special requests, such as modifications to the journal's website or specific mailing requests, cost money and—within reason—will fund those changes. Where fulfilling the sponsorship requires labor on the part of society volunteers, one practice is to calculate the total value of the labor based on the prevailing minimum wage, plus a surcharge equivalent to 10–15 percent of the total labor cost.²³ Of course, a publisher could set this overhead surcharge at any level appropriate to its particular circumstances, as long as it documents the basis for the allocation to the sponsor's satisfaction.

2.5 Developing Policies to Guide Sponsorships

2.5.1 Conflicts of Interest

*Potential conflicts of interest—for both authors and sponsors—have long been an issue for scientific journals, particularly those in biomedicine.*²⁴ Many scientific journals derive significant income from advertising and/or article reprints, and such financial considerations have the potential to create a real or perceived conflict of interest. Some have proposed that medical journals limit or eliminate health industry advertising in favor of advertising from non-health industry advertisers (the reverse of most journal's current policies).²⁵ Others argue that, in many fields, scientific research represents a complex system of interdependent interests, wherein a legitimate collaboration in one context might appear as a conflict of interest in another.²⁶ In any event, the risk of real or perceived conflicts of interest appears less problematic outside of biomedicine, where the connection between editorial decisions and the interests of corporate sponsors appears far more tenuous than that between medical journals and pharmaceutical companies.

While some sponsorships might raise conflict of interest issues, those issues should prove easier to define and detect than conflicts of interest in the research itself. Explicit sponsorship and reprint guidelines that guarantee transparency and editorial independence should help prevent both the reality and appearance of conflicts of interest in journal sponsorships. As a result, many scientific journals have already developed policies and guidelines to ensure that editorial and advertising sales administration remain separate and that editorial decisions are not influenced by potential advertising or reprint revenue. Similarly, any journal that introduces a sponsorship program will need to develop an “underwriting” or “sponsored publishing” policy to protect the journal's integrity. Such guidelines establish the general principles for determining the acceptability of sponsorship funders, and are intended to

- ensure that editorial control remains entirely with the journal;
- avoid funding arrangements that might create the perception that editorial policies and content have been inappropriately influenced by the funding sponsors;

- ensure a uniform approach to sponsorships and detail specific issues relevant to the society or publisher; and
- protect and preserve the journal’s scholarly/scientific character and nonprofit status.²⁷

2.5.2 General Sponsorship Policies

Written policies help the society define the benefits its sponsorship program will deliver and anticipate issues that are likely to arise in the course of negotiation with a sponsor. Issues that should be considered in developing a sponsorship policy include:

- the extent to which the sponsor will be allowed to use the society’s logo or the journal’s masthead in its marketing program;
- whether the society will make its member and/or subscriber databases available to the sponsor and, if so, under what restrictions (for example, printed labels only; one-time use; etc.);²⁸
- whether the society will refuse sponsorships from specific types of businesses (for example, businesses with interests inimical to those of the society and/or companies that manufacture or promote tobacco, alcohol, or firearm products). Specific guidelines regarding conflict of interest are provided below;
- whether the society or journal will provide an official endorsement of a sponsor product or service; and
- whether the society is willing to actively collaborate with a sponsor on special events.

Convening a sponsorship committee to weigh these issues and propose them for approval to the society’s or journal’s governing board will help ensure that the sponsorship program reflects the society’s principles and obviate negative member or subscriber reaction. It will also allow the publisher to enter sponsorship negotiations with a clear understanding of what it can and cannot offer, thus avoiding delays in negotiations. *Exhibit 2: Sample Journal Sponsorship Policies* provides a sample generic policy document. The publisher will want to obtain the advice of competent legal and tax professionals for the preparation of the policies, any standard forms of publisher-sponsor agreements, and regarding any material changes in the provisions of such agreements (also see *Section 4.2.2*).

2.5.3 Sponsorship Acceptability Tests

To determine the acceptability of a potential sponsor, a journal will want to apply several tests to each proposed funding arrangement:

Editorial Control Test

Editorial control must remain with the society and the journal’s editorial board. Sponsors/funders cannot be allowed to exercise any editorial control, and sponsorship agreements must articulate this point clearly and explicitly.

EXHIBIT 2: SAMPLE JOURNAL SPONSORSHIP POLICIES

The XYZ Society, publisher of the *ABC Journal*, applies the following policies when accepting sponsorships from corporations and other organizations:

1. Each sponsorship, whether providing a cash or in-kind contribution, must be approved by both the Society's sponsorship management committee and the Society executive committee. The terms and conditions of each sponsorship must be set forth in a written agreement executed by the Society's executive director and by a corporate officer of the sponsoring organization.
2. Each sponsorship must conform to the Society's sponsorship acceptability tests and recognition guidelines. The Society's recognition guidelines will be incorporated as an appendix to each sponsorship agreement.
3. All sponsorships will be handled separately from editorial content. Sponsors will have no control over the editorial decisions or sponsorship policies. Specifically,
 - a. Sponsors will have no advance knowledge of the journal's editorial content.
 - b. Sponsors will have no control over the placement and/or timing of sponsor recognition statements, either online or in print.
4. Access to the Society's membership list and journal subscriber list will be controlled by the Society, with any mailings to members/subscribers handled by the Society itself. Membership and/or subscriber lists will not be provided directly to sponsors or to any other organizations. Sponsorship agreements will adhere to all other conditions of the society's information privacy and use terms.
5. Any sponsorship programs that utilize journal content, or other society member contributions, will conform to the journal's author rights and/or copyright agreement.† All reprints and other journal content will be published as it appears in the journal, except for corrections indicated and approved by the journal editor.
6. The Society does not officially endorse the products and/or services of corporations and other third parties. Therefore, the Society's name and/or marks cannot be used in association with a sponsor's product and/or service so as to imply the Society's or journal's endorsement.
7. The Society will not accept sponsorships from the following types of organizations:
 - a. Companies that manufacture, sell, or promote tobacco, alcohol, or firearms, or organizations that advocate for such companies.
 - b. Companies or organizations that publicly or privately advocate messages or missions inimical to the interests of the Society, its members, and/or its mission.
 - c. Partisan political, lobbying, advocacy, and/or cause organizations beyond those supportive of the Society's mission and approved by the Society's executive board.
8. As part of each agreement, the Society will reserve the right to prior review and approval for any sponsor materials, regardless of medium, that incorporate the Society's name and/or marks. The Society will also retain the right to cancel any sponsorship at any time.

† Note that the journal's agreement will typically need to be modified to accommodate such use.

Perception Test

Perhaps the most difficult issue is the possible public perception of editorial involvement and the direct and immediate interest of the sponsor in the editorial content. Therefore, the journal must guard against the public perception that editorial control might have been, or will be, exercised by any sponsor. This perception will sometimes increase the more direct the connection between the sponsor's business interests and existing reputation in the journal's audience and the subject matter of the journal. Additionally, the perceived character of the sponsor's interests is important. In order to help guard against the perception of editorial influence, funding, in most cases, should be sought for the journal as a whole and on an on-going basis, rather than for individual articles or issues. This will help avoid situations where a sponsor seeks—or appears to seek—to fund only those issues of a journal in which it has a particular interest. In some cases, the joining of a problematic sponsor with one or more neutral funders may make the problematic sponsor acceptable, as any perception that it exercised content control would be mitigated by the presence of other sponsors.

Commercialism Test

Sometimes there will be less concern that the funding might bring about actual sponsor influence, than that the reputation of the journal will suffer from a funding arrangement that is so self-serving that a reasonable audience could conclude that the journal is publishing largely to promote the sponsor's products, services, or other business interests.

2.5.4 Sponsorship Recognition Guidelines

Once a journal approves a sponsor funding arrangement, it will want to ensure that the appearance and overall effect of the credit given to the sponsor is in keeping with the editorial integrity and noncommercial character of the journal. To this end, the journal may want to establish some simple rules governing the content and appearance of the sponsorship credit (whether it appears online, in print, or both). Such rules could include the following elements.

Nature of Acknowledgement

The nature of a sponsor acknowledgement may vary depending on the policies of the journal and the expectations of the sponsor. In some cases, the sponsor acknowledgement may be limited to a textual credit (e.g., Funding for the *ABC Journal* provided by Acme Corporation). In others, the acknowledgement may take the form of a banner graphic (again, adhering to guidelines the journal has established). Whether textual or graphical, the credit may be linked to a page providing a fuller explanation of the sponsorship terms. This can be especially useful in instances where a journal accepts multiple funding sponsors. In this way, the journal can acknowledge multiple sponsors without cluttering the journal's appearance. A journal may wish to use the words "in part" to describe instances where the sponsor provides partial funding for the journal's operation (e.g., "Open access to *ABC Journal* is made possible in part by Acme Corporation").

The journal should consider providing a brief sponsorship statement, either on the home page of the journal's website or via a link from the home page, such as the following:

About ABC Journal Sponsorships

Selected sponsors provide financial support for parts of *ABC Journal* in return for the display of their name, masthead, and links to their sites. *ABC Journal* retains full editorial control, giving no sponsor any influence whatsoever over any of its content, including choice of topics, article content, choice of authors and peer reviewers, or manner of presentation.

For more information on *ABC Journal*'s sponsorship policies and guidelines, see [link to sponsorship policies and guidelines].

Sponsor Name and/or Logo

All sponsors should be identified by their name and/or logo. If the logo does not adequately disclose the sponsor's identity, then the sponsor's name should be stated. In some instances, the name of a corporation and its brand name are the same. In other cases, however, brand names are neither the corporation's name nor the name of a division or subsidiary of the parent company. In such cases, the brand name could be used, but the accountable corporate entity should be fully and clearly disclosed in the sponsorship credit. The goal is to prevent turning the sponsorship credit into a product pitch, while clearly disclosing the funding source.

Use of Service Marks and Slogans

Slogans and corporate positioning statements may be acceptable to the journal as long as they *do not* include an explicit or specific

- call to action (e.g., "Buy . . .");
- superlative description or qualitative claim about the company or its products or services, or a direct comparison with other companies' products or services;
- price or value information or inducements to buy; or
- endorsements (e.g., "recommended by 4 out of 5 paleobotanists . . .").

Of course, the journal and sponsor could agree to include a message in support of the journal or its availability via open access (e.g., "ABC Journal is sponsored in part by a grant from Acme Corporation, which supports open access to paleobotanical research.")

Identification of Products/Services and Product Lines

However, to identify a sponsor, a journal may elect to allow a specific product or brand name to be identified in the sponsor acknowledgement graphic (e.g., "Sponsored by Acme Corporation, makers of the Turbo 2000 Bunsen Burner and other laboratory equipment for academic and business use").

Use of Web Addresses and Toll-free Numbers

The journal may choose to allow sponsors to include either a Web address or telephone num-

ber. Allowing only one would minimize screen clutter. The Web address or telephone number should not spell out a call to action (e.g., www.buyacme.com or 1-800-CALL NOW).

In-kind Contributions

These might, in some instances, be substantial enough to merit explicit online recognition. In such cases, the journal may elect to recognize such contributions in a manner that will credit the provider(s) without competing or conflicting with the other sponsorship credits discussed here.

Sponsorship Policies for Advocacy Sponsorships

If a journal elects to pursue advocacy sponsorships (see *Section 2.2.4*), it may want to consider the following guidelines and recognition statements:

Each page of the position paper must be clearly and conspicuously identified as a message of the sponsor and with a disclaimer from the journal.

To ensure that advocacy papers are clearly identifiable as such, in addition to the conspicuous identification described above, for each position paper

- the layout, graphical design, and typeface of the position papers must differ distinctly from the journal’s layout, design, and typography;
- the sponsoring organization, including contact information, should be clearly identified;
- the words “Special Sponsor Supplement” should appear in 12 point or larger type on each page containing text. Alternatively, the journal may decide to adopt a more comprehensive statement, such as:

“Special Sponsor Supplement. The views expressed in this position paper are solely those of the sponsor and do not necessarily reflect those of *ABC Journal* or the XYZ Society;” and

- journal editors and marketing staff should not prepare, or have any input into preparing, position papers that appear as part of the advocacy sponsorship program.

A journal will need to adapt the guidelines proposed above to its particular circumstances and requirements. Again, such guidelines are intended to protect both the journal’s editorial independence and perception of the journal’s integrity and quality.

2.5.5 Tax Implications

Besides its potential impact on public perception of the integrity of the journal itself, the way a journal constructs a sponsorship may be important for tax purposes.²⁹ In the United States, nonprofit tax-exempt organizations must determine whether accepting sponsorship funds will create unrelated business income tax (UBIT). Sponsorship payments fall into two categories—qualified sponsorship payments (QSPs) and advertisements. The latter will subject a nonprofit organization to UBIT, while the former will not.³⁰

The U.S. Internal Revenue Code³¹ defines qualified sponsorship payments as payments from a business to an exempt organization for which there is no expectation of a substantial return benefit other than the use or acknowledgement of the name, logo, or product lines of the sponsor's trade or business. The acknowledgement may also contain the sponsor's address, telephone number, Web address, a neutral description or list of products or services, and slogans that are "an established part of a [sponsor's] identity." An acknowledgement cannot contain advertising language, defined as containing qualitative or comparative language, price information or various other inducements to buy or use the sponsor's products or services. The sponsorship underwriting guidelines provided in *Section 2.5.4* reflect this distinction.

Certain types of assets tend to incur UBIT for a nonprofit publisher, irrespective of whether the assets are provided as part of a sponsorship. These include the following:

- *Advertising*
In the U.S., fees for advertising in a journal—even if the publication serves an exempt purpose—constitutes unrelated business income, rendering the net income from the advertising taxable. "Periodical" is defined to include both print and electronically published materials. Therefore, payments for acknowledgements or advertising in periodicals are specifically excluded from the corporate sponsorship rules. Publisher sponsorship acknowledgements outside the journal itself, however, might still qualify.
- *Database Use*
List rentals and other uses of a society's membership list may be considered substantial return benefit with a definable fair market value.
- *Guaranteed Impressions*
When a sponsor's payment to the society for the acknowledgment is contingent upon audience exposure—for example, a specific number of publisher website impressions—the contribution is more likely to be deemed to have provided the sponsor a substantial return benefit and subject the society to UBIT.
- *Exclusivity*
Exclusive sponsorship arrangements may, if they go beyond the recognition of the company as the sole sponsor of the journal, fall outside the safe harbor defined by the tax code and be subject to UBIT.
- *Product Endorsements*
A society or journal endorsement of a sponsor's product or service is considered a substantial return benefit, as it exploits for commercial advantage the nonprofit's goodwill.
- *Insubstantial Return Benefit*
Benefits received by the sponsor considered as "insubstantial" will be included in the safe harbor. U.S. tax regulations define "insubstantial" as 2% of the total payment being for return benefits. For example, with a \$10,000 sponsorship payment, if the sponsor receives printed copies of the journal worth \$200 or less, and nothing else, the entire \$10,000 will be considered as a qualified sponsorship payment.

Where the sponsorship includes banner graphics and/or hypertext links, the content of such graphics and links are governed by the same “substantial return” criteria described above. For example, a hyperlink to a sponsor’s website from the publisher’s site—although not from within the journal itself—can be considered an acknowledgement and not as advertising. However, if the publisher’s website promotes the sponsor or its products, or if the sponsor’s website has an endorsement of the sponsor or its products, then the provision of the link will be advertising and not a mere acknowledgement fitting into the corporate sponsorship safe harbor. Similarly, banner graphics that include comparative or qualitative language, pricing or value-saving information, endorsement or an inducement to purchase, sell, or use the sponsor’s or another company’s products or services will almost certainly not qualify as a qualified sponsorship payment.

If sponsorship dollars come from both a company’s marketing and corporate-giving departments, the society should track any contributions designated as philanthropy as opposed to promotional spending. This distinction may prove relevant in determining the society’s tax liability under UBIT regulations. A payment that contains qualified sponsorship payments and payments for return benefits will be considered as two separate payments. For a portion of the payment to be considered as corporate sponsorship payment, the organization must establish that some portion of the payment exceeds the fair market value of the benefit received by the business.

NOTES

¹¹ On cause-related marketing, see Adkins (1999); Pringle and Thompson (1999); Ptacek and Salazar (1997); Polonsky and Macdonald (2000); and Wood (1998).

¹² JISC—Joint Information Systems Committee—is a committee of all U.K. further and higher education funding bodies. See http://www.jisc.ac.uk/index.cfm?name=news_openaccess_0304.

¹³ “Audience affinity” is similar to, but distinct from, “brand affinity.” Brand affinity refers to the extent to which preference for a product or service is driven by brand perception as opposed to actual product performance or functionality.

¹⁴ See “IEG Sponsorship Report.” 21 no. 5 (March 11, 2002).

¹⁵ For example, if a journal’s Web logs indicate that a journal receives an average of 30,000 unique visitors per month and survey and/or user registration data indicate that 60 percent of the journal’s audience is registered nurses, then it is reasonable to assume that approximately 18,000 registered nurses visit the journal site in an average month.

¹⁶ Studies have demonstrated the impact of sponsorships and cause-related marketing on employee morale and job satisfaction. See Cone, Inc. (2002).

¹⁷ Medical journals have long enjoyed lucrative income streams by providing off-prints of published drug trials to pharmaceutical companies. While that practice poses its own editorial and ethical dilemmas for medical publishers, it does suggest that—given the right circumstances—a journal can generate sponsorship value by the repackaging of some its content. See Smith (2003) and *Section 2.5.1*.

¹⁸ See <http://www.nature.com>. *The Wall Street Journal Online* provides another example of sponsored archives, though for a non-academic publisher (see <http://online.wsj.com/>).

¹⁹ This type of sponsorship, as well as several others described here, would require some additional site development. However, the level of development effort required should, in most cases, be minimal.

²⁰ Parameters for sponsor recognition are discussed in *Section 2.5.4* and tax implications are discussed in *Section 2.5.5*.

²¹ See <http://www.plantmanagementnetwork.org/>.

²² The need for this structure will depend on the extent to which the sponsorship delivers a cash contribution in excess of its equivalent media value (see *Section 4.0*).

²³ Martin (2004), 45.

²⁴ See Krinsky and Rothenberg (2001) and Smith (2003).

²⁵ Orentlicher and Hehir (1999).

²⁶ Berkwits (1999).

²⁷ These guidelines are adapted from Crow and Goldstein (2002).

²⁸ Obviously, a decision to provide membership or journal subscriber lists must conform with a society's existing policies, and should ensure that a privacy and use notice is provided for members.

²⁹ The information in this section is neither authoritative nor exhaustive and should not be considered legal advice or guidance as to particular issues or situations. Further, this section only discusses tax implications in the U.S. Society publishers should seek local professional advice to determine the tax implications of the journal's sponsorship program.

³⁰ For a fuller discussion of sponsorship tax implications in the U.S., see Reed (1989), 309; Shah (2001); Woods (2002); and Martin (2004), 87–92. Simply because an item is not a qualified sponsorship payment, does not necessarily result in it being taxable unrelated business income. Other tax rules may exclude the payment from being taxable.

³¹ The Taxpayer Relief Act of 1997 amended the Internal Revenue Code by adding section 513(i), which governs the treatment of certain sponsorship payments.

III. PLANNING THE JOURNAL'S SPONSORSHIP PROGRAM

3.1 Inventorying Current Sponsorships & Partnerships

Some nonprofit journals already have existing commercial relationships with businesses, as well as partnerships or alliances with universities and other nonprofit organizations. Often these relationships will already include an in-kind contribution of goods, services, or facilities. When considering a sponsorship program, the journal's existing relationships with all other partners provide a logical starting place for identifying opportunities to expand relationships and the mutual benefits to the journal and each partner. Therefore, making an inventory of current relationships with businesses and other organizations provides a practical way to begin identifying potential sponsors.

For example, in identifying potential sponsors, a journal's existing advertisers and conference sponsors should provide logical candidates. Often, however, changing the nature and terms of an existing relationship from advertising to sponsorship will require that the journal quantify and reposition the sponsorship's value in order to command the incremental value of the sponsorship.

Carefully reassessing the benefits delivered to each partner in existing sponsorship or partnering relationships can both identify opportunities for expanding cooperative activities and help ensure that a valuable existing relationship is not jeopardized by new sponsorship activities. It can also ensure that the existing relationship remains fairly balanced for both partners. If an imbalance exists, in either direction, it should be redressed in the process of establishing the sponsorship program and defining the journal's sponsorship portfolio. In some instances, such a candid assessment may require the journal to increase the value it delivers to an existing contributor or sponsor prior to expanding its sponsorship program.

3.2 Identifying Types of Sponsoring Organizations

Typically, successful sponsorships will depend on the strategic fit between the sponsor and the journal. That is, by the congruence between the mission and goals of the sponsoring business or organization and the value delivered by the journal (whether defined by the journal's content, audience, or some other criteria).

The types of companies, organizations, and industries that provide logical targets for a sponsorship program will vary by journal. Academic institutions, institutes, foundations and philanthropies, and even other societies are also possible targets for this identification process. Based on a journal's assets and audience segmentation described in *Section 2.2.2.1*, a journal can identify the types of entities (and products and services) that its audience might use in its professional capacity. We have listed below some types of organizations that a journal should typically consider in identifying potential sponsors:

- *Potential Employers*

Journals that have significant applied, practical, or clinical content typically appeal to an audience of practitioners. Therefore, journals with such content will want to explore what types of businesses might seek the journal's audience as a pool of potential employ-

ees (see Section 2.2.3). Identifying industries that employ the types of practitioners represented by a journal’s audience will provide one type of target organization.

- *Companies That Rely Heavily on Brand Preference in Selling Their Products or Services*
As described in Section 2.2.2, one of the principal assets a journal can deliver as part of a sponsorship program is a high degree of affinity with its readership. Such sponsorships will be of most value to companies that rely on brand preference, rather than functional performance, to drive product sales.³² Obviously, the importance of brand affinity varies by product and market.
- *Companies That Manufacture or Sell Products or Services Used by a Journal’s Audience*
Again, this will vary by journal audience, and could include a wide range of items, such as lab equipment, uniforms and clothing, air travel, and more.

Although we refer to “companies” in the above, commercial entities are not the only possible targets for this exercise. Nonprofit organizations, including trade and professional associations that represent groups of companies in a particular industry or professionals in a particular field, might also provide suitable sponsorship targets. For example, a nursing journal with a readership with a high concentration of hospital nurses might approach hospital trade associations, as well as hospitals and health care providers themselves.

Especially important for journal publishers, some fields—such as education and medical research—rate high in the list of causes of most concern to consumers.³³ This suggests that journals in these and related fields might find sponsors amongst companies seeking to strengthen or improve their corporate image with consumers who are themselves not an audience for the journal. Again, such an approach creates value for the sponsor while increasing the visibility and brand awareness of the journal.

3.3 Assessing Sponsor Strategic Fit

Sponsorships between parties with well-aligned strategic interests will generally be easier to implement, last longer, and be easier to maintain than relationships without such a strategic fit. Therefore, having identified the assets and value that the journal can deliver (see Section 2.2), and identifying the *types* of businesses that might benefit from those assets (see Section 3.2), the journal must carefully evaluate individual sponsor prospects prior to approaching them with the journal’s sponsorship prospectus or other supporting material.

There are several reasons why a journal should care about a potential contributor’s attitude towards sponsorships and strategic philanthropy:

1. Understanding a potential sponsor’s perspective makes it possible for the journal to package, promote, and secure sponsorships. Further, when the benefit is apparent to the potential sponsor, gaining internal support for the sponsorship at the company will be easier and the perceived value of the sponsorship will be higher.
2. The strongest sponsorships—and the longest-lived—will be based on explicit mutual benefit, transparent motives, and trust. Long-term sponsorships are less time-consuming and more cost effective to maintain.

3. A clear and explicit understanding of a sponsor's expectations makes it possible for the journal to present and defend the sponsorship to its constituency, including authors, readers, society members, and others. Ignoring or misunderstanding a company's motivations for a sponsorship increases the possibility of damaging misunderstandings after the sponsorship is negotiated.

Searching for sponsors using well-defined criteria focuses the publisher's effort, saves time, and promises a higher success rate than a less systematic approach. Further, careful assessment at this stage can lower the risks of surprises at later, critical stages of negotiation. Thus early evaluation will also help lower the overall cost of developing and administering a sponsorship program.

The business information necessary to identify and assess potential sponsors is readily available through most academic and many public libraries, and the Internet. Specialized information resources—such as professional and trade association directories—exist for virtually every subject area and field. Typically, a publisher will already know a great deal about such resources in its own field. Additionally, consulting a reference librarian or subject area bibliographer at a university library might reveal further resources and save considerable time. The journal's editors might also be an excellent source of suggestions and even contact information.

Using these resources, the publisher can create a list of companies that might reasonably be expected to benefit from access to one or more of the journal assets. Journals that have assets that appeal to multiple types of businesses should create separate prospect lists for each value type. Sometimes the appearance of a company on more than one of a journal's lists will reinforce the strategic fit between the journal and the business. In other instances, where the risk of real or perceived conflict of interest is too great, the journal can approach a company as a sponsor for one type of content or asset, while segregating the business from the sensitive content.

Once a journal has created a list of potential sponsors (ideally, including most likely contacts for an initial approach), it should ask itself the following questions for each of the companies on its list:

1. *To what extent are the values and mission of the prospect compatible with the journal's? Or, are there activities of the business that might conflict with the values or mission of the journal or of the publisher?*

Increasingly, businesses make public—via press releases, websites, annual reports, and other sources—information that describes their missions, values, and social goals, as well as information about their products and services. A publisher can learn a lot—about how a company operates, perceives itself, and/or wishes others to perceive it—from such materials. And, while companies (like people) do not always live up to their self-proclaimed values, such value statements provide a logical place for a journal to begin qualifying potential sponsors. They can also provide a practical way for the journal to initiate sponsorship discussions with a business or organization.

2. *To what extent does a company's negative reputation undermine its attractiveness as a sponsor?*

Given that the repair of a bad reputation might be a motivating factor behind a company's desire to sponsor a journal, it is important to examine any factual basis for this reputation carefully. Sometimes, a company will be so negatively perceived by a journal's audience that a sole sponsorship will prove impracticable. In such cases, it may be possible to mute criticism of the sponsorship by bundling the potentially offending company with other companies in the same industry or service cluster. None of the above, of course, is to suggest that a journal should enter a sponsorship with a business whose practices or goals it considers abhorrent. It simply offers ways to enter sponsorships with businesses that are legitimately trying to improve their market behavior, as well as their reputations.

3. *Which of the resources that the journal identified as important (see Section 2.1) does the company seem capable of delivering?*

For example, financial support, specific goods or services, expertise or skills (for example, marketing communications).

4. *Besides the financial risks, to what extent would a sponsorship represent a risk to the journal's reputation?*

In some instances, a company's motives for entering a sponsorship may be questioned with the result that the company risks further damaging the reputation it is trying to rehabilitate. Being aware of these issues will help the journal identify a sponsorship program that eliminates or mitigates the risks for both the journal and the company. For example, the company can sponsor a section of the journal's website sufficiently removed from the company's business focus that it softens criticism that the journal is acting solely in its own self-interest.

5. *How well might a sponsorship by the company contribute to potential company needs or goals?*

For example, would the sponsorship help enhance the company's reputation, help it reach new markets, or help it position itself before prospective employees? Conversely, are there any significant risks that might be faced by the company in an affiliation with the journal?

6. *What effort and costs might be involved in entering the sponsorship?*

For example, a journal might find it necessary to modify its website to present a particular type of content in such a way that it concentrates a specific audience demographic of interest to a sponsor. Whether this incremental effort and expense make sense will depend on the term and size of the sponsorship. (In some instances, the potential sponsor may be willing to incur the cost for such a modification.)

7. *Is the prospective sponsor already supporting other nonprofit initiatives?*

Where a sponsor prospect is already supporting another nonprofit organization, it might make sense for the journal to approach the other nonprofit about its experiences working with the business.

After performing this preliminary assessment, the journal can identify those companies and other entities that have the strongest potential as sponsors and screen out those that hold little promise or pose substantial practical difficulties.

3.4 Defining Sponsorship Value

It would be naïve to suppose that commercial enterprises will sponsor nonprofit journals for entirely altruistic motives. While sponsorships—by our definition—include an element of strategic philanthropy, corporate altruism alone would seldom prove sufficient to generate consistent and significant sponsorship interest and income. In a difficult economic environment, when businesses are retrenching, corporate philanthropy without ties to a company's strategic business objectives could easily be dismissed as an unaffordable luxury. Even when the economy is strong, pressures on executives for bottom line performance still persist. While the desire to do social good certainly motivates a great deal of corporate giving, such a motivation—in the absence of any supporting strategic or tactical alignment—would typically provide a journal with a modest and tenuous sponsorship relationship.

The most desirable sponsorships, from both a journal's and a sponsor's perspective, are those that—in addition to delivering the tangible and intangible benefits that each party seeks—are stable and long-lasting. This stability provides operational efficiency for both the business, whose marketing and public relations departments can build campaigns on the long-term relationship, and for the journal, which often does not have the staff resources available to support a program that entails considerable sponsor turnover and new sponsor recruitment. Typically, retaining an existing sponsor by increasing or renewing the value delivered will be a more efficient use of publisher's resources than identifying and securing a new sponsor.

This suggests that a journal must select sponsors carefully, based on the value that the journal can deliver to the sponsor, and that the journal's relationship with the sponsor must be continually reassessed, renewed, and (if appropriate) expanded.

Several studies have demonstrated the relative importance of various benefits to potential sponsors. The benefits that matter most to sponsors include

- the ability to borrow affinity to grow consumer loyalty;
- generating market awareness and visibility;
- changing or reinforcing corporate or brand image; and
- demonstrating social responsibility.³⁴

Matching a journal's assets with the types of value that each potential sponsor seeks will help the journal maximize the value offered to sponsors and the financial benefit the journal can realize.

3.4.1 Pricing Journal Sponsorships

When it comes to negotiating a sponsorship, one of the biggest challenges a journal will face is justifying its sponsorship rights fee. Unlike advertising and other marketing channels, there is no widely-accepted industry formula for valuing a sponsorship. Further, given the

relatively small number of journal sponsorships, it is difficult to assess comparable sponsorship opportunities and benchmark the values for sponsorship benefits.

A publisher could use needs-based pricing to establish a price for its sponsorships. This approach simply sets the prices for each sponsorship in such a way as to offset a part of the journal's operating costs. While a needs analysis provides a logical starting point in developing sponsorship pricing, it does not take into account the value that a business might perceive in the sponsorship. Obviously, if businesses perceive less value in a sponsorship than a journal is trying to obtain, it will be difficult for the journal to find sponsors. On the other hand, if a sponsorship is priced too low, then the journal is not optimizing the sponsorship's income potential and will probably have to manage more sponsorships than would otherwise be necessary in order to generate a sufficient income stream.

Sponsorships, therefore, will typically apply a value-based pricing model that sets sponsorship fees based on an offer's potential value to sponsors, rather than on the publisher's financial need. Value-based pricing attempts to align the sponsorship's price with the value that a business will perceive in its sponsor's benefits. This type of pricing requires that a journal establishes an objective valuation of the benefits being offered to a sponsor. A journal may determine the value of a sponsorship by assessing several variables:

- *Tangible Benefits*

These are the quantitative benefits in a sponsorship package, including impressions in measured and non-measured media (both online and print), media coverage, free print subscriptions (if available), conference passes, online surveys, shared advertising, and other benefits. The tangible benefits delivered to sponsors will most frequently assume the form of equivalent advertising value or media equitability. "Equivalent advertising value" accounts for and values the media coverage or exposure that a sponsor receives from a journal sponsorship and compares it to what the business might have paid for the same exposure based on an analogous media rate card.³⁵

As noted above, the typical method for calculating media expense is cost per thousand (CPM). CPM provides the standard measure for comparing competing media. It represents the cost of exposing 1,000 readers and/or website viewers to a sponsorship or advertising message.³⁶ Sponsors will use this metric to compare a sponsorship's value with other potential advertising or sponsorship outlets. Publishers should use CPM as one measure to assess the competitiveness of their sponsorship program.

Exhibit 3: Sample Sponsorship Valuation Comparables provides a sample worksheet illustrating how a publisher might compare existing sponsorship and advertising price points for comparable journals. Such an assessment furnishes some perspective on what other journals are asking for roughly comparable sponsorship opportunities, and provides one basis for setting the price for a journal's sponsorships. To prepare such a sheet of valuation comparables, a publisher should:

1. Make a list of all the journals in the same field as its journal. For specialized fields, where there are relatively few journals, the list can be broadened to include journals and societies in cognate disciplines. The list should include both commercial journals and nonprofit journals (for advertising media equivalents).

EXHIBIT 3: SAMPLE SPONSORSHIP VALUATION COMPARABLES

This exhibit illustrates the types of comparable data points that a publisher might assemble to aid in setting prices for its sponsorships.

Sponsorship Valuation Comparables
Comparable Journal One

Platinum Sponsor	\$50,000
Gold Sponsor	\$40,000
Silver	\$30,000
Bronze	\$20,000
Industry Friend	\$10,000

Basis: journal media equivalence; conference recognition and attendance

Comparable Journal Two

Newsletter sponsorship	\$35,000	per year for three years
Journal sponsorship	\$35,000	per year for three years

Basis: media equivalence

Comparable Journal Three

Major Supporter	\$50,000 +
Supporter	\$25,000-\$49,999

Basis: media equivalence; conference recognition; free print subscription(s)

Journal Advertising Comparables
Comparable Journal Five
Full Edition

1X Full Page Advertisement	\$14,735
3X Full Page Advertisement	\$42,705

Limited Circulation Edition

1X Full Page Advertisement	\$6,645
3X Full Page Advertisement	\$19,290

Comparable Journal Six

1X Back Cover Advertisement	\$2,550	(4 color)
3X Back Cover Advertisement	\$7,605	(4 color)

Comparable Journal Seven

1X Back Cover Advertisement	\$4,418	(4 color)
3X Back Cover Advertisement	\$13,075	(4 color)

Comparable Journal Eight
Web Banner Advertising

Full-width top Banner (annual)	\$18,000	(\$1,500/month)
Sectional Banner (annual)	\$9,000	(\$750/month)

2. Rank the list of journals by their relative comparability to the journal for which the sponsorship program is being developed. Criteria for this ranking might include each journal's similarity or comparability in terms of author universe; readership/audience (in terms of audience composition and subscription base/circulation); types of advertisers/sponsors appealed to; and other comparables, as appropriate.
3. Research each journal's offering of sponsorships, advertising, and other programs that solicit outside funding. For sponsorship programs, note the basis (where given) for the sponsorship price. That is, the benefits the journal offers at each sponsorship price level. While some sponsorships will be with the publishing society, rather than specific to a journal, such sponsorships remain valid for comparing value.

A publisher should keep these comparables updated to ensure that its sponsorships remain properly valued and scaled to the audience reached.

- *Return on Investment (ROI)-Cost/Benefit Ratio*

Unlike traditional marketing tactics, such as advertising, direct mail, and telesales, the overall effectiveness of sponsorships is not readily measurable. Some corporations may seek to quantify the value of a sponsorship in terms of the incremental revenue that the company would have to generate to reach an acceptable return on its marketing investment. However, it is not realistic to expect a publisher to quantify return on investment or identify cost/benefit ratios for its sponsorship programs, especially given that companies themselves often have difficulty with such valuations. Still, a publisher should be aware that its case to a potential sponsor, especially in a difficult economic climate, will be strengthened if it can demonstrate that the sponsor realizes at least \$1.50 worth of value for every \$1 it invests.³⁷ While corporations do not evaluate corporate sponsorships solely on a utilitarian comparison with commercially available marketing alternatives, the stronger a sponsorship's value proposition, the better. When a sponsor wishes to supplement a sponsorship fee with a philanthropic donation, the society should separate the value of the sponsorship itself from the gift. See Section 2.5.5 for the tax implications of this accounting.

- *Other Valuation Adjusters*

A journal's sponsorship fees will also be affected by factors unique to each sponsor. These factors might include competitiveness of the target market; journal geographic and market impact; the number of sponsorship categories a sponsor supports (in essence, a volume discount a publisher provides a company supporting multiple sponsorships); and the length of a sponsor's commitment (for example, a three-year commitment on the sponsor's part is worth more to the journal than a single year).

Exhibit 4: Sample Sponsorship Value Estimate illustrates how a publisher might document the value of one set of sponsorship assets, including tangible and intangible benefits and hard costs. *Section 3.4.2* below discusses how a publisher might set a value for a sponsorship's intangible assets.

EXHIBIT 4: SAMPLE SPONSORSHIP VALUE ESTIMATE

Asset	Calculation	Annual Fee*
Value of ad space† for recognition (cover 3)	\$2,000 X 4 issues	\$8,000
website impressions	50,000 impressions/month = 600,000 impressions/year (600,000 / 1,000) X \$12.00 per 1,000	\$7,200
Custom article archive‡	\$1,250/article X 4 articles	\$5,000
Membership list rental (X2)	(10,000 names X \$0.25 each) X 2	\$5,000
Hard costs (website modification & digitization to support custom archive)		\$4,000
Volunteer labor for fulfillment	@ 15% of hard costs	\$600
	<i>Subtotal</i>	\$29,800
Intangible Asset Premium	\$29,800 X .40	\$11,920
	Total	\$41,720
	Proposed Price (rounded to nearest 1,000)	\$40,000

* Based on a three-year sponsorship commitment.

† If the journal does not currently offer ads, then the publisher should use the closest comparable ad rate from amongst similar journals.

‡ See *Section 2.2.4.3*.

3.4.2 Assessing Intangible Benefits

Intangible benefits include the qualitative benefits a sponsorship delivers, such as level of audience affinity, journal reputation, category exclusivity, and market recognition of the journal's name and brand marks. While assigning value to the intangible assets that a journal can offer is difficult and subjective, it is these intangible assets that distinguish sponsorship from other types of marketing and advertising and allow the value of the sponsorship to transcend media equivalence. Martin³⁸ has developed a formula for assigning value to essential intangible sponsorship assets based on her experience in analyzing the value assigned by corporate sponsors to such assets across a wide variety of nonprofit sponsorship programs. While inherently approximate, Martin's model provides one starting place for publishers seeking to quantify the value of their sponsorship offerings.³⁹

Martin's model requires a publisher to assign itself a score based on the ability of its sponsorship program to deliver on each of several intangible assets.⁴⁰ The score thus generated is then used to determine a percentage increase in the base value of the sponsorship as indicated in *Exhibit 6: Intangible Asset Scoring*. *Exhibit 5: Assessing the Value of Intangibles* illustrates how a publisher could use the model to determine a value for a sponsorship's intangible assets.⁴¹

Given the difficulty of establishing quantifiable measures for a sponsorship’s effectiveness, some companies devise other measurement criteria in order to justify sponsorship investment. These measures can include shifts in brand awareness, building of brand experiences, and increases in product understanding. Whatever their pretensions otherwise, these criteria are typically qualitative rather than quantitative. In the end, most sponsorship decisions will be made on a combination of quantitative and subjective criteria. While corporate sponsors are likely to take a business approach to their evaluations, other potential sponsors—such as universities, foundations, and other nonprofits—may respond to an approach that positions the sponsorship as consistent with the institution’s mission and values.

EXHIBIT 5: ASSESSING THE VALUE OF INTANGIBLES
EXAMPLE

INTANGIBLE ASSET		Score (1-5)
1.	Journal and/or society name recognition Sponsors benefit when the journal is prestigious and well-known in the market community the sponsor wishes to reach. The stronger the journal’s identity with a field or discipline and with the society’s membership, the greater the value to the sponsor.	4
2.	Audience appeal Indicates the degree to which the journal’s audience and/or the society’s membership match the target market the sponsor is trying to reach	3
3.	Exclusivity A sponsor will pay a premium for the exclusive right to sponsor a journal. Further, being the sole sponsor for the entire journal will be valued more highly than exclusivity for one of multiple sponsorship programs.	5
4.	Simplicity for sponsor Corporate sponsors value sponsorships that require little or no effort on their part. Many journal sponsorships may satisfy this condition.	5
5.	Media attraction A journal’s or society’s ability to attract unpaid media attention bolsters the sponsor’s association with the journal being sponsored and with the journal’s audience. Such media coverage increases the number of media impressions the sponsor’s name, marks, and/or logo receives, and strengthens the sponsor’s brand identity.	3
6.	Sponsorship track record Sponsors will invest more readily in organizations that have already attracted sponsors and demonstrated success.	1
7.	Strong sponsorship management Sponsors will place a premium on a society or journal that demonstrates and communicates its understanding of the sponsor’s needs. This includes the publisher’s ability to communicate the value and relevance of the sponsorship in terms the sponsor understands.	2
Total Score:		23

EXHIBIT 6: INTANGIBLE ASSET SCORING

Score	Percentage Premium Over Base Value
30–35 points	50%
22–29 points	40%
13–21 points	30%

Based on the example illustrated in *Exhibit 5*, the hypothetical publisher's score for the intangible assets (i.e., 23) suggests a percentage increase over the sponsorship's base price of 40 percent, as indicated in *Exhibit 6*. For example, were the publisher's projected base price for a sponsorship \$25,000, the estimated value for the entire sponsorship package, including intangibles, would be \$35,000 (that is, $\$25,000 + (\$25,000 \times .40) = \$35,000$). See *Exhibit 4* for a sample Sponsorship Value Estimate.

NOTES

³² For example, preference for products such as surface cleaners is driven more by functional performance than brand affinity, while preference for bottled water is almost entirely driven by affinity. Cited in Adkins (1999), 76.

³³ See Adkins (1999), 87.

³⁴ For example, see *IEG Sponsorship Report 21*, no. 5 (March 11, 2002).

³⁵ The average value to a sponsor of shared advertising—that is, an ad provided by the journal where one or more sponsor logos appear prominently in the ad—is 10 percent of the ad's total cost (that is, media space and production). See Martin (2004), 29. For example, if a society pays \$3,000 for an ad promoting the journal, and the sponsor's logo is displayed prominently, the value to the sponsor would be \$300.

³⁶ CPM is calculated as follows: $\text{CPM} = \text{total cost} / \text{total audience (in thousands)}$.

³⁷ At least one study suggests that—despite corporate concern with the return on its marketing investments—companies are surprisingly lax in actually evaluating the impact of their sponsorship investments. Additionally, the study indicates that most sponsoring companies get their information about the effectiveness of their sponsorship programs from the organizations being sponsored. For example, the international study by Performance Research commissioned by IEG; see http://www.researchsponsorship.com/sponsorship_spending.htm.

³⁸ See Martin (2004), 39–43.

³⁹ Whatever its limitations, Martin's model is based on her actual experience assessing sponsorship programs. It might prove possible, over time, to refine the model to reflect the actual experiences of journal publishers seeking sponsorships.

⁴⁰ We have modified Martin's model to better address the situation of nonprofit journal publishers.

⁴¹ If potential sponsors vary in their expectations and needs, a publisher might need to assess this multiplier for each potential sponsor.

IV. NEGOTIATING SPONSORSHIPS

4.1 Developing a Sponsorship Prospectus

As noted above, because of the unique audience affinity that a journal can deliver, sponsorship messages can be simultaneously more subtle and more effective than conventional advertising. The extent to which potential sponsors recognize and appreciate a journal's ability to deliver this benefit will drive the value they assign to a given journal sponsorship. While some organizations will be sufficiently sophisticated to appreciate this fact, many of the specialized or niche businesses that might make logical sponsors for scholarly and scientific journals may need to be educated. Therefore, an important aspect of creating value in a sponsorship lies in communicating the effectiveness of a sponsorship opportunity for prospective sponsors in clear and compelling terms.

A publisher should be flexible in defining and negotiating a sponsorship in collaboration with a sponsoring organization. However, a written sponsorship prospectus, introducing and articulating the value of the journal's sponsorships, will help the publisher present its offer in as compelling a manner as possible. The prospectus, and the accompanying cover letter, provide the publisher with an opportunity to describe the sponsorship in terms that potential sponsors can appreciate—as a cost-effective business proposition, not a request for a philanthropic donation.

The cover letter should briefly

- describe the journal and the publishing society;
- make a convincing argument for why the society's membership and the journal's readership fit well with the audience the company is trying to reach;
- present the essence of the sponsorship program's benefits from the company's perspective; and
- establish a next step or call to action.⁴²

The prospectus or fact sheet itself should include—either as one document or as separate sheets, depending on the nature of the offer—the following components:

- A description of the society and the journal;
- Evidence of the journal's reputation and prestige;
- Key demographics of the society and the journal, including statistics on the journal's Web traffic and/or print circulation;
- A profile of the society's membership and journal readership that goes beyond the demographic data. For example, a scientific journal might characterize its readership as “spends average of \$15,000 per year for lab equipment,” “actively engaged in issues pertaining to...,” “focuses on applied research in...”;
- A list of selling points and benefits—both tangible and intangible—for the sponsorship, including a list of the means by which the sponsor will be able to reach and interact with

the audience (for example, recognition ads, surveys, direct mail contact, conferences, and the like);

- Testimonials from previous sponsors (when available);
- Sample media extracts or clips to provide evidence of media coverage, prove the journal's visibility, and confirm the appeal of the sponsorship;
- Endorsements of the journal itself, and ISI impact ratings relative to its peers, helping to establish independently and objectively the editorial quality of the journal; and⁴³
- A summary of rights and benefits delivered by the sponsorship.⁴⁴

These materials can be used on the journal's website or can be inexpensively printed for inclusion in a package that can be sent to sponsorship prospects. If the publisher wants to limit access to this material (for example, only to identified potential sponsors and contacts), the web page could be made accessible only to invited or authorized persons via an assigned password/ID.

When a journal's sponsorship programs are predicated on the journal's ability to reach specific market segments, the Web traffic and circulation statistics should be sufficiently detailed to support its claims for serving the segment. Web traffic statistics should also include any data on the quality or intensity of the user traffic to the journal's site. This might include unique users, repeat visits, average length of visit, etc. (see *Section 2.2.2.2*).

Further, if a journal's sponsorship program offers separate sponsorship opportunities to various sections of the journal's website, then the Web traffic statistics should reflect the traffic and activity on the pages in that particular section of the site. For example, if the sponsorship supports a Continuing Education program maintained by a society, then the sponsorship marketing material and package should document the reach and impact of the program using whatever metrics are appropriate for the content (for example, in addition to traffic, the number of users who have successfully completed the continuing education program, the number of such programs offered, etc.).

4.2 Negotiating an Agreement

4.2.1 Approaching Potential Sponsors

Obviously, for programs designed to generate substantial sponsorship fees, the sponsorship prospectus itself will not make the sale. The written prospectus supports direct telephone or personal contact by substantiating the opportunity and making it real for a potential sponsor.

Once a publisher has vetted a list of companies that appear to be attractive candidates for a sponsorship with the journal, it needs to have a plan for how to actually engage the business in entering a sponsorship. Typically, this might be done through several channels:

- Passively, via the journal's website;
- Using direct marketing programs (for example, a letter, program prospectus, and invitation to respond); and

- Through direct personal contact with those businesses that are high on a publisher's target sponsor list.

A passive program will prove adequate only in instances where a publisher seeks incidental sponsorship income to supplement other primary income streams. At the same time, for most scholarly and scientific journals, the universe of potential corporate sponsors will be too small to justify an outbound sponsorship marketing campaign of any scale. Therefore, the best approach will typically combine direct contact with potential sponsors—by telephone, e-mail, and/or face-to-face—supported by written communication and a formal prospectus package.

In instances where the journal's sponsorship income requirements are significant, the journal should consider hiring a development professional on a contract basis to contact potential sponsors. Additionally, publishers with access to a development office—either through their host university or through the publishing society—should seek assistance from the development professionals in those offices. These offices might provide guidance and advice, even when they cannot provide actual support for the journal's sponsorship program.

Depending on the industry, sponsorship dollars may come from a company's public relations, corporate giving, or marketing departments.⁴⁵ Typically, the appropriate contact point can be determined by reviewing a company's website, checking its policies as captured in corporate giving directories,⁴⁶ or through an exploratory telephone query. A publisher will need to tailor its sponsorship presentation to the corporate department that it contacts. While corporate giving departments are used to dealing with nonprofit organizations, marketing departments focus on marketing and selling a company's products, not philanthropy. Preparing a sponsorship prospectus, as described in *Section 4.1*, will help a publisher appeal to the needs of a company's marketing department.⁴⁷

As noted above, a publisher should expect to determine a sponsorship's final terms in collaboration with the sponsoring organization. Therefore, a publisher should anticipate that the process of approaching a company, determining its interest in a sponsorship, negotiating terms, and executing a written agreement will require a progressive series of discussions with the company. The length and complexity of the process will often be a function of the size of the sponsorship fee and the company's prior experience with sponsorship arrangements.⁴⁸

4.2.2 The Written Agreement

A sponsorship, as with any business relationship, should be governed by a written agreement. The format, terms, and specific language of this agreement will vary by the complexity of the sponsorship arrangement, the jurisdiction of the publisher and/or the sponsor, and other factors. The list below describes some components and clauses that a publisher might include in a sponsorship agreement. The agreement itself should be written and/or reviewed by legal and tax specialists.

Typical components for a sponsorship agreement might include the following:

- *Publisher Information*: the name, address, and contact information for the publisher.
- *Sponsor Information*: the name, address, and contact information for the sponsor.

- *Property*: a description of the sponsorship “property,” that is, the assets provided as part of the sponsorship.
- *Territory*: any geographical territory covered by the agreement.
- *Exclusivity*: indicates if a sponsor has exclusive rights to the property.
- *Sponsor Objectives*: a summary description of the sponsor’s business objectives for the sponsorship (for example, to increase brand awareness with a specific audience, achieve specific business development or marketing goals, etc.).
- *Publisher Objectives*: a summary description of the publisher’s objectives for the sponsorship (for example, income to sustain publishing operation, in-kind and operational support, etc.).
- *Sponsor Benefits*: a detailed list of the assets the publisher will provide to the sponsor.⁴⁹
- *Publisher Responsibilities or Consideration*: a description of the publisher’s responsibilities in delivering the assets and fulfilling the sponsorship, including reporting requirements and a delivery schedule if appropriate.
- *Publisher Benefits*: a detailed list of the payments, in-kind contributions, and other consideration that the publisher will receive from the sponsor.
- *Sponsor Responsibilities or Consideration*: a description of the sponsor’s obligations in fulfilling the agreement, including a payment and/or service delivery schedule, as appropriate.
- *Start Date and Term*: the effective date and the term length of the agreement (for example, three years).
- *Renewal*: an indication of whether the agreement automatically renews at the end of the initial term or whether the sponsor has the option to renew the agreement for a specific term. This might also include a right of first refusal.
- *Publisher Marks*: a list of the publisher marks that the sponsor will have the right to use, and describes the exact terms of use, including publisher prior approval.
- *Sponsor Marks*: a list of the sponsor marks that the publisher will have the right to use, and describes the exact terms of use, including sponsor prior approval.
- *Publisher and Sponsor Warranties*: a clause wherein each party warrants that it has the legal standing to enter into the agreement; fulfill its obligations; owns rights to the property, marks, and other assets; etc.
- *Termination*: an identification of the circumstances and conditions under which the agreement might be terminated by either party.
- *Morals Clause*: which allows the publisher to terminate the agreement if the company, or principals of the company, engage in illegal activities or otherwise create scandal that risks harming the publisher’s reputation.

The list above covers only substantive clauses relevant to a sponsorship. A number of important additional clauses—covering warranties, indemnification, confidentiality, immaterial breaches, assignment, applicable law, dispute resolution, notices, and other legal particulars—will also be required and should be included in consultation with the publisher’s legal counsel.

4.3 Reporting Results & Managing the Sponsorship Portfolio

The publisher should provide a sponsor with one or more written reports on a regular basis to help demonstrate the sponsor’s return on investment from the sponsorship. Depending on each sponsorship’s assets, this report could include data summaries (for example, website traffic statistics, print circulations, etc.), media coverage (for example, press coverage of the sponsorship relationship, as well as coverage of the journal and/or publishing society itself), readership survey results, and other relevant data. This report should help the publisher renew the sponsorship by communicating and reinforcing the program’s value.

Once launched, a society will need to periodically assess and update its sponsorship program. As noted above, it is typically more efficient for a publisher to renew or expand an existing sponsorship relationship than it is to secure a new one. Communicating with the sponsoring organization to ensure that it is receiving adequate value for its sponsorship commitment will help the journal identify and remedy any deficiencies before they undermine the value of the sponsorship for the sponsor.

NOTES

⁴² Martin (2004), 55 and Grey and Skildum-Reid (2003), 116–121 provide sample sponsorship letters.

⁴³ Potential sponsors outside of the journal publishing and academic markets may be unfamiliar with “ISI impact ratings,” and the sponsorship prospectus should include an explanation of the rating’s significance.

⁴⁴ Martin suggests putting the list of rights and benefits at the end of the prospectus. Martin (2004), 61.

⁴⁵ See *Section 2.5.5* on the tax implications of philanthropic giving versus substantial return benefits delivered as part of a sponsorship.

⁴⁶ For example, the *National Directory of Corporate Giving: A Guide to Corporate Giving Programs and Corporate Foundations* published by The Foundation Center <http://www.fdncenter.org>.

⁴⁷ When business is good, in-kind contributions often come from a company’s budget for corporate philanthropy. However, when profits are under pressure, companies often shift the accounting for in-kind donations to the budget for sales and marketing, where they are treated as a marketing expense and receive careful scrutiny. See, for example, Olsen (2003).

⁴⁸ For detailed discussions of the sponsorship contact and negotiating process (although not specific to the needs of nonprofit journal publishers), see Martin (2004), 70–85 and Grey and Skildum-Reid (2003), 122–133.

⁴⁹ The manner in which these benefits are presented in the agreement may have UBIT or other tax implications. Therefore, the publisher should consult with a tax specialist in constructing the agreement.

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ABOUT THE AUTHOR

Raym Crow is a Senior Consultant at SPARC (the Scholarly Publishing and Academic Resources Coalition) and Managing Partner of Chain Bridge Group, an independent publishing consulting firm and SPARC Consulting Group affiliate (www.chainbridgegroup.com). He has more than 20 years' experience in academic publishing and business information services, specializing in strategic business planning, product management, and market development.