measuring up the social value of sponsorship

Max Wind-Cowie
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DEMOS

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Max Wind-Cowie
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Foreword

Jon Woods, General Manager, Coca-Cola Great Britain & Ireland

Every year the UK plays host to some of most exciting events in the world from sporting tournaments to music festivals. These events matter to many people, not least the fans that enjoy them and the communities that host them. With anticipation and expectation running high, it's important for every party involved in the delivery of such events to get it right – and this includes sponsors.

Traditionally, many sponsors view partnering with high profile events as a chance to raise the profile and visibility of their brand and nothing more. But today simply badging an event is regarded as superficial and inadequate and the general public expect much more. In fact, research shows us that three quarters of British adults would feel more positively towards a brand if they knew their sponsorship activity was having a positive impact on the communities in which it takes place.[1]

No one would dispute that the biggest global event of them all is the Olympic Games, and this summer the eyes of billions of people will be on London as the city hosts the London 2012 Olympic and Paralympic Games. Every element of the Games will be closely scrutinised, and rightly so.

Sponsors are vital to making the Games happen, and at Coca-Cola we are proud of the part we play. London 2012 will help us build deeper relationships with our consumers, but our sponsorship of the Games delivers much more. As a presenting partner of the Olympic Torch Relay we will give communities from across the country the chance to share in the excitement of the Games. We have used the power of our brand to find inspirational young people from up and down the UK – our Future Flames. We hope to inspire and motivate them, their peers and their communities by giving these young people the once in a lifetime opportunity to run with the Olympic Flame.

As the longest continuous sponsor, we also use each Olympic Games as a catalyst to become a better business. For example, we have used the Olympic Games to develop in the area of sustainability and at the Beijing 2008 Games we were awarded the Green Medal by Greenpeace.

This year we are striving to go further. We have committed to recycle all clear plastic waste as part of our pledge to help deliver the world's most sustainable Games – taking LOCOG a considerable way towards delivering its target of sending zero waste to landfill. We are also working with sports charity StreetGames to help 110,000 young people get active, driving participation in sports in some of the most disadvantaged communities across the UK. Through our sponsorship of London 2012 we will be giving a number of StreetGames participants the opportunity to carry the Olympic Flame in the Olympic Torch Relay and work alongside the Coca-Cola venue operations team to help make the Games happen.

We know that our sponsorship has the potential to create lasting social value, and that's why we've taken the bold step of committing to measure the social impact of our London 2012 sponsorship activity. Of course we'll continue to measure the commercial impact of our marketing activity too, but we also want to truly understand the broader impacts of our sponsorship and use that as an additional metric to measure business success.

Over the past year Coca-Cola has worked with independent think tank Demos to create a new model of sponsorship evaluation that looks to quantify the social impact of sponsorship activity. It will allow us to see what we do well, where we need to improve and how we can apply this knowledge to our future sponsorship and marketing activity.

This is the first time a corporate sponsor has sought to design a tool to rigorously and robustly measure the social impact of their sponsorship activity. The unique model will be shared with the Coca-Cola business throughout the world, and has been specifically designed for ease of use to encourage other corporate sponsors to better understand how future sponsorship activity can leave a lasting legacy for people, the communities in which they operate and for the planet.

Executive summary

This report is the culmination of a year's partnership between Demos and Coca-Cola aimed at better understanding how businesses can measure the social value of their sponsorship activity.

In an era of increased pressure on business to demonstrate social responsibility, it is vital that the tools for robustly measuring and understanding their social impact are available. Good businesses can no longer afford quiet confidence about social impact – they must be able to analyse and report on it. But – as polling for Demos has shown[2] – many corporate sponsors simply cannot do this. Almost two-thirds of corporate sponsors (59 per cent) do not measure their sponsorship activity through social value created, and a third (34 per cent) of these businesses acknowledge that they are unable to do so because no appropriate model exists for them to use. This gap has prompted Demos to develop a unique and original model of sponsorship evaluation.

The new model to measure the social value of corporate sponsorship activity discussed in this report is the first of its kind – built specifically for ease of use and robust reporting of corporate sponsorship. Unlike traditional models for measuring social value, this new tool allows corporations to test the impact of their activities, funding and interventions in a time-specific and cross-cutting way. It is specifically designed to complement and enhance more traditional methods of understanding the impact of sponsorship and commercial engagement such as 'reach' and 'opportunities to see'. It is clear, robust, straightforward and tailored to the needs of major brands and businesses.

This model will be piloted by Coca-Cola to evaluate its sponsorship of the London 2012 Olympic and Paralympic Games and to demonstrate how best to use and apply it to corporate sponsorship. This report uses examples from Coca-Cola's London 2012 activity to illustrate the theory and practice behind the new model.

The research

Demos and Coca-Cola undertook structured engagement with key stakeholders across charitable, academic, public and corporate sectors in order to understand what a new model for measuring the social value of corporate sponsorship should look like. Our engagement was divided into three distinct but overlapping stages:

- *Focus groups* – Demos and Coca-Cola held three separate focus groups with a range of charities, NGOs, and government and local government representatives to discuss what stakeholders felt a new model to measure the social value of corporate sponsorship should capture to be robust but useable.
- *Structured external interviews* – Demos held a series of structured interviews with key figures from the London Organising Committee for the London 2012 Olympic and Paralympic Games (LOCOG) and experts with an interest and expertise in social value more generally to understand how we might set about measuring the social value of sponsorship and how such a model would be used and received by stakeholders outside business.
- *Immersion sessions* – Demos undertook a series of immersion sessions with Coca-Cola staff – across a range of functions within the business – in order to better understand the internal impact of sponsorship, gain fuller insight into how sponsorship activities are related to corporate social responsibility (CSR) objectives and develop a useable model for marketing teams.

The model

Demos has designed a new, unique model for measuring the social value of corporate sponsorship, which takes into account the priorities and problems identified with social value measurement through our extensive qualitative engagement. The model itself is laid out in detail within the report – along with clear instructions for use. It is designed to mirror the commercial processes of measurement already used in many businesses to understand the impact sponsorship activity may have on brand, sales and perception, but also to satisfy the demands of robustness and transparency made by the charitable and public sectors.

Our model uses a system of key performance indicators (KPIs) in order to define – ahead of time – the social value that corporate sponsors intend to achieve through their sponsorship. These KPIs are then allotted into three separate indicator sets – 'behaviour', 'community' and 'infrastructure' – which are designed to reflect different categories of potential beneficiary. So, for example, a KPI to improve healthy living would have a target allocated to it and be analysed in the 'behaviour' set, while a KPI to build a new sports facility would be analysed in the 'infrastructure' set.

The model is also unique in allowing for effective measurement over a relatively limited period of time. Unlike most social value models used in the charitable sector, this model can be applied over a relatively short period of time to reflect the fact that most corporate sponsorship is time-specific. We use a unique attribution system – weighting longer-term effects but also allocating benefit for input and short-term value – to capture the full range of social value generated by sponsorship.

Although the examples we use to illustrate the model's potential application are drawn from Coca-Cola's London 2012 Olympic and Paralympic Games activity, and this model will be piloted using that sponsorship, it is designed to be used by any business engaged in sponsorship activity. It is our hope that other corporate sponsors will make use of this unique resource to better understand the good that they do.

Recommendations

Alongside the model itself, this report makes a number of recommendations to business and government, designed to aid the development of a more mature and self-reflective understanding of the social value impact of corporate sponsorship:

- *Businesses should engage with the 'responsible business' agenda by measuring their social value* – Businesses in the UK are under sustained political pressure to demonstrate their responsibility, social value and commitment to positive and pro-social behaviours. The private sector must overcome the challenges (and concerns) about robustly measuring – and transparently reporting – the good that they do. Without clear and open measurement of social value we cannot develop a more mature and realistic conversation about the role of business in British society.
- *Government must engage with, and recognise, businesses that report on their social value* – LOCOG will be conducting a meta-analysis of the legacy of the London 2012 Olympic and Paralympic Games, but it is less than clear to what extent that evaluation will include the work that corporate sponsors have done to generate social value, which is likely to be considerable. Such an analysis would benefit immensely from structured engagement with the corporate world in order to ensure the holistic legacy is captured. There is a danger that large-scale events such as the Games will fail to report the entirety of their positive impact because of a lack of awareness of, and engagement with, peripheral social value generation emerging from the private sector. We recommend that the Government encourages businesses to measure the social value of their sponsorship by publicly recognising those that have done so and including them in meta-evaluations and assessments.
- *Engage with stakeholders* – Businesses should not seek to measure their social value in a vacuum. Engaging with stakeholders both inside the business and across the relevant charitable, public and political sectors will add weight, robustness and perspective to commercial efforts to understand the benefits of their proposed sponsorship activity. Bolstered by strong feedback from our engagement sessions, we recommend that businesses develop ongoing dialogue with stakeholders in order to set, evaluate and measure social value KPIs.

- *Plan the legacy* – Our model is weighted to give higher scores to those activities designed to have a long-term impact. This is because long-term, or legacy, activities have a greater proportionate social value, and it is important to add to the benefit to businesses of planning for legacy impacts from the earliest possible stage. We recommend that businesses engaged in sponsorship consider the potential social value legacy of each of the activities they undertake.

Call to action

Above all else, this report is a call to action to corporate sponsors. Half of businesses consider sponsorship activity as an integral part of their marketing and communications strategy and spend in excess of a million pounds a year on it.[3] Many do great things, many make great claims, but very few adequately measure and report on the reality of the social value impact they have had. In the past the private sector has had good reason not to robustly measure and report on the social value of its sponsorship, as there were no appropriate tools available. Thanks to the model contained within this report, that is no longer a viable excuse.

The lack of clear information hinders and skews debate about the role of businesses in supporting and enabling events like the London 2012 Olympic and Paralympic Games. It allows campaign groups to promote cynicism and irresponsible businesses to make grandiose claims that have no foundation in evidence. By rigorously, and honestly, testing themselves against an independent metric designed to measure the real impact of their work corporations can lend weight to their case and improve what they do. Spending money responsibly – be it on marketing, infrastructure, assets or stock – demands responsible measurement of the success of that spend. The private sector must begin to measure the social value it creates in the same way it measures the profit it generates, and Coca-Cola must be commended for being the first business to make this step.

1 Introduction

Every year UK companies spend millions supporting and sponsoring a wide range of events, teams, individuals and organisations. High profile events in particular can raise a huge amount of public awareness of an issue, and can bring thousands or millions of people together as consumers and citizens. Sponsoring such events provides a great opportunity to raise the profile of a brand or company, but enlightened sponsorship can also deliver a raft of benefits to individuals and communities. And yet, up until now, no specifically designed tool has been available to the private sector to make measuring the social value it generates through this activity straightforward, robust and reportable. Companies engaged in sponsorship activity need an easy-to-use metric to help them understand the positive social impacts they have, as traditional social value measures – which are inappropriate to the more time-limited and cross-cutting interventions typical of event sponsorship – do not fit the bill.

This report develops – for the first time – just such a model for measurement. We hope it will be adapted and used by other businesses to help them measure the social value of their sponsorship activities.

The need to measure social value is not simply driven by an abstract desire to know what impact an activity has had on a consumer or community, but also to answer pressing commercial and political questions about the role of business in society. Both sides of the political spectrum are debating the social value of business. Despite this the business community has remained unable to define, measure and explain the social good it often delivers through activity such as sponsorship.

Instead, the debate is polarised and misinformed, with campaigners often decrying any corporate involvement in public events and pouring scorn on claims that their sponsorship activity delivers real social value. Companies, uncertain of the real impact they may have had, often appear defensive and unsure. This report develops a unique new tool for companies to use in assessing their own social value for the first time. We hope that this will be taken up beyond Coca-Cola – which, as our partner on this project, has agreed to apply it to its sponsorship of the London 2012 Olympic and Paralympic Games – and that it will contribute to a better informed conversation about the social benefits of corporate event sponsorship.

A new form of measurement

Measuring the social value of activities and interventions has become more and more important over the past two decades for charities and NGOs as well as government and public agencies. It is no longer acceptable merely to claim broad social impact. The impact of any intervention, what it has achieved, must be measured and quantified in order to give us insight into what works and the basis on which to improve.

This important change in attitude has undoubtedly bolstered both the credibility of social endeavour and its effectiveness. Corporations and businesses are taking an increasingly sophisticated approach to CSR and sponsorship, but social value as a measure remains relatively alien in the profit-making sector – particularly in relation to sponsorship activities.

To some extent, this gap between best-practice in the charitable sector and practice within the private sector is understandable as the commercial sector supports interventions and initiatives in a different way than specifically philanthropic institutions. The areas where a sponsor or CSR programme might offer support – for example funding a one-off event – are likely to change more regularly and there is less scope for long-term, self-referential measurement because of this. This is particularly the case when it comes to activities and initiatives associated with the sponsorship of large events, such as London 2012.

The more time-specific nature of commercial sponsorship activities, and the fact that companies may well be funding and undertaking activity across a wide range of areas and with multiple beneficiaries, calls for a specific model to measure the social impact of such sponsorship. Until now, no specially designed model has been available to measure the time-specific and cross-cutting impact of corporate sponsorship. This report develops the first robust means of undertaking full measurement of the social value of a company's sponsorship activity and we call on the corporate sector to make use of this tool to understand and develop the good that they do.

Charitable sector organisations approach the work they do through the prism of social change and they are driven to measure the impact of that work both by a need to understand their relative success and increasingly stringent funding guidelines and expectations from the state. Businesses, on the other hand, tend to have a mix of motivations for undertaking activities that may have social value attached to them. Of course, the desire to achieve good is important to corporate sponsors and funders. But this competes for space alongside other motivations – the impact of charitable associations on commercial and brand objectives among them. These multiple motivations for sponsorship and social value development have sometimes blinded corporate funders to the good their work does. Rather than measure the social impact of the money they spend, such corporates sometimes give the impression that they would rather not know or, at the very least, that the processes available are too complex, costly and ill-fitting to be of use.

But the truth is that commercial enterprises are going to fund activity with an intended social value (and as a society, we must surely wish that they will continue to do so – and in fact do more) then it is the case that they should seek to ensure that the money they spend achieves its purpose and delivers a social value alongside brand and commercial benefits.

A gap between implementation and measurement

That philosophy was the starting point for this programme of work. Businesses fund, sponsor and support vast amounts of socially valuable work, and our lack of understanding about the good that they do in this area inhibits a constructive debate about how best to utilise the resource of corporate Britain for social good. What's more, it restricts the ability of business to assess the benefits that they bring to society or to improve on the value for money achieved through their activity.

There is a gap between implementation and measurement that means businesses, while funding work that may bring great social value, are often unaware of the good it does or how they might achieve more for their money. Closing that gap between implementation and measurement will allow businesses to better understand the value of the programmes they deliver and to go further to support and benefit the communities in which they operate.

The unique demands of a sponsorship model

There are fissures between the corporate sector and long-term, traditional charitable service delivery, and these differences become all the more important when considering event sponsorship such as that associated with the Olympic Games. Although businesses can deliver immense good through the programmes and activities they fund, their engagement is usually shorter term than that of a particular charity dedicated to delivering a particular service or, indeed, a specific public agency funding work in a certain area. Corporate funding tends to be time-specific – especially when focused around an event – creating problems for the kind of rolling social value measures that are often used within the charitable sector. What is more, while corporate activity may be tailored to particular events or occasions it is also likely to be spread across a wider number of activities and points of engagement than is a sector-specific charitable service. For example, Coca-Cola's sponsorship of London 2012 has involved it funding specific charitable activities, making changes to its own supply chain and logistics, offering unique training opportunities to young people, celebrating British youth through marketing activity and building new structures and infrastructure that will have a post-Games legacy (among other things). This makes Coca-Cola's overall social impact incredibly difficult to measure using traditional third and public sector frameworks.

This report develops a new measure specifically tailored to understanding the social value of event-sponsorship such as that undertaken by Coca-Cola and other corporates involved in London 2012. It aims to overcome the problems both of specificity (the time-limited activities) and of breadth (the possible range of activities and outcomes) involved. It also provides a template – readily adaptable to the needs of companies sponsoring a wide range of events and activities – for use in measuring the social value of corporate sponsorship.

The development process

In seeking to develop this model, Demos researchers have worked with Coca-Cola and key stakeholders from government and the third sector and within local bodies and public agencies. We conducted three detailed focus groups, centred on the potential impact on individuals, communities and the wider environment, involving representatives from charities, government, politics, local government and the London Organising Committee for the London 2012 Olympic and Paralympic Games (LOCOG) itself. In addition, we carried out extensive structured interviews with key individuals and experts who have an interest and expertise in social value. Finally, in order to understand the internal impact of event sponsorship, gain a fuller insight into how sponsorship activities are related to CSR objectives and aims, and develop a useable model for marketing teams, we carried out research sessions with key people at Coca-Cola. The result, alongside our engagement with the wide body of academic, theoretical and practice literature on measuring social value, is the model detailed in this report.

Demos will be piloting the new model of the social value of event-sponsorship in partnership with Coca-Cola – applying it to Coca-Cola's own work relating to London 2012. This report is not intended for use exclusively by Coca-Cola, but it does build on the insights and issues that were raised through our extensive qualitative engagement with stakeholders associated with the business and London 2012. We hope this model will be of use to other businesses, public bodies and social enterprises engaged in event-sponsorship, and will aid their understanding of how to deliver social value through sponsorship. It is too easy to dismiss the social value of corporate activities like sponsorship, engagement with charities and community work. By rigorously and honestly testing themselves against an independent metric designed to measure the real impact of their work, corporations can lend weight to their case and improve what they do.

2 Social value evaluation: where are we now?

Given the highly crowded field of different approaches to measuring social value, combined with the challenges of using these models, it is hardly surprising that relatively few organisations – particularly commercial organisations for whom this is not the primary focus of measurement – attempt to quantify their social impacts in a rigorous way.

With this in mind, it is important that any tool developed for the purposes of capturing and assessing the social value of corporate sponsorship avoids the mistakes of earlier models used in the third and voluntary sectors. A social value tool aimed at commercial organisations must, therefore, be simple to input, give credit for all activities and impacts rather than excluding those that are difficult to measure, avoid simplification of impact (by gimmicks such as inappropriate monetisation) and provide organisations with genuine insight into the good that they do.

Measuring social return on investment

As implied above, social value has become an increasingly widespread measure of impact used by organisations looking to affect social change. The voluntary and public sectors increasingly apply social value measures in order to understand the work that they do, improve their effectiveness and justify applications for funding. What is more, philanthropic organisations, funders and foundations increasingly demand that those they invest in provide evidence of the impact they are achieving.

But the increased standardisation of demands made on organisations that measure their social value can be misleading, because while the need to measure may have become entrenched, what and how to do so has not.

There is no single authoritative definition of 'social value'. Competing narratives about the best way to measure social value (and indeed what we are looking to measure in the first place) have meant that the field of potential tools available to socially interested organisations is wide. There are additional problems with the tools thus far developed to enable businesses that fund social interventions to adopt social value.

Social value measures are almost always focused on improvement over considerable periods of time and in relation to specific activities – a focus that is not helpful in seeking to measure the social value of commercial sector funders.

Below, we look at the most popular third-sector social value measurement tools, addressing both their strengths and weaknesses from the perspective of commercial organisations seeking to measure their social value.

In the UK the concept of social return on investment (SROI) has gained increasing traction as a means to understanding social value. At the forefront of developing the SROI model has been the New Economics Foundation (nef), which argues,

SROI is an analytic tool for measuring and accounting for a much broader concept of value. It incorporates social, environmental and economic costs and benefits into decision making, providing a fuller picture of how value is created or destroyed. SROI is able to assign a monetary figure to social and environmental value which is created. For example, nef research on the value created by a training programme for ex-offenders revealed that for every £1 invested, £10.50 of social value was created.

This model is supported by other organisations which have an interest in promoting social value measurement, including the SROI network and the London Business School, whose argument rests on the ability of SROI to weigh social benefit against the cost of investment. They also claim that SROI offers a framework for exploring how change is happening as a result of an intervention, showing ways in which this can be improved.

From these explanations it is clear that, for advocates of SROI, 'social value' refers to wider non-financial impacts of programmes, organisations and interventions, including the well-being of individuals and communities, social capital and the environment. These are typically described as ‘soft’ outcomes, mainly because they are difficult to quantify and measure. This in turn poses a problem for those seeking to measure the effectiveness of a particular intervention or activity with soft outcomes – be they the providers of that activity, the commissioners of that activity, funders, users, and so on. Outcomes that cannot be quantified cannot be counted, evaluated or compared. It is understandable, therefore, that the measurement of social value by ascribing quantifiable values to these soft outcomes preoccupies policy makers in this field. But, for any organisation engaged in investing in social value, this exclusion of ‘soft’ outcomes necessarily limits the scope of understanding of what impact is being generated through investment. There is a danger that SROI can skew the sorts of activities funded to place too high a priority on the ‘easily measureable’ rather than on what might be most effective or useful.

Why not just use SROI?

There is a strong argument that SROI, while superficially attractive, is the wrong measure for commercial enterprises to use when seeking to assess their social impact. Unlike a public service commissioner, a commercial business will not receive the savings generated through interventions in the public sphere. SROI will not, therefore, necessarily provide businesses with the most useful insight into the impact they generate. SROI also requires a very long-term approach to measurement and evidence gathering if it is to avoid dramatically underestimating the social value impact of any intervention. Businesses are unlikely to be prepared to invest over extended time-frames, and with extensive budgets, in order to measure the impact of relatively short-term work. What is more, because SROI fails to include qualitative impacts, this tool will necessarily exclude elements of the good achieved through sponsorship. What is needed is a broader approach – albeit one that is both robust and rigorous – in order to capture fully and broadly the social value generated by sponsorship, not a somewhat reductive investment versus return matrix.

Stakeholder views of SROI

Some of the experts we consulted as part of this project expressed similar concerns about the complexity of SROI, and it was described as a ‘complex box-ticking exercise’. Experts also pointed to the methodological weaknesses and problems with applying SROI to commercial sponsorship, including its inability to recognise innovation, its likely risk-averse impact on corporate funders and the inability of SROI to provide commercial decision makers with a holistic view of the good they may be achieving.

In the USA, the Gates Foundation came to similar conclusions. Its report *Measuring and/or Estimating Social Value Creation* found that the fragmentation of different competing approaches was holding the sector back and, overall, it was far behind its financial auditing and monitoring counterparts. It summed up:

- *Many important benefits that accrue from effective social programs are rarely, if ever, monetised*
- *Shadow prices (the dollar values assigned to outcomes) in cost-benefit analyses of social programs do not consistently capture the full range of societal benefits or costs*
- *Even when there is well-established literature for valuing outcomes, shadow prices are not being consistently used across studies of social programs*
- *Some cost-benefit analyses use methods to project future outcomes based on early outcomes, but such approaches have yet to become routine and standardized*[4]

The authors concluded:

Until a tremendous amount of resources are invested in creating a comparable infrastructure for measuring and analyzing the results for the social sector, integrated cost approaches to measuring and/or estimating *social value will continue to be practiced more like an isolated art form than widespread science.*[5]

The plethora of available tools – some of which are outlined here – combined with the complexity that is a feature of social value measures and the fact that they are designed specifically for charitable and social activities have undermined their potential usefulness to the corporate sector. This lack of take up was noted by a study commissioned by the Office of the Third Sector in 2007,[6] and is a recurring problem in the sector. It is to avoid these mistakes that our tool has been designed.

A social value tool aimed at commercial organisations must be simple to input, give credit for all activities and impacts, rather than excluding those that are difficult to measure, and avoid simplification of impact (by gimmicks such as inappropriate monetisation). It must provide organisations with genuine, robust and reportable information about the good that they are doing.

Where we are now

It would be naïve to imagine that corporate sponsors do not undertake measurement of the impact of their investment. In fact, significant time and resource is devoted to understanding the benefits reaped from sponsorship. Unfortunately the information captured, while potentially useful to understanding the social value of sponsorship, is rarely applied to evaluating that component of sponsorship.

Companies typically measure the benefits of sponsorship by its impact on awareness and the perception of the brand. They achieve understanding of this by measuring, among other things, the commercial value of publicity generated (also known as advertising value equivalent – AVE), the reach achieved by publicity (how many have had the opportunity to see publicity and how many of these fall into the target audiences), and opportunities to see (how many times individuals have been exposed to publicity). Over the longer term, companies may seek to understand the effect of their sponsorship on levels of trust in their brand and consumer awareness, and attempt to ascertain to what extent activity has shifted people's impression of the brand and to what extent that has driven consumers to buy (or buy more) of the product.

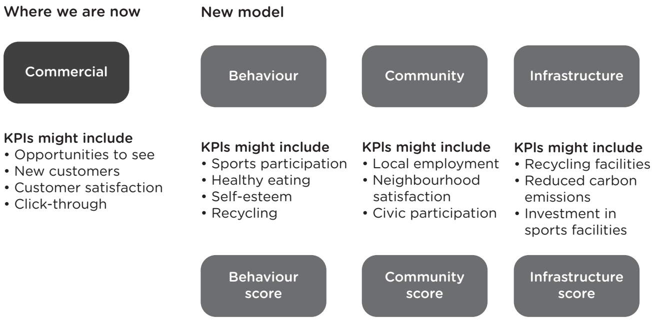
The process of developing an idea of what success will look like is relatively straightforward. At the outset of any campaign, the business identifies a set of key performance indicators (KPIs) against which they measure their impact. These indicators are premised on a mix of previous experience – what it has been possible to achieve in the past – and ambitions for the brand – what the business would like to achieve.

Short-term KPIs are normally measured by 'volume', for example how many stories positively referencing the business made it into the national press; 'reach', for example how many people were given opportunities to see public relations (PR) surrounding the sponsor as a result; and 'AVE', for example how much would it have cost to purchase comparable volumes and reach of PR. In the longer term, businesses may set themselves KPIs that reflect the legacy of their activity in driving trust in their corporate identity and brand. To measure these impacts, sponsors typically use a mixture of qualitative and quantitative evidence – using focus groups, survey evidence and detailed sales figures to build up a picture of their success in meeting objectives around the impact of their sponsorship.

Commercial evaluation: where are we now?

The extent of information captured by businesses attempting to understand the commercial impact of their sponsorship is vast. It may appear that this information is of limited use to those seeking to understand the social value of sponsorship, but in fact it suggests that commercial sponsors will be able to adapt with relative ease to measuring positive social impact. We recommend that businesses apply the model developed in this report alongside their existing commercial measurement – developing their social value KPIs alongside their marketing and brand perception indicators, and conducting measurement throughout and following the event in question.

Figure 1 **Commercial value, social value and their key performance indicators**



It is also important to recognise that a great deal of the information already captured by businesses will be of use in evaluating the social value impact of sponsorship. For example, the brand perception analysis that is routinely carried out by businesses will give insight into the extent to which a brand's association with unpopular causes and events can be expected to have a positive impact and/or change public behaviour. Relatively small adjustments to existing survey, focus group and qualitative evaluation may allow sponsors to test their social value KPIs alongside their commercial KPIs. And, more broadly, knowledge within companies about what is effective in changing consumer behaviour may be applied to meeting social value KPIs – for example, when seeking to promote healthier lifestyles or improve recycling rates.

It is clear that social value can be measured in a way that is neither over-burdensome for companies nor entirely alien from their existing evaluation methods. Any established sponsor, with a track-record of seeking to understand their impact and brand perception, could pick up the model developed in this report and apply it alongside their more traditional approach to understanding impact.

3 Social value and the London 2012 Olympic and Paralympic Games

London 2012 – as an event and as a process of gearing towards that event – is explicitly intended to produce a social value beyond mere enjoyment of sport. Key to the winning bid was London's advanced and detailed explanation of what people, communities and the environment would get out of the Games. As one LOCOG official put it:

The big story is that the whole concept of the Games is to leave a lasting legacy. From the decision to situate it in east London, the Games have been a catalyst and a focus for long-term development.

In its Legacy Plan for London 2012, the Government has stated that it will focus its legacy efforts in four key areas:

- increasing participation in sport and physical activity, particularly among young people
- using London 2012 as an opportunity for economic growth
- promoting community engagement
- using London 2012 as a driver of regeneration in east London[7]

Within these four strands of social value focus are a number of particular aspirations against which the Games invites itself to be measured and judged. These include:

- increasing participation in sport by:
  - encouraging school sport
  - encouraging community sport
  - increasing sport in developing countries
  - encouraging healthy lifestyles

- achieving economic growth by:
  - providing contracts for builders and suppliers
  - increasing exports
  - creating a hi-tech hub in east London
  - marketing the UK economy abroad
  - bringing in extra tourism – lasting legacy
  - supporting foreign policy aims

- promoting community engagement by:
  - supporting the creation of the Big Society
  - emphasising social action
  - increasing volunteering
  - focusing on equality – especially changing attitudes towards disabled people, and helping disadvantaged young people

- driving regeneration in east London by:
  - clearing contaminated land
  - providing new infrastructure, eg transport links, new homes, green space and sports facilities
  - providing local job opportunities
  - developing a growth economy in the area based on investment opportunities
  - establishing the Mayoral Development Corporation through the Localism Bill

In addition, the Government has promised to deliver a legacy for disabled people, to extend new standards in sustainable procurement across government, and to inspire more sustainable lifestyles.

Measurement and assessment are also built into the Legacy Plan for London 2012. The Government is carrying out a meta-evaluation – an overall assessment of impact drawing on the various studies and evaluations being undertaken on specific projects – of the impacts and legacy of the Games, which will address how much has been achieved against the aspirations laid out in the bid and the Legacy Plan itself.

Government is to be commended for its commitment to using London 2012 as a driver and galvaniser of social change and value. However, to some extent the role that corporations and sponsors – involved in London 2012 by virtue of their relationships with LOCOG and the funding that they have provided in order to reduce the burden to the taxpayer and to achieve exposure for their brands – play has been overlooked.

Coca-Cola – the longest, continuous sponsor of the Olympic Games – is itself delivering social value across many of the key components of the Legacy Plan, including working to increase sports participation, encourage healthy, active living, promote positive messages about British young people and encourage inclusion of disabled people in sport. Government's meta-analysis would benefit immensely from a structured engagement with the corporate world in order to ensure that the complete legacy is captured – rather than purely delivered by or through state actors. By this we mean that, in order to capture the overall benefit of the Olympic Games, it will be important to try to discover what corporate sponsors have been doing to promote social value.

But there is a problem with achieving this aim. The corporate sector has been exceptionally poor at understanding the social value it generates. Controversy about the involvement of the corporate sector as event sponsors – especially around the Olympic Games – has led to a very cautious and largely reactive understanding of what good schemes and programmes funded by corporate sponsors achieve. This has undermined and steadily eroded the ability of business to make the case for the social value added by their involvement in the Olympic Games and other events. Of course not all businesses do, or want to do, good. But if those that believe they are having a positive impact and wish to be achieving social value fail to measure their impact, they will never be able to demonstrate their social contribution.

4 Stakeholder engagement sessions

Measures of social value should not be developed in isolation. Key to their success, and to their usability and integrity, is the extent to which they are informative and relevant to stakeholders. Although it is important for corporations – as it is for service delivery organisations – to develop an internal understanding of what good they do and what impact they have, the extent to which this is accepted and engaged with more widely will depend on whether the model of measurement is, itself, accepted.

With this in mind, Demos and Coca-Cola have embarked on a process of qualitative engagement with key stakeholders associated with London 2012, and those with an ongoing interest and expertise in social value measurements. The purpose of this engagement has been to learn from those with a vested connection to the specific event and to ensuring that a useable and accepted model of measurement is developed. However, engagement with stakeholders in this way is also – we argue – key to implementing the measurement of social value into the event sponsorship of any business. Goals, outcomes and aspirations of social impact should be set through a process of engagement and learning with the community on whom the affect is desired and with those in the governmental and charitable sectors involved in the event itself.

Over the course of three focus groups with independent, interested parties (including representatives of LOCOG, the charitable sector, local government and campaigners), interviews with stakeholders across academia and policy and structured engagement with staff at Coca-Cola we have sought to draw out a clear framework for a measure of social value aimed at commercial sponsors.

We lay out the wider lessons learnt during the development of our model to measure the impact of commercial sponsorship below. We took them into account as we developed our quantitative methodology and proposals to report on the impact of Coca-Cola's sponsorship of London 2012.

Flexibility is key

I think we have a lot to offer companies that actually want to make a difference with their money. We can help you to see what has worked, what hasn't and why you should be spending on one thing rather than another in order to generate the best value overall.

Stakeholder engagement session, 2011

Stakeholders other than Coca-Cola emphasised the need for a measure to be flexible. Not all events are geared towards the same groups or social issues and it is important that our framework for measurement does not exclude potential social value impacts from the outset.

However, stakeholders outside and within the business insisted that the measure be robust and stretching, and designed to enable comparison between activities and different companies (should take-up broaden).

The concept of 'baskets of indicators' was popular – with set potential spheres of impact laid out and then a series of potential indicators built into those baskets, with some flexibility as to which indicators a company may choose. This approach retains rigour – by tying companies to an acceptable range of potential spheres of impact – while providing companies with a range of potential impacts within those spheres. Bolstered by strong feedback from our stakeholders, we advocate that companies choose their indicators in consultation within the business and with external partners (charities, community groups, local government, etc) in order to ensure understanding of people's needs and to achieve buy-in from the earliest possible stage.

Such a process will bring substantial advantages for commercial sponsors looking to maximise the impact of their sponsorship activity. It will bring activities undertaken better into line with the expectations and expertise of those stakeholders already involved in the communities or areas in which a company is seeking to work, will ensure that commercial sponsorship activities fit in to the broader aims of any event, and will also assist in developing a broader dialogue with organisations and entities that have an interest in ensuring that sponsorship achieves a social value.

Beyond the core

It's great that company x provides funding to help the Olympic Games happen. But the gap that would be left if they weren't would be filled elsewhere. They should get credit for the social good achieved by the Games – in proportion to the funding they give – but if they want to say they're really 'adding social value' they need to be doing unique stuff that no other sponsor is doing.

Stakeholder engagement session, 2011

Stakeholders outside and within the business emphasised the need to acknowledge and seek to measure the impact of sponsorship beyond the simple impact of helping to fund the delivery of the event itself. In the context of London 2012 this can be considered through the wider impact of the Games occurring – for example in the regeneration of east London and the impact on sports participation. Stakeholders made it clear, however, that merely donating money to the Games would not necessarily entitle a sponsor to take credit for a proportion of the social good achieved. There was a strong feeling – expressed by charitable stakeholders and those in related government departments – that sponsors should be commended for enabling events to occur, but social value – the added benefits brought by the activities of the sponsor – should be measured independently of the event itself.

This message is important to developing a model that recognises and measures the social value of corporate sponsorship in a way that encourages companies to maximise their impact. Core activities of sponsorship – contributing to an event that will have a net positive impact – can form the central plank of a company's social value, but are insufficient on their own substantially to increase a company's social value impact.

Sponsorship's effect inside the business

I think it's raised awareness around volunteering within Coca-Cola and has made a difference in terms of people being proud of what we're doing and wanting to be part of it. Colleagues know that our sponsorship brings other things too in terms of the work with young people, and they are pleased about that.

Coca-Cola stakeholder session, 2011

One of the key ideas raised in our structured focus groups with stakeholders, and again by members of the business itself, was that of sponsorship's 'galvanising effect' on companies themselves and, indeed, on those consumers who may already have a strong and positive relationship with the brand in question. An example – relating to Coca-Cola's sponsorship of London 2012 – is the way in which the attention brought by sponsoring a public event has an impact on the overall behaviour of a company. For example, the desire within the company to take LOCOG a considerable way towards delivering its sustainable targets has led Coca-Cola to invest in new carbon-neutral infrastructure for use at the Games, which will then be rolled out across the business in Great Britain. This investment – made explicitly in order to fulfil the responsibilities of London 2012 sponsorship – adds to the social value that Coca-Cola's sponsorship has brought, improving its impact on the environment and reducing the immediate carbon footprint of London 2012 and the long-term carbon footprint of the Coca-Cola's system operations in the UK.

Equally important is the potential galvanising effect of event sponsorship on the culture of an organisation. Many Coca-Cola employees whom we interviewed as part of the research for this project pointed to the positive impact that sponsoring the

Olympics had on levels of social awareness and emotional investment in London 2012 and in achieving the social aims of the Games within the business.

Companies that sponsor events that have a social value objective – just as the London 2012 Olympic Games do – should be encouraged to involve staff at all levels in delivering that social value through their work and supported voluntary engagement. Where they do this and so galvanise social commitment within the business, they should receive credit in any measure.

Capturing both qualitative and quantitative evidence

Putting numbers on a subjective assessment can lead to a false sense of objectivity, and it is misleading to aggregate factors that are fundamentally unlike each other. LOCOG's first impact report sought to do this, and it didn't work that well. If you do seek to translate anecdotal evidence into a 'score', be careful what you claim. There should always be a space for subjective commentary.

Structured interview with LOCOG official, 2011

Many expert stakeholders highlighted the problem, discussed in the above chapter, of social value being inappropriately monetised in a manner that is superficially satisfying but essentially meaningless. It is important to ensure that a rigorous quantitative methodology is laid out – transparently – and that scores can be allocated in a way that is meaningful. Our methodology for measuring the social value of event sponsorship is laid out thoroughly below. But there was a strong feeling that this should not be done to the wholesale exclusion of qualitative evidence.

Part of the reasoning for this is practicality. On most fronts, an organisation that is committed to truly learning about, and improving, its social value will be able to develop means for gathering and testing evidence of impact. But our evidence base should include focus group work, surveys and structured interviews in order to ensure that the cost of testing doesn't become prohibitive or ridiculously burdensome. This may sound prohibitively expensive to some corporate entities – concerned that they will be asked to invest considerable new resource in qualitative research – but it is worth bearing in mind that many companies will already be carrying out focus groups as part of their normal measurement of the impact of their sponsorship. Marketeers will typically use qualitative evidence to understand the subjective impact of sponsorship on perception of brand, so it is not unreasonable to begin to incorporate assessments of social value into this routine analytic research:

Of course we look at what our advertising, sponsorship and marketing does to people's perception of the brand. We need to know whether it's working or not.

Coca-Cola stakeholder session, 2011

There is a further argument for including qualitative evidence within the reporting of social value: that in supplementing the hard-score you make it easier for non-experts to access the relevance and reality of the good that was done. An organisation scoring 75 per cent in one basket of indicators – using our model – has every right to be incredibly proud of what they have achieved. That pride will be enhanced, though, by a thorough reporting of how people affected felt about their experience, what they felt made it work and what might still be improved. As one prominent politician, used to seeing social value presented by charitable organisations seeking endorsement or funding, told us:

The numbers are great. The methodology has to be right. You have to reassure me you haven't just plucked the number out of the air. But, for God's sake, don't then shut out the stories. You also have to tell me how people felt about what you did.

Brand power

Manufacturing isn't a particularly 'sexy' area. But Coca-Cola is a company that can get the kids excited. They see it as a cool brand. Going into a learning centre and learning about how Coke is made gets them into the whole idea of manufacturing without having to make them interested in a classroom. That's really valuable – especially at the moment when we need kids to be studying manufacturing and engineering.
Stakeholder engagement session, 2011

There was enthusiasm among some stakeholders for a measure that included flexibility about how we measure and understand the social value of corporate sponsorship. Many highlighted the important benefits that can come from using the power of corporate brands to raise awareness of particular problems and social issues, and to reduce stigma. An example, from Coca-Cola's work relating to London 2012, comes from the use of the Coca-Cola brand to raise participation in vocational learning and understanding of manufacturing through their flagship learning centres – one of which opened as a direct result of Coca-Cola's sponsorship of the Games.

It is easy to see other areas in which the power of brands may be a useful social impact delivered by sponsorship. Young people – whose depiction in the press often dwells on negatives such as the disorder in summer 2011 and rising youth alcohol consumption, drug use and pregnancy – have been central to Coca-Cola's pre-London 2012 messaging. The Future Flames programme, which highlights the achievements and positive contributions made by young people in communities around the UK, is a use of Coca-Cola's highly trusted brand identity to improve attitudes to young people and to promote the idea that young people do good. As part of its sponsorship of London 2012, Coca-Cola is celebrating British youth through its Future Flames campaign – giving them an opportunity to run with the Olympic Flame as the Olympic Torch Relay travels around the country in the summer.

It is important that any attempt to include the positive power of brands is measured rigorously and that claims are not made about impact above and beyond what can be tracked and understood. However, corporations such as Coca-Cola are much better equipped to understand the impact of their brands on attitudes and beliefs than they are at measuring some of the more tangible social value impacts they may have. As discussed previously, brands spend huge amounts on understanding how their messaging and communications impact consumer behaviour and this can readily be translated into insight as to what socially positive impact messaging and associations may have.

5 Developing a new model

This chapter describes a new model to measure social value based on the specific demands of event sponsorship. The purpose of the model, like most existing models, is to encourage greater effort to improve the social value of sponsorship activities, and to encourage improved measurement of social value. Many organisations, including event sponsors, carry out impactful and valuable work, but this remains unmeasured and often unnoticed because there is no standardised measurement model. A model to quantify and compare the social value of different activities will enable event sponsors to have a better idea of where to focus their efforts and investment, and enable them to articulate – and celebrate – their achievements beyond the commercial sphere.

As outlined in the introduction, a model to evaluate and measure the social value of the sponsorship of an event – something which is primarily viewed as a commercial exercise – will necessarily differ from other existing models, which measure social value or social return on investment (SROI). A model evaluating event sponsorship will need to take the following extenuating circumstances into account:

- Event sponsorship has a strong commercial purpose, as it is primarily an opportunity for brand exposure and marketing of products.
- A central element of the value of sponsorship is to enable the event to take place – as sponsorship income is vital to cover the costs of staging events.
- Event sponsorship is a 'one-off' or short-term activity, lasting from one day to a few weeks at most. Linked to the above, sponsorship is not a 'normal' activity for sponsor companies but rather a bespoke range of marketing and other activities designed to celebrate or take advantage of the event in question.

Many existing social value measurement models tend to measure ongoing activities, which are central to the organisation's purpose or financial performance (in the case of charities and social enterprises) or are part of an ongoing corporate social responsibility (CSR) strategy (in the case of commercial businesses). Both allow for longitudinal analysis and the annual setting of new targets to improve the social value of the organisation in question. However, this is less possible for events, unless of course a sponsor is involved with an annual or regular event, and a measurement model has to be adapted to take this into account.

Nonetheless, there are some key similarities between a model designed to measure the impact of sponsorship and to measure the impact of ongoing and 'everyday' commercial activities. These include:

- the need to identify and measure different *forms* of social value – value to individuals, communities, the environment and so on
- the challenges associated with quantifying and measuring the impact of achieving 'soft' outcomes; social value, unlike commercial value, is not easily quantified and measured

With these points in mind, and taking on board the considerations raised during the workshops and interviews discussed in a previous chapter, we have developed a model for event sponsorship which is flexible enough to be used to measure and ultimately improve the social value of sponsoring different types of events, by different types of organisations. As one stakeholder pointed out:

It's no good at all to develop something that can be used only by a particular company for a particular event. It has to be broad enough that other companies can use it too, so that we can build up a picture of what different companies are doing well and not so well in comparison with each other.

This model differs from other social value measurement models in four main ways:

1. The model will measure the initiatives developed as part of a business's sponsorship activity and the operations that support them, and will categorise their social value accordingly. This differs from social value models applied to day-to-day activities of organisations, which tend to begin with the *categories* of social value being measured and look across the entire organisation's activities. This approach does not reflect the reality of event sponsorship which, in fact, is more of a cluster of discrete activities during a set period of time, which need to be measured individually and collated after the event.
2. 'Inputs' and 'outputs' – as types of evidence of social value – are given value in this model. Most models only place value on outcomes as evidence of social value, but we recognise that event sponsorship is often not conducive to the collection data. We place a higher weight on outcomes data to incentivise events sponsors to collect them, but also recognise that input and output data have intrinsic value in showing the scale and reach of sponsorship activities.
3. The model will measure two types of outcome – short or medium-term outcomes and 'legacy' outcomes, which are longer term. This is to reflect the fact that event sponsorship can often result in capital investment, including the building of infrastructure to make an event happen. This type of investment has a 'legacy' of social value; this needs to be distinguished from other outcomes, which may appear in other social value models.
4. As event sponsorship can often be a 'one-off' activity, it can be hard to measure success in social value as it is usually a relative measure – organisations compare their progress to each other, or, more usually, measure progress according to their previous years' experience and set annual targets. This is less viable for events sponsorship (unless a company sponsors an event each year) so a realistic, but aspirational, target based on 'total potential success' (TPS) is used in this model.

Another point of note is that we have consciously decided not to pursue a SROI methodology for this model. This, as described in chapter 2, calculates social value and then attempts to place a monetary value on this. However, as previous Demos research shows, this highly ambitious form of social value measurement is challenging even for those organisations known for sophisticated collection of outcomes data, such as social enterprises and charities working with vulnerable groups and children. Such organisations track their service users, or clients, over years to see how their activities have impacted life chances and then calculate their SROI ratio – perhaps showing that for every £1 of funding the organisation receives, they generate £7 of social value, or rather, save the state £7 (through improving health, increasing employability or preventing crime). But SROI is inappropriate for event sponsorship for two main reasons.

First, event sponsors are unlikely to have the opportunity to monitor the outcomes and life chances of those they touch through their sponsorship, years after the event. In some cases, they may not even meet those whose lives they affect. Event sponsors may therefore have a patchy range of data collected, including a lot of input and output data (such as volunteer hours given, number of leaflets distributed), which cannot be usefully applied to SROI models.

Second, SROI is challenging and time consuming. Its main value is that organisations can justify the investment they receive from commissioners and grant makers by demonstrating the cost savings they achieve as a result. Corporate event sponsors have no real need for this. They need a model that enables them to assess the social impact of their sponsorship and maximise it. It would seem unnecessarily time and resource intensive to calculate the monetary equivalent of event sponsorship, when this adds no additional value to measuring its impact.

Taking these issues into account, the following section describes a model in generic terms, with some examples of Coca-Cola's sponsorship activities around the London 2012 Olympic and Paralympic Games used as illustration.

The model

This section presents a new model for measuring social value, one which has been developed specifically with the nature of event sponsorship in mind. We use Coca-Cola's sponsorship of London 2012 as an example to demonstrate how the model might work in practice; however, it is also useful in smaller-scale contexts – sponsorship of small events, concerts, even fayres could be assessed using this model, perhaps just focusing on one area of sponsorship activity and applying just one set of indicators (explained in further detail below). The model can also be readily applied to different types of organisation, and need not require exhaustive and resource intensive data collection (like many models measuring social value) to reap indicative and valuable results.

We have, in fact, developed the model to be accessible to a wide range of organisations, and applicable to as wide a range of types of sponsorship, as possible. We have done this by making the indicators and measurement types flexible, so they can be scaled up (for an occasion like the Olympics and as large an organisation as Coca-Cola), and scaled down for more modest sponsorship endeavours.

As we plan to apply this model to the full range of Coca-Cola's sponsorship activities around the Olympics in the coming months, we have chosen just one of these activities – StreetGames – to demonstrate how some of the elements of the model would work in practice.

Box 1

StreetGames

Coca-Cola has a long history of using the appeal of its brands to encourage people to become more active through physical activity. Through its sponsorship of London 2012, Coca-Cola has recognised an even bigger opportunity to make a positive impact to people's health and well-being.

Coca-Cola has entered into a three-year partnership with national charity StreetGames, allowing it to grow its network to bring sporting opportunities to over 110,000 young people in the most deprived areas of the country. Planned activities include:

- *24 mass participation festivals and 300 local neighbourhood festivals*

- *the first ever StreetGames Sport for Change Training Academy, which will prepare 100 tutors to deliver 11 new training courses to around 6,000 sports coaches; through StreetGames, these coaches will deliver doorstep sports to communities across the UK*
- *connecting elite athletes with StreetGames projects in their local area; athletes can also apply for a StreetGames bursary funded by the Coca-Cola Youth Foundation to set up and champion initiatives that will benefit the projects in their community*
- *giving 65 StreetGames participants the once in a lifetime opportunity to carry the Olympic Flame in the London 2012 Olympic Torch Relay*
- *the chance for a further 45 StreetGames participants to work alongside the Coca-Cola Venue Operations Team*

Summary

The new model consists of three sets of indicators entitled 'behaviour', 'community' and 'infrastructure'. Each set has several indicators within it, against which an event sponsor will measure its performance by using a variety of data (ranging from 'input' data through the longer-term outcome monitoring data, which we are calling 'legacy'). The data are weighted to recognise that long-term 'outcomes' have more social value than 'inputs'.

- *Stage 1* – The event sponsor selects the indicators most appropriate to its sponsorship activities across three indicator sets.
- *Stage 2* – The event sponsor collects the range of evidence needed to measure performance against these indicators within each of its event activities: 'input', 'output', 'outcome' or 'legacy' evidence.
- *Stage 3* – The sponsor sets targets for each of the four sources of evidence based on 'total potential success'.
- *Stage 4* – The sponsor measures progress towards targets, weighing types of evidence differently, and taking into account attribution and additionality for outcome evidence.

- *Stage 5* – Social value is calculated based on progress towards 'input', 'output', 'outcome' and 'legacy', combined to create single indicator scores, and averaged within each set of indicator. Progress might be described as a grade 'A', 'B', 'C' or 'D', associated with a percentage.

Stage 1 Setting indicators

The three indicator sets

The three indicator sets were chosen as cross-cutting themes related to different forms of social value. While our original idea was to describe our three sets as 'people', 'place' and 'planet' to capture individual, community and environmental value, the feedback we received from stakeholders and experts was that this was a somewhat artificial separation as in reality many positive outcomes achieved around event sponsorship would fall into more than one set. For example, an individual might engage in recycling, which would be both an environmental and individual value. The 'behaviour', 'community' and 'infrastructure' approach was seen as a superior alternative, describing the *form* of social value and positive outcome being experienced, rather than simply *who* experienced it.

Each indicator is a positive achievement contributing to social value. Any number of individual indicators can be placed in the three indicator sets, and in table 1 we provide three 'long lists' of examples of indicators that an organisation sponsoring an event might select, according to the activities it undertakes. The organisation engaging in measuring its social value should consult a range of stakeholders – internal and external – to help select the specific indicators it uses in its measure. This extra validation will ensure the indicators chosen match people's expectations of the organisation and event in question.

These indicators are all measures of success or, in commercial terms, KPIs. Of course, some activities undertaken as part of sponsorship of an event will contribute towards the achievement of a number of indicators simultaneously. This was clear when Demos considered some of the activities Coca-Cola was engaging in around London 2012. For example,

Table 1 **Examples of the three indicator sets an event sponsor might select**

Behaviour	Community	Infrastructure
Improving diet	Improving local employment, training and educational opportunities	Improving recycling facilities
Promoting physical exercise	Improving community cohesion	Developing road, rail and transport infrastructure
Reducing alcohol intake	Promoting inclusion and tolerance	Improving utilities infrastructure
Reducing smoking	Promoting civic participation, volunteering	Improving community infrastructure
Improving behaviour around sexual health	Improving neighbourhood quality of life	Creating additional housing
Reducing anti-social behaviours	Improving air quality	Developing leisure, sports and music infrastructure
Improving recycling behaviour	Improving water quality	Improving green spaces
Promoting energy-saving behaviour	Reducing crime	Improving IT networks
Improved educational and employment outcomes	Strengthening intergenerational links	Developing educational buildings
Improving digital literacy	Improving social capital among vulnerable groups	Repurposing wasteland

StreetGames' primary outcome might be increased physical activity and health among the young people participating, but may also impact on community cohesion by bringing different groups of younger people together; it may improve soft skills and confidence among young people; it may even – over the longer term – lead to improved employment prospects (for example if participants go on to become coaches).

In this particular example, StreetGames' outcomes score might be divided between two sets of indicators – the 'behaviour' set (an individual's long-term health benefits from increased activity) and the 'community' set (increasing the employment prospects of local youth).

Stage 2 Collecting evidence

Four types of evidence supporting the achievement of indicators

Measuring progress in each of these indicators relies on the quality of data available. In many social value models that currently exist, data are said to be an 'input', 'output' or 'outcome', in order of increasing usefulness in measuring social value:

- *examples of inputs* – money invested, volunteer hours spent, number of people registering for a course, number of leaflets distributed
- *examples of outputs* – number of people completing a course, number of people reading a leaflet, number of people securing a job placement
- *examples of outcomes* – number of people changing their behaviour and improving their health, number of people gaining long-term employment

It is clear that quantifying how many people attended a course is not particularly valuable in measuring the course's impact and social value. It is more important to measure how many people gained employment as a direct result of that course, or the impact of that course on a person's skills, self-esteem and so on. This is the 'outcome' – and it is the outcomes that really demonstrate the social value of any activity or investment. In reality, social value models of all types stand and fall on the quality of data collected to quantify *outcomes*. This model is no exception.

However, Demos' previous research – most recently in the report *Measuring Social Value*[8] – has found that many organisations struggle with identifying, recording and quantifying outcomes, as they are by their nature harder to measure than inputs and outputs. This means many organisations cannot articulate the extremely valuable work they do because they do not collect the appropriate data to demonstrate the impact they have had in achieving positive outcomes for the short and especially longer term. This is often because collecting data on outcomes requires surveying people long after the initial engagement to identify positive 'soft' outcomes (like a change of attitude) and 'hard' outcomes (like employment) as a result of an organisation's activities or a particular intervention. Given the resources required to carry out this sort of data collection, the rigour of many social value models, which relies on robust outcomes data, suffers as a result. This risk is also present in this model, as outcomes of event sponsorship are just as challenging to quantify and measure as in any other setting – perhaps even more so.

For example, consider measuring the impact of a sponsorship activity such as encouraging people to reduce sugar in their diets. Although one of the input measures might be volume of sugar-free or diet drinks sold, this is easy to quantify but less useful in illustrating the impact of the scheme. The outcome for this indicator will, of course, be if the promotion of sugar-free drinks leads to longer-term consumption changes, which lead to weight loss as a result of reduced calorie intake as consumers sustain a lower-sugar diet over a number of years. But while an organisation that runs a healthy eating scheme, week in and week out, might well keep in touch with participants and survey them about their sugar intake and health for months and years afterwards, a company that runs the scheme as part of its sponsorship of the Olympic Games, or World Cup, or a festival, might not engage in this as a regular activity and following up participants may simply not be feasible – indeed, a sponsor may often not know who it has influenced through its promotion because of the nature of the event.

Therefore, given the usually transient nature of event sponsorship, we have adapted the approach in common to many social value models. Often, only outcomes hold any weight when measuring social value – inputs and outputs are seen as a step towards identifying outcomes and nothing else. But we have attributed variable weighting to recognise that while their value is not as great at the measurement of outcomes, inputs are often the most frequently measured data in sponsorship activities and *do* have some intrinsic value in demonstrating the reach and scale of sponsorship activities. We have attributed a weighting to each of four measures: 'inputs' (0.5), 'outputs' (0.7), 'outcomes' (0.8) and 'legacy' (1). This approach should incentivise sponsors to attempt to measure more valuable information that may lead to lasting change – 'outcomes' – and also strive for longer-term impact – 'legacy', while recognising the value of 'inputs' and 'outputs'.

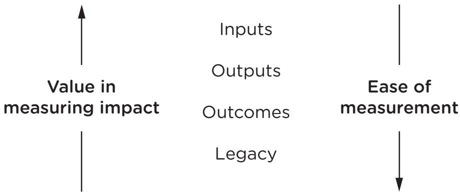
This addition of 'legacy' to the standard 'input–output–outcome' matrix is another example of how we have adapted the traditional social value model for event sponsorship, as this activity can have a disproportionate impact on the amount invested in a geographically concentrated area.

As outlined above, 'legacy' is a form of outcome achieved over a very long time period and it describes the potential for organisations to invest in forms of sponsorship that might have a very long, even permanent, benefit. This might include sponsorship that facilitates capital projects, such as the building of a new stadium or infrastructure, but it also may include the changes made *within* an organisation, catalysed by involvement with the event.

We must bear in mind that the social value of event sponsorship need not always be external – large, high profile events and national celebrations can of course galvanise change for the people involved and the communities in which they take place, but they can also change the companies sponsoring it.

For example, every Coca-Cola cooler installed in an Olympic or Paralympic venue will be HFC-free, energy efficient and use LED lighting, which will help LOCOG towards its goal of ensuring the London 2012 Olympic and Paralympic Games is a truly sustainable event. After London 2012, these coolers will be installed in Coca-Cola customer premises across Europe. This

Figure 2 **Diagram illustrating the four types of evidence used to measure social value**



demonstrates how sponsorship can be a catalyst for wider permanent organisational change which delivers social value. The roll out of the new coolers can be seen as a 'legacy' of Coca-Cola's involvement in the Games.

In other models, the term 'outcome' can refer to any longer-term impact, whether it lasts over a few years or a lifetime. By splitting the term, we are able to distinguish between short to medium-term outcomes and permanent change.

Stage 3 Setting targets

Once an organisation has selected its indicators – following consultation with internal and external stakeholders to ensure they resonate with people's expectations of the organisation's sponsorship activities – within the three sets of 'behaviour', 'community' and 'infrastructure', and considered how it can calculate its performance against them depending on the data available ('input', 'output', 'outcome' or 'legacy') (figure 2), it must then set performance targets.

As outlined above, many social value measuring tools measure performance against previous years – starting with a baseline and then repeating the analysis annually to establish where there are improvements. This is viable for organisations that operate consistently throughout the year, but less possible for event sponsors whose activities are concentrated in a short space of time and may or may not be repeated. In the absence of annual performance measures, targets have to be set in an aspirational but realistic way, drawing on the data available.

What is total potential success?

Total potential success (TPS) is the maximum possible success that aspirational and realistic targets can have. TPS targets need to be set for ‘input’, ‘output’, ‘outcome’ or ‘legacy’ data, and will vary considerably between them.

As a rule of thumb, it will always be easier to achieve ‘inputs’ – such as the number of leaflets distributed or number of volunteering hours spent. It gets progressively harder to achieve ‘outputs’ (number of leaflets read), ‘outcomes’ (acting on the advice in the leaflets) and ‘legacy’ (long-term behaviour changes as a result) (figure 3).

Thus to set stretching – but achievable – targets, one would need to set very large input targets, and reduce targets incrementally towards harder to achieve ‘legacy’ targets. There may also be more than one way of demonstrating successful ‘outcomes’ and ‘legacy’; for example, the successful outcomes of StreetGames may be health benefits, but they may also be employment. Different TPS may be possible for each of these.

These points are best explained using an illustrative example. Staying with StreetGames, we might expect the following TPS for ‘inputs’ through to ‘legacy’:

- *‘Input’ success* – 100 per cent take up of StreetGames by the eligible local population in a specified area.
- *‘Output’ success* – 80 per cent of those participating attend StreetGames sessions for a specified sustained period.
- *‘Outcome’ success* – 60 per cent of those attending StreetGames have maintained an increased physical activity regime 1–2 years after participation, or 30 per cent have reported positive improvements in self-esteem, social skills, and so on.
- *‘Legacy’ success* – 20 per cent of those completing StreetGames have long-term health improvement, or 10 per cent have benefited from employment opportunities as a result[9] of their involvement with StreetGames.

Figure 3 **Diagram illustrating relative ease of measuring the four types of evidence**

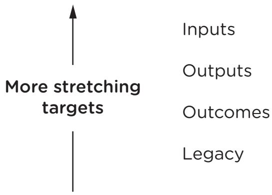
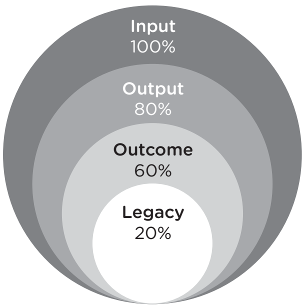


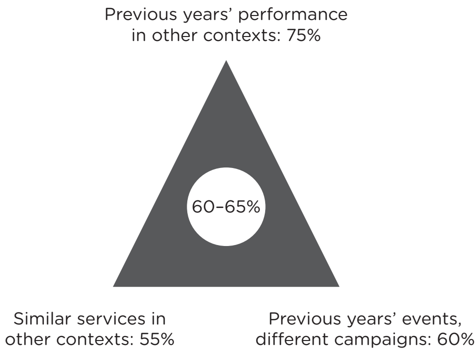
Figure 4 **Diagram illustrating targets for each success measure**



Note how for 'outcomes' and 'legacy' there are more than one potential measure and associated target, and targets become progressively smaller moving from 'input' to 'legacy' (see figure 4).

These targets based on TPS – 100 per cent, 80 per cent, 60 per cent and so on – are indicative for the purposes of this report. Actual TPS can be set using a variety of evidence, such as previous performance of similar activities, or performance in other locations (for example, if StreetGames in previous years, or in other parts of the country, usually has a 70 per cent sustained attendance rate, 80 per cent will be a testing but achievable target).

Figure 5 **Triangulation of effective racial equality campaigns (outcome TPS target)**



When it comes to the sponsorship of particular events, a sponsor might look if the event had taken place in previous years to match its performance against, or might look to other events it has sponsored. If it is a wholly new undertaking, they might consider other similar activities (for example, if an event sponsor is carrying out a large scale campaign to promote racial equality at an event, it might look at other promotional campaigns carried out by other organisations, even in different countries, to gain a sense of a reasonable success rate, and benchmark targets accordingly).

In this respect, there is no precise method with which we can set targets for TPS, and this will vary depending on the indicator and whether we are considering targets for 'inputs', 'outputs', 'outcomes' or 'legacy'. Often, it may come down to a best guess based on the triangulation of other sources of evidence (figure 5).

Stage 4 Measuring progress towards targets

Once TPS targets are set for 'inputs', 'outputs', 'outcomes' and 'legacy' for each of the indicators in the three indicator sets, then progress towards TPS targets can be calculated. The first step is to ensure that progress is 'real', or not over-claimed. This is done by ascertaining 'attribution' and factoring in the pre-existing benefit for the outcomes and legacy.

Attribution and additionality

Being able to demonstrate that event sponsorship actually caused the social value being measured and would not have been achieved by other means in any case are vital to any social value model, as over-claiming can be easy and needs to be guarded against if the model is to remain credible. The primary guards against over-claiming are known as 'attribution and additionality'.[10]

'Attribution' is the amount of an outcome that can be *attributed* to the actions of an event sponsor. Sometimes this can be easy to prove; in the case of financial investment towards the construction of an infrastructure project (such as a stadium), the positive outcomes achieved as a result of that new infrastructure can be wholly attributed to those responsible for its construction. Similarly, Coca-Cola's use of biogas trucks and a voltaic warehouse to transport and store drinks during London 2012 both have clearly calculable reductions in carbon emissions, so the company can attribute a definite proportion of the overall emissions reduction achieved by the Games to its activities (rather than someone else's).

But sometimes this can be trickier – the positive health benefits of attending a sports session cannot be attributed in the same way, and may actually require the surveying of the individual in question to ask them to estimate how much the session could be credited for their improved levels of physical activities (subjective attribution).

'Additionality' is the contribution an organisation makes to 'outcomes', over and above what would have been achieved anyway – what we might call the 'pre-existing benefit'. When it comes to the attendee of the sports session, it might be that there were similar sessions being run by the local authority anyway – a 'pre-existing benefit' – so the participant might well have accessed that session in the absence of the event sponsor.

The number of *additional* sessions that were provided thanks to the sponsor, over and above those provided by the local authority, is a measure of the 'additionality' of the event sponsorship. Another example could relate to carbon emissions. In the London boroughs where the London 2012 Olympic and Paralympic Games are being hosted, there may have been an annual reduction in carbon emissions, or an annual improvement in overall air quality, for the past several years – perhaps as a result of congestion charging. This would need to be taken into account (essentially removed from the overall gain) when calculating the improvements in air quality achieved by the Games overall, and the achievements of Coca-Cola's activities in particular.

Another aspect of 'additionality' that might be harder to measure is additional impact – not just quantity. The power of the sponsor's brand, combined with increased awareness during the anticipation of a high profile event, may reinvigorate a pre-existing scheme and draw more people to it, increase completion rates, and overall improve positive 'outcomes' associated with it. Identifying and quantifying the power of a brand to boost a scheme's impact could be a challenge, but would involve surveying participants to estimate to what extent the brand associated with the scheme prompted them to join, engage and complete (subjective additionality).

'Attribution and additionality' are particularly important for events sponsors whose initiatives or projects *add to* activities which are already taking place. For example, StreetGames operates all year round, but Coca-Cola has entered into a three-year partnership with the charity to celebrate London 2012, which will allow it to increase its network of projects to bring sport participation to over 110,000 young people in the most deprived areas of the country, and may also increase the effectiveness of the project thanks to Coca-Cola's brand profile.

Coca-Cola's 'additionality' can be calculated by ascertaining whether StreetGames could and would have found funding to expand those places without Coca-Cola's intervention, or whether another organisation – perhaps a local charity or the local council – was offering the same opportunities, which StreetGames participants might have taken up had the project not been operating in the area. This pre-existing benefit would need to be taken into account when calculating 'additionality'.

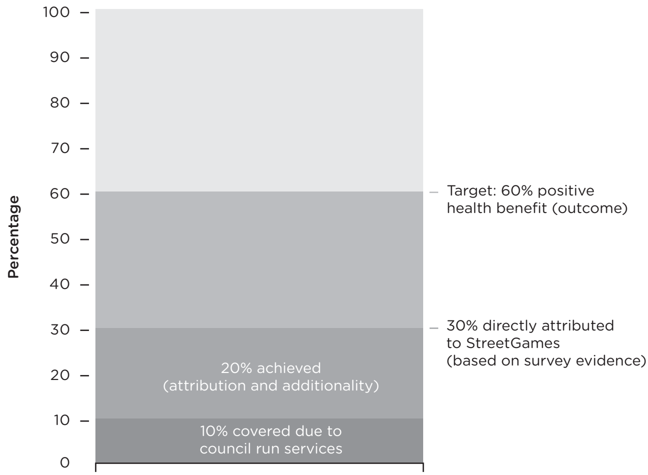
The effect of 'attribution and additionality' on targets

Figure 6 demonstrates how 'attribution and additionality' might affect the achievement of a target. It shows the event sponsor has set a target that 60 per cent of StreetGames attendees will report a positive health benefit. On surveying participants, the sponsor finds that 30 per cent of the group report positive health benefits *and* attribute this to StreetGames. However, it is also discovered that the local authority is running its own physical activity scheme, which had the capacity to give around a third of the participants access to sporting activities. There was thus a 10 per cent pre-existing benefit, and the sponsor can prove that 20 per cent of people reporting health benefits were directly attributed to the sponsorship, over and above other local activities.

Another example of 'attribution and additionality' is in carbon reduction. We know LOCOG is seeking to host the first truly sustainable Olympic and Paralympic Games in history. Its measurement framework for the impact of the Games will assess a range of environmental 'outputs' outlined in the LOCOG impact study:

- En03 Water Quality
- En04 Greenhouse Gas Emissions
- En05 Air Quality
- En06 Land-Use Changes
- En07 Protected Areas
- En10 Public Open-Air Leisure Centres
- En11 Transport Networks
- En18 Solid Waste Treatment
- En20 Greenhouse Gas Emissions of Olympic Games
- En29 Olympic Induced Transport Infrastructure
- En33 New Waste and Wastewater Treatment Facilities[11]

Figure 6 **Diagram illustrating the effect of attribution and additionality on targets**



Using this range of data, Coca-Cola (and other sponsors of London 2012) will be able to calculate how their actions contribute to helping LOCOG achieve its aim. Coca-Cola has already calculated that its new voltaic warehouse and biogas (low carbon) trucks will reduce the carbon produced by its business operations during London 2012 by a third. Over their lifespan, the 14 biogas trucks Coca-Cola has acquired to deliver products to customers during London 2012 will cut the carbon footprint of the Coca-Cola system by approximately 1,500 tonnes. Once LOCOG calculates the total level of greenhouse gas emissions for London 2012, and how much lower this is than other Olympic Games, Coca-Cola will be able to calculate how much of this relative reduction resulted from its efforts. The same can be achieved for air quality, water quality and so on.

The formula used to calculate social value, based on progress towards TPS targets, is therefore:

(attributed progress towards TPS minus pre-existing benefit) × weighting

or

$$(AP - PB) \times W$$

The total score, for 100 per cent success, will always be 300 (100 per cent performance multiplied by the weightings for inputs, outputs, outcomes and legacy will lead to 50 + 70 + 80 + 100, or 300).

So the total success for each indicator will be x/300

We might broadly assume that anything over 80 per cent (240/300) rates 'A' in achieving progress towards an indicator, 60 per cent rates 'B' and 40 per cent rates 'C'.

Using StreetGames as a purely hypothetical example we can look at how, after evaluation and testing against KPIs and so on, the areas of the work funded by Coca-Cola might be measured and fed into our social value tool (table 2).

$$\text{Input score} = (80/100 \times 100) \times 0.5$$
$$\text{Output score} = (60/80 \times 100) \times 0.7$$
$$\text{Outcome score} = ((50 \times 5)/60 \times 100) \times 0.8$$
$$\text{Legacy score} = ((10 \times 0)/20 \times 100) \times 1$$

In this hypothetical scenario, performance would be 202.5 out of 300, or 67.5 per cent, which would broadly give a 'B' grade.

Stage 5 Measuring social value based on indicator performance

As outlined above, the progress on the four fronts – 'input', 'output', 'outcome' and 'legacy' – are combined to create a single 'indicator progress score' out of a total of 300. But this is just one indicator of many – moreover, in the example shown in table 2 (and no doubt in many event sponsorship activities), the scores attributed to StreetGames may fall into different indicator sets. We might choose to split the score and allocate a small amount to the 'community' indicator set to recognise that the legacy of

Table 2 **A hypothetical example measuring the TPS targets and performance of StreetGames**

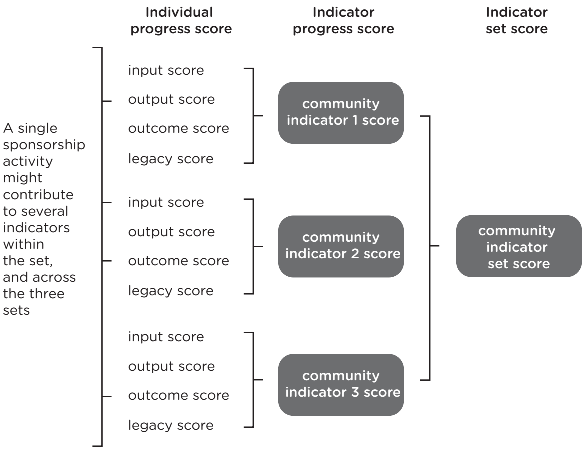
Data	Target	Achieved	Attributed to StreetGames	Pre-existing benefit	Weighting	Total score
Input	100% take up	80%	n/a	n/a	0.5	40
Output	80% sustained atten-dance	60%	n/a	n/a	0.7	52.5
Outcome	60% health benefits	55%	50%	5%	0.8	60
Legacy	20% employ-ment	15%	10%	0%	1	50
						202.5

StreetGames has an employment effect on the individual but a regenerative effect on the community. If Coca-Cola chooses also to measure progress against indicators of social cohesion achieved by StreetGames, this too could be placed in the 'community' indicator set while the health related scores would stay in the 'behaviour' indicator set.

In reality, these calculations of progress will need to be repeated for every activity an event sponsor undertakes, and then placed in the appropriate indicator sets. Some activities will be one-dimensional and sit neatly in one set, but some (like StreetGames) are likely to achieve a range of positive 'outcomes' and will need to be distributed accordingly (by referring back to the 'long list' of indicators in each set).

Once this is done, the progress score of each indicator (out of 300) is added and averaged to create a single average score for each of the three sets of indicators – 'behaviour', 'community' and 'infrastructure'. Figure 7 shows how a community indicator set score is calculated.

Figure 7 **How a community indicator set score is calculated**



In turn, the average score for each indicator set can then be assessed as a percentage of 'total potential success', and a score attributed accordingly. A sponsor might find, for example, that across the many indicators in each of their three sets, it scores on average 80 per cent for 'behaviour', 60 per cent for 'community' and 70 per cent for 'infrastructure'. This gives an 'ABA' score, and shows that the sponsor needs to work harder to improve its social impact on the community.

Stage 6 Reporting and learning

No measure of social value is a good in and of itself. It is nice to know what you have achieved, and it is good to know what you have funded that was ineffective, but the key value of any measurement tool is its use in developing and improving performance. This tool is no different.

Corporations that fund work that generates a social value should want to understand whether or not they are achieving value for money. No company embarks on marketing campaigns without seeking to measure the performance of their campaign or to understand its impact on sales and brand visibility. This rigour and forensic assessment of performance – the very attributes that the third sector sought to learn from the commercial sector in understanding social value and reporting on success – now need to be applied to commercial sponsorship.

We have designed this model to be useable, for a wide range of organisations, potentially sponsoring a range of different events, teams, individuals and organisations. Our intention is that organisations will now adopt this model and attempt to measure the social impact of what has hitherto been interpreted as a wholly commercial activity to improve brand awareness or drive sales. It is clear from our research that event sponsorship can potentially have a substantial social value. High profile events can raise a huge amount of public awareness around particular issues and bring hundreds of thousands of people together as consumers and citizens. If event sponsors were able to harness this, then large events could be unique opportunities to generate unparalleled levels of social value.

But it is only through the process of identifying, quantifying and measuring social value that corporate sponsors will be able to articulate and celebrate the social value of their current sponsorship activities and learn how to direct their resources to maximise the value of future sponsorships.

6 Conclusion

This is not an easy time for business. Political and cultural narratives over the last three years have become increasingly combative towards the role of business in society, with increasing demands that corporations demonstrate their 'responsibility' and social value. Yet, for all the clamour for the private sector to show its worth, we have not been good at showing companies how they might seek to do this robustly.

There has not been, for instance, a tailored model for measuring the social value of CSR and sponsorship, effectively excluding business from the conversation about social value in which we expect them to participate. Of course, the onus to develop a tool for the measurement of such activity must fall to business but we must also acknowledge that help and expertise from outside the private sector is needed. While asking business to tell us what good they do we have failed to equip them with the tools to do so in a meaningful way, and this has provided a ready-made excuse for inertia on measurement.

Thanks to this report, that excuse is no longer viable. The model that we have designed serves the specific purpose of measuring the social value of corporate sponsorship. It accounts for the time-specific nature of event-sponsorship, allowing corporate sponsors to measure and understand their impact at various levels and to receive credit (weighted to ensure that long-term 'legacy' impacts are worth more than are more short-term 'impacts') at all levels of engagement. It is multi-faceted, with baskets allowing for corporates to measure a range of differing activities aimed at differing outcomes and groups. It is designed to allow for 'one-off' measurement, rather than depending on a rolling programme of measurement that would prove difficult for corporations to manage without a disproportionate and extremely long-term commitment. Finally – and importantly – it is designed in order to be used easily by corporate sponsors alongside the vast quantity of data and information they already apply to evaluating their sponsorship. This is not a demand for total culture-shift but, rather, for a targeted evolution in the way corporate sponsors understand their impact.

What is more, the model is designed to encourage corporations – over time – to improve their evidence collection and to develop an ever-more robust understanding of their impact. The allocation of greater weight to 'legacy' impacts is crucial to this. Long-term impact is more valuable than short-term impact; it is therefore credited more. If companies wish to improve their scores over time, and learn from the model of measurement, they would therefore be well advised to ensure they have the means in place to continue to learn from the impact they have had over time.

The model we have laid out was not developed in isolation, but with the ideas, insight and experience of stakeholders from Coca-Cola and the charitable, voluntary and government sectors. That approach – of open communication and dialogue about goals – is also the model for corporate engagement in social value. Businesses using this model internally, quietly and without contact with the outside world may derive some valuable insight into what they have or have not achieved. But for the best results, and for the most added value, businesses should use this model as a means of engaging stakeholders and of working with communities, charities and public agencies to achieve shared goals.

This philosophy is especially vital at two stages – that of goal setting and that of reporting. When laying out what you hope to achieve – which indicators apply to your work and what good it is you believe you will do – companies should seek to involve their partners and those whom they are hoping to help. When reporting on success – or, equally crucially, on disappointment – companies should be brave, honest and transparent to allow them to celebrate the positive impacts they have had but also help understand where improvements can be made.

It is these characteristics that Coca-Cola has shown in working in partnership with Demos to be piloted through this model. It is a stance that other corporate sponsors should mimic, and this model is not restricted in its potential use to the London 2012 Olympic and Paralympic Games or to other sporting events. Any event or time-limited sponsorship engagement undertaken by a business can have its social value evaluated using this model – and any sponsorship engagement should be measured in this way.

Our social value measure for corporate sponsorship is not focused on providing cover for those businesses failing to deliver social value, and nor is it concerned with humiliating corporate claims of positive impact. It is about setting those claims within a context, evidencing the good that is done, standardising the metrics used and ensuring that a company that genuinely wants to achieve good through its sponsorship activity is given the opportunity and insight to check it is really doing so.

Notes

1 Populus interviewed over 2,000 GB adults between 2 and 4 March 2012. Three-quarters (71 per cent) agreed with the statement, 'I would feel more positively towards a brand/company/business if they knew they were having a positive impact on the communities in which the events they sponsor take place.'

2 Populus polling of 100 marketing directors at companies with at least 2,500 employees commissioned by Demos between 7 and 14 February 2012.

3 More than half (55 per cent) of businesses questioned consider sponsorship activity as an integral part of their marketing and communications strategy, and 48 per cent spend at least £1 million on sponsorship activity per year.

4 MT Tuan, *Measuring and/or Estimating Social Value Creation: Insights into eight integrated cost approaches*, prepared for Bill & Melinda Gates Foundation Impact Planning and Improvement, 2008, www.gatesfoundation.org/learning/documents/wwl-report-measuring-estimating-social-value-creation.pdf (accessed 27 Feb 2012).

5 Ibid.

6 HM Treasury, *The Future Role of the Third Sector in Social and Economic Regeneration: Final report*, Cm 7189, Norwich: Stationery Office, 2007.

7 DCMS, *Plans for the Legacy from the 2012 Olympic and Paralympic Games*, Dept for Culture, Media and Sport, 2010, www.culture.gov.uk/images/publications/201210_Legacy_Publication.pdf (accessed 20 Mar 2012).

8 C Wood and D Leighton, *Measuring Social Value: The gap between policy and practice*, London: Demos, 2010.

9 This is the rule of attribution – see below.

10 S Berry, *A Guide to Social Return on Investment*, London: Office of the Third Sector, 2009, http://webarchive.nationalarchives.gov.uk/+/http://www.cabinetoffice.gov.uk/third_sector/news/news_stories/090512_sroi.aspx (accessed 28 Feb 2012).

11 ESRC, *Olympic Games Impact Study: London 2012 pre-Games report*, Swindon: Economic and Social Research Council, 2000.

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Wood C and Leighton D, *Measuring Social Value: The gap between policy and practice*, London: Demos, 2010.

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Business is under increasing pressure to demonstrate its social value and civic responsibility. Critics call for corporate social responsibility (CSR) to be more effective and businesses to benefit more directly the communities in which they operate. But the truth is that while many businesses fund and deliver an array of positive and pro-social activities and interventions, they remain poor at measuring and demonstrating the social value they add.

Measuring Up aims to bring social value into the corporate sphere. It recommends a new tool – the first to be specifically designed to measure the social value of corporate sponsorship. This tool, designed to be both rigorous and easily applied by businesses at a minimum additional cost, will help the corporate sector to understand, demonstrate and improve the social value of their sponsorship and CSR activity.

If we want capitalism to be more responsible, and to drive positive social change, we must equip businesses with the necessary tools. *Measuring Up* provides the corporate sector with the means to measure the social value of their engagement with events, communities and charities – to discover the good that business can do.

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