

NEWS

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Why do a combined market research AND audience development project in the Triangle Region?

The Triangle Region Cultural Market Research and Marketing Initiative is the culmination of 1997 research and subsequent work initiated by the Durham Arts Council to strengthen arts and cultural organizations' abilities to deepen, diversify and expand audiences. We're proud to return to the region to measure audiences today against that 1997 baseline to see the differences and the progress that has been made and to work more deeply with participant organizations through diagnostic, analytical and planning components of this venture.

In most markets, without adding additional events, performances or venues, the performing arts audience alone could grow by 20 to 40 percent per year.

The goal is to effectively link the research with internal planning and capacity development. We'll be working closely with every participant and aim to be no more than an email or phone call away as your technical assistance consultants for the next year.

Why is this work still so pressing? Those of us who have been researching audiences – and what arts and cultural organizations are doing to gain them around the country – know that while we have made good progress, we still have work ahead. The Wallace Reader's Digest model for arts participation (RAND Study) shows that there are specific – *continued on page 2–*

Triangle Region Project Components

What will we be doing in this project?

First, we will be customizing our counsel and research findings to serve as a foundation for each participant organization's marketing development. We will begin with a diagnostic process that assists each organization in assessing marketing capacity throughout the organization – from board to front office. Then, we'll work with participants to identify the information and research questions they need answered to move forward with strengthened marketing and audience development capacity. We will do cluster and geodemographic analysis of their current audience compared to the 1997 baseline, and help each group learn best opportunities – by cluster and by geography – for targeting new audiences.

Our focus groups will be targeted to learning the specific barriers, perceptions and issues that need to be removed to instigate more participation, and we'll learn how to better build loyalty and lasting customer relations.

Our counsel will show each organization how to integrate the research into every day marketing practices, from database use and mailing list purchase to communications strategies and advertising placement.



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actions organizations need to take to deepen, diversify and expand audience and stewards – those who go beyond attendance to truly become engaged. In our work on this project we’ll be helping each participant diagnose just how well they are doing in each area and what actions can be taken to improve.

We also want to address entry-level participation – the first time visit. Why? Audience counts, nationally, still aren’t meeting goals. Our research over the past few years included a major study commissioned by The James Irvine Foundation together with the William and Flora Hewlett Foundation and the Walter & Elise Haas Fund evaluated cultural organizations’ audience development efforts from 1992 through 1999, focusing particularly on major markets in California as well as 10 major comparison markets throughout the US. In it we found only hinting evidence of change in audience demographics during the 90s, but those hints were hopeful. A new and more diverse audience is beginning to make inroads into single ticket and single admission participation. But there are plenty of seats and admissions that still could be sold. We calculated that without adding a single

performance or another destination, the performing arts audience alone could grow by 20 to 40 percent a year across the markets we studied. If museums were included in the calculation, participation could grow by a total of 50 percent.

So who are these new attenders? The new audience we see emerging differs from that of the traditional arts attendee. Its median age is 35, and it is typically dominated by non-Anglo/white households. It is well educated. It is savvy. This new audience has different consumption habits, programming needs and expectations. And everywhere, cultural organizations must evolve in the way they serve these new markets, and the way they communicate with them. When faced with a changing market, many arts organizations fear that the new consumers will not compare in total audience size or frequency of attendance to the more consistent subscriber audience they have been used to serving. Yet, successful organizations have adapted by changing their thinking, business practices and expectations. It might be as simple as placing more emphasis on last minute single-ticket purchases or taking a different approach to the design of a membership or subscription coupon.

Changing an audience is a multi-year commitment. Our experience has shown it requires organization-wide agreement on the fundamental importance of the three-pronged approach of deepening, diversifying, and expanding participation. A simple way to gauge your organization’s commitment is found in the three part organizational marketing metric developed by Tim Ambler of the London Business School. Success will occur when these elements are all in place over a multi-year period:

Leadership and Goals

- Awareness of audience goals
- Commitment to audience goals
- Active innovation support
- Focus on making hard choices

Resource Adequacy

- Staffing and skill level

Culture

- Wish to learn
- Willingness to change
- Freedom to fail
- Autonomy
- Relative staff satisfaction
- Aggregate customer brand empathy

Our diagnostic work will examine how each organization can take steps to strengthen its matrix at all levels of the organization. Begin assessing your organization now, paying particularly attention to the resource adequacy and culture within your organization, to sustain audience development over at least a five-year period.



Redefining Marketing

By Louise K. Stevens

Philip Kotler helped to redefine marketing in the nonprofit arena when he said, “Many (nonprofit) institutions misunderstand marketing. They confuse marketing with either hard selling or advertising and, therefore, don’t show an aptitude for it. The important tasks in marketing have to do with studying the market, segmenting it, targeting the groups you want to service, positioning yourself in the market and creating a service that meets needs out there. Advertising and selling are afterthoughts. The contrast between marketing and selling is whether you start with customers, or consumers, or groups you want to serve well – that’s marketing.”

Cultural organizations can no longer afford to view marketing simply as the drive to sell tickets. Why? Because the realities of the marketplace have changed, most notably in a shift in audience consumption patterns away from subscriptions and toward a pick and choose attitude, in profound demographic changes and in increased competition from other leisure options.

Marketers must adjust their approach to satisfy the changing audience. The new paradigm for marketing success can best be described as the capacity, approach and systems necessary to compete in a far more complex and dynamic marketplace, stretching organizations to change rapidly and to evolve to far more sophisticated marketing than has been the tradition or norm. It requires, first and foremost, an intimate knowledge of the market – the customer – and concrete goals for how you want to be positioned in that market and how the organization will get there. Everyone in the organization must be involved in the effort. The marketing department can no longer operate as a silo. The organizational culture must embrace marketing as integral to its success, and it must be flexible and responsive to changing market needs.

Marketing planning and organizational strategic planning must go hand-in-hand.

Factors that Contribute to Marketing Success

- ✓ Organizational structure, systems, incentives and policies.
- ✓ Culture, history, style and values.
- ✓ A responsive, entrepreneurial approach to market changes.
- ✓ Clarity in market goals.
- ✓ A “no silos” approach to operations.
- ✓ Technology that works.
- ✓ Leadership.
- ✓ The right products and services for the desired marketing long-term commitment.
- ✓ A dynamic financial model supporting the above.

Successful organizations demonstrate that they are customer- and community-enriched. Rather than communicating what you can do for your audience, let them know they are valued. Develop a relationship with them that will keep them coming back. The new consumer wants to be known, wants to be made to feel special. Build loyalty by helping your customers feel that they are a part of your organization, ensuring they don’t feel like a visit to your theater or museum is a privilege. Engage your customers in a dialogue that addresses the benefits of your relationship with them from their perspective rather than your own.

Please contact us: We’re your consultants for the next year. We want to hear from you with questions and information needs. Use our email addresses and our 800 number for instant communications:

lstevens@artsmarket.com = Louise K. Stevens, President
sphillips@artsmarket.com = Surale Phillips, V.P./Research Director
sbecker@artsmarket.com = Sean Becker, Senior Research Analyst
svolkel@artsmarket.com = Sara Volkel, Research Assistant and logistics coordinator
ArtsMarket’s Toll-Free Number = 1-800-224-0700



ARTSMARKET

Bringing the Board on Board

The new marketing philosophy compels organizations to embrace marketing as critical to success and central to strategic planning. This model of organizational health requires that Boards of Directors take an active role in setting the organization's marketing goals and objectives linked to all other organizational goals. Marketing can no longer be divorced from

development, education, finance and other traditional board responsibilities.

To familiarize your board with the Triangle Region Cultural Market Research and Marketing Initiative, begin by distributing the Executive Summary of the California Arts Audience Research Project to them. You can find it online at www.artsmarket.com.

Suggested Reading List from ArtsMarket

- ◆ Brown, John Seely and Duguid, Paul. *The Social Life of Information*. Harvard Business School Press, 2000.
- ◆ Clark, Shawn. *The Co-Marketing Solution*. NTC Business Books, 2000.
- ◆ Collins, James C. and Porras, Jerry I. *Built To Last: Successful Habits of Visionary Companies*. Harper Business Books, 1994.
- ◆ Hughes, Arthur M. *Strategic Database Marketing*. McGraw-Hill Books, 1994.
- ◆ Kotler, Philip. *Kotler on Marketing*. The Free Press, 1999.
- ◆ Marconi, Joe. *The Brand Marketing Book*. NTC Business Books, 2000.
- ◆ Marconi, Joe. *Future Marketing: Targeting Seniors, Boomers, and Generations X and Y*. NTC Business Books, 2001.
- ◆ McKenna, Regis. *Relationship Marketing: Successful Strategies for the Age of the Customer*. Addison-Wesley Publishing Co., 1991.
- ◆ Peppers, Don and Rogers, Martha, PH.D. *The One to One Future: Building Relationships One Customer at a Time*. Currency Doubleday Books, 1993.
- ◆ Percy, Larry. *Strategies for Implementing Integrated Marketing Communications*. NTC Business Books, 1997.
- ◆ Putnam, Robert D. *Bowling Alone: The Collapse and Revival of American Community*. Simon & Schuster, 2000. *
- ◆ Schmitt, Bernd H. *Experimental Marketing*. The Free Press, 1999.
- ◆ Zyman, Sergio. *The End of Marketing As We Know It*. Harper Business Books, 1999.

* Robert Putnam's *Bowling Alone*, while not a marketing text, is an excellent piece of research about the loss of social capital in America. Changes in the way that Americans gather has profound implications for participation in the arts and cultural activities, making this an important read for all cultural marketers.