

How Organizational Change Can Lead to Audience Development

“It takes all the running you can do, to keep in the same place.”

- Queen of Hearts in *Through the Looking Glass*, Lewis Carroll

“Insanity is doing the same thing over and over again, but expecting different results.”

- Rita May Brown, playwright

Audience development is a conscious process of organizational and changes in practice that results in three types of growth: a deepened relationship to the audience, an expanded audience and a more diverse audience. Our research and observation of hundreds of arts organizations throughout the state of California, conducted on behalf of the Hewlett, Hass and Irvine foundations during 1999-2000 found that organizational and practice change was, in fact, the single most critical factor in affecting sustained audience development. Advertising could come and go. New logos and images could help raise the barometer a notch or two. But sustained devotion to those practices that build customer relationships are what work.

RAND chronicles the importance of sustained, organizational practice change that acknowledges the audience as a partner in *A New Framework for Building Participation in the Arts*, funded by the Wallace-Reader's Digest Fund.

We've seen it over and over in our consultation to individual organizations. First, audience development is about what your organization does and how it offers it, your culture and how that is communicated – i.e., friendly and accessible versus formal and inflexible – and overall, how much you invest in and care about your audience. Then, it is about the image and reality you build around this, how you get the word out and to whom. It is pretty simple cause and effect. When your product is great, tailored to your audience's interests and stated needs and then well-marketed to that audience, there should be no problem.

Why, then, is it so hard to do?

Developing Inspired Problem Solving

Think about the “yes, but...” answers to “why can't we” that keeps your organization stuck in a



rut on its quest for audience development. Are there any of these in your organization?



ARTSMARKET

Here are just a few we hear all the time... and the solutions we also hear from organizations that love the challenge of change:

Problem

- “We don’t know who our single-ticket buyers are.”
- “We have different software for box office and membership and development.”
- “We don’t want to lower our artistic quality with student shows or too much that is focused on local groups.”
- “We thought our school program tours would help build repeat visitation, but we haven’t seen the payback.”
- “We do our annual Cinco de Mayo programming, but the Latino audience doesn’t come the rest of the season.”
- “We can’t sell those shows as a family subscription, or let people pick and choose. It could cannibalize our subscriptions.”
- “We don’t announce our season until after our brochures for renewals go out. If people are unhappy, we always hear about it and hear about it.”
- “We give our subscribers lots of information on the productions. You have to subscribe to get that benefit.”

Possible Solution

- “We find a way to get as many names of single-ticket buyers as possible, and then we make sure we get them something inviting them back within two weeks.”
- “It is our top priority to make sure everything interfaces, so people aren’t getting different messages from different parts of our organization. In the end it saves money.”
- “Validating the work done by students and local groups is tremendously important. We decided it was a year round venture that merits its own space.”
- “We give all students a membership for \$6 a year, \$3 for a semester. You bet they come back with their parents, and they are so proud when they have that membership card.”
- “The first way we telegraph that we are inclusive is through multilingual signs and brochures. Our phone messages are multilingual. We had our staff take Spanish. It has changed the way we think.”
- “We decided getting families to get used to attending was important. It doesn’t matter if it is grandparents, uncles or what. People don’t abuse it. But they do love it.”
- “We started offering a money-back guarantee. At the same time we tell them why we have selected the shows we have that year, so it makes more sense. We have soaring subscription rates, and only two people have asked for their money back.”
- “We figured people who were scared of not knowing would want to be more comfortable, so we made that a single-ticket benefit.”



Roadmaps to Change

Are there any of these “we don’t’s” in your organization’s vocabulary? Any blocks to change, to inspired problem solving?

Usually, change points like these get addressed in the context of strategic planning, and too often get put aside because of the cost of risk. It takes resources – human and financial, systems and structure – to solve problems. And in tight budget times, it takes real commitment to invest in change.

Building that commitment is an ongoing task. It rarely happens just at budget time. It takes some institutional courage, creativity and energy from staff and board. It usually takes a lot of discussion and thought. Here’s where a standing audience development committee of the board can play a crucial role as problem solvers and champions. Their job isn’t to ponder the advantages of a two-column or three-column ad or the cost benefits of mailing 20,000 versus 25,000 brochures, but to bring insight and creativity – and leadership – to overcoming your organizational barriers to success. This is also where investing all leading staff, from the artistic director to the security director, is important. Ever try an audience development planning session that mingles your security staff with artistic team? Or your curator and front desk volunteers?

Change points that need staff and board leadership have to be addressed if your audience development plans are to be as effective as you hope. Research opens the door to change: once you understand your current and potential audience, and the barriers that likely exist to building that larger audience, the ball is in your court. Does your organization want to keep owning those problems, or find ways to overcome them?

If your organization has a culture of holding on to problems, your first step to audience development success is to change your culture. There are many tools and processes; find what works for your organization’s size and complexity. Facilitation often helps. Hold a series of problem-solving sessions with an outside facilitator. Be sure that board and staff leadership are both equally involved; the board has to be completely involved, not just represented. Another way to stimulate change and risk taking is to use comparative information from other organizations. Call your counterparts in other communities. See how they have solved the problems. Take a road trip and visit them. Find models to emulate. Or, find a board member or donor that is willing to invest in the risk. One of our client’s board president personally contributed the funds to link data systems because she became convinced of the importance of good systems. As the change agent, she overhauled the way staff and board both approached problem solving.

Once your organization decides to take the risk and make change, the secret to success is in staying the course. It often takes years before you will see the bottom line return on investment, not months. But it does happen, and consistent work virtually guarantees success. Audiences change as your organization changes. For example, among a study group of 12 arts organizations in the Triangle Region, multicultural (non-Caucasian) composition grew from 8 percent in 1995 to 23 percent in 2001. Arts organizations have worked extensively to change to affect inclusion, and it has worked. Attendees who had once felt bias and perceived exclusion now feel the same organizations are totally theirs. Destinations they once shunned now are among their favorites. That’s the result of five years of dedicated work at changing.



What is your organization's change point? Find one. Turn an issue into an opportunity. Go through the "we can't..." or "we always have done it this way" list. Make it your goal to make your mark by providing a great solution to a nagging problem.

Use Solutions' Planning to Address Audience Need

Along with finding solutions to your "we've never" issues, find a solution to your audience's needs. It's called solutions' planning. Over 60 percent of the Fortune 100 companies in America lay claim to a new approach to building customer loyalty, "solutions finding." This is an answer to the question of "where do our customers have to go to succeed in getting what they want in this particular market, and how can we be partners in helping them get there?" Think of all the ads. UPS gives solutions. Verizon Wireless gives solutions. IBM gives solutions. Microsoft gives solutions. Home Depot gives solutions.

How does this really work, besides in an ad? Organizations listen, and then respond. Solutions that are good are based on customer input, which is then acted upon. Customers and providers are far more linked, beyond the typical buy-sell relationship.

What's a simple "solution find" in the arts? Try, "Our box office is only open from 9 to 5. Other than that, people have to use Tixservice, which costs a surcharge they hate, and then there is the problem of not being able to get single tickets until a half hour before the show..." Okay, so you don't have a spare couple hundred thousand to spend on a new 24-7 box office, and you run a small presenting organization, not the Met.

What can you do? You can use every single communications and ad piece to drive business to your Web site. Even if you can't invest enough to do on-line ticketing, you can get e-mails at midnight and respond before most folks are at work the next day. You can solve their convenience needs, let them know they matter to your organization, and win a larger audience as a bonus. That's "Fortune 100" made real.

Use audience input to identify solutions. A recent study by the Kellogg School of Management at Northwestern University found that companies that had intense customer input and that drove what they do based on that input outpaced those that didn't by 20 percent in earnings. Not surprisingly, these organizations are flexible and agile as well. They are willing to develop new capabilities and let the customer be a partner. They have three typical characteristics: 1) they partner more with customers in product development and packaging (customization), 2) they work to extend the longevity of their relationship with the customer, and 3) they place more focus on meeting customer expectations.

This doesn't cost more than a few hours a week and a box of stationery, and maybe an e-mail or handwritten note. Write a few notes, asking people what they think about the experience your organization offers. Invite your volunteers to supper and ask what they think. Tell your single-ticket buyers they matter to your organization, a lot. Respond when there is something you can do differently.



Marketing: Getting Your Solutions Noticed

Once you've found a great solution, then what? Then marketing works for you, getting the word out. It is where your values, your way of living the culture of being in partnership with your audience, gets communicated. Don't short-change it, especially when times are lean. Do more, only do it smarter. Rather than six print newsletters a year, do two that are packed with information, and use postcards that eventually will give way to e-mail listserves to serve as other reminders. Don't just stick with your "house list" for prospecting—augment it with a targeted and effective "inclined attender" list. Remember that old line, "Only prospectors find gold."

But just how much should you invest in finding gold? Sometimes, the answer is more rather than less. And chances are, your investment can be more strategic, as well.

Here's a common occurrence at our office. It's Monday morning, and we get a call from the marketing director of performing arts organization X, which is a pretty sophisticated place. "We are dropping our season brochure on Friday, and I need to find 40,000 households to prospect. I need it tomorrow." Or, "We have a house list of 2,500, and we can afford to mail to 3,500. I need to figure out which 1,000 and where to find them."

Before you get caught in this last-minute thinking, use these strategic steps to calculate the bottom line return on investment:

Number of pieces x 1.5% return rate = response
Budget/response = cost per piece
Return rate x cost per piece mailed = gross return
Gross return less cost = net return
Net return/budget = percent profit or loss on mailing

Does a 10,000 piece mailing that costs \$8,000 (fancy brochures, postage and return postage) for a \$50 membership, work? No. Does a 30,000 piece mailing for a higher level of membership work, at a lower piece cost? Tremendously.

Calculate and recalculate until you know for certain what to expect. Then work carefully through geodemographic data to find the best prospects. We'll help: just call. With the right strategies and calculations, you can eliminate considerable risk and predict success!

