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What if you didn't have to guess?

By Chad Bauman, www.arts-marketing.blogspot.com



Chad Bauman is the Managing Director of Milwaukee Repertory Theater. Opinions on this blog are his own and do not represent his employers in any way.

In decades past, the success of a marketing director depended heavily on his or her ability to predict the future, often times by guessing. Guess well, and you were a success. Guess poorly, and your marketing career was short-lived. Marketers became adept at reading the tea leaves, and depending upon their gut and experience to make educated guesses.

As my friend Rick Lester says, "prayer should not be a marketing strategy." On this blog, I've written several times about the importance of using data to make decisions. Often times companies have years of transactional data that can be invaluable when developing strategy for future campaigns. That said, I've somewhat neglected another important tool that I've used throughout my career to help guide decision-making - market research. Combined, market research and data analysis form a formidable team. One should not be chosen over the other, but they should be used in tandem, and if done so, the need to guess is almost virtually eliminated.

Data analysis is best used to help inform future operating decisions that closely align with past performance. For example, when rescaling a house, marketers can be relatively certain which seating sections can withstand a price increase by analyzing sales patterns and looking for sections that are in constantly high demand. We can also tell which households are most likely to subscribe and what package and price point to pitch based upon their interactions with us. But what happens when you are faced with the unknown? Over the years at Arena Stage, I've been faced with challenges that have very few, if any, precedents. There wasn't any data to pull from, either internally or from other companies. We were in uncharted waters. And that's when market research became critical.

Since moving to Washington, DC seven years ago, both at Americans for the Arts and Arena Stage, I've depended on the wise counsel of [Mark Shugoll](#), CEO of [Shugoll Research](#). Throughout the years, Shugoll Research has conducted many studies that have helped inform my decision-making, and below are just a couple of instances where market research was invaluable:

Arena Restaged. In January 2008, Arena Stage moved from its SW DC home into two temporary locations - a theater in the basement of a Marriott in Arlington, VA and the Lincoln Theatre in NW DC on U Street. We would remain in these temporary locations for two years and eight months while the [Mead Center for American Theater](#) was built. During that time, we had to minimize patron attrition caused by the move, and work to grow our audience base, as the new building would require a significantly increased patron base. I searched the country for a good precedent to learn from, but not a single one surfaced.

Feeling on our own, I turned to Shugoll Research to help map out a strategy. I wanted to know what barriers existed for our patrons in moving to our temporary locations. What would motivate them to stay with us through the construction years? What competitive advantages existed at our temporary locations that were good selling points? How we could make the move less onerous? We tested messaging, sales strategies and tactics.

From that, I learned a great many things. I learned that if our patrons got lost on their first trip to our new theaters, they wouldn't return. I learned that we had to make sure that parking and public transportation was readily available. I learned that dining options were incredibly important.

From this, I spent months on signage plans. With the Crystal City Business Improvement District, we installed more than 100 new directional signs within a two mile radius of our temporary theater in Virginia. In coordination with the MidCity Business Association, we aggressively marketed the restaurants on U street and offered valet parking for every performance, as the neighborhood had very few parking options. We sent out [personalized websites](#) to each of our subscribers which among other things offered up step-by-step directions from their house to the new theaters.

For these efforts, Arena Stage was recognized with the Box Office of the Year Award from INTIX and the Helen Hayes' Washington Post Award for Innovative Leadership in the Theatre

Community. More importantly, we were budgeted to experience 7% attrition during the move and only realized 1.9% - and it all started with market research.

Branding. Forget the high gloss, four color brochures that list your mission statement and vision. We all know that our brands, regardless of what we say, actually live in the minds and hearts of our customers. Over the years, I've almost always found a disconnect between what an institution thinks their brand is and what their customers view their brand as being.

In 2008, Shugoll Research conducted a series of brand focus groups for Arena Stage. Only two years later, we would be opening the Mead Center for American Theater, so as a new marketing director, I wanted to test the current state of our brand before launching a rebranding campaign repositioning Arena Stage as a national center for American theater.

Inside the company, it was clear to most at the time that Arena Stage was a home for American voices, something that Molly Smith had focused on since coming to Arena Stage in 1998. But when tested in focus groups, less than 20% of our subscribers and donors knew that we focused on American voices, and almost none of the single ticket buyers. We had to be much more aggressive in marketing our brand, so we developed a tag line ("Where American Theater Lives"), commissioned a series of spotlight articles on the American voices in each season, developed a new color palette which was a play off of red, white and blue, and eventually put the word "American" in our new logo and name. Two years later, we retested and found that more than 80% of those asked knew our American focus.

Customer Service. As I've [written about previously](#), I view customer service as a very valuable competitive advantage. So, how is your organization doing? Beyond diligently tracking and responding to complaints, what are you doing to monitor customer satisfaction? We've hired Shugoll Research to develop and deploy customer satisfaction surveys, and benchmark us against peer organizations and ourselves for the past several years. I'm proud to report that we've received "industry leader" marks every year since 2008. But more importantly, each year we learn where we can improve, and we know where we should invest time and resources to improve our customers' experience. For example, in our first year in the new building, we received exceptionally high marks for our parking lot; we were delighted to see that our parking attendants were routinely going above and beyond to take care of our patrons. And the patrons noticed. That said, some of our elderly patrons reported that it was a challenge to walk up the

ramp from the parking garage to the main lobby. So we responded by offering valet parking at the same price as standard parking for those who needed some extra assistance.

Pricing. We spend a lot of time discussing pricing at Arena Stage. As marketers, we want to devise strategies that keep our institutions accessible to our communities all while developing price points that lead to sold-out houses. Get too aggressive with your prices, and your percent paid capacities will drop (hence why the [Metropolitan Opera](#) announced that it would be lowering prices next year). But if your prices are too low, then you are leaving money on the table, something that most non-profit arts organizations can't afford to do in today's economic climate. So are you charging the right price for the right seat at the right time?

To help us navigate pricing, we sought the assistance of [TRGArts](#) and Shugoll Research. TRGArts created heat maps, advised us on the rescaling of our halls, and analyzed sales data to determine optimal price points. Shugoll Research conducted focus groups and surveys to determine price elasticity, and to procure feedback from customers. Did our patrons think we were over-priced? would they be willing to pay more for certain dates/times? what could we do to make our pricing more attractive to our patron base? One of the most interesting questions we ask is how satisfied patrons are with the value we provide. Each year we ask the question, our satisfaction ratings on value are in the "industry leader" range indicating that customers perceive that they are getting good value for the money they spend on a ticket. Something every marketing director loves to hear.

The days of reading tea leaves, consulting the gods, and leaping into the unknown are over. A healthy combination of data analysis and market research allow modern day marketers to make informed strategic decisions. I for one am thankful, as I've never been particularly lucky when it comes to guessing. In decades past, I know I would have been fired.