

# Fans for life?

Heather Maitland finds out what the research says about audience frequency and loyalty

Our audiences are a fickle lot. Arts Council England's analysis of 28,000 interviews with UK adults showed that more than half of arts attenders only attend once or twice a year.<sup>1</sup> Only 9% of adults are categorised as 'highly engaged' in the *Arts Audiences: Insight* segmentation derived from the research.<sup>2</sup>

The idea that we need to persuade more of our attenders, visitors and participants to come back is known as customer retention. For example, Stamford Arts Centre is good at retaining customers, with a third of its 13,670 ticket buyers for events in 2007/8 buying tickets for more than five years. On page 8 of this issue of *JAM* Katy Raines looks at how we can measure customer retention in our own organisations.

But is customer retention the same as loyalty? Of all those long-term customers at Stamford Arts Centre, 660 have, on average, only bought

tickets for events once or twice a year. I wonder if they see themselves as loyal. Orian Brook believes they might – she reports that research by arts practitioners finds that people think of themselves as audience members of certain venues even if they have not been for years.<sup>3</sup> She also says that they will deny attending a particular venue if they do not see it as characterising 'who they really are'. Loyalty, then, is not just about frequency or longevity but also about a kind of psychological bond.

Someone could have a fabulous time at the pantomime every year and feel a bond with the organisation; or they could be dragged along once a year to celebrate their partner's birthday and feel a strong sense of resentment. In terms of ticket buying behaviour, they look the same – frequency, longevity and loyalty are not necessarily related. Why?

Different factors can influence whether someone keeps on buying tickets (and Tim Baker talks about what motivates people to subscribe to an arts organisation on page 21). People are only likely to feel a sense of loyalty if these factors are positive.<sup>4</sup>

But they can keep on buying for

negative reasons, for example if there are few alternatives or those alternatives come at a much greater cost in terms of ticket price or travel time.

So, what are the positive factors that affect loyalty? Research into museum attendance shows that customers who reported higher levels of satisfaction were more likely to say that they intended to return – and were more likely to turn these intentions into action.<sup>5</sup> On page 15, Claire Byers from BALTIC shows how improving customer service has increased the number of regular visitors and how many of them recommend the gallery to others.

The psychological bond of loyalty isn't just based on customer satisfaction, though. Another way to look at it is the decision-making chain for the arts developed by Jerry Yoshitomi. He says that attenders' reaction to their experience is an important factor, but so too is their social background, personality, social and cultural identity, personal beliefs about the arts and their perceptions of the social norms about arts attendance ('is this organisation for



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people like me?"). This last factor is why word of mouth is so important – if a friend tells them about an arts experience, it has a positive impact on their perception of the social norms around arts attendance in their peer group.<sup>6</sup>

We can easily see from customer surveys or box office data who are our frequent attenders, visitors or participants. But how can we tell who is loyal? Werner Reinartz and V Kumar say we need to judge customers by attitudes as well as actions. They looked at people's actual loyalty in terms of purchasing behaviour, i.e. how often, how much and the range of items they bought. They then asked them about their attitudes: if they felt loyal to the company, how satisfied they were with it, and whether they had any interest in switching to another company. Those who scored highly for both actual and attitudinal loyalty were much more likely to recommend the company to friends or family.<sup>7</sup>

Just like Katy Raines, they recommend a strategic approach to customer retention and loyalty schemes. The conventional wisdom is that loyal customers will cost less to market to, be less price sensitive and introduce new customers. Their research, though, shows little or no evidence for this. Loyal customers do not necessarily give you the best return for your marketing money, time and effort.

Why? Because, they say, there are different sorts of loyal customer. True Friends are profitable loyal customers who buy regularly over time – but not intensively. The danger is that

we market to them intensively and put them off. If we send them too much mail, for example, they stop looking at it. We need to turn them into True Believers by rewarding them for their loyalty. Butterflies are people who may buy intensively but in bursts, hunting out the best deals. They like to have relationships with lots of different organisations so it's difficult to convert them into loyal customers. The mistake is to carry on marketing to them long after they show they are not interested. Finally, there are Barnacles, loyal customers who buy little and rarely. The key is to look at what they do attend and then persuade them to come to more of it through targeted marketing that offers only relevant events and activities.

It's great to have customers who feel a bond with us but they are not necessarily the ones who will help us achieve our objectives.

Perhaps the most practical approach to loyalty is to look at people's behaviour as an indicator of how likely it is that they will visit us again. The more likely they are to re-attend, the higher the response rate if we target them. Reinartz and Kumar say that we need to look at the gaps between visits as well as frequency. Someone who visited lots of times over a short period but hasn't been for a while is less likely to re-attend than someone who has visited less frequently but consistently over a longer period. The former is a Butterfly but the latter is potentially a True Friend. And in this economic climate we could all do with a few more of those. ●



1. *Taking Part Survey Briefing No. 1*. London: Arts Council England, 2007, p. 2

2. Download a copy from [www.artscouncil.org.uk/audienceinsight/downloads](http://www.artscouncil.org.uk/audienceinsight/downloads)

3. **Orian Brook, Paul Boyle and Robin Flowerdew**, 'Geographic Indicators of Cultural Consumption', in Stillwell, Norman, Thomas and Surrige (eds) *Understanding Population Trends and Processes, Volume 2: Population, Employment, Health and Wellbeing*. London: Springer (forthcoming)

4. **Veronica Liljander**, 'The Importance of Internal Relationship Marketing for External Relationship Success', in Hennig-Thureau and Hansen (eds) *Relationship Marketing*. London: Springer, 2000, p. 166

5. **Paul Harrison and Robin Shaw**, 'Consumer Satisfaction and Post-Purchase Intentions: An Exploratory Study of Museum Visitors', *International Journal of Arts Management*, vol. 6, no. 2, Winter, pp. 23–32

6. **Gerald D. Yoshitomi**, *Engage Now!*, Heinz Endowments, 2002

7. **Werner Reinartz and V Kumar**, 'The Mismanagement of Customer Loyalty', *Harvard Business Review*, July 2002, p. 7



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