

# An introduction to Audience Builder

*Audience Builder* is a new approach to arts marketing management. The culmination of several years' work by Morris Hargreaves McIntyre, it is a complete, integrated system that can deliver the audience and financial targets needed to achieve your artistic ambitions.

*Audience Builder* can...

- **Grow sales**
  - maintain high levels of sales from the core audience
  - significantly grow sales from the irregular attenders
- **Increase audiences**
  - reactivate lapsed audiences
  - develop new audiences
- **Inform planning**
  - predict ticket sales and who will buy them
  - help balance the portfolio of productions within a season
  - help set realistic and achievable targets
- **Target campaigns**
  - identify those most likely to buy, even if they've not bought similar before
  - select the most appropriate communication tools and timing
  - track sales against targets during campaigns and identify corrective action
- **Make you more persuasive**
  - differentiate the messages appropriate to each audience segment
  - ensure a regular flow of relevant, interesting information
- **Manage your brand**
  - profile brand perception, brand reach and relative competitive strength
  - target key brand messages to specific segments
  - track brand performance – a 'brand barometer'
- **Maximise financial return**
  - intelligently allocate marketing spend
  - accurately track return on investment
- **Monitor performance**
  - analyse sales trends meaningfully and with insight
  - measure the effectiveness of marketing

## ***Audience Builder* is not just another 'audience development scheme'.**

Most of these are expensive and achieve low retention levels. Many overlook those audiences most likely to attend in favour of those who are actually resistant to attending. Without continued subsidy, such schemes are unsustainable. Instead, *Audience Builder* takes a hard-headed business approach. It locks marketing activity and spending directly into achieving financial targets. It maximises sales from current and recent audiences to fund organic, not artificial, development of new audiences. It couples a deep understanding of audience motivations, attitudes and behaviour to tried and tested marketing techniques. It maximises audiences and sales in support of your artistic programme.

## ***Audience Builder* is not just good box office marketing.**

Box office marketing has driven sales for the last decade. But we have failed to develop regular attendance habits in all but a small core of attenders. Most venues hold thousands of records of people who attend irregularly or who have lapsed. Their lack of attendance makes it uneconomic to mail them. This lack of communication makes them even less likely to attend. Many theatres 'clean' these potential attenders from their lists and concentrate only on those whose pro-active loyalty warrants further marketing spend. This 'direct mail myopia' actually under-develops potential audiences, limits potential income and curbs potential artistic ambitions. Current arts marketing uses only a fraction of box office potential. *Audience Builder* uses the full power of the box office to maintain and develop relationships beyond the core attenders.

## Segmentation

The engine that drives *Audience Builder* is segmentation. Segmentation is the recognition that the audience is not an homogeneous mass, but a collection of distinct and discrete 'segments' each with different needs, attitudes and expectations. By defining, profiling and differentiating the marketing mix for these segments, you can optimise your offer to meet audiences' needs and sell more tickets. This approach aims to engage with and address the needs of *all* attenders, not just the valuable core. To do that it needs to segment the current audience into groups of attenders with similar needs.

There are many ways to segment audiences and each has some merit. Typical variables used include: age; postcode; media consumption; social class; or 'geo-demographics' such as the proprietary ACORN and MOSAIC classifications. This produces segments such as '25-34 year old ABC1s' or 'Stylish Singles within a 15 minute drive time'. Such approaches are most useful when prospecting for new customers or when little is known about current purchasers. But, like supermarkets and banks, arts venues know a great deal about their customers.

Typically, a venue knows every customer's name, address and telephone number. From that alone it can profile them geographically and contact them instantly. But it also knows how long they've been a customer, what type of shows they like and which they avoid, how often they come, how many people they normally attend with, whether any of them are children or senior citizens, where they like to sit, how much they're prepared to pay and how far in advance they will book. From this it can track their past behaviour, predict their future behaviour and tailor its offer and communications to meet their very different needs. Surprisingly, beyond targeting past bookers for particular types of show, most arts venues have collected, but never exploited, this rich source of customer information.

We have sought to achieve something that has not previously been achieved in arts marketing – to create a comprehensive, powerful, practical and fully trackable segmentation system using every variable from collected box office data. First, we had to isolate the variables that **define** audience segments from those that simply **describe** the characteristics of those segments. Extensive analysis identified the two primary defining variables as **frequency** (number of bookings over time) and **degree of difficulty attempted** (based on a classification of the accessibility of each show).

Both of these are based on **behavioural** data routinely collected by the box office system. This means that the *development* of each booker (ie the increase in frequency and/or degree of difficulty attempted) can be easily measured and tracked. The degree of difficulty is closely correlated to **psychographic** or attitudinal data. This is widely used in other marketing sectors, but its potential has not yet been fully explored within the arts. By combining behavioural data with psychographic profiling, a comprehensive picture begins to emerge of our audiences, making it easier to target them with effective marketing campaigns.

Typical definition of existing attenders (taken from Bristol Old Vic, but versions for other artforms and cross-artforms also available):

Degree of difficulty is broken into five categories

- **A - new writing; work by obscure playwrights; work that is outside the mainstream**
- **B - "serious drama"; Ibsen, Chekhov, Shakespeare's tragedies and histories**
- **C - "mainstream" work; plays that people know (Look Back In Anger, A Streetcar Named Desire); or productions featuring actors people know (Pete Postlethwaite, Tara Fitzgerald, Neil Pearson)**
- **D - "accessible" work – Godber, Ayckbourn, Coward**
- **E – family shows**

Frequency of attendance is broken into four categories

- **1 – attenders who came once in the past 12 months**
- **2-3 - attenders who came two or three times in the past 12 months**
- **4-5 - attenders who came four or five times in the past 12 months**
- **6+ - attenders who came six times or more in the past 12 months**

## The Audience Climbing Frame

The real breakthrough in making this strategy practical and implementable is the *Audience Climbing Frame*. It takes the two primary defining variables (frequency and degree of difficulty attempted) and sets them against each other on the axes of a matrix. The combination of the two variables produces a number of discrete segments. Bristol Old Vic's Audience Climbing Frame looks like this:

Audience Climbing Frame		FREQUENCY OF ATTENDANCE						Total
		-1	0	1	2-3	4-5	6+	
DEGREE OF DIFFICULTY ATTEMPTED	A	1,100	703	1,471	867	356	393	4,890
	B	1,512	633	1,696	978	165	37	5,021
	C	2,977	692	3,587	599	20	0	7,875
	D	2,680	331	929	53	0	0	3,993
	E	3,805	747	4,261	0	0	0	8,813
Total		12,074	3,106	11,944	2,497	541	430	30,592

Each square in the Audience Climbing Frame represents a distinct segment that has a different profile, holds different attitudes and behaves in different ways from those in other segments.

### The Magnifying Glass

By using the Audience Climbing Frame, it is possible to effectively target prospective bookers according to their past behaviour. It is more than a simple table; within each segment lie layers of additional complexity, which can be reached by, in effect, holding a "magnifying glass" to the database.

Examining the segment A4-5, we discover key pieces of marketing information about these 356 bookers:

- 80% book for the whole range of Bristol Old Vic's work from A to E. Only 6% attend A category events only. This suggests that these bookers have catholic tastes and are open to persuasion.
- 60% book more than six weeks in advance. Offering them last minute offers, therefore, won't work.
- Two thirds book two or three tickets per transaction, but a significant proportion – 20% - book four or five. They are "agents" who not only book for themselves, but influence the buying behaviour of others.
- One third spend, on average, £14 or more per ticket. This marks them as higher than average spenders.

These 356 bookers attend 4.5 times a year, book 3 tickets each time and spend an above average ticket yield of £12.37. They are responsible for £75,000 of annual ticket sales. This 1.2% of the audience is responsible for a disproportionate 10.5% of box office income, making them a high priority segment.

### Proven marketing that sells tickets

These profiles make it possible to plan sophisticated marketing campaigns for each segment over the course of a season, responding to their needs as customers, and balancing investment and return from each segment. Harnessing the power of Morris Hargreaves McIntyre techniques such as Test Drive and TelePrompt and innovative direct marketing, these campaigns sell more tickets and expand audiences.

### Absolute Brand Control

Many arts organisations have branded and re-branded themselves. Some produce only a superficial new identity. Others articulate a vision, personality, values and an essence that are inspirational but semi-detached from day-to-day marketing. *Audience Builder* relates, translates, monitors and manages the brand into marketing activity in practical, measurable ways, building brand loyalty.

### Benchmarking, monitoring and evaluation

Finally, *Audience Builder* operates a comprehensive Marketing Information System, employing internal data, secondary data and both qualitative and quantitative primary research to measure performance, monitor trends and inform strategy.

***Audience Builder* combines existing best practice, the innovative techniques for which Morris Hargreaves McIntyre is known and clear strategic thinking to give arts organisations a powerful advantage in arts marketing management. It turns theory into practice that is proven to work.**

**Morris Hargreaves McIntyre** can provide anything from advice to a full service to help arts organisations plan, implement and run their own *Audience Builder* programme.