

## **‘It’s a Vision Thing’ by Gerri Morris – Morris Hargreaves McIntyre**

I’ve been asked to describe the history of arts marketing, relate it to the Ansoff matrix and to explore where we are with audience development and all in twenty-five minutes, so you had better hold onto your seats!

We’ll start near the beginning, in 1978. This is when my personal recollection of the development of arts marketing began which was with my first job. It was in a local authority repertory theatre, the Belgrade Theatre in Coventry. It had been built in the 1950s and like many arts organisations it was fully funded. It aimed to put on the best quality productions as possible. On my first day I walked into the theatre and there were about twenty-four actors on stage all rehearsing *Richard III*, and since they were all men and I was very young, naive and impressionable I was instantly star struck and convinced that I’d landed in Heaven. So that was my introduction to arts marketing.

Similar to many other arts organisations of the time, The Belgrade was product-led and product-focused. The primary aim of the organisation was to present the best possible product it could and if people came then that was a bonus. There was no such word as ‘marketing’ and we were all called PR officers, press officers, publicity officers and we were doing publicity. The marketing function was more of an information service for people who were interested and if people didn’t come then it was their loss and nothing to do with us. The marketing budgets were low and marketing officer status was low. There was no interest in market research and the marketing office was in the void underneath the circle, with no windows. The function was purely tactical. But, things were to change, and to change quite radically.

In 1979, Margaret Thatcher became prime minister and she become prime minister on the promise of tax cuts. Tax cuts were achieved by slashing public spending and this meant standstill or reduced grants for the arts. For a while arts organisations carried on regardless and were spending money as quickly as they were used to spending money. But there was soon a widening gap between income and expenditure, and things started to change. Instead of wandering into the box office and looking at the plans and thinking, ‘Oh good, we’re 30% full tonight’ I was confronted by the realisation that this actually meant we were 70% empty. Something had to be done, and done quite quickly.

So we moved into the 1980s, and in the next few years, very shortly after the Tories came to power, the Belgrade moved into a new mode. We remained product-led but we become selling-focused. This meant carrying on doing the same productions and carrying on spending the same amount of money but we were shouting louder about what we did, trying to sell what we were doing. So, we employed a smart design agency from London to jazz up our image and we dabbled a bit in some superficial re-branding work. By now, the term ‘marketing’ was being banded around quite confidently and we even set up a marketing consortium, consisting of the Belgrade, the RSC in Stratford, Warwick Arts Centre and five amateur theatres, and we were doing collaborative marketing. The consortium called itself Live On Stage Tonight, until we realised that the acronym spelt LOST, which sort of reflected where we were.

We went on training courses on how to raise sponsorship. Sponsorship was seen as the panacea – what you had to do was replace the large chunks of funding that you were losing with large chunks of money from somewhere else. As I teach, elsewhere in other countries, I see that phase repeating itself all over the place. Recently, I was involved in bizarre discussions with the Ho Chi Minh Mausoleum in Hanoi, where the delegates were suggesting that Uncle Ho would much prefer the museum to be financed with sponsorship from Coca-Cola rather than producing souvenirs, because he would find that distasteful.

So the selling focus phase involves looking for money from other places. We were getting quite a bit of help through ABSA, which is now Arts & Business, and a lot of help from the Arts Council. They were training us in marketing, they were giving us a lot of guidance, a lot of money was available for pilot projects. But the signs were very clear, we were expected to do it the American Way, and we were expected to account for the money that we were receiving.

One American import was subscription, and we had seminars from a great evangelist called Danny Newman. And this is what he thought:

*'Every time the single-ticket buyer doesn't buy, he strikes us a cruel blow, both financially and morally. His empty seat mocks our artists and screams its reproach to our promotional effort for its failure to entice him. Ironically, the real victim is the recalcitrant ticket purchaser himself. If he could but understand that, by not coming, he has not permitted us to so inform him, to so inspire him, to so entertain him.'*<sup>1</sup>

This is typical of the selling-focused approach to customers: make them book for every show that you produce, wring out every bit of money that you can from them, and if they are not forthcoming then insult them or dump them.

We were given grants to pilot subscription schemes. The Birmingham Rep's subscription scheme was a major success and they got five thousand subscribers in the first season. But it all started falling apart and with budgets in the arts still on the decline, the shows were getting smaller and smaller each season and the promise was getting weaker and weaker. It was hard to hold onto subscribers if they didn't actually want to book for every show that you were producing, or if the bar service was slow and poor quality, or if the car parks were insecure. Selling, as Philip Kotler reminds us, addresses just the needs of the seller and so selling only works if the customer continues to be satisfied. Customer's needs, or customer satisfaction, had not entered our consciousness and we hadn't started to concern ourselves if they were satisfied or not. We were just focused on filling this monetary gap.

The characteristics of the selling phase, as far as marketing staff were concerned was that they were starting to be called marketing staff. There were departments – marketing departments that were growing beyond a press officer and a publicity officer. Market research was valued as a new and important tool for finding out more about existing customers and marketing consortia began to grow through the 1980s, popping up in every city virtually. The early marketing consortia were the early audience development agencies, and that lent strength to the momentum of marketing through collaborate working, sharing resources, and developing a strength of voice. But these imports from America – the subscription selling,

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<sup>1</sup> Danny Newman, *Subscribe Now!*

looking for sponsorship, etc. – were not actually working. The financial situation continued to get worse, as did the artistic crisis.

Because Margaret Thatcher didn't just rob the arts of subsidy: in raging a war on intellectuals and liberals it was almost as if she drove artists and their vision underground. Many artists have a vision of transforming people and society, but if there is no such thing as society then you're made to feel redundant and very defensive. And that was how the artistic staff started to behave. The divide grew between artistic directors and marketing staff. Marketing was seen by artistic staff as an evil imposition, symbolic of commercialism and a constraint on their dreams. Philosophically we were the wrong side of the argument. We were seen as agents of the Devil, imposing new priorities, using offensive new language, detached from the art and concerned about the wrong things. In many organisations there ceased to be any shared language and certainly no shared vision. It was as if the artistic directors in our organisations, rather than seeing marketing as a means of more effectively communicating their vision, looked at it the other way round: it was as if the very existence of marketing confirmed their fears, that people didn't actually want what they were producing and that what people did want was bad art or commercial fodder. So they lacked the faith that people actually wanted what they wanted to produce.

But we moved on, and the 1990s actually saw things getting worse. These were the wilderness years. Distant from artistic directors, not really any more in touch with people's needs, but seduced by the potential of computers, we fell in love with the science of marketing. By the time we got to the 1990s many theatres had computerised box offices and the assumption was that these served both selling and marketing functions. But, in reality, the full potential of computerised box offices was rarely understood and exploited fully by marketing departments.

But we were becoming more professional and efficient, our status within arts organisations had increased and we had more staff, but budgets were still not really realistic in terms of the task that we had to achieve. The message of the early 1990s was don't waste money on advertising, direct mail is much more effective and that as it was three times cheaper to get an existing customer to return than to get a new one, this was a more efficient use of resources. So the 1990s saw us devoting most of our resources to direct marketing. But it seems that instead of audiences growing through increased frequency and increased crossover, they were actually declining and, we were suffering from marketing myopia. We became so focused on wringing out as much business from our existing customers as possible that we had completely lost the ability to acquire new ones and we forgot about trying to get new people, or extending reach into the market. In relying on the same people coming back, we caught onto the notion of loyalty, that people should develop relationships with us, because that served our purpose. However, it wasn't actually getting us very far because people are naturally fickle and promiscuous when it comes to the arts and we hadn't got our heads around branding.

We also had a clear-out – laundering our mailing lists and jettisoning anybody that hadn't exhibited sufficient loyalty, like coming at least once a year. Not only had we stopped acquiring new customers, we were eradicating the people we had hard won, even if they had only attended once a year. Dumped for the sake of economy. I can't think that there is actually any other business that would go on a mission to

cleanse themselves of their existing customers without having a replacement strategy. But we did it with great gusto.

However harsh this might seem, it was all for the sake of economy because we were being squeezed continuously. Productions were smaller and fewer, marketing budgets were shrinking, our organisations all suffered from the same risk aversion and, in marketing and in artistic terms, we were frightened of actually risking audience development because we couldn't afford it. At the time when we were most dependent upon the market, we were never actually able to adopt a proactive, strategic market-focused approach to developing it. This was because we could not really convince ourselves that the market, the audience, might hold the key to our salvation because we could never actually believe that they might want what we had to offer. We had become crippled and timid. This was a poverty of aspiration both in terms of what we thought we could achieve and what we thought audiences would respond to.

But things were set to change again.

The arts finally got some more money, but it was conditional, and there was a new take on the arts. Under the Labour party, society did exist after all and the arts had a vital role to play. This created a debate about what the role of arts might be: instead of just having economic benefit, which is what we had been striving to prove under the previous government, the arts had other benefits. But is art an agent of social change or a manifestation of a healthy society? Is it both or is it neither? This required discussion.

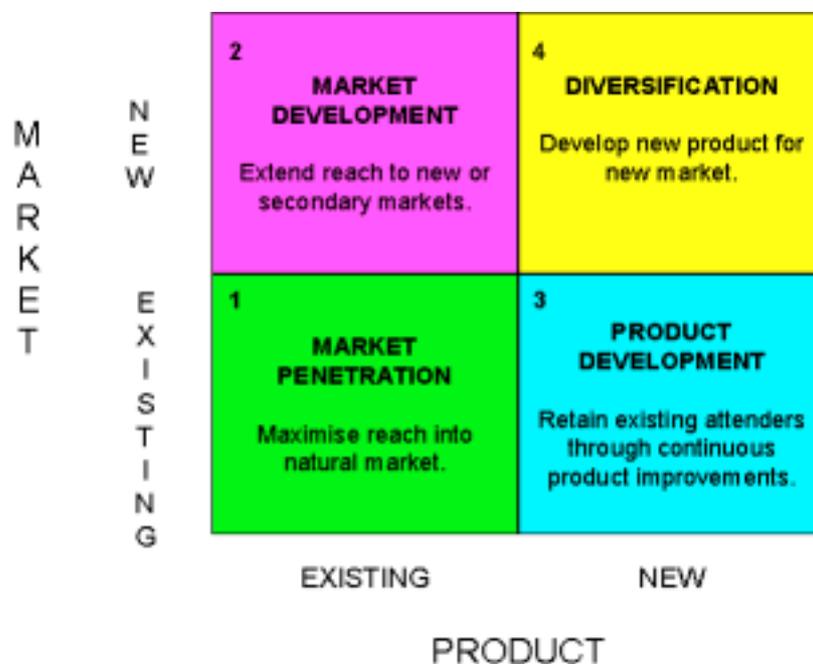
So, there have been new conditions for receiving money and in recent years there has been real advancement in audience development helped by the audience development agencies, the Lottery, the Theatres Review and by New Audiences money.

But the conditions for receiving that money were often accountability, access, inclusion, social benefits and cultural benefits. This created a new set of tensions: potentially the only way to justify putting money into the arts was by putting ticks into boxes. So we need to see where this change has actually pushed arts marketing. We've moved from the product-led, product-focused stage through to product-led, selling-focused, to product-led marketing-focused and we have tried a number of approaches. In the 1990s this was a type of safety-led revenue-focused approach, caused by the increasing squeeze of money. This was where artistic directors completely gave up on their vision and just made assumptions of what the audiences would respond to – bankable hits, cash cows, money-spinners – and it always seemed to be Noel Coward! Then there was the grant-led short-term focus triggered by the offer of project grants. These were attempts at building new audiences based on one event or one project to get young people, Asian people, old people, black people, disabled people – anybody – into arts organisations based on assumptions or hunch. These projects were often a toe in the water, never given enough time to help people get accustomed to the offer and backed up by no strategic plans for sustainability. They were often very well meaning, but mad stabs at the target segment, and then that segment was forgotten for the next few years.

In the meantime, during the wilderness years in the performing arts, there had been a parallel movement developing in the museums sector. During the 1980s there had been an explosion of independent

museums, and a growing confidence in local authority museums. The independents tended to charge for entry, so they had been market-focused from the outset. The local authority ones had been under increasing pressure to show themselves to be relevant and accountable to more people and they were also often run by social historians who had a strong vision in which people and visitors played a central part. This vision, combining artistic passion and social commitment, has been the key to long-term sustainable audience development. It results from a keenly felt conviction by artistic staff that what they are doing is relevant, important and potentially life-changing for large numbers of people. These people actually liked their audiences, had faith in them and credited them with the same passion, needs and wants that they themselves were driven by. So this is where we feel Audience Development is heading in the future.

So where does this get us? Well, I've been asked to explore how the Ansoff matrix serves us in pursuing audience development strategies. The Ansoff matrix, if you are not aware of it, is a four-boxed model, set across two axis – product and market.



Box 1 – the green box – is the strategy for getting existing attenders to existing product. I would describe this as a strategy for maximising reach amongst the people most likely to respond to your offer. The arts is very bad at this: through research we often do an estimate of penetration that a theatre or a gallery has of its present market (*i.e.* how many people are presently coming out of the number of people who should be coming) and figures of between 3% and 10% penetration are very common in arts organisations.

Box 2 – the pink box – is about extending the market beyond that primary market into new or secondary markets, perhaps through strategies such as repositioning or pricing offers, new types of advertising media or branding.

Box 3 – the blue box – is about building frequency and loyalty, improving the offer in order to encourage repeat attendance and cross over.

Box 4 – the yellow box – is the most ambitious strategy of all, trying to reach a new market by developing a new product, or at least substantially modifying the existing product.

The numbers on the boxes indicate how difficult, challenging or resource hungry each strategy is. The numbers also indicate a logic, in the pursuit of growth. If you are pursuing a logical product life cycle, then you'll go through box one, building your audience, you'll then move into box two, you'll then retain your audience by operating in box three, and only go into box four if it is a way of offsetting decline.

So, how does the evolution of arts marketing map onto the Ansoff matrix? Well, our history in the arts has been one of stop and start, of sporadic success and failure, and we've spent the last twenty years randomly jumping around the Ansoff matrix – a bit here, a bit there – and there has actually been very little strategy in terms of building and retaining audiences. There are theatres where we can go in and see that there are 10,000 current attenders, 20,000 lapsed attenders, and 70,000 names in a cupboard stuffed away somewhere because there are too many of them to mail to.

So, Ansoff assumes that in the pursuit of growth we systematically pursue four key activities: acquisition, retention, frequency, and cross-over, and these are fundamental principles in audience development. But the hallmarks of a lot of arts marketing in audience development, are short-term, sporadic, project-funded, hunch-based: the complete opposite of acquisition, retention, frequency and cross-over. In fact we forget to acquire audiences, most of those we have already got, or who have found their way under their own steam, we've converted into lapsed attenders with just one encounter and then we've punished infrequent attenders by cleaning them off our lists.

There are beacons of good practice and strategic thinking, and one of them is the Arts Council's New Audiences fund, where millions of pounds have been invested to produce shining examples of audience development practice. But even when we recognise that this is best practice it is still a challenge for us to assimilate it into common practice. From our own experiences, Test Drive, Teleprompt and Audience Builder take you through the Ansoff matrix efficiently and effectively, but they are not rocket science. They are extremely effective sales tools, common-place in most other industries that are dependent on direct marketing of discretionary products.

But going back to our story, everything is about to change again if we grab the opportunity being thrown at us. Tessa Jowell recently published her personal essay, *Government and the Value of Culture*, on her belief why governments should subsidise the arts. In it she asserts that the arts need to be valued for the benefits they bring in and of themselves. She says that having challenged the five giants of physical poverty, want, disease, ignorance, squalor and idleness we now need to slay the sixth giant, which is poverty of aspiration, and that the arts is key in doing this because engagement with art and culture enriches people and contribute to happiness and fulfilment. We know that for many people, participation in or attending the arts is essential for their quality of life. Jowell also asserts that culture provides a key to enriching and transforming society and that as many people as possible need to be offered the opportunity of this enrichment:

*'Access, giving everyone the possibility of benefiting from what complex culture has to offer: an understanding of, an engagement with and the satisfying of the deepest of human needs'<sup>2</sup>*

This is possibly the most liberating document to ever have been written by a funder because she is giving a green light to vision and imagination and creativity: she is urging us to be aspirational, to have confidence in what we do because it is essential for individuals and society. She is urging us not to be shy of being intellectual about it, as well as being passionate and socially committed and that we've done enough box ticking, that we don't have to seek to justify the arts because it can help fight crime or make the built environment better. The arts have inherent value in and of itself because it meets peoples' deepest needs.

These arguments fit with a great deal of work we've done at Morris Hargreaves McIntyre. We first broke away from using demographics to describe and define our markets and championed the use of psychographics in segmenting arts audiences because we better wanted to understand the real motivations and characteristics of arts attendance. Since then we have been looking for models to help us define the motivations for people attending the arts. Our hierarchy, the hierarchy of audience needs (below), is based on the fact that from research we know that people have a number of their basic needs met through the arts:

- social needs in terms of shared experience, entertainment, a change from the norm;
- intellectual needs: self-improvement, knowledge and understanding, mind expansion, cultural identity;
- emotional needs: escapism, aesthetic and emotional stimulation, a feast for the eyes;
- spiritual needs: soul food, inspiration, transcendental experiences.

Try as we might to develop a new model, this analysis always brings us back to the same existing model, which is Maslow's Hierarchy of Needs:

Hierarchy of Audience Needs	Maslow's Hierarchy of Human Needs	
<b>Spiritual</b>	<b>Self-actualisation</b>	
<b>Emotional</b>	<b>Aesthetic</b>	
<b>Intellectual</b>	<b>Cognitive</b>	<b>Esteem</b>
<b>Social</b>	<b>Social</b>	
	<b>Safety</b>	<b>Physiological</b>

<sup>2</sup> Tessa Jowell, *Government and the Value of Culture*, May 2004

Maslow sees self-actualisation, happiness and fulfilment as the uppermost need and Tessa Jowell seems to be saying that if you help people up this ladder then you help more people achieve this state of happiness and fulfilment and access to culture both meets these needs and facilitates this state of mind. So, what we are developing in audience development is people's potential to self-actualise and with this visionary aim we are being told by Tessa Jowell to wear our heart on our sleeve, be self confident, don't be afraid and keep in touch with the driving force of our sector which is creativity and artistic vision. We need to produce an excellent product, that genuinely does stimulate social, intellectual, emotional, and spiritual levels of need, and show social commitment, have a liking for and faith in people and give them a way in, recognising that the same things that drive the people who work in the arts are equally strong drivers in all other human beings – they just haven't had the opportunity to make that connection yet.

We would differ from Tessa Jowell in asserting that there are lots of ways in – it doesn't have to be through complex culture. Literature, films, rock music, musicals, football etc. can all help people up this ladder. So we shouldn't be too prescriptive with our definition of culture as there are many activities that have personal relevance to people and provide routes through to this hierarchy.

When my 16 year old son bounced into the kitchen and announced the billing for Glastonbury this year, the first thing he mentioned was English National Opera playing that theme tune from *Apocalypse Now*. Although he hadn't been exposed to opera he knew that this performance in the open air in a shared experience, if it was played loud enough and powerfully enough, would send tingles up his spine and stay with him forever. So Glastonbury might not be seen as complex culture, but it does the right thing for lots of people.

So where does this leave us with audience development? Well we could begin by defining it – too often we specify the audiences but we don't say what it is we're developing. So here's a proposed definition:

*'Audience development is a continual actively managed process in which organisations encourage each attender and potential attender to develop confidence, knowledge, experience and engagement across the full breadth of the artform to meet his or her social, intellectual, emotional and spiritual needs and achieve his or her full potential, whilst meeting the organisation's own artistic, social and financial objectives.'*

We've spent this session looking at the history of arts marketing, but the future of arts marketing is in the hands of every single one of you here today, and if there was a message for you then it would be this: have faith, have faith in artistic vision, have faith in the audience's ability to engage with that vision, have faith that marketing can bring the two together and above all have faith in yourselves to make it happen.