

I. INTRODUCTION

This reports provides a summary of the Test Drive: North West (TD: NW) audience development project measured against aims and objectives set out in the "Application for funding from the New Audience Programme" submitted by Arts About Manchester in Autumn 1998. This report updates and expands on our interim report of February 1999.

2. THE TEST DRIVE CONCEPT

Research shows that every year, there are over 6 million unsold seats in theatres in the UK. Similarly, most art galleries and museums attract only a fraction of their capacity for most of their opening hours. Research also shows that a far higher proportion of the population 'would consider' attending an arts event than the proportion that actually attends.

The 'Test Drive the Arts' concept is simple. Utilise the spare capacity in arts venues (which currently generates nil income) to give potential attenders a 'taste' of the product in order to stimulate repeat attendance (generating income in venues where a charge is levied).

The name 'Test Drive' is a reference to similar 'try before you buy' schemes operated in the retail motor trade. Such schemes are commonplace throughout the 'high street' and include anything from the facility to 'try on' clothes and shoes before purchase to free samples of perfume and tea bags, to free trial subscriptions to magazines. The proposition is based on the belief that when trying to change consumer behaviour and alter consumption patterns, facilitating a 'real' experience of the product can have advantages over 'telling' people about the product through traditional communications media.

The preferred (and proven most effective) method of 'recruiting' Test Drive participants in the arts is outbound telemarketing. Potential attenders are 'screened' to establish their qualification (excluding current attenders), their interest in and willingness to 'consider' attending particular art forms. They are then matched with an offer of free tickets to 'sample' the art form.

TD:NW was, therefore, essentially a structured sales promotion campaign. However it did more than simply offer free tickets. It captured potential attenders' personal data on a comprehensive database; it profiled their demographics and their attendance histories; it helped them onto the first rung on a ladder of attendance.

Beyond the initial visit, TD:NW aims to 'wean' attenders off discounted tickets (where charges are levied) or significant added value offers (where no entry charge is made) and retain some of them as regular attenders.

3. OBJECTIVES

We set the following objectives:

- To yield 25,000 new attenders (Subsequently revised to 20,000 by agreement with ACE)
- To test the Test Drive concept with diverse audiences across a range of art forms at venues of different scales.
- To test and measure the response and retention rates and the associated costs of different sources of leads, recruited in different ways and analysed by age, social grade, past experience with the arts and arts venues and their distance from the venue.
- To benchmark the costs and success rates of the scheme
- To provide a body of evidence which could form the basis of a nationwide campaign for Test Drive in subsequent years.
- To provide best practice guidelines for other arts organisations.

4. OUTCOMES AGAINST OBJECTIVES

4.1 'To yield 20,000 new contenders'

Over **120,000** telephone calls were made and **54,000** people were contacted by /TD: NW. Of these, **20,056** potential attenders were successfully screened and agreed to try an unfamiliar art form.

OUTCOME: The revised objective was achieved.

4.2 '..diverse audiences..'

TD:NW did not 'specifically target an audience type' as defined by the New Audiences Programme's target groups evaluation form (Section 2 Part A), although there was a deliberate geographical focus for certain projects (see geographical location below) and a culturally specific emphasis for certain performances at Band on the Wall and Green Room (see below).

Rather we aimed to involve as wide a cross-section of the population as possible. In this way we hoped to identify any comparative patterns in response.

So, whilst young people, culturally specific groups, disabled people and people living in both rural and inner-city communities were all represented amongst the 20,000 new attenders, the project was essentially exclusive rather than targeted.

The following demographic statistics demonstrate the range of people recruited through TD:NW...

Social grade

A: 10.2% B: 31.6% C1: 32.1% C2:18.3% D:5.9% E:1.9%

Age

Under 35: 19.1% 35-54 44.4% 55 or over: 36.5%

Culturally specific groups

Non-white British 4.4%

A Rolling Test Drive programme at Band on the Wall has targeted multi-cultural audiences, but particularly Asian communities in Manchester, for Bhangra-style performances and workshops, Asian hip-hop and Indo-jazz.

Working with AAM's Arts Ambassadors Unit, we have targeted Asian new attenders, to Test Drive 'Pooja' at the Green Room, Manchester.

Disability

Attenders declaring a disability: 7.2%

Geographical Location

Inner-city: 27% Urban general: 59% Rural: 14%

For some of the events, certain inner-city areas were specifically targeted including the Toxteth district of Liverpool for NMGM's family scheme; the Newton heath district of Manchester for the Museum of Science and Industry's family scheme; and a specific estate in Preston for the Harris Museum & Art Galleries' scheme for older people.

For events at the Lyceum Theatre, Crewe; the Gateway Theatre, Chester; and the Nuffield Theatre, Lancaster, specific postcode sectors in rural communities were targeted successfully.

OUTCOME: The audience achieved was reasonably diverse, but this was mainly a result of the broad appeal of the programme offered (16 art forms in 40 venues) and the sources used (e.g. BT telephone database). Even where a specific effort was made to target a location or interest group, ultimately the respondents were self-selecting. During the screening process, we could build upon and develop existing interest, but 63% of those people contacted were not sufficiently interested to agree to be screened. This group would clearly have far higher proportions of the socially excluded and those who are 'resistors' of the arts message (they resisted our message by refusing to proceed with the call). We have to conclude, therefore, that whilst Test Drive the Arts is effective at influencing those who are open to persuasion, it is not particularly effective at penetrating the markets normally targeted by outreach work.

4.3 ‘...a range of art forms...’

TD: NW gained new attenders for events in the following 16 artform categories: museums; traditional art galleries; contemporary art galleries; art house cinema; jazz; live world music; classical music; ballet; contemporary dance’ opera; musical plays; fringe theatre; children’s shows; literature and poetry events; and stand-up comedy.

OUTCOME: The objective was achieved.

4.4 ‘..at venues of different scales..’

TD:NW included some 40 venues at every scale.

OUTCOME: The objective was achieved.

4.5 ‘.. to test and measure the response and relation rates and the associated costs of different sources of leads..’

During the project we used leads from a wide variety of different sources: existing arts interest mailing lists (where the respondent had asked for information about an art form but had not actually attended); profiled names and addresses from NDI, (a geo-demographic profiling service similar to MOSAIC or ACORN); profiled names and addresses from ACORN Lifestyle, the Electoral Roll; BT Telephone Subscribers Database; media offers (e.g. ‘Plane Talk’ the in-house magazine of the principal sponsor Manchester Airport, carried a freepost reply coupon); and local authority databases (e.g. City of Salford’s Education Department and Liverpool City Council’s leisure centre users’ database).

To provide a fair comparison between these sources of leads, we must look at cost per response, rather than cost per lead. For example, if one lead costs twice as much to purchase as another, it must achieve twice the response rate to be equally cost effective (assuming that the costs of contacting each lead are equal and that the overall time taken to achieve the response target is not an issue)

Some of the leads were cost-free, i.e. they were supplied on a clean, up to date database complete with telephone numbers. Others have to be purchased commercially (e.g. NDL, ACORN); some did not require a purchase fee but needed significant cleaning and data handling time before they could be used; others were provided in a partial state (e.g. without telephone numbers) and had to be sent to a commercial bureau to have numbers added, incurring extra cost.

Leads ranged from 0p each for existing clean arts lists to approximately 10-15p each for lists requiring extra handling to 30p each commercially.

Comparing response costs proved more difficult than anticipated. Existing lists of potential arts attenders were clearly the most cost effective of all sources. Not only were the lists free, they were essentially pre-screened, in that their interest in attending was already

established. Moreover as they had often sought to add their names to the lists, they were fairly committed and pro-active. Their positive response to most arts forms and venues was far higher than that of leads from other sources. However, only a limited number of such lists exist. They are mainly held by arts marketing and audience development agencies and the true cost of recruiting these lists has been borne by them and is likely to have been supported by public funding.

Ranking the other sources is more problematic. The most important factor in determining the outcome of the call appears not to be the lead source, but the intrinsic appeal of the actual offer and the persuasiveness of the telephone operator.

A number of patterns have been identified:

- Leads from the same source will respond differently to different offers.
- Some offers elicit an indifferent response to all lead sources.
- Some offers elicit a strong response from all lead sources.
- Some operators will achieve a higher response rate with the same offer and source than other operators.
- Propensity to attend 'difficult', 'challenging', 'abstract', 'obscure' or 'contemporary' events is not correlated with lead source, specific ACORN or NDL type, age, gender etc although there is an apparent correlation with educational achievement which is echoed in social grade. However, the number of people responding to these offers is still so low that any advantage in the purchase of lists targeted by this correlation is questionable.
- Propensity to attend events with wide appeal (e.g. our offer of tickets for Les Misérables or the Dinosaurs exhibition) is also not correlated with any particular lead source. Response levels are almost uniformly high. This makes the purchase of profiled lists an unnecessary expense
- A similar pattern is found in events with less 'universal' appeal but with high-perceived status or value. For example, opera, ballet and classical music, which attract small audiences relative to say, musicals achieve high levels of response across all lead sources. This extended to Rambert Dance Company performing at the Palace Theatre. Again, this makes the purchase of profiled lists an unnecessary expense.
- 'Mainstream' events with lower perceived status or value, often taking place at 'local' venues e.g. small/medium scale repertory or receiving theatres generally achieve a lower response rate.

However, here there is a marked difference between profiled and unprofiled leads. For example, leads profiled by NDL to be similar to current attenders at Chester Gateway Theatre, elicited two to three times the response rate than leads drawn from the BT Telephone Subscribers Database. At less than twice the cost, these are clearly more cost effective and are certainly more time effective (less calls required to fill quota of seats). However, profiled leads did not produce the same return in similar theatres when the shows offered had less 'appeal' or when there was less confidence in the theatres 'brand'.

We have drawn the following conclusions:

Profiled or purchased leads certainly save time otherwise spent sourcing, importing, cleaning and handling lead data because they are supplied in a 'ready to use' format-clean and complete. You can also ask that they are pre-screened to omit people who don't wish to be called and who are registered with the Telephone Preference service (TPS). For certain offers (e.g. moderate appeal/local venue) where you are targeting people similar to current attenders it may also save additional time (less calls required) and possibly money (if the response rate is high enough). However there is little evidence that profiled or purchased lists perform any better than leads from general sources such as the electoral roll or BT, although these may involve time and resources spent in making them 'ready to use'. This similarity in performance is because most arts events have a significant latent appeal to a large proportion of the population. Profiling works best when the target market is small and clearly segmented. Because the potential market for most arts events is fairly large and because it cannot be satisfactorily segmented by demographics, then profiling does not produce significant gains.

OUTCOME: The finding that differentials are minor is an important outcome in itself, so we feel that the objective has been achieved

4.6 '...analysed by age, social grade, past experience with the arts and arts venues and their distance from the venue...'

Amongst the group of people who resist and reject arts offers, there is almost certainly a pattern of exclusion by age, social grade and arts experience. However, as most of these people declined to proceed with our screening interview, these patterns are not generally reflected in the outcomes of our projects.

Participants in every age band, from every social grade, of varying past arts experience and of varying distances from the venue attended were in our sample because they had *chosen* to be there or had been *persuaded* to be there.

The fact that there was little discernable pattern by any of these factors suggests that the critical response factors are not demographic but psychographic or attitudinal. Whilst there will be demographic correlations which *describe* groups of respondents and non-respondents it is the attitudinal factors which *define* them.

OUTCOME: the finding that attitudinal self-selection confines Test Drive to certain attitudinal types and limits its impact on resisters' is important in assessing the usefulness and future application of the Test Drive concept. In this sense we feel that the objective was achieved.

4.7 '...to benchmark the costs and success rates of the scheme...'

The aim of these benchmarks is to create guidelines for future Test Drive projects, so we have excluded from the calculations all of the special and one-off costs associated with this particular New Audiences Programme scheme (such as software development, equipment, training and pure research).

In reading these benchmark figures, it is important to recognise that each Test Drive scheme is unique. The venue and the artform and the specific production, company, artists, etc will ultimately determine the attractiveness of this offer. There are also some other factors which can significantly affect the response rate. For example, the number of alternative dates offered increases the likelihood of one of them being convenient; offering more than one artform increases the likelihood of there being a suitable offer for a particular respondent and avoids the costs associated with recontacting them. The benchmarks below are averages. The more attractive the offer the lower the cost and the greater the response rate. The opposite is true. Section 4.8 below outlines the criteria that determine the response rates of particular offers.

We have established a series of eight benchmarks for the scheme.

| | |
|---|-------|
| Calls made per lead contacted | 2.2 |
| Leads contacted per screening interview | 2.7 |
| Calls made per screening interview | 6.0 |
| £ Cost per call | £0.36 |
| £ Cost per lead contacted TD:NW inclusive | £0.81 |
| £ Cost lead converted | £4.58 |
| £ Cost per person recruited | £2.18 |
| % leads qualifying and converted | 37% |

OUTCOME: The objective was achieved.

4.8 ‘...to provide best practice guidelines for other arts organisations...’

The project has produced a wealth of experience and insight into the running of Test Drive campaigns. Much of this has already been put into use in informal advice given to agencies and organisations throughout the UK. We have also made presentations on Test Drive at a number of meetings and conferences (e.g. Select Ticketing conference)

This advice would be the most effective in a special publication and could be supported by a series of workshops and seminars, and we hope to produce these jointly with the Arts Council later in the year.

However there are a number of broad guidelines we could draw from our experience:

The following factors increase the rate of response:

- Timing is crucial- most events seem to work best between 28 to 10 days before the performance. A greater or smaller lead time appears to reduce the turnout rate.
- Choice is important- offering a choice of times, days, dates, events or even artforms increases the conversion rate of leads as there is more likelihood of a suitable opportunity at a convenient time.
- Designing the offer to meet attenders' needs is therefore important. For some attenders this may mean a pre-performance talk or special beginners' programme notes to 'make sense' of the artform. For others they might respond to a free glass of wine or meeting the cast to make the experience more 'special'.
- Technique makes a big difference- Test Drive is most effective when we understand clearly what benefits the potential attendee is seeking and what potential objections they may have which makes the offer too risky. Good operators can then 'sell' the benefits and overcome the objections. Removing price from the mix helps to clinch the conversion. Simply offering free tickets is far less effective.
- Prompt follow up with a well thought out attractive offer maintains the momentum of the campaign and generates early responses. The follow up should be tailored to consumption patterns- for example the likely desired frequency of attendance by new attenders at opera or contemporary dance may be considerably less than for jazz, films or plays.

The following factors represent high-perceived value and therefore increased response:

- Well known or familiar venue
- Mainstream artform (neither too high brow nor too contemporary)
- Well known product (e.g. play title)
- Well known artists (e.g. actors, companies or visual artists)
- Formality of event (fixed start time, reserved seating etc)
- High face value of tickets
- For example, free £25 tickets to see ENB at the Manchester Palace Theatre perform Nutcracker would have very high-perceived value and a high response. Free £5 tickets for unreserved seats at a little known live jazz venue (doors open 9pm) has relatively low perceived value and gets lower initial response and a lower turn out.

The following factors improve administrative efficiency and effectiveness:

- Involve all staff in the campaign- box office staff will have to issue tickets and record patron data with the right ticket code and the right patron list codes, they may also field telephone calls from them; administrative staff may field calls from recruited new attenders seeking confirmation or clarification of the offer, they may also know members of the public who receive an offer and need to know about it, board members may find out about the scheme from someone else, so tell them, first; front of house staff will have to meet, greet and guide the new attenders and will play a crucial role in the attenders first impressions, but don't leave anyone out- the casual ushers, bar staff, finance staff, artistic programmes and the performers.
- Test Drive the Arts works best when it is integrated as a continuous part of a venues' audience development process rather than a one off event. Staff understand the scheme and get used to dealing with enquiries and handling data and new people.

- Test Drive administration is reduced considerably if the venue has a computerised box office system and list codes and reports have been pre-formatted to keep track of the attenders as they move through the series of offers.

OUTCOME: The objective was achieved.

SUMMARY OF RESEARCH FINDINGS

OBJECTIVES

Our research programme had two key objectives:

- **QUANTITATIVE:** To measure the activity level of new attenders and their responses to the experience.
- **QUALITATIVE:** To refine our understanding of how Test Drive the Arts impacts on consumer behaviour.

METHODOLOGY

We employed the following methodology:

- Comprehensive collection of demographic data and attendance history on recruitment.
- Desk research.
- Focus groups with potential attenders recruited to the scheme prior to their visit.
- Depth interviews with new attenders after their visit.
- Telephone survey of attenders 6-12 months
- Extensive modelling of consumer behaviour and factors influencing consumption decisions.

KEY QUANTITATIVE FINDINGS

- 88% (17,650) of all respondents said that they had 'enjoyed' the experience of attending.
- 76% (15,240) had recommended the experience to friends, relatives or colleagues
- 71% (14,240) said the experience had made them more likely to attend again in the future.
- 27% (5,415) said the experience made no difference to their likelihood of returning.
- 2% (401) said the experience made them less likely to return
- 49% (9,825) had been contacted again by the venue
- 39% (7,821) had been made a subsequent offer
- 13% (2,600) had taken up a subsequent offer (33% take up)
- 19% (3,800) had attended again without a second offer
- 32% (6,420) in total had re-attended since their Test Drive experience.

There is no evidence of a pattern by artform, gender, age, social grade or any other demographic factor. Participant's self-selected events that they were interested in on the basis of perceived attractiveness or on the persuasion of our operators. Having selected an event, all respondents were equally likely to enjoy it, recommend it and re-attend. Obviously, certain events and venues will have achieved better results than others but these factors are closely correlated with those making an offer attractive or popular, detailed in Section 4.8 of our main report.

KEY QUALITATIVE FINDINGS:

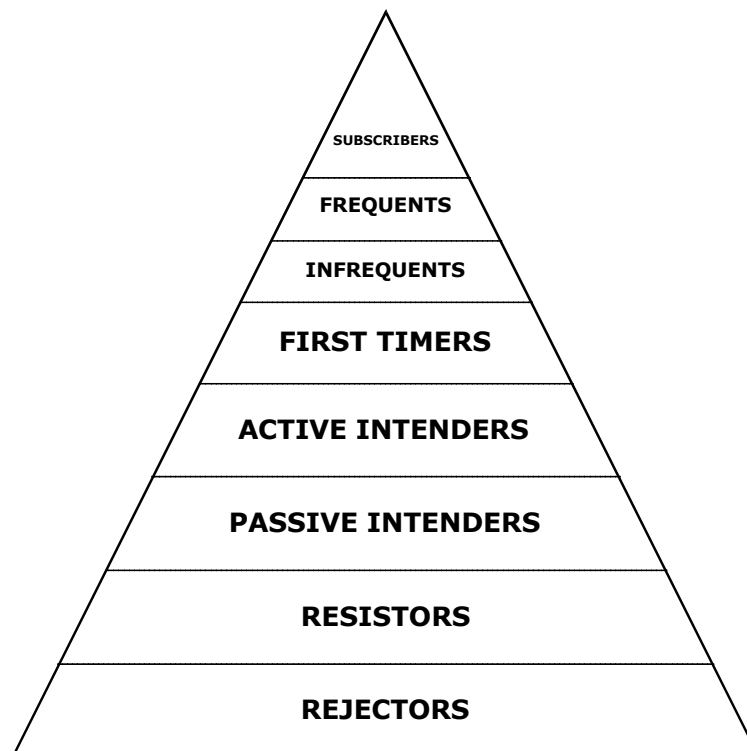
A: HYPOTHESIS

Test Drive the Arts was based on the following hypothesis

AI There is a large number of arts INTENDERS

Between existing attenders and resisters/rejectors of the arts, we believed that there was a large number of INTENDERS. These are sometimes referred to by arts marketers as 'should-be's' or 'potential attenders'.

The Pyramid Model below identifies this target group.



Test Drive the Arts identified ACTIVE INTENDERS and PASSIVE INTENDERS and actively targeted them to receive offers.

A2 Removing BARRIERS would encourage attenders

The model suggests that other than RESISTORS and REJECTORS, everyone else in the population would like to attend the arts. The fact that most people *don't* attend the arts is attributed to the presence of BARRIERS to attendance. Test Drive did not set out to address the real physical and economic barriers encountered by people with disabilities, those reliant on rural transport or those on very low incomes.

Test Drive the Arts set out to remove the barrier of PRICE. Our analysis was that INTENDERS were *already attracted* to the event in principle but that a combination of INERTIA/HABIT and the RISK associated with paying for something new was the key factor preventing attendance.

Although we recognised that Test Drive would also make the first visit easy for the visitor (providing tickets and possibly free parking etc), we felt the critical factor was removing the risk associated with paying for something which although attractive, was unfamiliar.

A3 Little or no PERSUASION was required

If we were targeting INTENDERS, then their intentions would already be formed. Test Drive, then, would have little need to persuade. Rather it would simply communicate information about the offer. INTENDERS would already find the offer attractive, and with the barrier of price removed would be able to attend for the first time RISK FREE.

B: RESEARCH FINDINGS

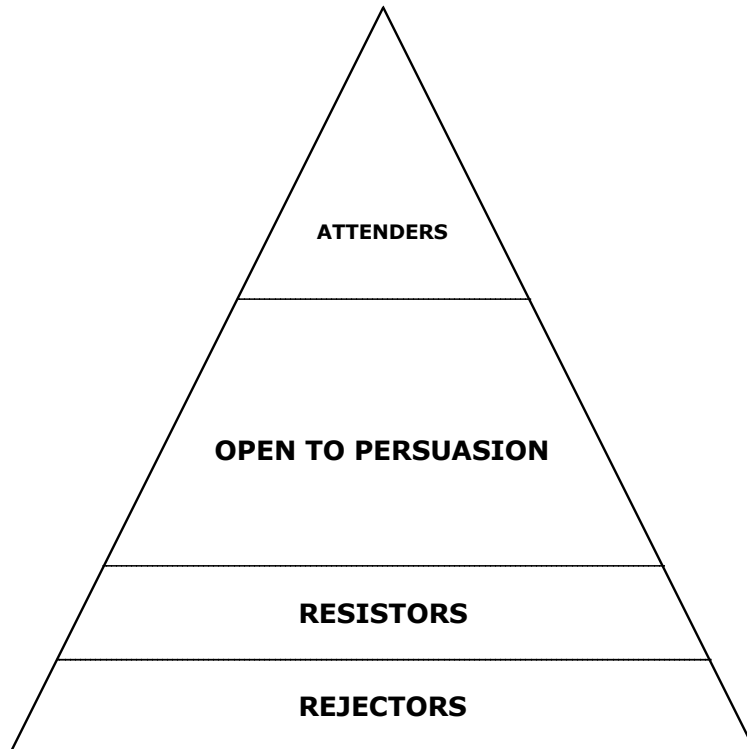
The research findings have caused us to significantly refine our hypothesis

BI There are very few INTENDERS

Although there are certainly potential attenders on the verge of booking and each year the arts organisations record numbers of first time attenders, their number is not great.

Rather than there being *two* broad attitudes in the population – those who *don't* want to attend the arts and those who *do* (the latter being split into those that ATTEND and those that INTEND), our research supports the fact that there are three broad attitudes. Between ATTENDERS and RESISTORS/REJECTORS are a group who are largely ambivalent. They neither INTEND to visit the arts nor do they RESIST the arts. We have called this broad group OPEN TO PERSUASION.

The REVISED Pyramid Model below identifies this target group.



B2 The presence of BARRIERS are exaggerated

Whilst the real physical economic barriers outlined previously (those encountered by people with disabilities, those reliant on rural transport or those on very low incomes) clearly exist and pose significant access problems, we could find little evidence of other BARRIERS.

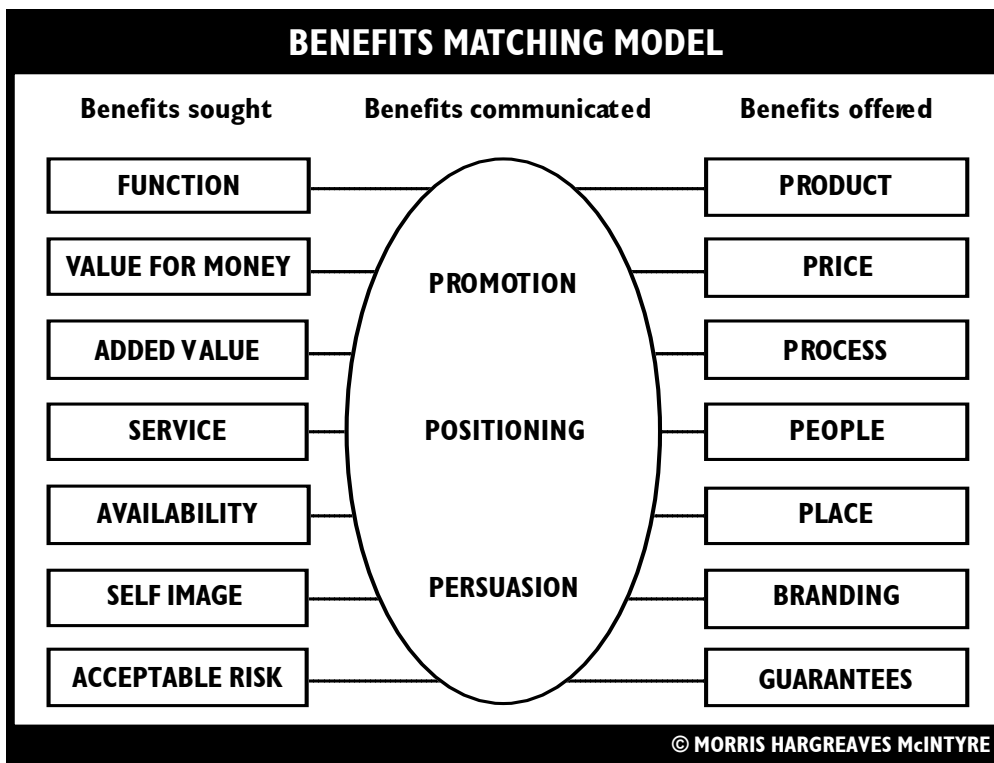
Rather than the presence of BARRIERS i.e. reason *not to attend*, potential attenders cite the absence of POSITIVE *reasons to attend*.

They are OPEN TO PERSUASION, but the arts is not very *persuasive*.

B3 Risks are perceived across our marketing mix

Consumers make a purchasing decision based on a number of factors. A purchase is made if the perceived benefits offered by a particular product meet their needs and wants better than other products and the benefits outweigh any perceived disbenefits or risks.

The following chart shows how the elements of the marketing mix relate to the benefits consumers seek from a purchase.



What we found is that potential attenders perceive RISKS in many, most or all of the BENEFITS OFFERED. In some case this was because the benefits offered didn't actually meet the customers needs. But mostly it was because these benefits were simply not communicated or promoted effectively either in their own right or in relation to competitive products.

We assume that the benefits are self-evident or have already been successfully communicated and are understood or that the promotion, which works with existing attenders, will work with potential attenders. In short we assume that the job of *persuading* potential attenders is largely complete- that they are already INTENDERS. All of these assumptions proved to be incorrect.

Existing marketing is largely ineffective with potential attendees because it doesn't understand or meet their needs, it doesn't overcome their perceived risks and it doesn't communicate with them in an appropriate way. It is not very *persuasive*.

B4 Test Drive affects the whole marketing mix not just PRICE

The diagram below shows how the Test Drive process intervenes in the customer decision-making process and alters customer behaviour.

| CUSTOMER NEEDS/ BENEFITS SOUGHT Function | TEST DRIVE INTERVENTION | BENEFITS OFFERED Product |
|---|--|---|
| Value for Money | Free Tickets represent 100% value | Price |
| Value for Time | Time spent is less risk than time and money spent | Price |
| Value for Effort | Effort spent is less risk than effort and money spent | Price |
| Added Value | Inform about, discount or give away: talks, notes, refreshments... | Process |
| Service | Pro-active telemarketing, prompt ticket dispatch, foyer welcome | People |
| Availability | Choice of events and dates, no bookings to make, maps, parking | Place |
| Self Image | Offer doesn't devalue product, communicate products brand values | Branding |
| Quality | Quote from reviews, awards, no- catch offer - no hard sell afterwards | Guarantee |

What is happening here is proactive promotion of the benefits, reassurance that overcomes perceived risks and re-positioning of the product as a favoured choice amongst its competitors.

In short, Test Drive is **PERSUASIVE**.