



## HOW THEATRES CAN

*grow revenue*

## THROUGH SECONDARY SPEND

Secondary spend is the idea of getting a bit more revenue from your existing customers when they're with you, and it's pretty big business. 40% of the UK's second largest cinema chain's revenue comes from food and drink sales – all generated from customers who have already bought tickets.

In a tough economic environment, the arts can make a tidy sum from secondary spend. Arts venues are often pretty adept at tapping into secondary spend revenues too, with many offering food and drink, merchandise and ticket upgrades. If you're considering how to maximise revenue from customers through secondary spend, here's how to make the most out of a sales opportunity without annoying your customers.

### *Capture the attention of customers at the right time*

Customers who have booked tickets to see productions often plan their night out around the performance they're going to see. Tap into that planning stage to tell customers about what you can offer, other than just the show.

Use a well-timed pre show email to provide practical information about their visit, alongside information about your catering offer. For example, if your audience are coming along to a mid-week performance that starts at 7.30pm, why not offer a set menu at a fixed price that will be served in time for them to take their seats and have a drink? Weekend afternoon kids show? Tell your customers about your family food options, play areas and parking information. Provide a mix of useful information alongside the sales pitch.

### *Provide genuine value*

Visit a busy city with a theatre district and you'll often see nearby restaurants offering deals to passing audiences looking for a quick meal. Restaurants love early diners who want quick service at a fixed time. They can get away with offering a limited menu and get a complete sitting in before the 7.30pm exodus, allowing them to turn more tables overall. In return, they can offer a very competitive price to customers.

Audiences often perceive that 'theatre prices' for food and drink are a rip off (often, they are right!) Don't fall into the trap of extracting too much cash from a captive audience. Make your offer as compelling as the pizza place down the road, and you're much more likely to get people through the door earlier and increase your overall customer spend.

In fact, whenever you're asking customers to spend more with you, beware of crossing that fine line between highlighting something your customers might genuinely be interested in and trying to get them to spend money on something completely unrelated. Genuinely adding value to your customer's experience is the key to avoiding the pushy salesperson look and is more effective in the long run.

### *Persuade them while they're in the building*

In one of the first venues I worked at, we ran a fortnightly comedy club that sometimes sold out, but only at the last minute. That made predicting the staff we needed to rota and the amount of beer we needed to buy really tricky. So, we tackled that by offering audiences 30% off the next comedy club they came to, only if they showed their ticket at the box office and booked on the same evening. We sold more tickets and we sold them earlier. We definitely sold more beer and overall, despite about a quarter of our tickets being discounted, and we generated more revenue. In this case, enticing customers while they were still in the building was key to keeping their interest and that helped us to get another booking in the diary before our customers left.

### *Let your website do the hard work*

When a customer is moving through the online booking journey they're already in the spending state of mind, so it's a great time to suggest other purchases. Make sure your website is set up to take care of this by setting up your booking path to recommend other purchases automatically. You should be able to link relevant items to the show they're booking so that you're still adding value by offering them something they're genuinely interested in – whether that's show merchandise or programmes.

### *Put together an enticing package offer*

Meal deals are a common way of nudging customers towards buying extra items they might have thought about buying anyway and still feel like they've saved money. The key to a good package offer that sells is always to put products that fit naturally together and then sell them at an attractive price point.

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