

▶▶▶ With **personalisation** and **earned income** being the key watchwords of effective marketing in the current climate, we are pretty well shot if we don't have a workable segmentation system to help us understand the diverse needs, wants and motivations of our audiences.

The Unusual Suspects

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Segments are the perfect compromise between the audience as a great big homogeneous mass and the audience as a million individuals. Segments group people together in ways that make sense of the market.

But we still seem to be plagued by box office databases clogged up with so-called 'bookers' that don't seem to book; mailings that, despite being forensically targeted, often produce frankly underwhelming response rates and campaigns and media buying that are a tad predictable.

So how do we get from this situation to something that acknowledges the diversity in groups of existing and potential attenders and adopts a differentiated approach? And how do we make sure that this approach makes a real difference to the bottom line?

The evolution of arts segmentation

Over the past fifteen years, there have been numerous attempts to segment the arts audience, most of these efforts being focused in the USA, UK and Australia. The thinking behind these attempts has largely tracked that of the commercial sector.

All proposed systems have had some merits and benefits, but there has been a steady evolution in these segment models as our understanding of audiences has developed but, also, as one segmentation attempt after another has fallen short of the mark.

Here's how it happened...

Predictable behaviour

The default approach for most arts organisations has been to segment their existing audiences by behaviour through a simple analysis of the box office system: what do they book for now? Lets group them along those lines and target them again for the same thing. This approach of targeting the usual suspects gave us no insight into the motivations or values of attenders and has been recognised as being self-limiting, anti-developmental and largely responsible for the decline of audiences when it was all the rage in the 1990s. Also, when you try to gain more insight into these segments through qualitative work, you find no cohesive, recognisable mind-sets sitting behind the segments.

Commercial misfits

In the UK, approaches used to help develop new audiences were based on commercial systems like ACORN and TGI and, in Australia, attempts were made to use other proprietary commercial systems like MOSAIC or geoSMART. But, in the end, the fact that these systems are designed for the mainstream, mass market, to sell fridges and insurance, means that they are not really niche or specialist enough for understanding the specific motivations of people going to the arts.

The rise of psychographics

When it became obvious that these glorified demographic systems were a poor proxy for arts audience's motivations, needs and wants,

most subsequent attempts have been based on attitudes and lifestyles, which, for the first time introduced an element of psychographics (how people think) into the mix.

The efforts of funders

In 2008, Arts Council England (ACE) published its paper *Arts Audiences: Insight*. It defined 13 'segments' by combining current arts engagement behaviour with data on 'lifestyles' and attitudes. Its publication created a lot of interest in segmentation in the sector but the study has two fatal flaws.

First, as it was effectively a research exercise and was published as an 'insight' paper, it is neither designed to be, nor is it, a usable system in practice.

Secondly, it's based on partial data. For the attitude statements, it had to rely on those that can be gleaned from the commercial TGI data set. And for its behavioural data it relied on the Taking Part survey that actually underestimates the market size for each artform by as much as 50%.

This system, while resonant, is merely descriptive of groups of current regular arts attenders; and so is of limited practical application.

In Australia in 2010, the Australia Council for the Arts (OzCo) published its paper *More than Bums on Seats: Australians' participation in the arts*. Refreshingly it dismissed the previous attempts at segmentation, 'we considered it essential to stretch beyond demographics', embracing psychographics: 'a new approach to participation that included attitudes to the arts and perceived benefits of the arts'.

It's disappointing, then, that the study produced just four basic 'segments':

- The lovers (38%)
- The flirter (26%)
- The unattached (19%)
- The outsiders (17%)

In fact, these are not actually segments, they are descriptions of current broad levels of engagement. This is not really insight and therefore of limited use.

The study assumes the purpose of segmentation is '**to predict and describe participation in the arts**'. Segmentation is not about prediction and description, but the insight to change people's levels of participation.

What are we really looking for?

We need a great deal from a segmentation system if it is going to get us close to really understanding what is going on in the minds of our existing and potential markets and provide a realistic, affordable and effective device for increased levels of personalisation as well as a route through to generating more earned income. And therefore we need to keep building in the valuable work that has gone before.

We need to recognise them

We need a system that presents us with segments that are instantly recognisable to all staff; that resonate strongly and remind them of the different types of visitors they see. It is also important that the system helps staff *like* the segments, and understand them, so that they can think creatively about them and develop strategies that genuinely seek to engage them.

Insight: understanding how audiences want to engage with us

Since our primary role is to engage with and captivate our audiences we need to know what turns them on; what motivates them; what benefits they are seeking. This insight feeds into the whole organisation informing programming, events, facilities, information, interpretation and customer service all on site and online. A segmentation system can help everyone within the organisation understand different types of visitors and deliver different levels of service to meet their needs. Segments based purely on known behaviour, and attitudes based on that behaviour, don't ever supply this level of insight.

Insight: understanding how to communicate with our audiences

We need to know what it takes to help different types of attender consider the propositions we are developing: how risk-averse are they; what benefits do they seek; how much information do they require; what level of persuasion works on them? An effective segmentation system will deliver this insight. Segments based purely on known behaviour, and attitudes based on that behaviour, don't ever supply this level of insight.

Understanding where the potential lies

We need segments that cover the audience we've got and also the audience we'd like to get. Segments that are defined by our sector-specific

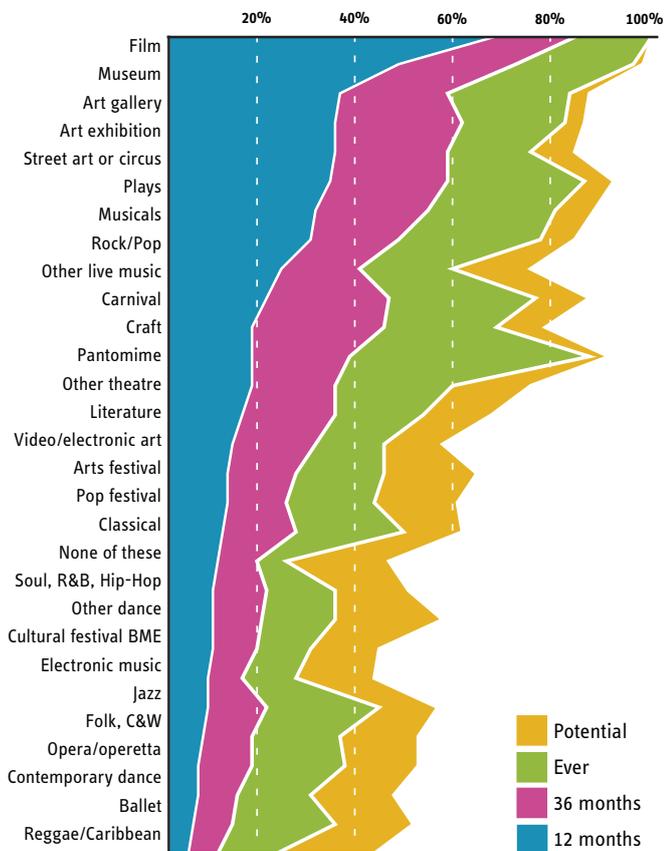
audience needs but still link to industry-standard profiles like TGI. We need segments that keep the faithful coming but that swell their ranks with new converts. This means that as well as deep insight of the audiences we already attract we need a whole market segmentation system to help us reach the audiences we want to attract.

The problem with segments based just on box office analysis, or even Taking Part arts attendance data, is that we only get a fraction of the picture.

For many years, whether through ACORN, TGI or Taking Part the standard measure has been the percentage of the population who had attended an art form in the past twelve months.

But there are many visitors who do not have an annual habit but who, nevertheless, make repeat visits on longer cycles, say, every other year, and regard themselves as regular arts attenders.

So, in our Audience Atlas population survey¹ we asked about attendance in the past twelve months (blue); in the past three years (pink); ever (green) and potential interest (orange).



¹ A representative UK population survey of 4500 culturally active adults (85% of total adult population) carried out in summer 2010

As you can see, Audience Atlas UK revealed that the market is far bigger than previously thought or previously measured. This has huge ramifications not only for our segmentation system requirements but also for our audience development strategies, funding bodies and national arts policy.

Beyond the Usual Suspects

Instead of always targeting the ones who come anyway – we need a segmentation system that enables us to target the **unusual suspects**: people who are infrequent attenders of the arts; who used to come more often but have dropped out of the habit; who might come with friends but don't find their way on to databases; who recognise the benefits of the arts and are wistful that their busy lives prevent them from prioritising them more often. The ones who, when they do make the effort, emerge saying to one another 'we must do this more often': the people that all earlier segmentation systems render invisible.

Capture, classify and tag

Our system needs not just to describe, not just give us insight into their needs, not just help us communicate directly with existing customers and root out and engage with potential, it should also make it possible for us to classify our database and everyone we add to our database at point of contact.

This requires a simple set of Golden Questions that can be asked of everyone we come into contact with.

Monitor the results

We have no hope of ever marketing effectively if we don't evaluate whether our strategies are reaching the right people so the segmentation system has to enable us to check who is coming. Again this requires a simple set of Golden Questions to be embedded into surveys or at point of booking so that we can monitor our results.

It all comes down to shared values

The key to a system that can offer all of these features is one that describes real and distinctly different mind sets. Past behaviour, consumer preferences and broad attitudes can help identify and describe certain audience types, and predict future behaviour. But a system that can help us find, reach out and connect with different groups, design differentiated offers and communications

campaigns that work, and that we can track; a system that delivers fundamentally different psychologies that are reflected back to us each time we speak to a member of the audience; such a system needs to be drawn from deeply embedded values.

These are the values that people hold not just about politics, not just about consumerism but specifically about the arts. The values that people hold determine the benefits they believe the arts can offer them and this determines what they see and do, how, when, how often they do it and the context they do it in. Without this insight we don't have a working segmentation system.

Reaching the unusual suspects

And in order to identify and reach out to new visitors we have to have a **whole market** segmentation system that enables us to speak to the **unusual suspects**.

Such a system will help us reach into the huge hinterland of irregular and potential attenders who lie between the frequent current market (who are on our databases) and the hard-to-reach groups that enable us to tick funding boxes.

A system that reaches and activates these sections of the market provides the commercial dynamite that actually puts income on the bottom line.

We know that values-based, whole market systems work.

The National Trust has revolutionised its company culture, transformed its trading, developed its product portfolio, created differentiated campaigns, multiplied its visits, boosted its membership and substantially increased its income as a result of our values-based, whole market segmentation system.

This organisation-wide impact is a result of differentiated campaigns and messages aimed at different psychographic segments based on an understanding of their particular motivations, needs and benefits sought.

Culture Segments is the solution

Culture Segments is the answer to these needs and is the result of ten years of evolution in arts segmentation.

The Culture Segments system is a national sector-specific segmentation, backed by a

national primary data set. It is compatible with the proprietary systems widely-used in media planning like TGI and Touchpoints while being unequivocally sector-specific.

It takes account of the differences between museums, galleries, theatres, orchestras and heritage sites while providing a common base. It is further modifiable to become even more bespoke for individual organisations, and sufficiently granular to target sub-segments like families and exhibition-goers.

This will allow organisations to measure, identify and target market potential, to calculate penetration and to benchmark against peers and the wider sector while having segments that make sense across departments within their own organisation.

The six tests of a 21st century segmentation system

So how do present systems measure up?

	RESONATE?	INSIGHT?	POTENTIAL?	TAG RECORDS?	TARGET?	MONITOR?	
	+	-	-	-	+	-	Acorn/Mosaic
	+	-	-	-	+	-	TGI-derived
	-	-	+	+	-	+	Arkenford
	+	+	-	+	-	+	MHM internal
	+	+	-	-	+	-	ACE
	+	+	+	+	+	+	Culture Segments

In short the Culture Segments system will answer both of the fundamental segmentation questions:

- **How can we engage existing audiences more deeply?**
- **How can we find more, new, lapsed, infrequent audiences?**

Practical and effective

The segments themselves are based on a complex underlying algorithm that combines 17 separate factors.

The practicality of the system, though, is that respondents (members, subscribers, visitors, ticket bookers, event attendees, the public) can be quickly segmented by answering just three golden questions.

That has a huge impact on your marketing. It means that every research survey can be fully segmented meaning that your entire current visitor market and your entire potential market will be segmented.

Anyone giving you their details (for your membership, eNews or events) can be quickly segmented.

Medium and message

The segment insights not only help to target people using the right medium (print, via partners, through social networking), but also using the right messages.

Culture Segments will help you to map which segments are most open to which parts of your offer and why. And they will help you to devise the most resonant proposition and the more effective channel and timing for delivery.

Culture Segments can help you develop effective differentiated strategies and campaigns aimed at particular segments. This encourages and underpins creative marketing and copywriting – vital components of a successful segmentation strategy.

A common language

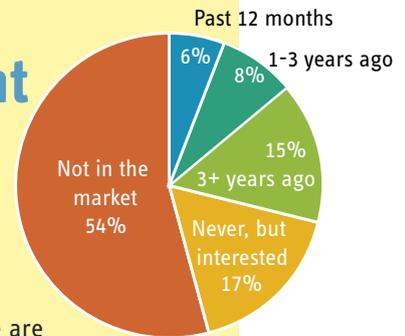
But beyond better communications, Culture Segments provides a common language that bridges the understanding of marketers, educators, curators, programmers, interpreters, front of house staff and managers. It helps put visitors at the centre of the discussion and informs strategic choices.

Culture segments helps you operate as a 21st century organisation: vision-led, audience-focused, strategic and personalised.

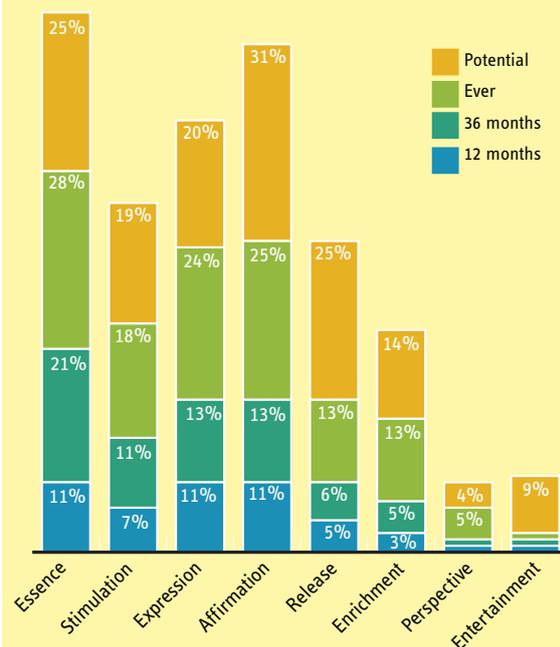
Market insight

Taking the example of contemporary dance:

For every one person who has attended a contemporary dance event in the past twelve months, a further seven people are in the market for contemporary dance, they've just not been recently. There is then clear potential to attract new audiences from this wider market. But who are these people and how can we communicate with them beyond our existing box office records?



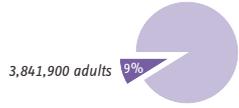
Culture segments profile: contemporary dance market



The Audience Atlas data demonstrates that not only is the market for contemporary dance far bigger than we thought it was, but that each of the eight Culture Segments are in the market for contemporary dance, to a greater or lesser degree.

These twin insights enable us to approach the audience differently. Rather than endlessly searching for the elusive contemporary dance audience to sell our events to, we can start with the wider market and target segments based on our understanding of their values and needs – whether that is a sense of release from the stresses and strains of modern life, being stimulated by new, experimental works, or being entertained by a spectacular production – and how these needs might be met through attending a contemporary dance event.

ESSENCE
DISCERNING
SPONTANEOUS
INDEPENDENT
SOPHISTICATED

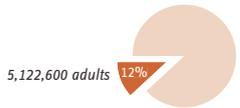


The Essence segment tends to be well-educated professionals who are highly active cultural consumers and creators; they are leaders rather than followers. Confident and discerning in their own tastes, they will act spontaneously according to their mood and pay little attention to what others think

The arts and culture are an integral, even essential, part of their life. Rather than a social activity or form of entertainment, culture is a source of self-fulfilment and challenge, a means for experiencing life. They are inner-directed and self-sufficient, actively avoiding the mainstream.



STIMULATION
ACTIVE
EXPERIMENTAL
DISCOVERY
CONTEMPORARY

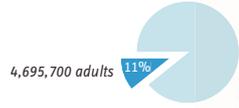


The Stimulation segment is an active group who live their lives to the full, looking for new experiences and challenges to break away from the crowd. They are open to a wide range of experiences, from culture to sports and music, but they like to be at the cutting edge in everything they do.

This segment wants to live a varied life of novelty and challenge – partaking in a wide variety of artforms and taking risks with their cultural consumption. As early adopters and innovators, they are keen to break away from the mainstream, to try new things and to ensure they remain the ones in the know amongst their peer group.

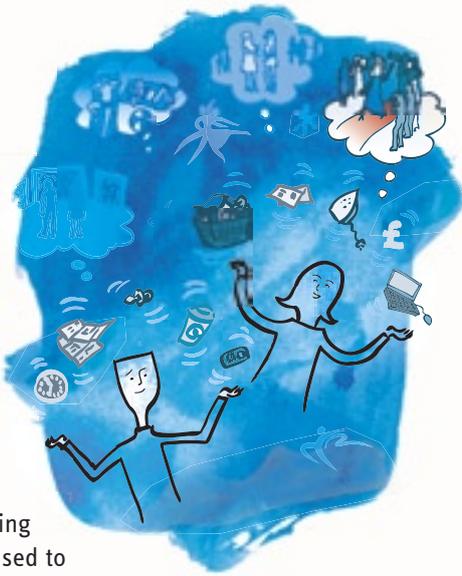


RELEASE
BUSY
AMBITIOUS
PRIORITISING
WISTFUL

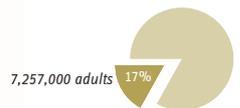


The Release segment tends to be younger adults with busy working and family lives who used to enjoy relatively popular arts and culture, but have become switched off as other things have taken priority in their lives. Consequently they feel they have limited time and resources to enjoy the arts and culture, although they would like to do more.

This segment is preoccupied with meeting life's demands and seeks opportunities for relaxation, entertainment and socialisation in their leisure time. They need to be encouraged to view culture as a social activity and an alternative means of taking time out from their busy lives. The arts and culture can also offer them a means of staying connected to things that are current and contemporary – keeping them in the loop.



ENRICHMENT
MATURE
TRADITIONAL
HERITAGE
NOSTALGIA



The Enrichment segment is characterised by older adults with time to spare who like spending their leisure time close to the home. They have established tastes and enjoy culture that links into their interests in nature, heritage and more traditional artforms.

They know what they like and their visits to cultural organisations are very much driven by their own interests and not those of others, or what is considered to be new or fashionable. Their cultural consumption fits with their interests in heritage, gardening and nature. These personal interests, along with the desire to experience nostalgia, awe and wonder, motivate them to engage with culture.



EXPRESSION

RECEPTIVE
CONFIDENT
COMMUNITY
EXPRESSIVE

5,549,500 adults 13%



The Expression segment is in-tune with their creative and spiritual side. They are self-aware people who have a wide range of interests, from culture, to community, to nature. They lead an eclectic lifestyle, trying to cram in as much as possible to make the most of their free time.

Open to new ideas, they pursue challenge, debate and intellectual stimulation through their cultural engagement. They enjoy being part of a crowd and seek communal experiences. The arts offers a means of self-expression and connection with like-minded individuals who share their deeply held values about the world.

PERSPECTIVE

SETTLED
SELF-SUFFICIENT
FOCUSED
CONTENTED

5,549,500 adults 13%



The Perspective segment is fulfilled and home-orientated. The arts and culture are low among their priorities, however their spontaneous nature, desire to learn and make their own discoveries provides a focus for engagement with them.

This segment is optimistic and prioritises their own needs above others. Whilst this means they are highly contented, their horizons have become somewhat narrow. Nevertheless, they do see some forms of culture as providing the opportunity to broaden their horizons.

They tend to gravitate to a limited 'days out' focus in their leisure time, based upon a small number of habitual interests. Beyond this their cultural consumption is one-off and generally lead by others.

AFFIRMATION

SELF-IDENTITY
ASPIRATIONAL
QUALITY TIME
IMPROVEMENT

4,695,700 adults 11%



The core of the Affirmation segment comprises young adults, often studying or looking after family at home, for whom the arts is one of many leisure choices. They welcome cultural consumption as a way of improving themselves and developing their children's knowledge. They are looking for larger, non-specialist events and activities, as they offer a low risk means of satisfying their needs.

The arts and culture also provides this segment with a means of validating themselves with their peers. They care what others think about them and as a result want to be seen to be engaging with cultural activities, not just popular entertainment.

ENTERTAINMENT

CONSUMERS
POPULARIST
LEISURE
MAINSTREAM

5,976,300 adults 14%



The Entertainment segment tends to be conventional, younger adults for whom the arts are on the periphery of their lives. Their occasional forays into culture are usually for spectacular, entertaining or must-see events, and compete against a wide range of other leisure interests.

This segment looks for escapism and thrill in leisure activities. They are largely socially motivated to attend, looking to pass the time in an enjoyable way with friends and family.

The Entertainment segment prefers to stick to the tried and tested and are not looking to be challenged or take risks in discovering something new. They do not want to try things that are not well established, strongly branded and with popular currency.

MORRIS HARGREAVES McINTYRE 

Morris Hargreaves McIntyre is an award-winning creative research consultancy with a specialism in helping organisations transform their business activities through enhanced consumer focus.

We measure our success by the impact we have on the organisations we work with. We were therefore delighted to have won the 2010 Market Research Society's award for Applications of Research, for our work with Red Letter Days.

'Demonstrates how research drove every decision and produced tangible and measurable results. An exceptional and worthy winner.'

MRS Award Judges 2010



If you would like to know more about Culture Segments, please contact Gareth McCann, Business Development Executive, at Morris Hargreaves McIntyre.

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