

The State of Performing Arts Attendance and the State of Marketing

If we do not change our direction, we are likely to end up where we are headed.

—Old Chinese proverb

In business, as in art, what distinguishes leaders from laggards, and greatness from mediocrity, is the ability to uniquely imagine what could be.

—Gary Hamel and C. K. Prahalad

UNLIKE THE CLASSICS, WHICH REMAIN FRESH FOR each generation, many aspects of the performing arts world are in constant flux. Especially since the turn of the twenty-first century, audience needs and preferences have changed significantly. There is much debate as to whether the art presented on our stages is the source of changing ticket purchasing behavior or whether people are responding differently to how the art is packaged and communicated to its publics. In this chapter I present the perspectives of various experts on this topic, discuss the results of significant survey research on audience

behavior, and offer marketing trends and concepts that have a strong effect on consumers in this new age.

THE STATE OF PERFORMING ARTS ATTENDANCE

Among experienced practitioners and researchers in the performing arts industry there is no clear consensus as to the state of performing arts attendance. The following discussions consider the perspectives of various experts in the field and the results of several extensive surveys, all designed to help identify current attendance patterns and important audience trends.

Extinction, Survival, or Vitality?

For decades some knowledgeable observers have been predicting the morbid decline of the performing arts, especially of classical music. Says *New Criterion* music critic Samuel Lipman, “Classical music now stands, for the first time in the modern world, on the periphery of culture . . . classical music today is in deep trouble. It is not clear whether we can do more than bear witness.”¹ Norman LeBrecht, music critic for the *London Daily Telegraph* and author of *Who Killed Classical Music?* has written, “Ticket sales have tumbled, record revenue has shriveled, state and business funds have dried up . . . orchestras [are] threatened with extinction. . . . The future of musical performance hangs in the balance at the close of the twentieth century.”² Pulitzer prize-winning composer William Bolcom warns that “we are, it seems, currently witnessing a crumbling of the façade of the serious music scene in the United States.”³ Robert Schwartz, writing in the *New York Times*, summarized the reasons for orchestras’ despair: “There is much unease today among those who head America’s orchestras. Statistics show that audiences are aging, and the collapse of arts education in the public schools makes it difficult to find new listeners among a younger, more ethnically diverse urban population. The repertory has grown stuffy and predictable, and daring ventures tend to alienate old, reliable subscribers. Finances are shaky in all the arts, but orchestras . . . are particularly vulnerable.”⁴

These concerns are not exclusive to the United States. Heloisa Fischer, founder and director of Viva Música in Rio de Janeiro, says,

“In Brazil, classical music plays only a small part in the life of most people.” Asks Fischer, “Is someone working in this segment rowing against the tide? Is classical music an art form which is able to be consumed in contemporary societies?”⁵

Yet, other observers view the state of performing arts attendance with a great deal of optimism. “We live in something of a classical music golden age,” insists music expert Douglas Dempster. “Classical music is more widely heard and available, performed at a higher level of preparation and artistry, both in the U.S. and, I would wager, around the world, than it has ever been before. . . . If classical music is in some kind of trouble, it is trouble that is simply not evident in tangible measures of its popularity and availability.”⁶ In addition, the availability of digital classical music, although in its early stages of adoption, is already having dramatic effects. Even though sales of classical CDs in the United States decreased by 15 percent in 2005, digital downloads of classical albums grew by 94 percent. More significant, several labels are finding that the classical share of the downloaded music business is about 7 percent, more than twice the share in traditional retail outlets. BBC Radio offered free downloads of Beethoven symphonies in June 2005, and the 1.4 million people who downloaded in response prove that audiences for classical music might be larger than anyone thought. And these audiences are likely to be young—Forrester Research reports that most people who listen to downloaded music are between the ages of fifteen and the mid-forties.⁷

Furthermore, reports the *Wall Street Journal*, “the American cultural barometer is rising.” In the 1990s, Americans attained a historically high level of wealth, education, and cultural exposure, and as a result the lowest common denominator of American culture is rising rapidly (notwithstanding the popularity of MTV and reality TV). As proof that America is becoming a nation of culture, consider that 41 percent of Americans listened to classical music in the late 1990s compared to 19 percent in the early 1980s; 35 percent of Americans visited art museums in the late 1990s compared to 22 percent in the early 1980s.⁸

A Harris Poll has found that more Americans travel for cultural enlightenment than for sports, shopping, and theme parks combined, and a survey by the Travel Industry Association of America indicates that 46 percent of the almost two hundred million total U.S. travelers

in 1998 included a cultural, arts, heritage, or historical activity while on their trip.

There is further evidence that performing arts attendance is strong. Extensive research conducted in 2003 in ten communities across the United States by the Performing Arts Research Coalition (PARC) indicates that attendance at live, professional performing arts events is an activity enjoyed on at least an occasional basis by a significant majority of adults—ranging from 61 to 78 percent of respondents in the various communities surveyed. In fact more people attended a live performing arts event at least once in 2003 than attended a professional sporting event. Frequent attenders, defined as those who attended at least twelve performances over the past year, ranged from 11 to 18 percent of respondents.⁹ Moreover, the National Endowment for the Arts (NEA) has reported that a 2002 survey it conducted found that nearly 23 percent of the national audience for classical music was under age thirty-four and a whopping 43 percent were under age forty-four. Opera audiences tracked even younger: 25 percent were under age thirty-four and 44 percent were under age forty-four. Opera attendance, spurred by the use of computerized supertitles that translate lyrics, has been rising steadily and dramatically since 1982. According to the NEA survey, 6.6 million adults (3.2 percent of the adult population) attended at least one opera performance in 2002, reflecting a growth of 43 percent over a twenty-year period.¹⁰ In the United States there are now 110 opera companies, 34 of which were founded after 1980. More than 110 symphony orchestras have been founded since 1980, and the number of nonprofit, professional theater companies has grown to more than 800, compared with fewer than 60 in 1965.

In the U.S. theater industry, some managing directors express concern that they were lulled into a false sense of security during the boom years of the 1990s, when the economy seemed to rise with no end in sight and attendance grew annually. In the five-year period from 2000 through 2004, according to a survey conducted by the Theatre Communications Group (TCG), attendance at 92 *trend theatres* declined 4 percent, and these theaters' ticket sales covered a decreasing proportion of expenses, 5.1 percent less in 2004 than in 2000. Yet during the 2003–2004 season, the 198 *profiled theatres* in the TCG survey attracted a cumulative 12.8 million patrons to more than 39,000 main series performances, numbers that hardly ring a death knell for the field. Among

the 258 *universe theatres* that responded to TCG's 2005 survey of non-profit, professional theaters, a majority ended the 2004 season in the black, reversing the trend of the previous few years.¹¹ This rebound was the result of belt tightening and a vigorous commitment to contributed income generation, meaning that these theaters are managing more intelligently and effectively, as all businesses should do, whether in growing or lean times.

Those who claim that the primary factors inhibiting the growth of performing arts attendance are less expensive and more convenient forms of entertainment should compare the state of the performing arts with the state of the movie industry, which has experienced truly precipitous audience declines. In 1948, ninety million Americans—65 percent of the population—went to a movie house in an average week; in 2004, thirty million Americans—roughly 10 percent of the population—went to see a movie in an average week.¹² Performing arts advocates should be encouraged that home entertainment options such as DVD players, VCRs, TVs, TiVo, and iPods do not closely replace live arts events as they do the in-theater movie experience.

Following the tragedy of September 11, 2001, fears that audiences would evaporate as people stayed closer to home proved unfounded. On the contrary theaters reaffirmed their relevance as gathering places for people in troubled times. “It was amazing how many people walked by our theatre who just wanted to come in and be a part of something that made them feel good,” says Kate Lipuma, managing director of the Signature Theatre Company in New York City.¹³ This is an example of the reasons why, despite the uncertainty of the times, many theater leaders are fundamentally optimistic. “The best thing we have on our side is the goodwill of our audience,” says Kate Warner, managing director of the Theatrical Outfit in Atlanta. “Of course, the quality of the work on stage and the creativity of artists and administrators are crucial intangibles.” By making the most of such assets, while focusing on their mission, arts organizations are positioning themselves to build toward future growth.¹⁴

It is my contention that the arts themselves are not less desirable than they were in past decades or to past generations. Stagnating or declining attendance can be largely attributed to the fact that the ways the arts are described, packaged, priced, and offered to the public have not kept up with changes in people's lifestyles and preferences. Some

declines are and always have been, of course, a function of programming choices. Even during the years when arts organizations enjoyed overall enormous growth in attendance, ticket sales were weak when too much work that was new, unfamiliar, or otherwise undesirable to the organizations' audiences was put on the stage. Other aspects of programming and style of presentation have had an effect on audiences—especially those for symphonic and chamber music concerts—and the nature of arts criticism in the media at times has a negative effect on ticket sales as well.

But in recent years it is changing lifestyles and values that have had the strongest impact on ticket sales. Because of these changes, long-standing arts marketing practices no longer work as they once did. For example, people today are more spontaneous in choosing leisure time activities, are more eager to select exactly which productions they will attend, and in this high-technology age, expect better, faster, and more customized service. Because these trends bode well for new strategies that appeal to single ticket buyers, why do many arts marketers still produce and distribute costly *subscription* brochures, which restrict people to the packages a marketing director offers them, rather than *season* brochures, which people can use to order exactly what *they* want?

People know what they like and often do not want to take risks on what they do not know. Many arts organizations fail miserably in their marketing communications at answering the questions prospective patrons have in their minds: Will I like this show? Will I understand it? Do I need to understand it to enjoy it? Will I feel comfortable there, and will I fit in? What relevance does this performance have to my life? Arts marketers must make a sincere effort to get inside the heads and hearts of their publics. Managers who blame external forces for a decline in audience size, believing the problems are out of their control, are likely to fail. Managers who implement marketing strategies relevant to their target audiences are realizing significant success.

Trends in Arts Participation

Some strategies that were once commonly accepted *best practices* in the performing arts industry are rapidly losing effectiveness because of behavioral and attitudinal changes in the broader environment.

These trends affect not only the ways arts organizations reach out successfully to new audiences but the satisfaction and retention levels of current audiences as well. The trends, insights, and marketing principles presented in the following sections of this chapter are the foundation for the concepts and recommendations presented throughout this book.

SUBSCRIPTIONS VERSUS SINGLE TICKET SALES Subscriptions fueled the dramatic growth of performing arts audiences and the number of new organizations from the mid-1960s through the mid-1990s. But since the late 1990s, with changing lifestyles and more competition for leisure time activities, subscriptions have decreased for the industry as a whole. People have become more spontaneous in choosing their entertainment options, and younger audiences in particular are less likely to commit months in advance to specific dates or to an entire series of performances. From 2001 through 2005, subscriptions at 100 *trend theatres* surveyed by the Theatre Communications Group (TCG) in its 2005 study declined 5 percent, and the average subscription renewal rate dropped from 73 percent to 63 percent. The total number of seats occupied by subscribers declined by 10 percent. But single ticket sales at these same 100 theaters increased 13 percent during that five-year period. Average single ticket income was greater than average subscription income in each of those five years for the first time in decades.¹⁵

This change in ticket purchasing behavior has dramatic implications for arts marketers. Subscribers guarantee an audience for virtually all of a season's productions and allow artistic directors to produce some works that are less well known or more adventuresome and that might not attract sizable audiences on a single ticket basis. Organizations with a strong subscriber base are far less dependent on good critical reviews for each production than are organizations that rely on rave reviews and word of mouth to attract ticket buyers. Subscribers produce enormous lifetime value to arts organizations. Once a person has subscribed, renewals are far less expensive for the organization to sell than repeated single ticket sales are. Furthermore, subscribers constitute not only the most loyal audience but also the largest group of contributors. On average, the 1,490 *universe theatres* surveyed by the TCG in the U.S. not-for-profit professional theater field are estimated to have

received 51 percent of their income from earned sources and 49 percent from contributions in 2005. Theaters with budgets of less than \$250,000 averaged 34 percent earned and 66 percent contributed in that year.¹⁶ Individuals are by far the largest source of contributed income for performing arts organizations. The reliance on contributions from loyal attenders means that with a continuing decrease in the subscriber base, new strategies must be developed to attract contributions from single ticket buyers as well as to sustain and grow a loyal audience.

This need has put significant strain on performing arts marketers who must work much harder and more creatively to maintain ticket sales at their former levels.

ATTITUDES TOWARD ARTS ATTENDANCE Some people want to fully engage and learn something every time they go out, whereas others prefer a more passive, disconnected experience. A small segment of the arts-going public seeks to be challenged by unfamiliar art, but many more arts attenders prefer the comfort of revisiting familiar works. Of course there are always people experiencing *Swan Lake* or Beethoven's Fifth Symphony for the first time. As the range of sophistication levels in the audience widens over time, so do expectations for fulfillment. As a result, it gets increasingly difficult for an arts organization to satisfy its various patron segments.

A number of nonattenders claim to feel uncomfortable or out of place at performing arts events. Joli Jensen, in her book *Is Art Good for Us?* says that this perspective derives at least in part from the attitude disseminated, consciously or not, by arts organizations that say, in effect: "The arts are good medicine, especially in today's 'sick' society. The mass media, in contrast, are bad medicine, poisoning a healthy society." Jensen continues, "For many social and cultural critics, the passive, unproven effects of Muzak (the music heard in fast food joints and shopping malls) are a form of social control, while the passive, unproven effects of a single Mozart sonata are examples of social benefit." The problem, says Jensen, is the elitist notion that high culture *does* something (it is good for us), rather than that it *is* something (good in and of itself). Arts supporters cannot persuade people to attend the arts by defining them as "cultural spinach."¹⁷

People tend to make a sharp distinction between art and entertainment and have a strong, even exclusive preference for one or the

other. Composer Charles Wuorinen says, “I think there’s a very simple distinction, and it doesn’t diminish entertainment in any way, because we all want it and we all enjoy it. Entertainment is that which you receive without effort. Art is something where you must make some kind of effort, and you get more than you had before.”¹⁸ This effort is partly a matter of repeated exposure and partly a function of arts education, something arts organizations offer in ever more creative ways to largely receptive audiences.

ARTS EDUCATION The U.S. population is becoming more highly educated. In 1976, 15 percent of adults aged eighteen and over had a college education. In 1997, that number rose to 24 percent, and projections for 2010 indicate the number will rise to 30 percent. This fact is highly significant to arts marketers in that a high level of educational attainment—a bachelor’s degree or more—is the single most important socioeconomic factor influencing cultural participation.

In the PARC study conducted in ten communities the idea that the performing arts do not appeal was identified as a big barrier by between 6 and 14 percent of respondents.¹⁹ This barrier was closely tied to educational level and, as might be expected, clearly differentiated attenders from nonattenders.

Yet, the lack of arts education in the schools in recent decades has created at least one generation of young adults who feel that the arts are not for them, that the arts are elitist and something not easily accessed or appreciated. It is anticipated that future generations will reach adulthood with similar attitudes. Results of a study conducted by Arts Council England in 2002 suggest that the arts face a “personal relevance gap.” Among the respondents to the survey, 73 percent said the arts play a valuable role in the life of the country, but only half as many (37 percent) said the arts play a role in their own lives.²⁰

A Harris Poll conducted in May 2005 of American attitudes toward arts education offered a more promising response. Survey results revealed that 93 percent of Americans agree that the arts are vital to providing a well-rounded education for children. Additionally, 54 percent rated the importance of arts education a “ten” on a scale of one to ten. The survey reveals additional strong support among Americans for arts education:

- 86 percent of Americans agree that arts education encourages and assists in the improvement of a child's attitudes toward school;
- 83 percent of Americans believe that arts education helps teach children to communicate effectively with adults and peers;
- 79 percent of Americans agree that incorporating arts into education is the first step in adding back what's missing in public education today.²¹

TICKET PRICE ISSUES Although ticket price is commonly assumed by arts managers to be a primary barrier to attendance, research repeatedly shows that this factor ranks relatively low among both attenders and nonattenders. Most people who do not attend would not do so even if the tickets were half price. Deep discounts do serve to motivate more frequent ticket purchases and to sell more subscriptions, but small variations in ticket price have little effect on sales. Research demonstrates that people want to choose exactly which performances to attend and are typically willing to pay to have the best possible experience. In fact many arts marketers report that their highest-priced seats tend to garner the most sales. This is part of a larger trend toward *trading up* to premium products and experiences. But as the price of admission goes up, the willingness to risk an unsatisfactory experience goes down. (I will cover pricing in depth in Chapter Six.)

THE HIGH-TECHNOLOGY AGE As more and more businesses leverage the power of high technology to personalize their product offerings, consumers have grown to expect more customized experiences. TiVo users choose exactly which television shows to watch and when to watch them. Netflix patrons order DVDs online, receive them in their mailboxes, return them when they please without any late fees, and receive the next film in their queue two or three days after the previous one is returned. Netflix also builds a recommendation list for each patron, based on that customer's reviews and on what other people with similar taste have liked. When people listen to music in their daily lives, they choose one kind of music while dining

and another kind while exercising and upload just what they want to hear to their iPods. Contrast these examples with arts organizations that offer preset programs at a fixed time in a single location and ask patrons to purchase a series of these programs many months in advance. Furthermore, high technology has made it not only possible but common for people to place orders twenty-four hours a day, seven days a week, and find virtually any information they seek. Many arts organizations offering real-time, online ticket sales are experiencing dramatic sales growth, especially among new and younger audiences. This is what people expect today. In the not-so-distant future people may expect that tickets will be sent to their mobile phones, they may expect podcasts of performances, and they may expect that preperformance lectures be made available to them so they can listen in their cars when driving to the venue.

“Time is becoming the currency of the new millennium,’ said Shellie Williams, former senior consultant with LORD Cultural Resources Planning & Management Inc. ‘In 1973, the average American had 26 hours of leisure time per week; in 1997, leisure time shrank to 17 hours. A recent study found that half of busy executives would rather take less pay for more time off. With the rise of home offices and electronic accessibility—e-mail, cell phones—people’s work follows them everywhere—to the little league field, the dinner table, and the arts venue. With less leisure time available, people are getting very choosy.’”²² Arts organizations that have not as yet capitalized on the power of Internet and e-mail marketing to simplify and speed up information searches and ticket purchases are missing huge opportunities for growth and for satisfying current audiences.

AUDIENCE TREND EFFECTS “The sum of all these trends,” says arts consultant Alan Brown, “is higher demand for more intense and more pleasurable leisure and learning experiences.” As people visit interactive museums, play video and computer games, and attend multisensory, highly stimulating events, they are moving further and further away from enjoying fixed, static experiences. There have been false predictions about the demise of the fine arts for decades, primarily triggered by the introduction of such alternatives as television, home videos, and the cocooning trend. Despite these changes the arts have not only survived but have thrived and grown. However, says

Brown, arts managers who think that their organizations are “immune to the shifting sands of demand are sadly mistaken. . . . We cannot invent a more viable future for our institutions and agencies without a deep understanding of how consumers fit art into their lives.”²³

THE STATE OF MARKETING

Presenting quality art is and always will be the primary objective for all arts organizations in realizing their mission. Yet the ultimate artistic experience is the *communication* that happens between the performers and the audience. Without an audience our arts organizations would have no reason to exist. *Marketing* is what facilitates this communication. Effective marketing is an absolute prerequisite for success, and to be consistently successful, marketing managers must continually monitor their environment and keep in touch with changing preferences of their current and potential markets.

Marketing is customer centered. This does not mean that the artistic director of a symphony, opera company, dance company, or theater must compromise his or her artistic integrity. It does not mean presenting more Broadway shows and less Shakespeare. Nor does it mean that an organization must cater to every consumer whim and fancy, as many managers fear. It does mean creating a *total* experience that makes the production more accessible, enjoyable, and convenient and a better fit with more people’s lifestyles.

The Marketing Mind-Set

Marketing is a sound, effective technique for *creating exchanges* and *influencing behavior*. When properly applied it is necessarily beneficial to both parties involved in the exchange. The highest volume of exchange will always be generated if the way the organization’s offering is described, priced, packaged, enhanced, and delivered is fully responsive to “where the audience is coming from.” Marketing directors often ask for ideas on *attracting more people* to their organizations’ performances. In addition to determining how best to attract patrons, marketers must also learn how to *break down barriers* that prevent people from attending. These barriers are a function of the customer’s needs, interests, attitudes, and preferences, some of which

can be influenced by the marketer and some cannot. Attitudes are very difficult to change; many needs can be met easily by flexible and open-minded thinking. This means, however, that it is necessary to truly understand the customer.

A marketing mind-set requires that the organization systematically study customers' needs and wants, perceptions and attitudes, preferences and satisfactions. What gives the marketing manager power is knowledge of the customer. Marketing involves answering questions such as, Who is the customer? What does the customer value? How can we create more value for the customer? Then the organization must act on this information by improving its offerings to better meet its customers' needs.

The traditional marketing mind-set is a *command-and-control* approach that relies on selling to passive customers whose demands and perceptions can be influenced and manipulated. Marketing directors need to evolve to a *connect-and-collaborate* mind-set that ascertains the organization collaborates with customers to create, deliver, and share value.

Marketing is a way of thinking for the entire organization, whether it is in the nonprofit or the business sector. Says Steve McMillan, CEO of the Sara Lee Corporation, "Business success is a function of how well the marketing mind-set is integrated in the entire company. Furthermore," says McMillan, "the perfect offering or cost remains perfect for a fleeting instant. The only advantage that remains *sustainable* in the long term is innovation."²⁴ A key responsibility of the performing arts organization then is to focus on unmet demand, on opportunities with long-standing, loyal patrons; with infrequent ticket buyers; and with potential audiences. Because audience interests, preferences, and needs keep changing along with changes in individuals' lifestyles and in the broader environment, flexibility and responsiveness are chief objectives of all those in the organization attempting to build and retain audiences.

The Experience Economy

The curtain has risen on "a new economic era in which every business is a stage and companies must design memorable events" that engage customers in an inherently personal way, say Pine and Gilmore in

their book *The Experience Economy*.²⁵ Trendy cafes offer the ambience of cushy sofas, roaring fires, soft jazz, and wireless Internet so that their patrons are happy to pay a premium price for a cup of coffee; sports stores feature rock-climbing walls to keep parents browsing and returning to the store, but cultural institutions have the great advantage that by their very nature they offer authentic, unique, quality experiences with their core offering—what is being performed on stage. We must ascertain that every encounter the public has with our organizations—from our marketing materials to the ticket purchasing transaction and the experience in the lobby—anticipates and enhances the experience of viewing the performance.

A visitor-centered philosophy affects every part of an institution, from the amenities it offers to its programs and even its architecture and institutional site plan. Suggestions for enhancing the visitor's experience will appear throughout this book.

The New Economy

The Internet, other advances in technology, and globalization have combined to create a new economy. The old economy was built on managing industries; the new economy is built on managing information. Previously, say Kotler, Jain, and Maesincee in their book *Marketing Moves*, “the company had been the hunter searching for customers; now the consumer has become the hunter.” Instead of acting as hunters, smart managers perform as gardeners, nurturing their customers.²⁶ Marketers can put this *reverse* marketing into action by paying attention to the customer's four C's: “enhanced customer value, lower costs” (tangible and intangible, perceived and real), “improved convenience, and better communication.”²⁷ Businesses need to shift from focusing on products to focusing on the customers. This requires shifting the marketing mind-set from make-and-sell to sense-and-respond, from mass markets to markets of one, and from seasonal marketing to real-time marketing. Using the Internet the customer can readily tell the organization what he or she wants, and the organization delivers. “Thus,” say Kotler, Jain, and Maesincee, “the customer changes roles from ‘consumer’ to ‘prosumer.’”²⁸

The emergence of the new economy does not mean the extinction of the old, but it does require a new focus overlying existing approaches.

Attitudes Toward Marketing

Recent research by Yankelovich Partners indicates that people feel they are under siege by marketers. It is estimated that in the 1970s the average person was targeted by 500 to 2,000 ads each day. Thirty years later ad exposure has grown to 3,000 to 5,000 ads per day. This figure is not hard to believe once one considers all the places where brand logos, promotions, and ads show up these days. As a result of overwhelming marketing saturation, marketing resistance is widespread and growing and is a defining characteristic of today's marketplace.²⁹

Yet people do not want an end to marketing, say J. Walker Smith, Ann Clurman, and Craig Wood in their book *Coming to Concurrency*. "People just want marketing that is less annoying, less intrusive, less dominating, less saturating, more respectful and more informative."³⁰ As it has become technologically feasible for people to get just what they want, that is what they are demanding from marketers. What people want these days is more meaning and fulfillment, so the emotions and aesthetics inherent in the arts-going experience are a natural draw for modern-day consumers. But people do not want only a more meaningful experience with a product or experience, they want a better experience with the product's marketing.

ARTS MARKETING INSIGHTS

As we have already seen, we live in a dynamic environment with changing attitudes, preferences, values, lifestyles, and demographics among our current and potential audiences. So in order to *be* current and *remain* current as marketers, we must go beyond learning and adopting trendy marketing strategies and tactics. We must be fluent in marketing principles and approaches to understanding consumer behavior, and we must employ this knowledge as the foundation for the *insights* that will continually keep our organizations and our offerings relevant and appealing.

Gaining Customer Insights

Insight is defined by Microsoft's *Encarta* as "the ability to see clearly and intuitively into the nature of a complex person, situation, or

subject.” A *customer insight* can be further described by the following characteristics.³¹

IT IS A NOT-AS-YET OBVIOUS DISCOVERY *Wisdom* is sometimes defined as a “penetrating view of the obvious.” Insights seem eminently logical in hindsight, but they are not obvious before they are discovered. The incredibly successful launch and implementation of subscription campaigns derived from the insight that many people who attend performing arts events would eagerly buy a series, thereby guaranteeing that they would see an entire season of performances in preferred seating locations and often receive other benefits as well. Although subscription sales have declined since the turn of the twenty-first century, it is just now becoming obvious to many arts marketers that many people now value flexibility, spontaneity, and the ability to choose which programs to attend more highly than they value “their” seats or a subscriber discount.

Marketers are also learning that many people have drawn the unfortunate conclusion that the performing arts are stuffy, elitist, and boring—an assumed “knowledge” in the absence of real exposure. In response the Pittsburgh Symphony Orchestra, which had been losing subscribers for years, invested in several *season preview* concerts in surrounding communities for the 2004–2005 season. The concerts included repertoire from the coming season, meaningful commentary from the stage, insights about the organization, discussions about famous myths surrounding the industry, and a chance for the audience to get to know the musician. As a result of these events and follow-up phone sales, new subscriptions for that season increased by 60 percent.³²

IT IS A UNIQUE AND FRESH PERSPECTIVE Insights often emerge from looking at a problem differently. Rather than continuing their ineffective efforts to encourage businesspeople to spend a weekday evening attending a two-hour concert beginning at eight o’clock in the evening, some orchestras in major cities have adopted the *rush hour concert*, typically a one-hour concert offered at 6:30 P.M., so people can attend a concert, avoid heavy traffic, and still spend a good part of the evening at home. This program has been very effective in that many orchestra marketers report that their seats are filled for these concerts and the aisles are lined with briefcases.

IT IS OFTEN ROOTED IN AN OBSERVED ANOMALY In the effort to uncover insights it is important always to ask *why*. This question leads to opportunities for those who find the status quo ineffective and at odds with what should or could be. Dayton Contemporary Dance Company (DCDC), a company with which I consulted in the mid-1990s, could not understand why its well-priced family ticket offer (a discounted price for two adult tickets plus \$5 for each child) for its Saturday matinee was selling so poorly. After considering that many child-centered activities are taken on by one parent, due to either divorce or busy schedules, I suggested that DCDC initiate an offer for one adult with one or more children. Also, many parents do not consult the Friday arts section of their local newspaper, where the dance company had historically advertised, for ideas on how to spend an afternoon with their children. So DCDC placed two smaller ads that its target customers would come across in their daily lives—one in the Monday sports section (a young boy looks up at his father and says, “Hey Dad, Let’s do DCDC!”) and another in the Wednesday women’s section (a young girl looks up at her mom and says, “Hey Mom, Let’s do DCDC!”). Family tickets for that Saturday’s performance sold out.

Developing Customer Understanding

Arts marketers should use two very different approaches for developing customer understanding. Deductive reasoning is the basis of quantitative research, such as the audience surveys organizations often insert in program booklets. Through this approach you try to get specific answers to well-defined questions. In contrast, inductive reasoning relies on observation to formulate an idea or hypothesis and is the basis of qualitative research. Qualitative research generates insights, whereas quantitative research validates insights. You need both in order to devise strategies that are both insightful and viable.

For example, when I was doing market research for several arts organizations in San Francisco, I traveled frequently between that city and my hometown of Chicago. At airports and on planes I chatted informally with frequent business travelers, flight attendants, parents with young children, and others about their interests and habits in attending performing arts events. Surprisingly often, people told me

there were many performances they would like to attend, but given their uncertain schedules, they could not buy tickets well in advance, and they assumed there would be no seats remaining—certainly no good seats—if they tried to buy tickets within a few days of the show. I asked these people if they would purchase tickets in advance if they had the option of exchanging their tickets for another performance for a small handling fee. Most responded enthusiastically. Arts organizations are typically highly reluctant to offer ticket exchange privileges to single ticket buyers because this is a benefit for subscribers and creates extra work for box office personnel. However, if the organizations charge single ticket buyers a fee for this privilege, it would not diminish the free subscriber benefit and would cover the costs of the extra effort. The San Francisco arts organizations with whom I was working were then in the process of designing a survey about ticket pricing and related issues and were able to add questions to test out these insights I had gained qualitatively in my conversations. (The encouraging results of this survey can be found in Chapter Eleven.)

Looking Ahead

When tickets can be exchanged, the benefits to both the organization and the customer go far beyond those each gains from attendance at the performance itself. People who come once are much more likely to come again. Customer satisfaction is greatly increased; imagine how much better people feel when they hear, “These tickets can be exchanged for another performance, for a small fee, according to availability. We hope you like the show!” rather than, “All sales are final; there are no refunds or exchanges.”

During the first decades of the twenty-first century, we can look forward to a population that is larger, more ethnically diverse, and more highly educated and that also has an increasing number of mature adults with more discretionary time, income, and interest in the arts.

Rather than bemoaning the environmental changes of recent years that are decreasing the effectiveness of the traditional tried-and-true strategies, arts marketers should embrace the opportunity to become relevant and meaningful to new lifestyle segments and new

demographic segments and to be responsive to perpetually changing behaviors.

This book is replete with examples of customer insights that have led to new and effective strategies. Some strategies will be generalizable to other arts organizations, but each manager must evaluate the specific needs and opportunities within his or her organization and among its publics. I hope that these insights, along with the principles, trends, and approaches to understanding consumers and developing viable strategies presented throughout this book, will inspire you to realize insights of your own.

Finally, we would all do well to remember Michael Hammer's insight about organizations: "One thing that tells me a company is in trouble is when they tell me how good they were in the past. . . . When memories exceed dreams, the end is near. The hallmark of a truly successful organization is the willingness to abandon what made it successful and start fresh."³³

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