# THINKING BIG!

A guide to strategic marketing planning for arts organisations

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CREATIVE SCOTLAND

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## About the author

When he began writing *Thinking BIG!* for Arts Council England, Stephen Cashman was Chief Executive of the audience development agency for the Northern region of England. Since then he has run his own cultural consultancy, worked as Head of Audience Development for Arts Marketing Hampshire, and – most recently – was head of the arts and events service for Hartlepool Borough Council. He remains available to undertake consultancy and training and can be contacted by emailing stephen.cashman.consultancy@blueyonder.co.uk

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## Thinking BIG! symbol set



Quotations from recognised authorities



Key thoughts, concepts or illustrative examples



Real-world, 'mini' case studies



Practical tools, tips and techniques



Beware! Things to watch out for

# Introduction: about this guide and ways of using it

## Nature and purpose

This publication is a guide to building and using strategic marketing plans for arts organisations. Originally commissioned by Arts Council England and published by the Arts Marketing Association, with the second edition supported by the Scottish Arts Council, it has a deliberately wide-ranging set of purposes. These are:

• to enable readers to understand the basics of strategic marketing planning; and
• to generate the ability, understanding and interest to create and implement a strategic marketing plan (SMP) for their own organisation.

Strategic planning, strategic marketing and indeed most disciplines characterised as being 'strategic' tend to have a concern for big things and big issues. This results in a focus on big, long-term trends and factors with potentially big implications and consequences. In turn these demand a response devised by thinking big about big ideas (hence the title).

But 'big' doesn't have to mean 'daunting'. This guide starts from the view that, given the appropriate circumstances and ways of working, any organisation is capable of big, large-scale thinking about its marketing – **regardless of that organisation's size, resources or artform specialism.**

The resulting publication is intended as not so much a desk-bound guide, but more as a practical resource. As well as detailed explorations and explanations of the major steps involved in strategic marketing planning, *Thinking BIG!* also has a set of worksheets, activities and exercises that can be applied to your organisation (these are downloadable from the AMA's website at www.a-m-a.co.uk). These worksheets will form the core materials and elements of a strategic marketing plan, so by completing them you can build such a plan for your organisation.

To assist the rapid location and use of some of the key issues involved here, a set of icons or symbols are used throughout to highlight different sorts of materials.

The main body of the text will take you through the stages and steps involved in building a strategic marketing plan. But just in case you feel you may need a quick reference on these steps, the last page is a set of detachable summary cards that you can remove and carry with you.

## A few words on terminology

Because of its origination in the commercial sector some of the terms used to think, write and talk about marketing can sometimes feel a little alien to the subsidised arts sector. In fact, they might often seem to miss some of the important issues that relate to the arts.

So, to keep things simple, where this guide uses such terms it assumes that it is possible for them to embrace a range of arts-specific meanings. Hence where the word 'product' is used, this is not necessarily restricted to physical and tangible things produced by an organisation. Here 'product' is used as a term that also includes services – anything the organisation provides (its 'provision') or offers to its various users (its 'offering'). Similarly 'customer' is going to be used here to refer not only to people who buy things from an organisation, but also to people who buy into the organisation and its offerings. Thus 'customer' is used as a term that also embraces visitors, users and participants of an organisation's events, its services and provision.

## Using this guide

You may be a part-time employee of a small-scale community theatre company. You could be a newly appointed practitioner working for a medium-scale chamber orchestra. Or you might even be an experienced head of marketing in a major national visual arts facility.

Whichever is the case, this guide's overriding intention is to offer you relevant and useful concepts, theories, practical ideas and tips that should enable you to enhance your and your organisation's marketing planning. So people new to the field will find that the guide is a resource that

helps them build a marketing plan from scratch, while older hands – who have seen it and done it all (and may even have a few t-shirts to prove it) – may find that this guide provides a means of validating their current practice, a reminder of things they may have forgotten, or even a source of new ideas.

Because it's been devised to meet a range of needs, there are a number of ways of using this guide.

- You could, of course, just start at the beginning and read all the way through. (And even if you feel you have little need for a detailed review of marketing planning from scratch, a brief review of the guide's contents is recommended. It could well assist rapid location of particular elements at a later stage.)
- Alternatively you might come to this resource with a particular set of questions and issues.
- Or you might just want to use the guide as a desk reference – as something you can just dip into when you need to check on a particular subject, concept or technique.

And if you are particularly interested and intrigued about some of the ideas and theories that underpin the concept of strategic marketing planning, there is a background document (again available online from www.a-m-a.co.uk). This provides a detailed explanation and review of these ideas, while the Bibliography at the end of this guide provides a full set of references that show where the concepts in this guide have been drawn from.

To support this range of potential approaches to using it, the guide is also deliberately non-linear in structure. It's actually modular – you can dip in and out of it according to your needs.

True, its material could be examined by starting from the beginning and working through to the end. But, depending on your experience, you could also create your own pathway through the various modules and sections. And because you may be unsure as to which pathway represents the most appropriate way of working through the material for you and your organisation, there follows a quick self-test quiz which suggests a way of using this guide according to your status and organisational circumstances.

So why not do this quiz now? Then once you've

identified an appropriate path you can begin building your strategic marketing plan right away and start thinking BIG!

## Quick self-test quiz

### What sort of marketing planner are you? And what sort of organisation do you work for?

This quiz is not meant to be judgemental or critical. It has no right answers and no type of marketing person or organisation is considered to be better than another – they're just different. Rather, it has been provided to help you to assess both yourself and your organisation in terms of strategic marketing planning.

To carry out the test just read through the following questions and the potential answers and find the statements that best describe your situation (or which you are most in agreement with). Then when you've identified your marketing planning type you can look up the pathway through this guide that's recommended for you.

### 1. Which of these statements best sums up your perception of marketing?

**(a)** Marketing is something I've heard of because it's in my job description but this is the first time I've been asked to do it and I am not entirely sure what it involves.

**(b)** I view marketing as an important process intended to help realise elements of my organisation's mission but this is tricky since my organisation tends to take a fire-fighting approach to problem solving, shoots from the hip and doesn't have a clear and agreed sense of what it is really for.

**(c)** Marketing is what my job is about – publicity and promotion to support the events that my organisation puts on.

**(d)** Marketing is a field I've worked in for quite a long time and I've run many campaigns – at present my organisation wants to run a campaign devoted to corporate promotion and positioning.

**(e)** Marketing is something I've worked on for a relatively large chunk of my career and it's a discipline devoted to assisting the realisation of parts of the organisation's mission and objectives.

**2. Which of these statements best describes your experience of marketing?**

**(a)** I'm just getting to grips with it.

**(b)** I've run a lot of campaigns and have created a marketing plan that I'm struggling to have put into action by my organisation.

**(c)** I've run a lot of campaigns which seem to be valued by my organisation because they're devoted to high-profile promotions.

**(d)** I've run a lot of promotional campaigns and now I'm expected to contribute something to the organisation's five-year plan.

**(e)** My previous marketing plans have delivered a fair degree of successful and quantifiable results; now my organisation wants me to come up with a plan to respond to the issue of making it appear more relevant to the community in which it is based.

**3. Which of these statements best depicts you and your organisation's approach to planning?**

**(a)** It keeps a diary of forthcoming events from which I can tell when to put out adverts and press releases.

**(b)** It has a simple wall chart that shows forthcoming events but I miss having a set of objectives to work to.

**(c)** It has a schedule of activities that I use as a basis for devising campaign timetables.

**(d)** It has an organisational plan into which I'm trying to fit some of the promotional techniques I've used before.

**(e)** It has a five-year plan to which I have contributed the marketing element.

**4. Which of these statements comes closest to the way your boss describes marketing?**

**(a)** Publicity.

**(b)** Getting people to come and use what we offer.

**(c)** Selling our events.

**(d)** Building and sustaining a positive relationship with our customers and users.

**(e)** Identifying prospective users who will best help us realise our strategic objectives and devising ways of stimulating an exchange or engagement with them.

**5. Which of these statements best describes the support that your marketing activity receives from the organisation?**

**(a)** They just let me get on with it – as long as the leaflets go out on time they don't bother me.

**(b)** They provide me with a clear timetable of events and give me a budget to pay for publicity, but this isn't using some of the stuff I learnt about on my marketing courses.

**(c)** They encourage me to run campaigns by coming up with ideas for the advertising's visual approaches.

**(d)** They're encouraging me to develop a paper on potential competition (whatever that involves) and are sending me on a course to find out about this.

**(e)** I'm provided with a clear set of objectives together with a set of critical success factors against which my performance is evaluated, and we meet once a month to discuss progress on these.

**Identified marketing types and organisational settings, together with suggested pathways through this guide**

**Mostly As** It seems that you may be relatively new to marketing and that your organisation is adopting a fairly tactical, event-driven approach. It could well be worth working all the way through the guide while paying special attention to the overview of the strategic marketing planning process that follows. You might also wish to use the background introduction to some of the core concepts and terminology underpinning this process, which is available online.

**Mostly Bs** You come across as a relatively experienced and seasoned strategist but you seem to be dealing with a slightly tactical organisation. You could dip into the guide as a revision tool for concepts you are already aware of, but you might find that Chapter 11 provides some ideas on how you might persuade your organisation to become more strategic.

**Mostly Cs** You seem to be bringing a strong body of hands-on marketing experience to this organisation. However, since the organisation seems to be slightly event driven you could use the following overview and Chapters 1 to 8 to explore how strategic marketing plans are created. You then might wish to explore some of the strategic implications associated with things with which you are already familiar (especially as set out in Chapters 9 and 10).

**Mostly Ds** Your organisation seems well placed to build on your marketing expertise by encouraging you to take a strategic approach to it. You might particularly want to work through Sections A to C (on the first three phases of strategic marketing planning) and discuss some of their elements with your colleagues – you might even involve them in completing some of the downloadable worksheets.

**Mostly Es** You seem to be a seasoned strategic thinker who is very much supported by your organisation. You should dip into the parts of this resource that have the potential to help you review key concepts or that relate to particular issues you have already identified for the organisation.

# Overview: towards a map of the strategic marketing planning process

There are a number of different ways of thinking about strategy. There's also a great variety of ways in which the term 'marketing' could be interpreted. So it's no shock that there's a great range of suggested meanings for, and approaches to, both strategic planning and strategic **marketing** planning.

Fortunately this needn't be a source of consternation or despair, particularly if a basic definition of strategic marketing planning is adopted. Strategic marketing is the use of marketing on a big thinking scale to address big organisational issues and concerns. Thus one possible definition is as shown.

**Strategic marketing is the application of a strategic approach to an organisation's marketing activities which thus contributes to the achievement of the organisation's overall strategic goals.**

And if this definition is adopted and then used with concepts drawn from some important thinkers in these areas – both outside and inside the arts – it is possible to take the most useful elements of the available planning models and combine them to form a framework or road map for strategic marketing planning (SMP) in the arts.

One of these is a useful checklist, an acronym, which sets out the order in which the basic aspects of strategic planning should happen. Suggested and used by a number of strategy and marketing authors – for instance *Strategic Marketing Management: Planning, Implementation and Control* (by Richard Wilson and Colin Gilligan, 1997) – this acronym is **MOST**. It stands for mission – objectives – strategies – tactics (see Figure 1) with each of these steps implying a number of specific issues and questions.

This emphasises the importance of understanding: what an organisation exists to do; what it aims to do (and achieve) through its activities; how it intends to realise those goals; and what day-to-day activities will be needed to make this happen. It also emphasises the importance of doing these things in this particular order. This is because each step or stage leads to another, but is dependent on the one that came before it. (For instance, it seems unwise to decide upon a set of objectives if there is no sense of what an organisation's prime purpose is. Equally, strategies can't really be devised until there is some idea of where an organisation wants to go.)

So don't be misled into considering that these stages or steps are discrete or separate from each other. In reality each step in MOST tends to flow into the stage following it, in such a way that they form a continuous chain of thinking and doing. This is because strategy is a continuous process. And

| **M**ission | Why are we here? And what is this organisation for? |
| **O**bjectives | What's happening in our world? Hence what should the organisation aim to do, and what goals does it wish to reach? |
| **S**trategies | Broadly what should the organisation actually be doing to reach these goals? |
| **T**actics | What practical steps and actions are needed to make sure we get to our goals? |

**Figure 1**

**A 'MOST' useful checklist of the recommended order for strategic planning stages**
(Based on a model from *Strategic Marketing Management: Planning, Implementation and Control* by R.M.S. Wilson and C. Gilligan. Reprinted by permission of Elsevier Ltd.)

even once you've decided what practical actions to take and you've actually done them, this will lead the future notions of what the organisation is for (its mission). Indeed when you next come to assess the organisation's current situation and circumstances, the state of these will depend on what steps and actions have been taken previously.

Acronyms such as MOST (together with diagrams and models based on them) provide a useful summary of management concepts. Thus the questions suggested by MOST, together with the issues and activities to which they relate, form an important set of components that – used in combination – can be turned into a road map of the SMP process.

A diagram showing this process and its various stages is provided in Figure 2. This is the 'map' or framework that this guide suggests you use to carry out SMP. It also represents the structure both for your plan and for the rest of this guide.

The elements (or phases) of this suggested framework for SMP processes are as follows:

### Phase One – Strategic goal setting
This guide will emphasise how important it is to be clear on the purpose of any marketing exercise before trying to plan for it. Hence the starting point for its strategic marketing planning framework is the setting of strategic goals and objectives. These eventually inform both the actions to be undertaken and the desired results arising from these actions. Articulating and understanding the overall purpose of the exercise involves revisiting *the organisation's mission* and then drawing up a set of *marketing implications and objectives* derived from this mission (issues relating to this are discussed further in Chapter 1).

### Phase Two – Strategic analysis
With the organisation's mission identified and understood, strategic marketing planning can now begin in earnest. The next phase of the process is *strategic analysis* (sometimes referred to in marketing texts as 'situational analysis'). This has four basic elements:

• Analysis of factors and things inside the organisation that give an indication of its current ability to undertake marketing activity and its

track record so far in carrying out this activity – that is an *internal analysis* in the form of a *marketing audit and review* (see Chapter 2 for more on this).
• Analysis of factors and things outside the organisation that can affect or even denude the organisation's ability to carry out marketing activity and get in the way of it achieving its marketing objectives – i.e. an *external analysis*. Such an external analysis will typically examine: the range of *competition and competitive trends* as well as *environmental opportunities* being faced in the world in which the organisation works (Chapter 3); the range of actual organisations that represent its *competitors* (Chapter 4); and the potential *markets* for the organisation's products, services and offerings (Chapter 5).
• And then the strategic analysis phase culminates with a summary of the conclusions reached on the basis of the analysis carried out so far. This summary will take the form of a *SWOT* analysis – a technique for classifying issues according to whether they are strengths, weaknesses, opportunities or threats (see Chapter 6).

### Phase Three – Making and selecting strategies
With this SWOT summary in place, you will now be ready to move on to the following SMP phase – strategy making and selection. The whole point of this phase is first to devise a set of potential marketing strategies, and then to assess them so that an informed decision can be made as to which ones should be put into action. This phase has two stages.

• First the issues identified and classified in the SWOT analysis need to be turned into a potential set of strategies. Here a simple but powerful technique known as TOWS (i.e. SWOT rearranged) can be used to good effect (see Chapter 7).
• Then the relative merits of the potential strategies identified through TOWS can be assessed and evaluated by using a range of *graphic and other tools such as matrices* and other similar diagrams (see Chapter 8).

### Phase Four – Strategic action
Lastly it's now time to think about turning all the analysis done so far into a number of plans of action. In doing this it seems wise to consider four areas:
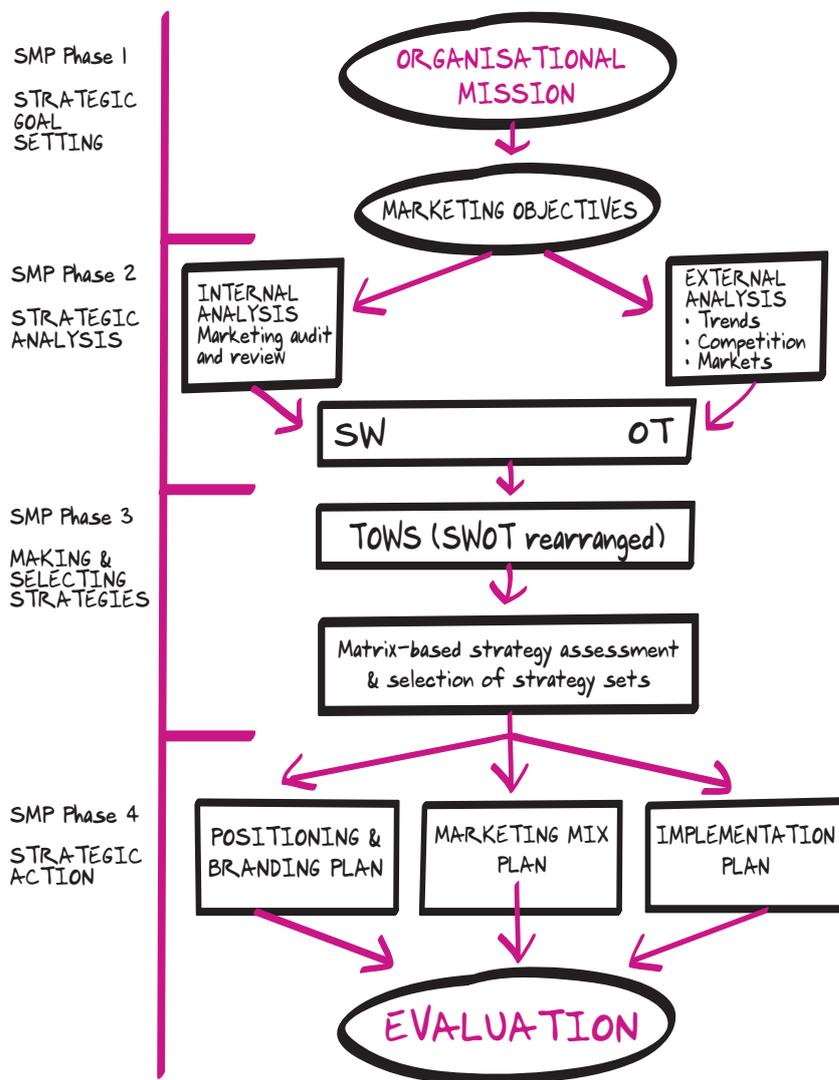
**Figure 2**

**A strategic marketing planning framework**

**SMP Phase 1**

STRATEGIC GOAL SETTING

**SMP Phase 2**

STRATEGIC ANALYSIS

**SMP Phase 3**

MAKING & SELECTING STRATEGIES

**SMP Phase 4**

STRATEGIC ACTION

ORGANISATIONAL MISSION

MARKETING OBJECTIVES

INTERNAL ANALYSIS Marketing audit and review

EXTERNAL ANALYSIS
• Trends
• Competition
• Markets

SW          OT

TOWS (SWOT rearranged)

Matrix-based strategy assessment & selection of strategy sets

POSITIONING & BRANDING PLAN

MARKETING MIX PLAN

IMPLEMENTATION PLAN

EVALUATION

• The things that need to be done to create and support the perception that the outside world will have of the organisation (i.e its market position) together with the outward expression of this – its *branding and brand positioning* approach (see Chapter 9).
• The implications of the strategic thinking done so far for the nature and practical manifestation of the marketing tools to be used to turn the thinking into action – that is the *marketing mix plan* (see Chapter 10).
• How the proposed actions and strategy are to be put into place, and how internal support for them (and the overall plan) can be built – *the implementation plan* (see Chapter 11).
• Then finally, thought needs to be devoted to how the organisation might find out whether the activity arising from the plan has worked or not, which means creating an *evaluation plan* (see Chapter 12).

By combining elements drawn from a range of marketing and strategic sources this chapter has built a framework or road map intended to guide you through an SMP process. The rest of this guide now aims to take you through the various parts of the road map. This will enable you to build a strategic marketing plan for the organisation, and also consider what is needed to put that plan into action. So it is hoped that, by the time such a strategic approach has been adopted, the organisation's approach to marketing will be responding to the need to be thinking BIG!

# 1

## SMP Phase One
## Goal setting

This section takes you through the steps needed to carry out the first phase of a strategic marketing plan.

In this guide's map of an SMP process, this phase is described as 'strategic goal setting'. This involves analysing and thinking about the organisation's overall mission and purpose, together with the marketing objectives implied by these.

# Chapter 1 Having a sense of mission, and the objectives to go with it

**'If you don't know where you are going, then you are sure to end up somewhere else.'**
**Mark Twain (1835–1910)**

The foundation stone for all strategic planning processes – and indeed the effective overall management of an organisation – is an agreed mission statement. Missions tend to combine a number of considerations, such as:

• the aspirations that senior management and stakeholders hold for the organisation's future – its vision or what it wants to be
• the overall purpose, or reason for being, of the organisation
• the things that an organisation considers to be important – its values
• and its overall, very long-term goals.

An invaluable way of combining these considerations is for the organisation to draft a mission statement, which has been agreed and accepted by everyone inside the organisation. Mission statements are thus intended to make explicit what an organisation exists to do – in other words its reason for existing. Thus it is important (if not vital) to have a statement that is not just a piece of 'PR puff', but a realistic and focussed account of what an organisation's core purpose is.

**When it comes to creating mission statements there is a great temptation to produce something that puts the organisation in an unduly good light, or which claims that it provides something for everyone. However, the results can come across as little more than hype, while the danger of providing something for everyone is that the organisation can end up providing nothing for anyone. So it's worth taking care to ensure that your organisation's mission statement avoids these potential traps by being *focussed* and *realistic*.**

Good mission statements can be invaluable because they:

• provide the organisation with a long-term perspective
• can create unity around a common vision and identity
• make it clear to insiders and outsiders what the organisation is and isn't about
• create an overall sense of purpose from which strategy and action can follow.

Given the importance of having a well-thought-out mission statement, it's fortunate that a number of strategy writers identify the qualities and attributes of a really good statement. These are summarised in Figure 1.1.

**Figure 1.1**
**At-a-glance qualities and attributes of good mission statements** (after Napuk 1996, Handy 1991, Dobson and Starkey 1993)

**Good mission statements tend to be:**
• distinctive and different
• inspiring and motivational
• focussed
• comprehensible
• believable
• internally consistent – their bits fit in and don't contradict each other
• appropriate to the organisation's aspirations and values
• explicit about how they might be realised
• not just a piece of PR or hyperbole
• most of these while being short, economical, direct and to the point

# Case study: three mission statements from three arts organisations



## An Lanntair

- A bhith mar Lanntair airson gnìomhachas ealain sna h Eileanan an Iar.
  **To be a beacon for artistic activity in the Western Isles.**

- Airson a h-uile seòrsa obrach cruthachail a chomharrachadh 's a mhisneachadh.
  **To celebrate and encourage creativity in all its forms.**

- A bhith mar chridhe airson na coimhearsnachd againn.
  **To be a genuine centre for our community.**

- Airson cultar na Gàidhlig a riochdachadh 's a bhrosnachadh.
  **To represent and support Gaelic culture.**



## Dundee Contemporary Arts

DCA promotes the development and exhibition of contemporary art and culture through providing opportunities for artists to create, and for audiences to engage with, an active, varied and high-quality cultural life for the people of Dundee, Scotland and beyond.



## Street Level Photoworks

Street Level promotes the creative use of photo media and makes artistic production accessible, both physically and intellectually, to a wide audience. Recognised for its integrated practice, the organisation presents an ongoing series of challenging exhibitions; an engaged programme of outreach projects and education services for community groups and schools; and open access facilities for artists and training courses for the public.

## From mission statements to marketing objectives

So mission statements give a sense of the overall purpose of the organisation and what it aspires to do. Consequently your organisation's mission will be an important reference as to what strategic marketing might be expected to achieve for it, and how strategic marketing could contribute to the organisation's realisation of its mission.

All strategic planning processes need to take the overall mission and purpose as their starting point. But a next and crucial stage for SMP is to take the overall mission, identify the implications this has for marketing activity, and then turn these implications into a broad set of marketing objectives. Thus this becomes a process of setting strategic goals for the organisation's marketing operation.

Figure 1.2 and the accompanying case study give an example of the kind of implications and goals that have been developed and distilled from a mission statement. However, here it should be noted how the objectives are deliberately broad. This is presumably because (in keeping with good practice) they provide an overall thrust and shape to the organisation's marketing goals and the desired results. More specific and detailed objectives, goals and outcomes can wait to be elaborated at a later stage of the SMP process.

# Case study: Scottish Opera, Glasgow – an example of a defined mission and the implied strategic intent of an organisation

**Helen Ireland**, Director of Marketing and Communications, explained that as part of its business plan Scottish Opera has a clearly defined mission statement, from which certain strategic objectives extend (including marketing objectives).

Helen provided five examples of projects that have been based on elements of the mission and objectives of Scottish Opera.

## Diverse repertoire:

- **Five: 15 Operas Made in Scotland:** brings together contemporary Scottish-based writers and composers to create new short operas, performed in non-traditional opera venues. This sustains the artform, establishes links with other forms of new writing in Scotland, and raises awareness of opera on a wider platform.

## Increase access:

- **Cinderella at the Fringe:** extending an existing tour to take in dates at the Fringe – Scottish Opera's first visit – provided a chance to present a high quality yet accessible opera production to an audience often more associated with alternative entertainment.

- **Under 26 Design Competition:** run in conjunction with the Glasgow School of Art, the competition enabled Scottish Opera to develop a marketing campaign for its under-26 £10 ticket scheme, which was by young people for young people.

## Engage audiences:

- **Children's Opera Unwrapped:** helps primary school pupils to make connections between their own opportunities to perform in a Scottish Opera schools workshop, and our core work in the theatre. For many it is the first time they have seen professional singers at work, or indeed, attended a theatre.

- **Workshops for Secondary Pupils:** a series of workshops, linked to Scottish Opera's touring programme and the school curriculum. Designed to explore the music, characters and background of an opera, they culminate in an opportunity to see the opera performed by professional singers in the pupils' local venue.

MISSION STATEMENT:

To enhance the cultural life of Scotland, opening up opera to new audiences, and speaking powerfully through all of our work to inspire, entertain and delight via delivery of the highest quality opera at all levels of audience experience throughout Scotland.

| MISSION STATEMENT ASPECT | IMPLIED BROAD MARKETING OBJECTIVES |
|---|---|
| To enhance the cultural life of Scotland, opening up opera to new audiences … | Increase access: Increase the number and range of 'access points' people have for trying opera. Use familiar language and present activity in a way that is attractive to new audiences, while remaining relevant to existing audience members. |
| … speaking powerfully through all of our work to inspire, entertain and delight via delivery of the highest quality opera … | Provide diverse repertoire: Provide a 'balanced basket' of repertoire in order to sustain audience, artist, orchestral and critical interest. |
| … at all levels of audience experience throughout Scotland. | Engage audiences: Build long-lasting relationships with the 100+ communities Scottish Opera visits. Expand uptake of the range of learning opportunities available and link these with the company's core work. |

**Figure 1.2 Mission statement from Scottish Opera, Glasgow and its broad marketing objectives**

## Have a go

This is where your hands-on strategic marketing planning starts in earnest.

As a starting point for your organisation's strategic marketing plan, you should examine the mission and convert it into a set of broad marketing objectives.

To help you to do this, Worksheet Set 1 (which can be downloaded from the AMA website at **www.a-m-a.co.uk**) provides a formatted table for you to fill in and record the results of your investigations and thinking.

# 2

## SMP Phase Two
## Strategic analysis

The second phase of strategic marketing planning is strategic analysis. This is concerned with examining the organisation's current circumstances, setting and context by performing a number of steps:

• undertaking an internal analysis of the organisation from a marketing perspective, i.e. doing a marketing audit and review

• building an external analysis which considers:

  (a) the world in which the organisation works in terms of the trends taking place in it
  (b) an assessment of the other organisations (or things) that might undermine the organisation's marketing activity (i.e. potential competitors and competitive factors)
  (c) together with the available markets for what the organisation makes and provides (its products, services or offerings)

• and summarising this analysis in the form of an assessment of identified strengths, weaknesses, opportunities and threats (SWOT).

The following chapters have been devised to take you through some of the important issues and techniques that you might wish to be aware of to carry out these steps. And you can relate these matters to your own organisation and setting by using the relevant worksheets provided online. As with the other planning sheets, when all the sheets relating to strategic analysis are completed they will give you some of the core elements of a strategic marketing plan for your organisation.

# Chapter 2 Looking inside and backwards before you look out: conducting a marketing audit and review

It is to be hoped that by now you have a sense of what the organisation believes it is for (its mission) and what the overall marketing implications of this mission are (its broad marketing objectives). Thus with the first SMP phase of goal setting finished, it is now time to start work on the second phase – strategic analysis.

When it is concerned with marketing, strategic (or situational) analysis is devoted to identifying 'where the organisation is now'. It does this both in terms of the organisation's marketing activities, performance and experience (internal analysis) and in relation to the world in which it operates and the available markets within this (external analysis).

Thus this strategic analysis kicks off by reviewing the current (and past) state of the organisation's marketing. The procedure for doing this is typically called a marketing audit and review.



**'A marketing audit is a systematic, critical and unbiased review and appraisal of all the ... internal factors that have affected the organisation's ... performance over a defined period.'**
*If You're So Brilliant ... How Come Your Marketing Plans Aren't Working? The Essential Guide to Marketing Planning* **(by Malcolm McDonald, 2002). Reprinted by permission of Elsevier Ltd.**

This involves a thorough examination of facts, figures and perceptions to do with marketing carried out by the organisation with the intention of answering a number of basic questions. These questions include:

• What sort of marketing activities and approaches is the organisation using now, and has used in the recent past?
• What kind of results did this produce?
• Thus, on the basis of this information, what does it seem to be good or competent at?
• Similarly, what is it not so good at?
• And therefore, where are the potential areas for improvement and what changes or additional

resources might be needed if the organisation is to achieve its broad marketing objectives in future?

Hence the all-encompassing purpose of this procedure is almost to produce a 'state of the nation' report on the organisation's marketing activities and approaches.

Clearly this is dependent upon finding and collating data and information from inside the organisation. And sometimes this could well feel like searching for the proverbial needle in a haystack. Perhaps information on past marketing activity may have been lost or binned. Conceivably it may not be entirely accurate or detailed – or possibly it may not have even been collected. But please don't allow this to prevent you from giving up in defeat. When it comes to conducting a marketing audit and review, there is a strong need to be pragmatic and practical. So the aim is not to produce something that is comprehensive and perfect. If some data is not easily accessible, then it is better to create something that is the best that can be done under the circumstances, rather than doing nothing at all.



**Don't let the perfect drive out the good! If full data and information are not available for a marketing audit, work with whatever is easily accessible or at least exists. Producing something is better than doing nothing.**

## Structuring the marketing audit and review

The person who introduced and promoted the idea of marketing planning for the arts is Peter Verwey. Among his many contributions to our field is a short paper entitled *Marketing Planning* (1998). In this paper he suggests a range of issues on which data and information should be collected as part of a marketing audit. These include the following (with suggested additions shown in italics):

• **'Product' and offering information**
Details of: the organisation's programming policy and approach; the types of shows, events and exhibitions put on; the public's perception of the

organisation; the venues and spaces that have been used; and thus the product proposition being used to attract customers, users and participants (e.g. home-produced shows in a local venue, contemporary visual arts made accessible by a welcoming building, world music in an unusual setting).

**• Attendance and usage levels**
Past results and trends (for up to five years if possible) in the total number of customers, visitors and participants being attracted, together with the average number attending or using events.

**• Income**
Past results and trends (if possible) in terms of ticketing income; other earned income such as catering and merchandise; grants and sponsorship.

**• Pricing policies and data**
The organisation's underlying policies for pricing (e.g. to maximise income, to ensure accessibility through discounting, etc.), and the minimum and maximum prices charged, together with concessions and other discounts.

**• Booking and selling facilities**
If there is a box office, what are its opening hours? Are agencies used, and if so, which ones? What approaches to selling tickets are used (e.g. telephone, face to face, going to events or places outside the organisation, the internet, etc.)?

**• Ticket sales**
How many were sold and what are the trends here (both in terms of total number and value and of the average number and value of sales per event)?

**• Marketing resources**
How many staff are engaged in marketing? What is the budget available? What additional help and resources have been used (and from which sources)? *And what data on customers and users does the organisation hold?*

**• Marketing activity and approaches**
Which marketing tools and techniques have been used in support of the organisation's performances and events (e.g. print, direct mail, paid advertising, PR, special promotional offers, etc.)? What proportion of the marketing spend was allocated

to these? And what proportion of the results did these techniques contribute (both in terms of attendance and income)?

Collecting and collating such information and data provides the raw building blocks for the marketing audit. However, when pulling together these facts and figures you should remain aware that they are intended to contribute to a strategic analysis. This means developing a big picture of what's been going on. So information relating to different programming strands and event runs, while useful, will ultimately have to be aggregated (or added together) to make that big picture. Furthermore it is possible (and advisable) to go further.

This can involve bringing the data to life by going beyond the numbers and looking for the shapes and trends that the numbers make. (For instance, are levels of average attendance going up or down?)

But possibly the most important step here is to review this information and draw conclusions from it. For instance, what has worked or performed well, and what hasn't? And then, given these observations, what changes or enhancements need to be made to improve future performance?



**Although it's useful to collect data on individual shows or events, programming strands and runs of events, it should be remembered that you are trying to build a big picture here of what's been going on. So it's advisable to:**

- **put the figures together to provide an overall portrait of what's been happening**
- **go beyond the numbers and look for the shapes and trends they make**
- **and use all the data and information collected to draw conclusions – on what's been working and not working, as well as what needs to be done to enhance overall marketing performance.**

# Case study: Traverse Theatre responds to its operating environment

With the appointment of **Dominic Hill** as Artistic Director in 2008, the Traverse Theatre began to examine what it meant, in the 21st century, to be Scotland's new writing theatre. In the age of the four Cs – conversation, customisation, community and co-creation[1] – this included re-thinking the traditional marketing and development functions and restructuring them into one, over-arching Communications Department.

Fiona Sturgeon Shea, Head of Communications, explained how the Traverse identified a number of key communication issues thanks to intelligence gleaned from its box office data and the results of consultation with its audiences, such as an increasing reliance and preference for internet-based communication.

Some were practical 'easy wins', such as refreshing the look and readability of the season brochure, simplifying the logo and giving the Bar Café colours and signage a nip and tuck. Others were longer-term development areas. Prioritising digital development was crucial, as was improving the way data was collected, analysed and, importantly, acted on within the organisation.

As a precursor to an integrated communications strategy, the Traverse incorporated the explicit roles of 'data champion' and 'digital champion' within the job descriptions of the newly appointed communications officers.

In the ten months since it began this process, the Traverse has produced three new plays, seven co-productions and one international tour and played host to four festivals. Audiences have remained buoyant and have surprised the organisation with their willingness to keep returning to take risks. Continuing to reach beyond the healthy core audience will be the next challenge facing the Traverse.

1. **Richard Reeves and John Knell,** *The 80 Minute MBA: Everything You'll Never Learn at Business School,* Business Plus, 2009.

## Have a go

To assist your development of a marketing audit and review there is a set of formatted pages to be filled in with the data found, and which can be used to record any conclusions reached. These are Worksheet Set 2 (a) to (h) and are included with the other downloadable worksheets at www.a-m-a.co.uk.

# Chapter 3 Scanning the world outside I: identifying competitive threats, environmental opportunities and the trends they represent

An important aspect of strategy is about ensuring that the organisation continues to fit in with the world in which it works (its operating environment). Thus while an internal and retrospective examination of the state of an organisation's past and present marketing activities is a key part of strategic (marketing) analysis, so is a detailed consideration of its environment and the things going on in it.

With the internal assessment complete, the analysis of 'where the organisation is now' turns its attention to the outside world. This is the external analysis part of the overall strategic analysis. It examines the organisation's environment according to three considerations and issues:

1. The competitive threats it faces in the form of competition factors and trends, together with the more positive aspects that constitute opportunities (both are discussed in this chapter).
2. Other organisations that are actual competitors (Chapter 4).
3. The potential markets that the organisation might approach in order to achieve its objectives (Chapter 5).

## Thinking about competition

In the world of the arts – especially the subsidised arts – it is often the case that deliberately thinking about 'competition' can feel like an uncomfortable activity. Indeed, arts managers can sometimes voice the estimable sentiment that 'After all, we're not in business to do down the opposition and would rather work with everyone to the benefit of the greater good – aren't we?' Well, actually – no. While many organisations have a laudable set of values and ethics that see it as preferable for the organisation to progress and develop on the basis of cooperation and collaboration, this is to misunderstand the intrinsic nature of competitive threat factors.

One generic idea of competition is provided by the leading American strategy writer Michael Porter who gives a direct, wide-ranging, yet very specific description of 'competition'.



**'Competition ... continually works to drive down the rate of return on invested capital.'**
*Competitive Strategy* **(by Michael E. Porter, 1980)**

This is, however, a very commercially oriented description. Clearly it relates the concept of competition to the prime purpose of commercial (or 'for profit') organisations. But the same approach can be used in translating the concept to the not-for-profit/arts sector (i.e. defining competition in terms of its impact on organisations' prime purposes).



**In not-for-profit arts organisations, competition can be thought of as anything that inhibits or stops an organisation from achieving its goals.**

When put this way, it can be seen that competition could come from any factor or trend that potentially prevents an organisation from achieving its objectives. So identifying an organisation's sources of competition becomes a much bigger and wider issue than merely spotting the other organisations potentially being competed with (as important as this is).

Identifying such competitive factors, forces and trends (together with aspects that represent opportunities) for the organisation is an integral part of external strategic thinking. Yet on the face of it this can seem like a big and rather challenging task. It's a big, complex world out there, which means that some approach to simplifying it so that the 'wood can be seen for the trees' is required. Fortunately one such simplifying approach does exist and is frequently used by strategic and marketing planners. This is the acronym **PEST**.

PEST stands for political (and legislative), economic, social and technological factors. (PEST is referred to by some sources and commentators

as PLEST or even the apparently more dormant SLEPT – but these amount to exactly the same technique because they have just rearranged the order in which the factors are mentioned.)

PEST assessment can be used to draw up a checklist of factors and trends that are thought likely to have a big impact (either positive or negative) on the implementation of a strategy and thus the achievement of that strategy's desired results. Figure 3.1 provides an indication of some of the factors and trends that might legitimately be included in a PEST assessment.

This has been included here, first and foremost, to indicate the sort of factors that might go into a PEST assessment for a strategic marketing plan. However, to really make the most of PEST a number of tips, thoughts and techniques should be noted.

• **Look for the positive as well as the negative**
Up to now, we've mostly considered the use of PEST as a means of detailing the competitive threats faced by the organisation. But remember that it can also identify and record aspects that may be opportunities.

• **Making PEST specific to your organisation**
Some of the factors shown in Figure 3.1 are probably relevant to all arts organisations. However, it's important to develop a PEST assessment from the particular perspective of your organisation. As a result it is likely that each organisation's interpretation of PEST will differ in some way from its peer organisations. This is fine, because all organisations are in some way different from each other. Furthermore, when drawing up the list of PEST factors to be included in your strategic marketing plan, bear in mind that



**POLITICAL and legislative factors**

• national arts funding policies
• local authority funding policies
• health and safety legislation
• child protection legislation
• data protection legislation
• the educational curriculum

**ECONOMIC factors**

• levels of household income
• levels of disposable income
• levels of unemployment
• prevailing interest rates
• rate of inflation

**SOCIAL factors**

• demographic trends
  (e.g. composition of families
  and overall ageing of population)
• levels of unemployment
• levels of disposable time
• degree of social exclusion
• levels of educational attainment

**TECHNOLOGICAL factors**

• local and regional communications
  infrastructure
• increased availability of
  Internet and CD-ROMs as
  sources of entertainment
• increased number of leisure
  alternatives
• fragmentation and proliferation
  of media

**Figure 3.1**

**Examples of potential PEST factors affecting the marketing activity of arts organisations**
(adapted from Drummond and Ensor 1999). Reprinted by permission of Elsevier Ltd.

there are no right answers here – only ones that are appropriate to, or make sense in terms of, the organisation's particular circumstances.

**• Triggers or prompts and not just pigeonholes**
The headings that make up PEST are only meant to provide triggers to thinking. So it doesn't really matter where you put a factor as long as it makes a kind of sense and is put somewhere rather than being left off.

There can be a very thin dividing line between social and economic factors, or – say – social and technological factors. For instance, unemployment is caused by economic forces but has social consequences. But this isn't to suggest that a PEST assessment can be used as a pretence for a detailed philosophical or semantic debate. **What really matters is that a relevant factor appears somewhere in the assessment, not that it is in the 'right' place.**

**• Still a need for some clarity with definitions**
On the face of it, PEST looks like a simple tool. But to be carried out effectively it can frequently demand deep and wide-ranging thought. So while it doesn't really matter where things are put in it, it can sometimes be important to have some clarity as to the meaning of some of the PEST terms. Here 'politics' refers to politics with a small 'p' and relates to any factor or trend that has a governmental or legislative origin. Similarly 'technological' should not be restricted to things such as sophisticated machinery, robots and high-tech electronics. It can refer to less sophisticated equipment and machinery (such as cars and transportation) and anything that constitutes a way of doing things. As a result, a paper-based filing system, a catalogue in a library, a manual ticketing agency selling hard tickets or an area's road and railway infrastructure can justifiably be seen as technological aspects.

**• Limit the factors included by concentrating on ones that are relevant and important**
With such a potentially wide-ranging exercise there is a constant danger that attempts to produce a comprehensive assessment result in an avalanche of facts, not all of which are important to the

**Figure 3.2**
**Limit the contents of PEST to factors that are either relevant or important**

organisation or even relevant. So one approach to restricting the content of your assessment to just the key factors is to keep checking the relevance and importance of an element. If it has neither, then leave it out (see Figure 3.2).

**• Seek things that offer an alternative to the needs served by your organisation**
A further means of identifying potential PEST factors is to seek things, factors and trends that – from the point of view of the organisation's customers, visitors, users and participants – represent an alternative way to meet the needs currently served by your organisation's products, services and offerings. For instance, if your customers are seeking entertainment, then DVDs might provide a similar satisfaction. If your users want to see particular works of art, the websites and CD-ROMs devoted to artwork may serve a similar need. And if your users

currently value involvement with the organisation because its participative events make them feel involved, valued and fulfilled, a community-focussed programme of sports development may well be seen as a potential alternative. Consequently anything that forms an alternative means of satisfying your customers' needs can represent a competitive factor and probably should be included in the PEST assessment.

**• Go a step further and elaborate the implications**
The PEST assessment shown earlier as Figure 3.1 misses a further trick. This is because merely listing the PEST factors facing an organisation only really forms a starting point. To make the most of this exercise it's worth teasing out what the implications of the identified factors are for the organisation's marketing activity. Figure 3.3 does this for a number of selected factors.

| PEST category | Factor | So likely implications are |
|---|---|---|
| POLITICAL | local authority funding policies | Budgetary restrictions may reduce available resources. |
| POLITICAL | educational curriculum | More limited emphasis on arts may reduce market for schools groups, but may increase need for schools to access external provision. |
| ECONOMIC | levels of disposable income | People may not consider organisation affordable. |
| ECONOMIC | prevailing interest rates | May diminish feeling of economic optimism. |
| SOCIAL | increasing average age of population | Providing dedicated events for the elderly becomes an opportunity. |
| SOCIAL | low levels of educational attainment | Restricts size of potential markets. |
| TECHNOLOGICAL | increased leisure opportunities | Increased level of competition from alternatives. |

**Figure 3.3**
**The value of PEST is increased by teasing out the marketing implications of the identified factors** (selected factors)

**Figure 3.4**
**At-a-glance ways of making the most of a PEST assessment**

- Look for opportunities as well as threats.
- Make the PEST assessment specific to your organisation.
- Use as triggers and prompts to thinking, not as pigeonholes.
- Use a degree of clarity as to category definitions.
- Use relevance and importance to restrict contents to key issues.
- Seek alternative ways of meeting the need served by the organisation.
- Elaborate the implications of identified factors.

## Building a PEST assessment

It's completely possible to build a PEST assessment by working alone and in isolation. But it's worth bearing in mind that it can benefit from the involvement of a wide range of people from within your organisation. This is because a varied selection of participants will bring to it different thoughts and knowledge. Also running meetings, seminars or working groups devoted to building a PEST assessment can be a powerful tool for creating internal consensus on the issues that are really important to the organisation. (However, whether you work on PEST alone or in a group, the tips summarised in Figure 3.4 still apply.)

**Figure 3.5**
**Resources for identifying PEST factors**

- The knowledge of colleagues and peers.
- Quality newspapers/magazines (e.g. *The Economist*).
- Trade magazines and newspapers (e.g. *Arts Intelligence, Arts Professional, The Stage and Television Today*).
- Current affairs programmes on TV and radio.
- Published reports.
- Office for National Statistics (ONS) publications such as *Regional Trends* and *Social Trends*.
- ONS web resources, e.g. www.statistics.gov.uk and www.neighbourhood.statistics.gov.uk.
- Other web resources such as those of Arts Council England (www.artscouncil.org.uk) and the Arts Marketing Association (www.a-m-a.co.uk).

As well as turning a PEST seminar into a team-building event for the organisation, it can also be important to draw knowledge and ideas from a range of published and broadcast sources, such that the assessment is almost like applied general knowledge. Figure 3.5 provides a checklist of potential sources for such research (and again factors should be evaluated for inclusion according to their relevance and importance).

Although Figure 3.5 provides a wide-ranging set of potential sources, there is one publication that forms an immensely valuable source of thinking on PEST factors for the arts. This is the Henley Centre's report for Arts Council England *Towards 2010: New Times, New Challenges* (by Robert Hewison and the Henley Centre, 2000). Indeed this report is so wide ranging and insightful that it repays frequent reading and is highly recommended. While this guide cannot hope to reproduce or replicate the entire contents of *Towards 2010*, Figure 3.6 does provide a summary and abstract of some of the factors identified by it.

**Figure 3.6 'Macro drivers for the arts'** (extracted, abstracted and amended from Henley Centre 2000)

1. **Money** The majority of the UK population is getting richer. People have more disposable income, a trend that is likely to continue.
2. **Time** People have much less time.
3. **Changing structures** The traditional structures of life – households, gender distinctions, the working day – are shifting.
4. **Trust (in institutions and things)** Society is changing from 'top-down' to 'bottom-up': trust and power now resides in different areas.
5. **Rising standards** The stakes (and rewards) people are willing to put in (and expect to get out) are higher, making people more demanding.
6. **Technology** There is now an information revolution and an attention economy.
7. **Impact on the arts** Time has become a currency for many people; there is a changing pattern of time use; the competitive set for the arts is all free time; time and money form a context for the arts which means that people want value-for-time media such as radio and TV, flexible opening and programming times, and art in short bursts.

# Case study: Platform, Glasgow – an example of competitors and competitive factors faced by a suburban venue

**Platform** is a unique cultural venue based at the heart of The Bridge in Easterhouse, Glasgow. Fully launched in 2006, The Bridge is the overarching name for four facilities: John Wheatley College, Platform, the local library and swimming pool.

Being based in one of Glasgow's peripheral areas, the inherent local threat facing Platform is the demographic profile of the area. Easterhouse and its surrounding communities make up one of the country's areas of multiple deprivation. Local residents have less disposable income and audiences from further afield can be apprehensive of visiting the area. As a result of this, more established city centre cultural venues pose a substantial competitor threat.

Platform has taken steps to overcome these threats by supporting the engagement of local residents and encouraging participation from the immediate area, while endeavouring to appeal to a wider audience from across Glasgow and beyond. These steps are outlined below.

- The establishment of a Local Links membership scheme for residents living in particular postcode areas. Members are eligible for ticket discounts, often up to 75% off, special offers on merchandise and invites to preview events.

- Engagement with local networks and forums (e.g. youth and health networks) to demonstrate a commitment to the understanding of community issues and to offer support in overcoming barriers in accessing cultural and social opportunities.

- Ensuring strong relationships are maintained with local community groups to encourage uptake at Platform shows and events and use of The Bridge as a venue.

- Support with transport to the venue for specific shows and events.

- Increase in promotion of shows and events through Learn Updates (education/schools/community newsletter), establishment of a Facebook page and broadened distribution of print material to cover other parts of the city.

## Have a go

Whether you decide to build a PEST assessment alone or by working with colleagues, carrying out the sorts of thinking described above and recording your conclusions will form an important component of your strategic marketing plan. Thus downloadable Worksheet Set 3 is a set of forms where your conclusions can be recorded. Go to www.a-m-a.co.uk.

# Chapter 4 Scanning the world outside II: locating competitors and potential collaborators

By carrying out the first stage of external analysis, you will have bolstered your strategic marketing plan with a snapshot of its broad context – or the milieu in which the plan is meant to be put into action. Creating this broad overview of the external background involved reviewing the competitive threats and factors, identifying potential environmental opportunities, and then summarising them as a PEST assessment.

This activity necessarily concentrated on wide-ranging factors and trends. These can often tend to be somewhat abstract, philosophical or ethereal. But if the context for your organisation's marketing activity is to be fully explored, there's a case for identifying the specific organisations, institutions or (organisational) entities that also operate within this wider background and context (the other 'animals', as it were, that live in your part of the forest) ....

These are the organisations that are capable of having an immediate effect on your organisation's marketing activities. These effects could be either positive or negative. And these other entities could either help or hinder your organisation's marketing efforts. So considering the other players operating in your organisation's world involves locating not only potential competitors, but also prospective collaborators.

## Looking for competitors

**A competitor organisation is one that serves a similar set of customer and user needs to those that your organisation also seeks to satisfy.**

Spotting competitors can all be a matter of degree. As a result a number of marketing authors have suggested different approaches to classifying types of competitor organisations.

The University of Warwick's Peter Doyle, in *Marketing Management and Strategy* (1994), recommends categorising competitors according to both the sorts of products they provide and the sorts of customers served (see Figure 4.1).
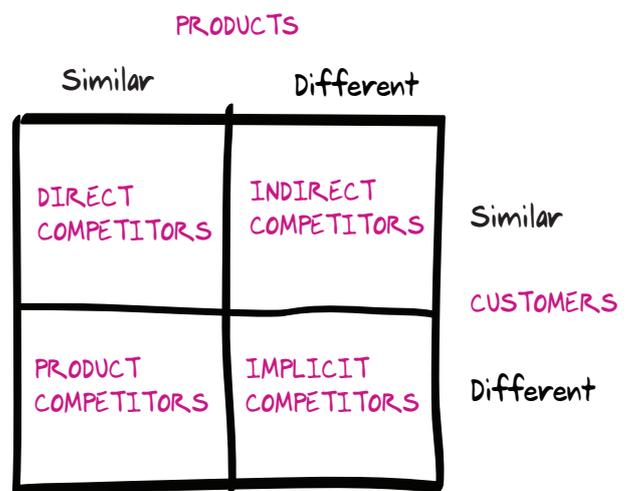


**Figure 4.1**
**The different categories of competitors** (after Doyle 1994). Reprinted by permission of Pearson Education Ltd.

Indeed there is a range of considerations that apply to any organisation (which can be thought of as 'competitor dimensions') that may need to be taken into account. Figure 4.2 provides one set of 'competitor dimensions' that could be used as the basis of strategic competitor group mapping in the arts (although this list is indicative and by no means comprehensive, so that each organisation may wish to add additional appropriate dimensions to it).

**Figure 4.2 One set of potential competitor dimensions for strategic competitor group mapping in the arts**

- Geographical location: from nearby to far away.
- Programming policy: from traditionalist to innovative.
- Programming basis: from producing to receiving.
- Artform emphasis: from one artform to multi-artform.
- Space use of offerings: from single space to multiple spaces.
- Setting of offerings: from building based to touring.
- Ethos of provision: from high excellence to community involvement.
- Business orientation: from not-for-profit to commercial.

The importance of such competitor dimensions is emphasised and illustrated by both Doyle (*Marketing Management and Strategy*, 1994) and Hooley, Saunders and Piercy (*Marketing Strategy and Competitive Positioning*, 1998), who use such dimensions as a means of mapping strategic competitor groups. Figure 4.3 shows this mapping approach used to identify strategic groups of competitors in one arts setting.

(Note how, in the strategic competitor group map for opera in London, the group of permanent companies with a regional base falls between the extremes of both the considerations being mapped. While these companies all have permanent bases outside London, their work in London happens on a touring basis.)

The stages needed to produce such a strategic competitor map for your organisation are shown in Figure 4.4.

**Figure 4.4 Drawing strategic competitor group maps**

1. Select two competitor dimensions which epitomise the nature of your organisation or the basis on which it competes.
2. Draw these at right angles to each other.
3. Mark all the relevant organisations on the map according to their relative place on the two dimensions or scales selected.
4. Draw an oval around the clusters of organisations that form a logical group. These are direct competitors to each other.
5. Then mark on your organisation according to how it fits with the chosen dimensions.
6. The organisations in the same or closest strategic competitor group as your organisation are its potential direct competitors.
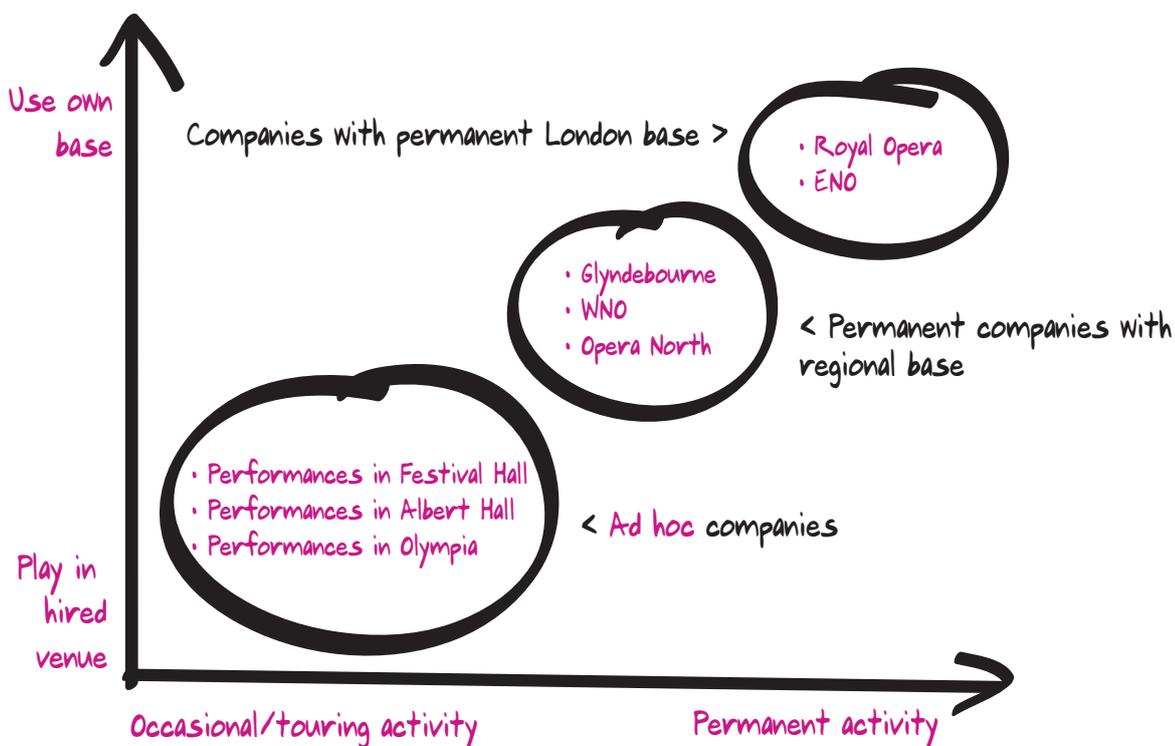


**Figure 4.3**
**Strategic competitor group map for major opera performances in London**

## Looking for potential collaborators and partners

**'The competitive realities of surviving and prospering in the complex and rapidly changing business environment encourage teaming up with other companies. Co-operative strategic relationships among independent companies are escalating in importance.'**
*Strategic Marketing* **(by David W. Cravens, 1997)**

It must be admitted that the previous chapter gave a slightly curt dismissal to an ethos based on collaboration and cooperation rather than competition. This was because neglecting wider, competitive factors potentially inhibits the organisation's ability to examine important considerations in the world in which it works.

But when considering other organisations and players in that environment, their potential role as partners and collaborators cannot – and should not – be ignored. This is partly because an acknowledged part of the arts sector's culture is an enlightened urge to work together to the benefit of all. But – almost more importantly – it's also because working in partnership is now recognised as a pragmatic and sensible strategic approach. This is especially the case if such partnerships are focussed on creating and expanding a market, as opposed to squabbling over an individual organisation's share of that market.

Furthermore, the occasional assessment and mapping of other organisations in the environment could well identify players that it would be foolhardy, or impossible, to compete with, given their strengths or a position of market dominance.

Whatever the rationale for such collaborations, the act of working with them is frequently described as a 'strategic alliance'. Such strategic alliances tend to have as their core driver the notion of synergy – the concept that, by working together, the partners can create something greater than the sum of the partnership's parts.

Consequently it is strongly recommended that mapping of strategic competitor groups is expanded to encompass potential collaborators. This can use a quick and easy visual approach that distinguishes potential collaborators from the competitors by surrounding prospective partners with a box or rectangle (see Figure 4.5).
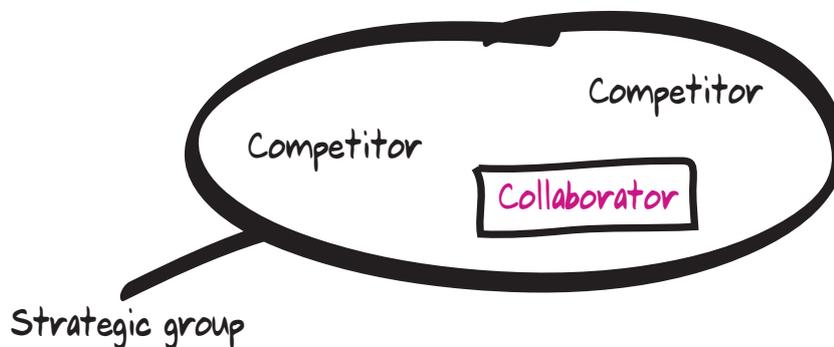


**Figure 4.5**

**One possible visual approach to distinguishing competitors from collaborators**

# Case study: five well-established companies adopting a collaborative strategy

**David Stark**, Director of Marketing and Communications, Royal Scottish National Opera, explained how the five national performing arts companies in Scotland considered working together on marketing projects after receiving direct core funding from the Scottish Government.[1] Acting as a catalyst to collaboration, Missions Models Money provided both funding and specialist expertise to the partners, encouraging them to identify a common purpose.

Each company was at a different stage in their digital work, with differing ambitions. Though a few were fairly advanced, no one had yet realised the full potential of online social media, nor did any have sufficient resources to truly 'go it alone'. As a result, the five chose to create a social media platform together, harnessing collective power in order to engage with existing and potential audiences for performing arts.

The project began with briefing and training CEOs and marketing directors in the latest digital and social media technologies. Only once everyone was informed and aligned with the potential did planning begin. Discussions were around the brand identity of the project, how the collaboration would relate, integrate and/or duplicate individual activities and on what internal resources each could bring to the table. The designer, Blether Media, was commissioned to build the site and also to be the initial content curator, bringing editorial impartiality. The new network, The Performance Post, is cross-promoted by all five to their existing audiences (and their friends). More partners means more content and interaction, therefore engagement with audiences who are currently out of reach of everyone is more likely.

1. **National Theatre of Scotland**, Royal Scottish National Orchestra, Scottish Ballet, Scottish Chamber Orchestra and Scottish Opera.

## Summarising the competitor and collaborator scan

The last step in conducting a scan and appraisal of competitors and collaborators in the environment is to list the organisations falling into these two groups together with a note of the basis on which they are expected to compete or collaborate. (For example, this basis might represent these organisations' reasons for behaving in this way, or the approach they might take to doing it – see Figure 4.6).

The overall steps involved in carrying out a competitor and collaborator scan and appraisal are summarised in Figure 4.7.

## Have a go

Worksheet Set 4 (available online at **www.a-m-a.co.uk**) is there to help you compile a competitor and collaborator scan for your organisation's strategic marketing plan. By completing these sheets and recording your thinking you will thus have an important addition to your developing plan's components.

**Figure 4.6**

**Extract from a summary of competitors and collaborators for a large, building-based contemporary visual arts facility**

| ORGANISATION | STATUS | BASIS FOR STATUS/ PREDICTED APPROACH |
|---|---|---|
| Local commerical gallery | Competitor | Running paid-for exhibition of contemporary paintings, thus serving similar needs. Not willing to consider free admission. |
| Local commercial virtual reality-based visitor attaction | Competitor | Offer based on digitised approaches. Promoting heavily but not willing to consider free admission. |
| Local subsidised museum and gallery | Collaborator/ partner | Also seeking to attract visitors to town. Potential here for joint promotion. |
| Local subsidised artists' collective | Collaborator/ partner | Also seeking to run participative community outreach projects. Potential here for combined projects. |

**Figure 4.7 At a glance: how to build a strategic competitor and collaborator map and appraisal**

1. First draw a relevant competitor map using an appropriate set of competitor dimensions (see Figure 4.2).
2. Identify the competitors that should be regarded and treated as potential collaborators.
3. Summarise the mapping and assessment process by listing the identified competitors and collaborators in a table.
4. Lastly, consider and record either the source or reasons for the organisations' identified competitor or collaborator status, or the approach to competing or collaborating you expect them to take.

# Chapter 5 Scanning the world outside III: exploring your markets and the potential segments in them

There is one last scan of the environment that needs to be done before the developing strategic marketing plan's strategic analysis phase is complete. This is a consideration of who your organisation for.

This means identifying the kinds of people who make up your organisation's desired markets, subdividing these people into potential market segments, and then gaining some understanding of the nature and size of these segments.

## Key terms explored

In discussing how you can identify and quantify who your potential customers and users are, this chapter uses a particular definition of a 'market'.

**A market is any broad collection of people who might have an interest in exchanging something, coming into contact or engaging with your organisation.**

The noun 'market' is an intentionally broad term. Depending on the products or services being offered, it could potentially include the entire population of an area, a region, a country or indeed the world. Yet no matter how big an organisation's aspirations are, very few have the resources to reach an entire market.

Your organisation is likely to have limited resources. So you will need to focus their use on the places where they are most likely to have an effect in helping you achieve your objectives. This means that, sadly, it's going to be necessary to select just a few parts of an overall market and concentrate your efforts on them. Such a process of concentration and focus is typically called 'segmentation'.

**Market segmentation is the act of 'splitting markets into discrete groups to be treated differently'.**
*Principles of Direct and Database Marketing* **(by Alan Tapp, 1998)**

The set of broad marketing objectives implied by the overall mission is an excellent place to start for an organisation wishing to segment its markets. Indeed, when segmenting the potential market for your organisation, your primary and initial cues need to be taken from the broad marketing objectives that were developed in the early stages of this planning process.

This sense of why a marketing exercise is being carried out (i.e. its purpose) is a vital starting point to segmentation thinking because different objectives will imply selecting different segments. For instance, if the overall aim is to secure repeat custom from regular visitors, then a prime segment might be people who come at least four times a year. However, if one of the objectives of the plan is secure engagement from parts of the community who conventionally have not accessed your organisation, then you will have to consider what defines and distinguishes these new sorts of people from your current and habitual users.

**But don't 'jump to solutions'. It seems wise to complete the analysis of a situation before moving into action – finish thinking before you leap.**

## Identifying market segments

The predominant approaches to market segmentation used tend to be based on either the history and nature of an existing customer's or user's relationship with the organisation, or the particular reasons for engaging with it (i.e. their need, which is being served by products

and services). However, this potentially does not recognise the need to relate segmentation to the organisation's broad marketing objectives.

Fortunately there is a fantastically broad and wide range of considerations and criteria that are used to support segmentation thinking. These fall into four broad categories as follows:

- **Demographic approaches to segmentation**
  Identifying potential customers or users according to their age, social grade, life stage or family circumstances (e.g. middle-aged, well-to-do people who have an established career and whose children have left home).

- **Geographical approaches to segmentation**
  Identifying potential customers or users according to where they live or work (e.g. people who live within 10 miles of an organisation's main venue or the principal place where the organisation puts on events).

- **Behavioural approaches to segmentation**
  Identifying potential customers or users according to what segment members actually do or have done in the past (e.g. people who come once a year to see a 'blockbuster' exhibition).

- **Attitudinal approaches to segmentation**
  Identifying potential customers and users according to people's attitudes to your organisation, its artform and the arts in general, together with their beliefs and values (e.g. people who have been supporters of your organisation in the past and have demonstrated that they enjoy being involved with participative events such as your samba band).

Since market segmentation is going to be ultimately concerned with deciding where to focus an organisation's marketing efforts and resources, not only is it important to find a way of identifying the segments that will help to meet an objective, it's also vital to check that a segment will be worth bothering with.

Here, the main consideration has got to be whether the potential segment fits in with the relevant marketing objective. However, in setting out the issues to be considered in assessing whether

it is worth investing effort and resources in approaching a segment, Richard Wilson and Colin Gilligan (*Strategic Marketing Management: Planning, Implementation and Control*, 1997) suggest a set of six criteria (see Figure 5.1). Reprinted by permission of Elsevier Ltd.

**Figure 5.1 The qualities of useful market segments**
(after Wilson and Gilligan 1997)

**Market segments worth bothering with are likely to be:**
- measurable – you can count how big they are
- accessible – they're easy to reach and get to
- substantial – they're big enough to bother with
- unique – they're demonstrably different from any other segment
- appropriate – they fit in with the organisation's chosen objectives
- stable – they're unlikely to change in the short term, so they'll still be there the next time you're carrying out a similar exercise which justifies building a relationship with them.

## Carrying out a market segment audit

Hence, as the part of the strategic analysis devoted to the external, environmental context (i.e. the world in which your organisation works), it's worth compiling a list or table that shows the answers to a number of questions:

- Who are the segments that seem likely to help the organisation meet its broad marketing objectives?
- Why might they be interested in engaging with the organisation, and what evidence do you have for this?
- How many of these sorts of people (in total) is the organisation currently attracting?
- How many of these sorts of individuals are there (the size of the potential segment)?
- And thus how big is the gap in terms of the difference between the recorded number of uses and the overall potential scale of the segment?

While the first two questions are relatively easy to answer, the last three can be somewhat trickier. In terms of the third question, your organisation may not be geared up to collect this sort of information quickly and easily. For instance, it might not be

the sort of organisation that uses a computerised ticketing system or database; it might not charge for admission; or it may put on the sorts of events that are not susceptible to collecting detailed information on visitors, attenders and users (such as large, outdoor community events, or films where the majority of customers pay on the door). But don't worry about this – it doesn't matter.

If the information on this isn't immediately to hand, you might consider doing a piece of visitor research. Or if all else fails, use your best guess. Once again this is a case of not aspiring to perfection, just the best that is pragmatically possible given your organisation's circumstances.

And when it comes to estimating the scale of a market segment, there is one crucial piece of information that you will need, and a set of resources you may wish to be aware of. The crucial bit of information relates to the size of your organisation's natural catchment area (often shortened to just 'catchment'). Catchment refers to the areas from which an organisation naturally and habitually attracts customers and users. So, depending on the type of arts organisation involved, its natural catchment could be the whole country, the town in which the organisation is based or even those streets that are within, say, half an hour's travelling time from an event's location.

Catchments can be identified either on the basis of analysis of databases (if you have one), audience and visitor surveys, or (once again) informed guesswork. Once you have an idea of what your organisation's natural catchment is, you could access the data based on the census and other sources provided by the funding system, local authorities, libraries and the national network of arts marketing and audience development agencies, to help you identify how many people of the sort you are interested in live within your defined catchment.

Having answered these questions as far as you possibly can, your market segment audit may look something like Figure 5.2. Once complete, this (together with some of the issues discussed above) can be used to identify and select the most promising set of segments to be worked with, according to the nature of the objectives.

## Have a go

The worksheets forming Set 5 (provided online at www.a-m-a.co.uk) are there to allow you to think about, audit and record your thoughts on potential market segments in relation to your organisation's overall broad marketing objectives. As always, when completed these will form a part of your eventual strategic marketing plan.

| Segment | Potential reason for use | No. of segment members among current users | Segment potential within catchment | Gap (i.e. further potential) |
|---|---|---|---|---|
| Previous core attenders at exhibitions | Track record of support | 2,500 | 3,000 | 500 |
| Arts students at local educational institutions | Renaissance sculpture is in A level syllabus | 125 | 4,000 | 3,875 |
| Subscribers to national fine arts magazines | Self-identified fine arts interest | 60 | 10,500 | 10,440 |

**Figure 5.2**

**An example of a market segment audit (extract)**

NB The data in this table is for example purposes only and should not be used for real marketing exercises

# Chapter 6 Pulling things together to see what you are dealing with: using SWOT to summarise strategic analysis

Once you have worked through the internal and external parts of your strategic (marketing) analysis, you will probably have to hand a substantial body of data, facts, perceptions and ideas. Another fundamental aspect of strategic thinking is its role in providing an organisation with an overview – a big picture of where it is now, and of where it wants to be. Thus although it will have dealt with strategic issues, to make the internal and external analysis truly strategic it needs some sort of summary. That is, the conclusions need to be collated and condensed in some way so that you and the organisation can begin to 'see the wood for the trees'.

A popular yet conventional way of creating such a summary is to use the technique known as SWOT analysis. (SWOT stands for strengths, weaknesses, opportunities and threats.) And this approach has a number of claimed benefits (see Figure 6.1).

**Figure 6.1 Some of the claimed benefits of SWOT analysis**

- It provides a useful framework for structuring findings.
- It helps summarise complex thinking into an easily approachable form.
- It allows its users and readers to focus on the major issues that have strategic importance.

The underlying challenges involved in using SWOT to best effect include the following:

- It can sometimes be difficult to decide which heading a particular factor should be shown under. Hence there can be uncertainty as to how a weakness is distinguished from a threat, or how a strength differs from an opportunity.

- Equally, whether something is considered a strength or a weakness, an opportunity or a threat can all depend on the relevant context and circumstances. In fact it can often feel as if the same factor potentially belongs under more than one heading, according to what the organisation's future is assumed to be like.
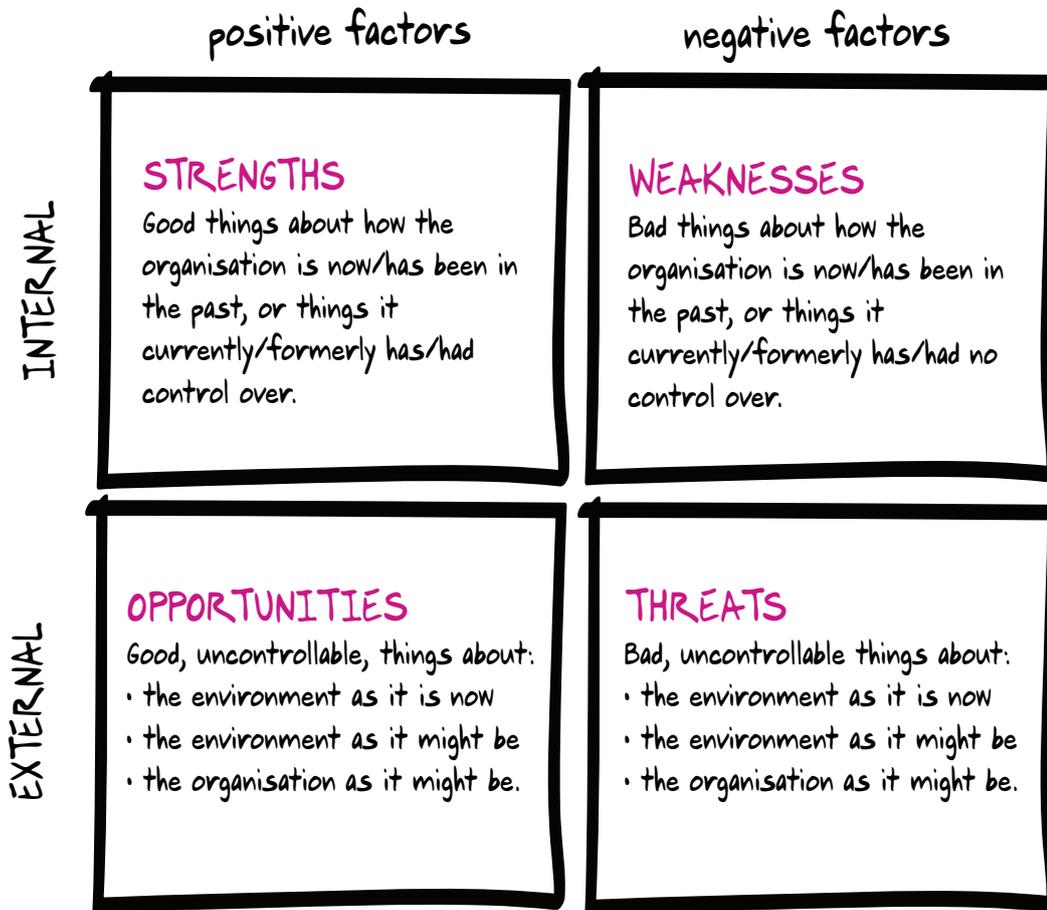
- It's all too easy for a SWOT analysis to become just a list of factors without encouraging the elaboration of their implications. In these instances one ends up with a SWOT table, but how can strategies be developed from this list?

- And then building a SWOT analysis carries the temptation of evaluating potential, suspected or not fully thought-out strategies for their various strengths, weakness, opportunities and threats, rather than aspects of the current situation that will ultimately lead to elaborated strategies. (This pitfall should be resisted at all costs because it can potentially become a self-fulfilling prophecy.)

## Rising to the challenges of SWOT

There are now a number of tried and tested techniques and notions that can help avoid some of the implicit challenges associated with compiling a SWOT analysis.

If the issue is uncertainty about where a particular factor should be put, then this is, once again, essentially an issue of definition. Thus one potential way of resolving it is to think of SWOT as a classification of factors according to whether they are internal or external, as well as whether they are positive or negative.

- 'Internal' factors are issues that are internal to the organisation's current reality – its 'here and now' – and over which it has a relative degree of control (i.e. they apply to the inside of the organisation as it is now or as it has been in the past).

- Alternatively 'external' factors are external to the organisation's current reality – they're outside its 'here and now' – and over which it has relatively little or no control (i.e. these may be current factors in the environment, potential future factors in the environment, or factors inside the organisation as they might be in the future).

positive factors    negative factors

**INTERNAL**

**STRENGTHS**
Good things about how the organisation is now/has been in the past, or things it currently/formerly has/had control over.

**WEAKNESSES**
Bad things about how the organisation is now/has been in the past, or things it currently/formerly has/had no control over.

**EXTERNAL**

**OPPORTUNITIES**
Good, uncontrollable, things about:
· the environment as it is now
· the environment as it might be
· the organisation as it might be.

**THREATS**
Bad, uncontrollable things about:
· the environment as it is now
· the environment as it might be
· the organisation as it might be.

**Figure 6.2**
**At-a-glance guidance on where factors go in a SWOT analysis**

Figure 6.2 gives an at-a-glance summary of factors falling under the various SWOT categories.

If a particular factor could potentially go in more than one place depending on how things turn out, then put it in both places with a note showing the relevant assumptions. Furthermore, including notes on the assumed circumstances that make something either a strength or a weakness, or alternatively an opportunity or a threat, helps to shape an analysis that has taken detailed account of different possible eventualities.

For instance, a factor such as 'local authority policy towards arts provision' could be an opportunity if, at the next election, an arts-friendly party is returned

to power. But this same factor ('local authority policy towards arts provision') could well be a threat if the party elected to power is not so arts friendly. Both are valid contingencies, therefore both probably need to appear in your analysis.

Equally, if you sense a tendency for the SWOT analysis to start evaluating possible strategies rather than the current and future situation, resist this. It's potentially unhelpful to have full-blown strategies at this stage because it is pre-empting the final conclusions arising from your analysis. Hence you are encouraged not to start thinking about strategies until the analysis is complete, and to keep checking that the SWOT analysis is focussing on the current and future situation.

**Try to ensure that the factors included in a strategic marketing plan's SWOT analysis are related to marketing activity or have some marketing implications rather than relating to some general set of issues for the organisation. Hence this is about making sure that the SMP's SWOT analysis looks at everything from a marketing perspective.**

In compiling your SWOT analysis it may not be advisable to progress straight to a table. Instead there can be value in first listing the various factors on issues on separate pages and only then compiling a summary of this summary as a table. In this way you'll end up with the best of both worlds. Listing factors in a free-form way on separate sheets ensures a degree of completeness, while transcribing a summary of the most important elements to a table provides you with a summary of key factors that can be put in your strategic marketing plan.

Lastly there's the overall and underlying issue of SWOT just generating a list of factors rather than a set of strategies. However, this need not be of concern at this stage, because Chapter 7 in the next section will outline a simple yet powerful technique for deriving potential strategies from a SWOT analysis.

## Have a go

Worksheet Set 6 (available online at www.a-m-a.co.uk) provides both the single sheets devoted to each of the SWOT categories and a blank table for compiling your eventual summary of key issues and factors. To make the most of this you should complete the single sheets first and then the summary table, because in that way you reduce the risk of missing things out.
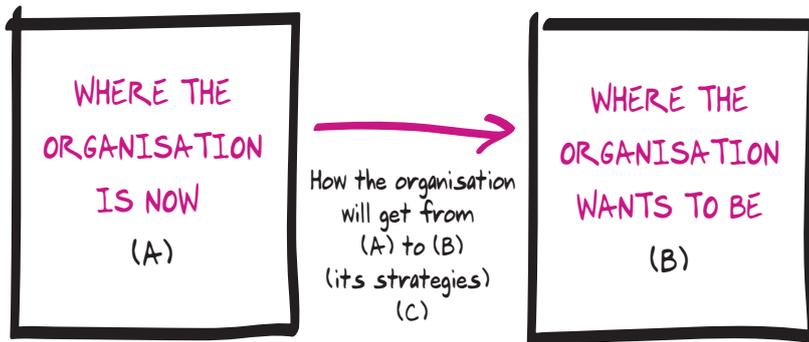
# 3

## SMP Phase Three
## Making and selecting strategies

If you've got this far, then it's a fair bet that you've either carried out (or thought about carrying out) the steps involved in performing a strategic marketing analysis on your organisation, or that you already feel comfortable with your existing knowledge on the analysis process.

This section of the guide discusses the third phase of building a strategic marketing plan – making and selecting strategies.

- Chapter 7 starts with a brief interlude in the form of a 'reality check' on the true nature of strategy making and its practical implications. It then continues with an exploration of how to rearrange your marketing SWOT analysis so that it starts to suggest actual strategies, and stops being just a list. This rearranged version of SWOT is called TOWS analysis.

- As a result of this 'rearranged SWOT' analysis it is possible to identify potential strategic themes (or 'strategy sets'). Thus Chapter 8 explores the use of graphic tools such as matrices both to evaluate the possible strategies and to select the ones that seem appropriate to your organisation and its circumstances.

# Chapter 7 Strategy in the real world, and using a rearranged form of SWOT to create potential strategies

WHERE THE ORGANISATION IS NOW (A)

How the organisation will get from (A) to (B) (its strategies) (C)

WHERE THE ORGANISATION WANTS TO BE (B)

**Figure 7.1**
**The conventional way of visualising strategy**

## What strategy making is really like

Up to now this guide has discussed and illustrated strategic marketing using a frequently adopted approach. This conventional way of working tends to assume that, deep down, strategy is all about identifying where your organisation is now (A), where it wants to be in the future (B) and how it will get from A to B (C) (see Figure 7.1).

Thinking about strategy in this way has a number of benefits. Foremost among these is the way in which it radically simplifies and clarifies one's understanding of what really needs to happen.

But some leading thinkers on the subject are troubled by this notion. Their concerns flow from the fact that this approach doesn't come particularly close to recognising what devising and implementing strategy in the real and practical world is really like.

Principal among these critics is Henry Mintzberg. In two major contributions (*The Rise and Fall of Strategic Planning*, 1994, and *Strategy Safari: A Guided Tour Through the Wilds of Strategic Management*, 1998) he points out that when real-life strategies are examined, it is clear that strategies don't just result from analysis and thinking carried out by an organisation's senior management. Rather, he suggests that some successful strategies have been devised and put into place as a result of something that has happened by accident, and has been identified by people who are not necessarily in a senior position in an organisation.

Consequently Mintzberg, Ahlstrand and Lampel (1998) make a striking and useful distinction between strategies that have been planned (or, as he calls them, 'intended and deliberate strategies') and strategies that have come about by chance ('emergent strategies'), the whole point here being that both can contribute to the kind of strategies that an organisation eventually puts into action (its 'realised strategies') (see Figure 7.2).

**Figure 7.2**
**Strategies can emerge from the organisation by accident as well as being deliberately planned**
(after Mintzberg, Ahlstrand and Lampel, 1998). Reprinted by permission of Pearson Education Ltd.

Intended strategy

STRATEGIES THAT HAVE BEEN PLANNED

Deliberate strategy

Realised strategy

STRATEGIES THAT HAVE BEEN DISCOVERED

Emergent strategy
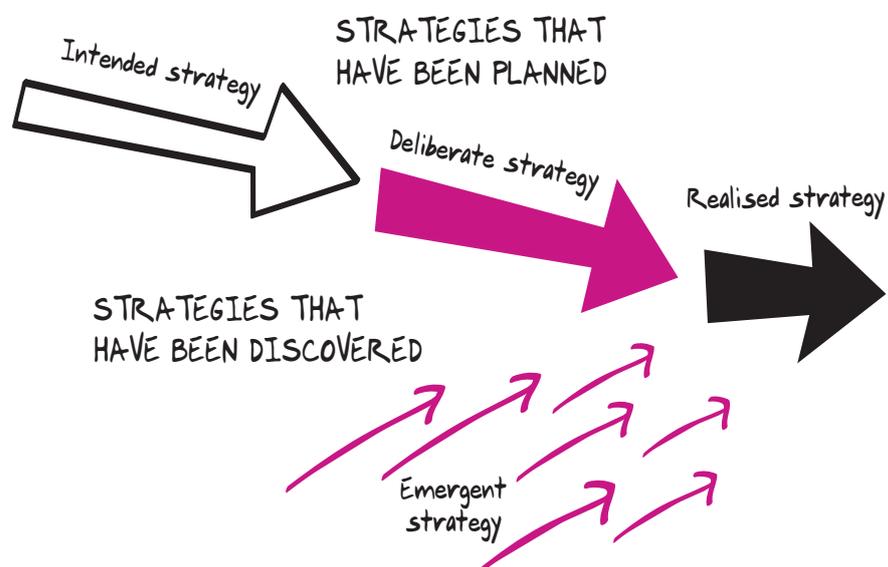
## Case study: Glasgow's Concert Halls – an example of an organisation developing its strategy on the basis of emerging factors



**Jane Donald,** Head of Marketing, explained that analysis, goal and priority setting are fundamentals of strategic marketing. But life is often messy – and a year can be a long time in marketing management. Sparky ideas, changing parameters and unforeseen circumstances necessitate learning and adjustment, thus illustrating the dynamic nature of strategy.

In early 2007 the marketing and sales team at the Glasgow Royal Concert Hall (GRCH) had established two clear strategic priorities – to rebrand the organisation to incorporate two additional venues, and to replace their legacy box office system. Initially, they perceived these as distinct projects with the discrete objectives of producing a coherent and communicable brand for their stakeholders and changing their box office system to increase sales online.

GRCH decided to allocate resources to the box office system as their highest priority. But as the team started to discuss the detail of the sales function it became apparent that the improvements they desired would be better realised by merging projects and creating, in tandem, a new collective identity for the three venues. Discussion of how,

in particular, web sales would work in the future made them aware that confining their objectives to merely fixing defunct technology was limiting and inadequate. Conversations with external experts, staff opinions expressed and consultation with audiences indicated an imperative to investigate the most appropriate identity (or identities) to use with the new sales technology.

GRCH started to cross the boundaries of its original planning process and a set of opportunities emerged that engendered creativity and efficiency. Audience research revealed a desire to buy the full musical offering across GRCH's venues and this strongly influenced the brand. Shaping of the brand in turn influenced early and key decisions about system choice and integration of the staffing structure of their box office(s). A strong case for the creation of the unified brand Glasgow's Concert Halls rapidly became apparent.

Throughout 2007 GRCH allowed its strategy to evolve. It became increasingly holistic as the team adapted to accept that their objectives could be better met by merging two projects. Emergent strategy making liberated them from the predetermined boundaries of traditional planning processes.

Mintzberg's telling observations go far beyond being merely interesting or intriguing ideas. Believe it or not, they have a number of practical implications for any organisation developing a relevant strategic marketing plan. Indeed, recognising and acting upon these concerns with 'strategic planning' is likely to involve:

- ensuring that the organisation has procedures in place for scanning the environment and learning from developments as they occur and are observed; and
- taking an approach to planning that allows you to revisit and double-back on previous thinking to enable revisions to the plan as the situation changes.

### Have a go

One way of making sure that your planning process is geared up to recognise the issues discussed in this chapter is to schedule regular reviews and revisions to the plan as its development and implementation progresses. Downloadable Worksheet Set 7 (a) is there to assist you to do this. Go to www.a-m-a.co.uk.

## Using a rearrangement of SWOT to begin identifying potential strategies

In its discussion of SWOT analysis, Chapter 6 warned how SWOT can sometimes result in a list of factors without giving any clear indication of what kind of strategies might be implied by them. At the same time, by noting Mintzberg's idea of emergent strategies we have seen how strategies can be suggested both by analysis and by having an almost intuitive awareness of what's going on in and around an organisation.

Fortunately the next step in the strategic marketing planning process is to use a technique that not only gets round these particular challenges, but also makes the leap from analysing your organisation

and its circumstances to beginning to outline potential marketing strategies.

The simple yet powerful tool that does this is known as a 'TOWS analysis'. Its name is deliberately a rearranged form of SWOT and this technique was first described and codified by a professor at the University of San Francisco, Heinz Weihrich ('The TOWS matrix: a tool for situational analysis', 1982).

Although TOWS starts off with building a SWOT analysis, its ingenious additional aspect is to identify and devise potential strategies by sorting and cross-matching the SWOT factors using a TOWS grid. The combination of internal and external factors in this way results in the four types of potential strategies shown in Figure 7.3.
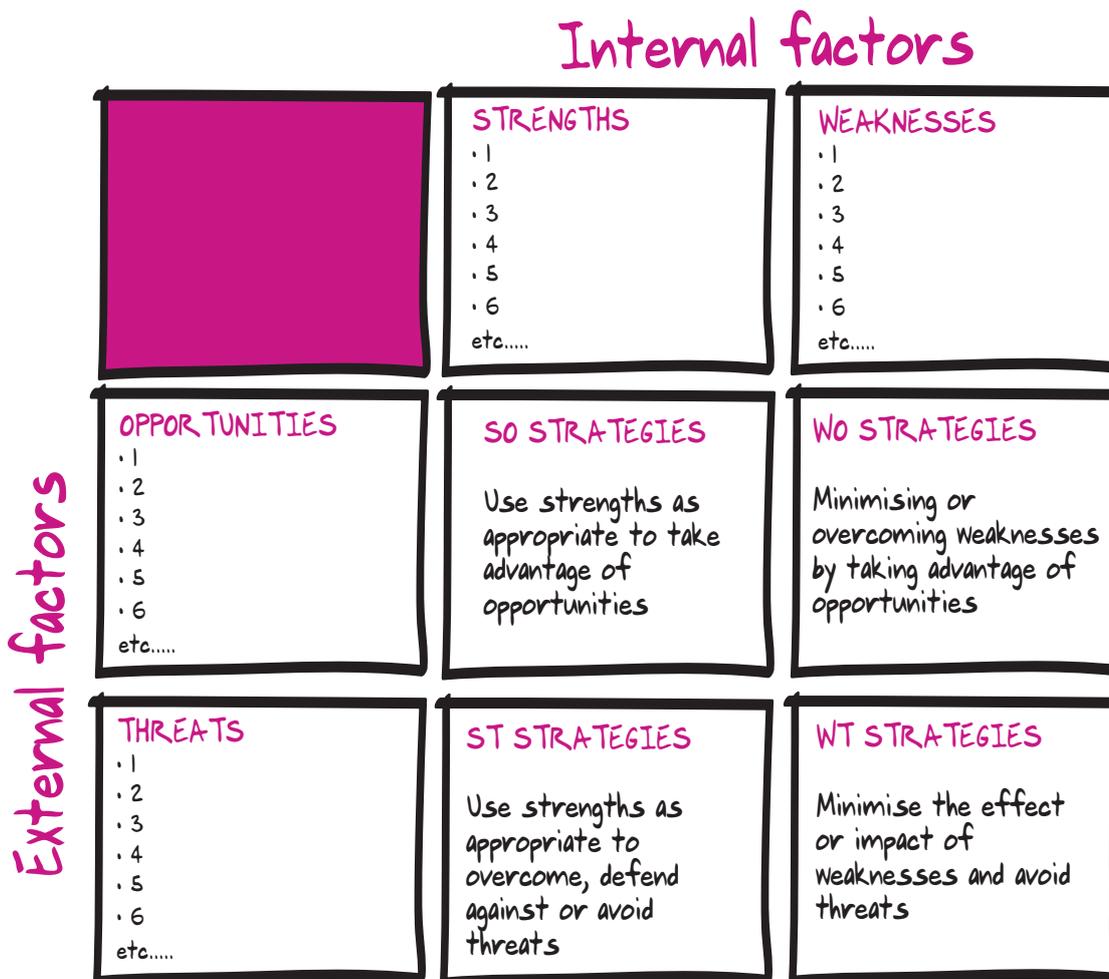


**Figure 7.3**

**Combining internal and external SWOT factors on a TOWS grid to generate potential strategies**
(after Weihrich 1982). Reproduced with permission of John Wiley & Sons Ltd.

# Case study: examples of strategies devised by Horsecross Arts for venues in Perth using a TOWS analysis

**Ben Jeffries,** Director of Marketing and Communications, provided the following examples of the way that TOWS analysis has been used by Horsecross Arts.

**1.**
**Identified weakness:** relatively high number of infrequent attenders.

**Identified opportunity:** reduction in communication costs through new technology.

**Strategy:** identify 'lapsed' attenders and try to reignite interest by type of event, personalising emails using merge fields for their name and their previously visited and forthcoming shows. Not only great open rates, but response rates of above 4% (1 in 23) and, because of the low cost of communication, outstanding return on investment.

**2.**
**Identified strength:** much-loved and successful pantomime.

**Identified opportunity:** local paper looking to engage with its community.

**Strategy:** work together in a sponsorship partnership to raise the profile of the pantomime while the paper benefits from being seen supporting the local traditions and what local families love.

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As can be seen, the TOWS process actually depends on the creation of two different types of strategies. Three of the categories (SO, WO and WT) are about using factors *in combination*. However, the remaining category (WT) relies not so much on combining weaknesses and threats (which would be unlikely to produce a positive outcome; rather, it is concerned with identifying approaches that could be taken *to minimise the combined effects of weaknesses and threats*). The whole TOWS process is summarised in Figure 7.4.

**Figure 7.4**

**At a glance – the steps involved in generating potential strategies from a TOWS analysis**

1. Do a SWOT analysis.
2. Transfer the SWOT factors identified to a TOWS grid.
3. Consider each of the SWOT factors in turn and in relation to the other factors.
4. Record your ideas on how pertinent factors could be used together (or, in the case of WTs, how something could be done to reduce the combined effects of these factors) in the relevant strategy boxes.

## Going further: distilling the essential strategies from TOWS by looking for strategy sets

Once you have completed this TOWS process, your analysis will suddenly start to coalesce into a range of potential strategies. However, no matter what the scale or status of your organisation is, it's unlikely that you will have the time, money or people to put all the ideas into action. So something has to be done to reduce the number of potential strategies. An initial way of doing this is to look for what are known as 'strategy sets'.



**A strategy set is an overall group of strategies that have common aspects or are intended to address a similar set of issues. For instance, among the strategy sets generated from the TOWS analysis could be:**

- **Strength:** Perceived as being approachable by the community.
  **Opportunity:** Local authority is seeking an organisation to run family-friendly events.
  **Resulting strategy set: Devise programme of events customised to be family friendly.**

- **Weakness:** Main programming strand perceived as being expensive.
  **Threat:** Decreasing number of users being drawn from socially excluded areas.
  **Resulting strategy set:** Introduce a new pricing policy for socially excluded people, including a discounted family price.

**These two strategy sets can be seen to be a potential subset of one overall strategy – that is, a strategy to provide a programme that is family friendly and to attract socially excluded people to it.**

Strategy sets can often be found just by reviewing the completed TOWS grid. However, if your TOWS grid contains a large number of strategy sets (or if you wish to ensure that your quest for strategy sets is a comprehensive one), a simple but effective tool to use is a pad of sticky Post-It™ notes.

All that needs to be done is to transfer each of the strategy sets to its own sticky note, then – using a large sheet of paper – group together the ones that share a common theme or aspect, or relate to a similar issue. The resulting clusters of sticky notes will represent the different strategy sets.

## Have a go

To help you devise a TOWS analysis as part of your developing strategic marketing plan, downloadable Worksheet Set 7 (b) contains a number of blank TOWS grids, together with a sheet for recording the strategy sets that result from this analysis. Go to www.a-m-a.co.uk.

# Chapter 8 Finding and choosing the marketing strategies that seem right for your organisation

This current, third, phase of strategic marketing planning has two purposes: first, to devise potential strategies on the basis of your previous analysis, and second, to select the ones that – given the conclusions resulting from that analysis – seem appropriate to the organisation's marketing aims, objectives, needs and circumstances.

By reducing the ideas that have been generated from the TOWS analysis into a smaller number of strategy sets, you will now have a more manageable number of strategies to consider. So this chapter shares some of the ideas and techniques that can be used to make that all-important selection of the strategies that you actually intend to put into action. It does this by reviewing some of the graphic tools that can be used to inform this selection process.

## A picture can be worth a thousand words: using matrix-based tools to assist strategy selection

When faced with a range of potential strategies that might feasibly be put into action, there comes a point when you will have to choose between them. This involves deciding which strategies the organisation should pursue, and also which strategies it won't put in place at the moment.

In making this choice there is a range of considerations that can inform a selection process. Indeed, these thoughts and notions can sometimes be so wide ranging that they can often be confusing. One approach to simplifying these considerations is to use what are sometimes called 'matrices'. Such matrices are also often referred to as 'portfolio analyses'. This is because they all play a part in considering the potential strategies from the point of view of the collection (or 'portfolio') of products, services and offerings that an organisation is providing and might provide (in other words its 'provision'). And besides simplifying a situation, using matrices and other graphic tools and diagrams can have other substantial benefits for your organisation's strategic thinking. These are summarised in Figure 8.1.

**Figure 8.1 At a glance – potential advantages and benefits of using matrix-based planning tools**

**Matrices can:**
- give a visual or graphic representation of aspects to be considered
- reduce and simplify the factors and issues under consideration by discarding the surrounding but peripheral aspects
- make it easier to focus on key issues and considerations
- help you map where the organisation's current approach to strategy and provision mix (or portfolio) currently stands
- assist you in depicting where the potential strategies might move this provision mix to (thus providing a 'playground' where you can explore the implications of identified strategies while checking that they fit with the organisation's overall marketing aims and objectives)
- equip you with a way of communicating these ideas to colleagues and stakeholders.

There are a prodigious number of such models available. Hence this chapter will show how just two of them might be used to assess and choose between potential marketing strategies:

- the directional policy (or 'Ansoff') matrix; and
- the market growth/market share product portfolio matrix (a.k.a. the 'BCG' matrix).

However, when exploring the models discussed below please remember that there is not necessarily an expectation that you use both of them. These models are shared here as a set of different tools that do different jobs. Depending on their apparent usefulness to you and your organisation, it's entirely up to you which of them you use as part of your organisation's strategic marketing plan.

Equally, please don't be put off by some of the terms used inside these models. Although – in some cases – these are decidedly oriented towards the commercial sector, this chapter also indicates how the language used can be adapted to be more fitting to the subsidised arts.
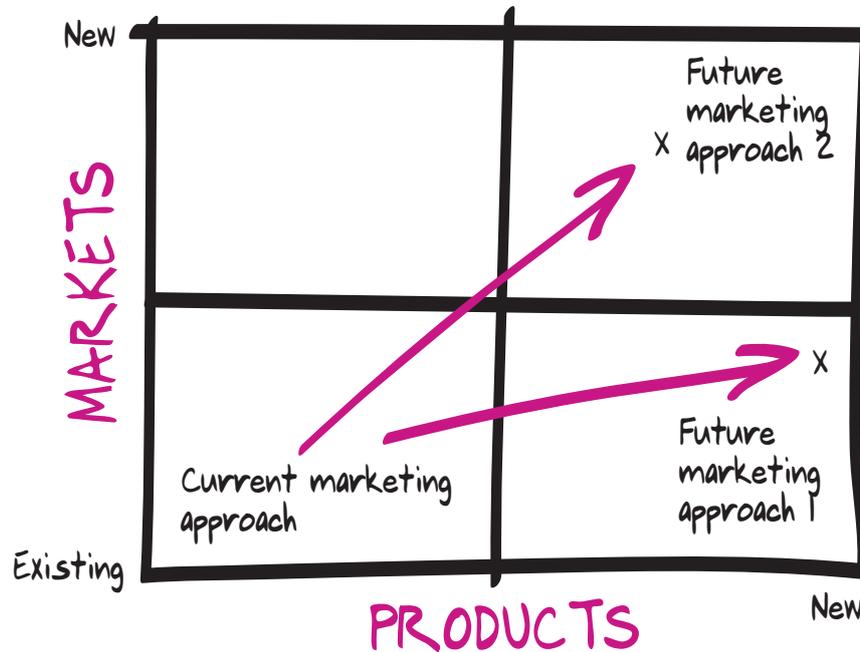
**Figure 8.2**
**Ansoff's (1965) directional policy matrix and the strategies implied by it** (descriptions after Baker 1998)

## The directional policy or 'Ansoff' matrix

In his seminal book *Corporate Strategy* (1965) the godparent of strategic thinking, Igor Ansoff, points out that any marketing strategy can be assessed in relation to two considerations: whether it is based on existing or new sorts of products, and whether it is intended to attract existing or new sorts of people (or markets). Putting the two together results in a 2 x 2, four-cell (or 'quadrant') matrix, with each cell representing a different sort of strategy with a dedicated title (see Figure 8.2). (Here it might also be noted that within the category representing taking existing products to existing markets there are two substrategies: consolidation of the organisation's current position, and just doing nothing – which is always an option worth considering.)

The Ansoff matrix is an insightful way of classifying and mapping strategies. Indeed, this model can be used to plot your proposed strategies and as a menu from which strategic options can be selected. But a further way in which it can be used as part of the strategic marketing planning process is as a means of assessing the extent to which proposed strategy sets fit with the overall marketing aims and objectives of the organisation. To do this you should first mark the proposed strategies on a copy of the matrix, and then ask yourself three questions:

1. Do the strategies shown fall in a particular quadrant (or cell) of the matrix, and does this fit with what the organisation is hoping to do in the long term? (For instance, if the majority of strategies fall in the 'market penetration' box, but an identified marketing aim is to attract new and different sorts of people, then the answer to this question could well be no.)

**Figure 8.3**
**Mapping the desired direction of future marketing strategies**

2. Are there enough strategies shown in the boxes that correspond with the organisation's overall aspirations? (For instance, if a major aim of the organisation is to maximise earned income from current users, then an absence of strategies in the 'market penetration' box could well represent a gap.)

3. And given the answers to both these questions, how might the organisation wish to change its marketing direction in future and which of the proposed strategies fit with this aspiration? (Here arrows can be used to show the desired progression from the approach being currently adopted to the desired future approach. For instance, your organisation may be currently concentrating its marketing on persuading an existing set of markets to engage with an existing set of products, services and offerings. But in future it may be intending to develop a new set

of offerings for its current users together with a new set of offerings intended to attract a brand new set of markets – see Figure 8.3.)

What's more, besides mapping and assessing the proposed set of strategies, the Ansoff matrix has a number of other uses. For instance, it can be used in the same way but with terminology that is more empathetic to the subsidised arts (you may prefer to think about 'audiences, users and visitors' rather than 'markets', and 'programmes' instead of 'products'). And as this chapter's case study shows, this approach (or variants on it) can also be used to plan the nature, substance and elements of marketing activities in relation to a planned programme of events.

# Case study: taking a matrix-based planning approach at Scottish Opera

**Helen Ireland**, Director of Marketing and Communications at Scottish Opera, was reflecting on a presentation showing how Scottish Opera's offerings and promotional activities can be placed on an adaptation of the Ansoff matrix, according to the target audiences and type of production (thus emulating the approach pioneered by Katy Raines and reported in the first edition of **Thinking BIG!**).

Figure 8.4 shows example productions in bold and promotional tactics in italics. The planned productions are plotted on the grid according to the type of target audience and the type of production. The definitions of 'safe' and 'challenging', 'new' and 'existing' are contextual to Scottish Opera, and may be different for other organisations. The numbers on the quadrants are provided for ease of reference (they do not imply any sort of hierarchy).

## Quadrant 1 = New audiences, safe productions

These are productions that are relatively accessible and familiar and need very little 'unpacking' or explanation aimed at targeting new audiences. Examples of advertising include in the press and the use of posters to maximise public awareness and encourage booking. Sponsorship may be useful. For example, the first Glasgow performance of *La Bohème*, probably the world's most frequently performed opera, was sponsored by the *Scottish Sun* and sold out. The company used the strapline 'Ever been young, poor and in love?' The production was set in New York in the present but that did not alter the message. Other options with this quadrant include door to door, inserts, promotions and outdoor.

## Quadrant 2 = New audiences, challenging productions

For these audiences and productions, Scottish Opera has to work very hard to encourage awareness and interest in the first instance. The primary promotional aim is to find new ways of connecting with the target audience. Press coverage needs to contain in-depth explanations and management needs to be alert to use of PR. Much coverage has been given to the new short operas that are produced by aspiring composers and librettists, called Five:15 – Operas Made in Scotland (five different operas of 15 minutes, each by a different team). Among other things, the performances are hosted by the Traverse Theatre in Edinburgh and Oran Mor in Glasgow – both well known for productions of new plays. In addition, there are far fewer seats so risk is further reduced. Scottish Opera has spread the net widely, and in consequence is able to generate publicity through involving the most promising writers and composers. Other points to note are that PR must be generated early and targeted promotions planned.

## Quadrant 3 = Existing audiences, safe productions

Little external advertising is needed for these audiences and productions. Attention is very much directed to existing customers through the brochures and mailshots. If the production is one that was shown, say, eight years previously, some consideration needs to be given to freshening up perceptions. In this category is a recent revival of a production of *The Elixir of Love* which received rave reviews when it was first put on. Care was put into the choice of principals, and audiences proved enthusiastic to see it again. Brochures, leafleting and publicity campaigns are often carried out.

**Quadrant 4 = Existing audiences, challenging productions**

Although existing audiences are targeted, a higher level of endorsement is needed for challenging performances. In this category fell Janacek's *The Adventures of Mr Broucek* (a rarely performed piece by a twentieth-century master). Regular attenders would have been aware of the power of Janacek's music from previous productions but, knowing the problematic nature of this flawed masterpiece, Scottish Opera only scheduled four performances. It was a joint production with Opera North, and much was made of how much it had been praised when seen there.
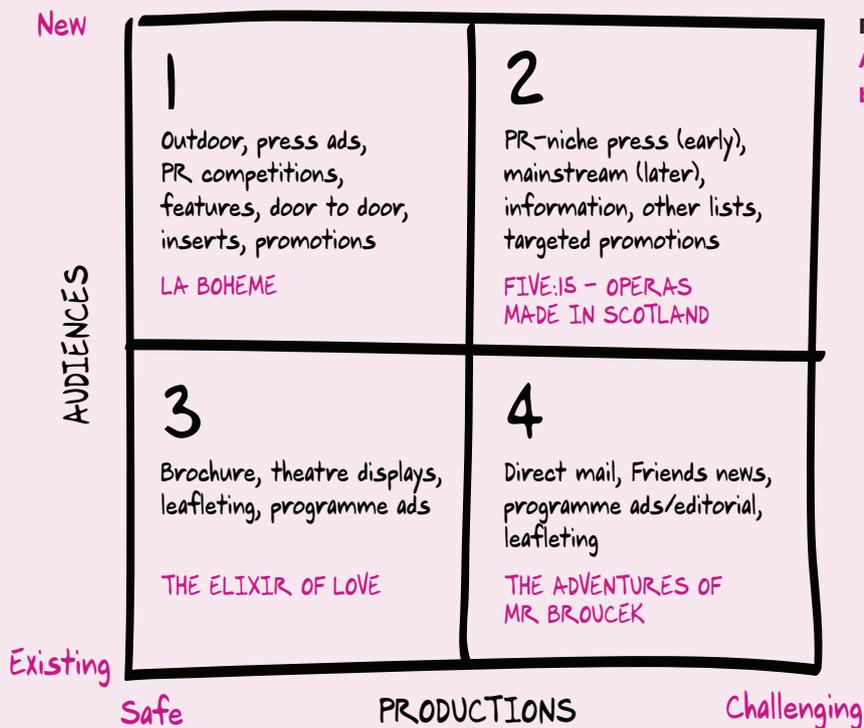


Figure 8.4
Ansoff matrix as used by Scottish Opera

**The market growth/market share portfolio or BCG matrix**

The second matrix to be considered here was famously invented by the Boston Consulting Group (BCG) and is known as the BCG market growth/market share portfolio matrix. It is used to map and assess current and potential strategies in terms of the product (or provision mix) they imply and thus in terms of their impact on the organisation.

The BCG matrix proposes four types of strategies that result in four sorts of provision. (It was also the first matrix model to start using animal-based terminology to describe its quadrants.) Here the two dimensions being assessed are the relative level of market growth that might be expected by specific products (i.e. its potential for future development); and the relative market share that a product or service currently enjoys (i.e. its current and potential level of success).

The resulting matrix is shown in Figure 8.5, with revised, more arts-friendly terminology, devised by Mark Dobson and Alex McGowan while they were part of the marketing team at Northern Stage/Newcastle Playhouse.

Once again there are a number of ways of using this model to assess and select strategic marketing strategies for arts organisations. It can initially be used to classify current and future aspects of provision. A further use of this matrix is to adopt one of the purposes of the original BCG matrix – to map the likely internal cash-flow or subsidy requirements implied by each potential provision-based strategy, together with the future implications for that provision's strategic development. That is, such diagrams can be used to show which products and provision are likely to generate cash, and thus which products the organisation intends to support by reinvesting that cash. And at the same time they can be used

**Figure 8.5**
**Northern Stage's arts-sensitive terminology for the BCG matrix**

Arts-friendly terminology shown in **pink**, and original BCG terminology shown in **black**
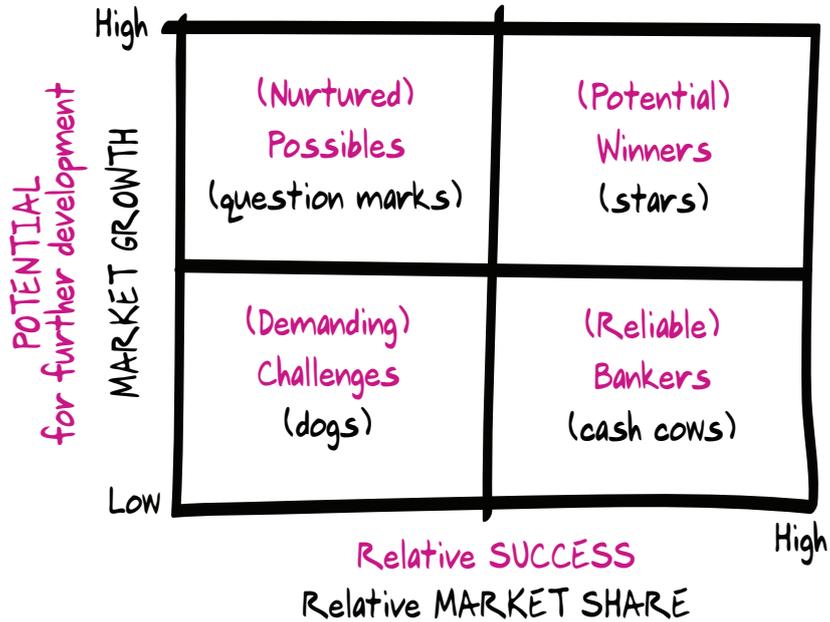


**Figure 8.6**
**The BCG matrix maps internal cash flow and potential business developments**



= internal cash flow/internal subsidy     = business development implications
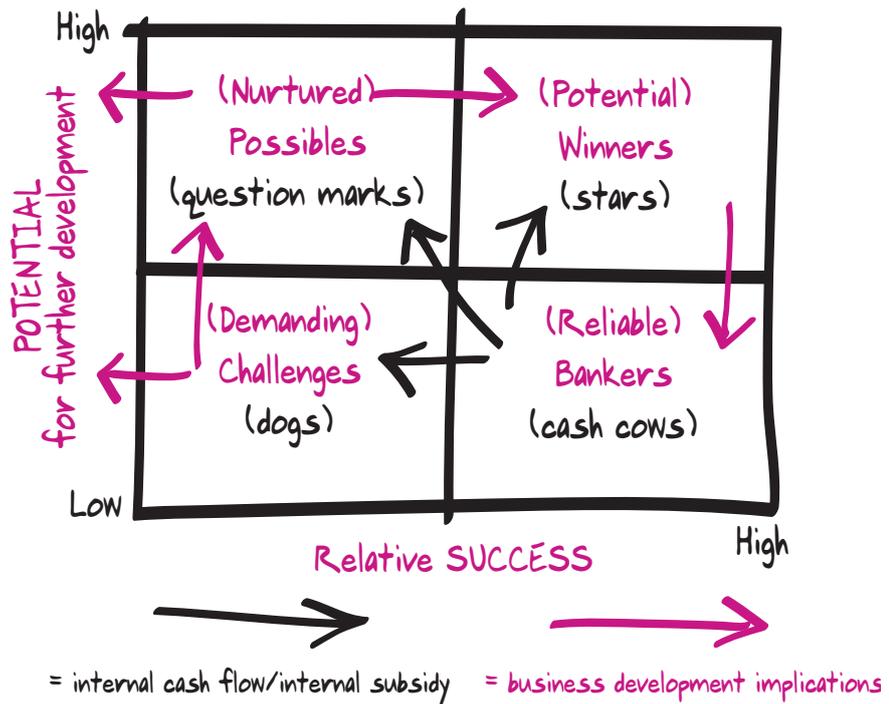
to show how this reinvestment is intended to result in the development of products and the markets for them, so that cultivated 'demanding challenges' eventually become 'nurtured possibles' (or could just be dispensed with); 'nurtured possibles' could be either phased out or supported to become 'potential winners'; and with additional investment and support 'potential winners' could be developed into being 'reliable bankers'. (See Figure 8.6.)

And then it can also be used to assess the status and nature of factors contributing to these strategies and their results, while identifying potential ways forward for them. Alan Lawrie – a writer on strategic planning for voluntary organisations – provides a useful set of questions to ask of them. These are summarised and reproduced below (together with some further thoughts on the subject from Michael J. Baker, *The Marketing Manual*, 1998).

**Implications of the BCG quadrants** (abstracted and adapted from Michael J. Baker, *The Marketing Manual*, 1998, reprinted with permission of Elsevier Ltd) with questions to ask of them drawn from Alan Lawrie (*The Complete Guide to Business and Strategic Planning for Voluntary Organisations*, 1996, reprinted with permission of Directory of Social Change)

**The four cells of the [BCG] matrix represent:**

- **Cash cows** (i.e. 'reliable bankers') 'These products have high profitability and require low investment … [and] are generating high levels of cash. They should be defended to maintain sales and market share.' Questions to ask about these:

  - **Will this activity stay steady and stable?**
  - **Is there a danger of the organisation taking it for granted?**

- **Stars** (i.e. 'potential winners') 'These are market leaders and so are generating high levels of cash, but are in areas of rapid growth which require equally high levels of … investment to keep up with the growth in sales. Cash generated by the cash cows should be channelled to support these products.' Questions to ask about stars include:

  - **Why is it a star?**
  - **What factors have placed it in this box?**
  - **How can we replicate these factors elsewhere?**
  - **How long will it be a star for?**
  - **Where will it go next?**

- **Question marks** (i.e. 'nurtured possibles') '[These] are not market leaders and will have relatively high costs. At the same time these products require large amounts of cash [invested] as they are in high-growth areas. An organisation has to judge whether to use cash generated by the cash cows to try and develop this product into a star by gaining market share in a high-growth market or to invest in other areas [of development instead].' Questions to ask about these are:

  - **How long do we need to give this activity to prove itself?**
  - **How will we know when it is successful?**
  - **How do we manage the risks, innovation and possible failure implicit in its development?**

- **Dogs** (i.e. demanding challenges) 'These are products with low levels of market share in low-growth markets … The organisation's decision is likely to be a choice between moving the product into a defendable niche, harvesting it for cash in the short term, or divestment [i.e. getting rid of it].' Questions your organisation should ask about these include:

  - **Do we close down or renew it?**
  - **What would be the costs (both emotional and financial) of doing away with it?**
  - **Why has it moved into this box?**

Once an appraisal of the potential strategy sets generated by your TOWS analysis has been carried out, you should be well placed to decide which ones fit in with the wider marketing objectives and resources of the organisation – and thus should be put into action. You'll also be able to decide which ones not to pursue for the time being.

## Have a go

Worksheet Set 8 (available online at www.a-m-a.co.uk) provides a number of blank matrices for you to use to carry out some matrix-based analysis in relation to your identified strategy sets. Although these currently have no labels, this is deliberate since it will be up to you to select which of the matrices you wish to use.

# SMP Phase Four
# Planning to make your marketing strategy happen

So far, so good. You've done the SWOT and TOWS analyses for the organisation's marketing aspects. You may have selected a particular strategy set. And you may also have used one or more matrices to map and evaluate the implications of that strategy set. So now it's time to start considering how these strategies might be realised.

Consequently this final section deals with a number of the key aspects that are involved in converting a strategic marketing plan into action – that is, with making your strategy happen. Thus the areas covered are as follows:

- assessing and planning for branding and positioning issues (Chapter 9)
- taking a strategic approach to the organisation's marketing mix (Chapter 10)
- planning to implement and sell the plan inside your organisation (Chapter 11)
- and lastly, the importance of evaluation and reflection (Chapter 12).

# Chapter 9 Assessing, and planning for, branding and positioning issues

It might occasionally seem as if marketers in the commercial sector are currently obsessed with the issues of brands and branding. Equally critical commentators of such a stance, such as Naomi Klein in her book *No Logo* (2000), highlight the perceived importance of this area while disagreeing with it. Furthermore it could well be the case that introducing a brand-led approach to the subsidised arts is an enterprise that is potentially, at best, inappropriate and, at worst, very difficult to bring about to any real effect. Hence this is a debate that still has a long way to run before reaching a definitive conclusion.

No matter what view you take on this issue (and regardless of whether you are 'for' or 'against' the attempt to introduce brands to the arts), when it comes to strategic marketing planning there is definitely a place for carrying out some of the thinking associated with brand issues – even if the intention stops short of the actual creation of a brand intended to work within the arts sector. This is because a brand can be one of the key tools available to marketing people; while carrying out brand *thinking* can – in itself – inform a strategic marketing plan with an additional set of important insights.

**Figure 9.1**

**A brand is like an iceberg with apparent and non-apparent aspects** (after Davidson 1997). Reproduced by permission of Penguin Books Ltd.
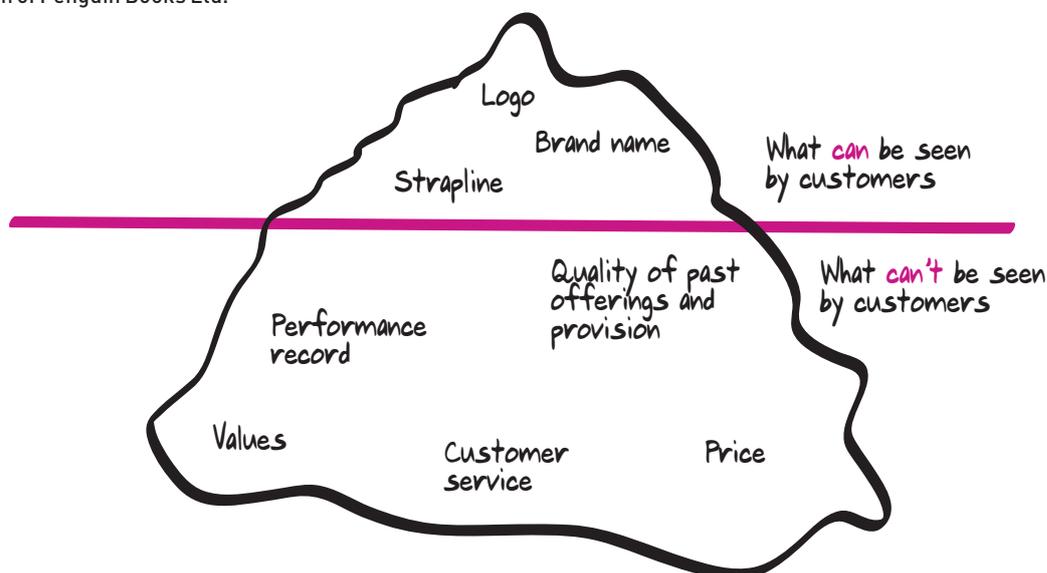
'**Brands are at the heart of marketing ... strategy. Marketing [*is partly*] about decommoditising products. If a company's product is perceived to be the same as those of competitors, then consumers will be indifferent and will choose the cheapest or most accessible. [*One*] ... purpose of marketing is to create a preference for the company's brand. If customers perceive one brand as superior, then they will prefer it.'** Peter Doyle (*Marketing Management and Strategy*, 1994) with interjections in italics by author of this guide. Reprinted by permission of Pearson Education Ltd.

A brand is far more than a particular name, logo or strapline, because it relies on a range of factors – some of which are apparent to customers and users, while others are not (see Figure 9.1). Thus a brand is built from a holistic and complex bundle of combined issues and considerations.

Deep down, then, the concept of a brand is basically about how an organisation gives a distinctive and perceivable manifestation to its products, services and offerings, so that people will find in it such a resonance with their needs and wants, their desires and aspirations, that they will start to identify themselves with it and take ownership of it.



Logo

Brand name

Strapline

What can be seen by customers

Quality of past offerings and provision

What can't be seen by customers

Performance record

Values

Customer service

Price

If you want to consider how your organisation can (or could) come across as a brand, together with the ways in which these issues should influence your strategic marketing plan, a good way of doing this is as follows:

1. Take the list of attributes shown in Figure 9.2 and use it as the basis for discussions with colleagues, co-workers, stakeholders and (if possible) your organisation's customers or users.

2. Use the resulting conclusions as a basis for specifying and planning the proposed branding approach.

Downloadable Worksheet Set 9 is a table which can be completed to this end. Go to www.a-m-a.co.uk.

**Figure 9.2**
**The elements of a brand at a glance**

| ELEMENT | WHAT IT IS ABOUT |
|---|---|
| Functional attributes | What it does and how it operates (e.g. a diverting night out) |
| Symbolic values | What it and its provider stand for (e.g. excellence) |
| Personality | The overall impression it gives (e.g. friendly, fun, reliable, inventive) |
| Experience of its offerings in use | How it has felt when customers have used it in the past (e.g. satisfyingly good, delivered on its promises) |
| Positioning | Where it sits in relation to other potential brands (e.g. upmarket, accessible) – see later in this chapter |
| COMBINED, these all add up to produce: | |
| A total brand proposition | The bundle of customers' perceptions of it that can be conveyed to other potential users (e.g. a valuable, high-quality experience that can take you into a different world) |

## Positioning

In a sense, considering your organisation's (brand) positioning is broadly similar to thinking about its strategic position in relation to competitors and collaborators (as was discussed in Chapter 5). Just as, in that previous exercise, the aim was to map the organisation in relation to other players in its environment and markets, identifying the organisation's brand-based positioning also entails assessing where it sits in relation to the other organisations and offerings that inhabit the world in which it works. The big difference is that, this time, this thinking will not only be carried out in relation to the available products and brands, but also from your customers' and users' point of view.

**Brand positioning is about assessing where customers perceive an organisation's offering as sitting, in relation to other organisations' offerings. Therefore it resides in the customers' 'mind's eye' and not in the real and tangible world.**

**'Positioning starts with a product. A piece of merchandise, a service, a company, or even a person … But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.'**
Al Ries and Jack Trout (*Positioning: The Battle for Your Mind*, 1982)

This kind of brand-positioning thinking is once more carried out by developing maps that show your organisation's products and offerings – in relation to those provided by competitors and other players in your organisation's domain. And because this is going to be done from the customers' perspective, the resulting maps can be thought of as being *perceptual* maps. Hence the first step is to select two considerations or 'dimensions' against which the various offerings will be mapped. Graham

Hooley ('Competitive Positioning' in *The CIM Handbook of Strategic Marketing: A Practical Guide for Designing and Implementing Effective Marketing Strategies*, ed. Colin Egan and Michael J. Thomas, 1998) provides a set of basic dimensions that could be used (see Figure 9.3).

However, the choice of these dimensions is completely down to what seems important and pertinent to your organisation. And it's also completely possible to invent your own set of appropriate dimensions. For instance, in an arts and cultural setting these additional dimensions might include some of the following:

- 'high-brow' to 'low-brow'
- 'suitable for families' to 'suitable for adults only'
- 'contemporary/cutting edge' to 'mainstream/ classical'
- 'challenging' to 'populist'
- 'something to see alone' to 'something to see in a group'.

The second step is to draw these dimensions as a set of two-ended scales placed at right angles to each other and then map your organisation's offerings in relation to the brands and offerings of other organisations *as perceived by potential users* (Figure 9.4).

**When using this technique there are a few things to watch out for:**

1. **Bear in mind that the scales being used are perceptual and judged from the point of view of potential users. Therefore they show relative considerations and not absolute ones.**

2. **The choice of dimensions is up to you and relies on which considerations seem most relevant to your organisation and its offerings. So again there are no absolute 'right answers' here.**

3. **Be careful not to select dimensions that are really just analogies for each other. (For instance, you might feel that, given the sorts**

**Figure 9.3**

**Optional positioning dimensions**

(after Hooley 1998)
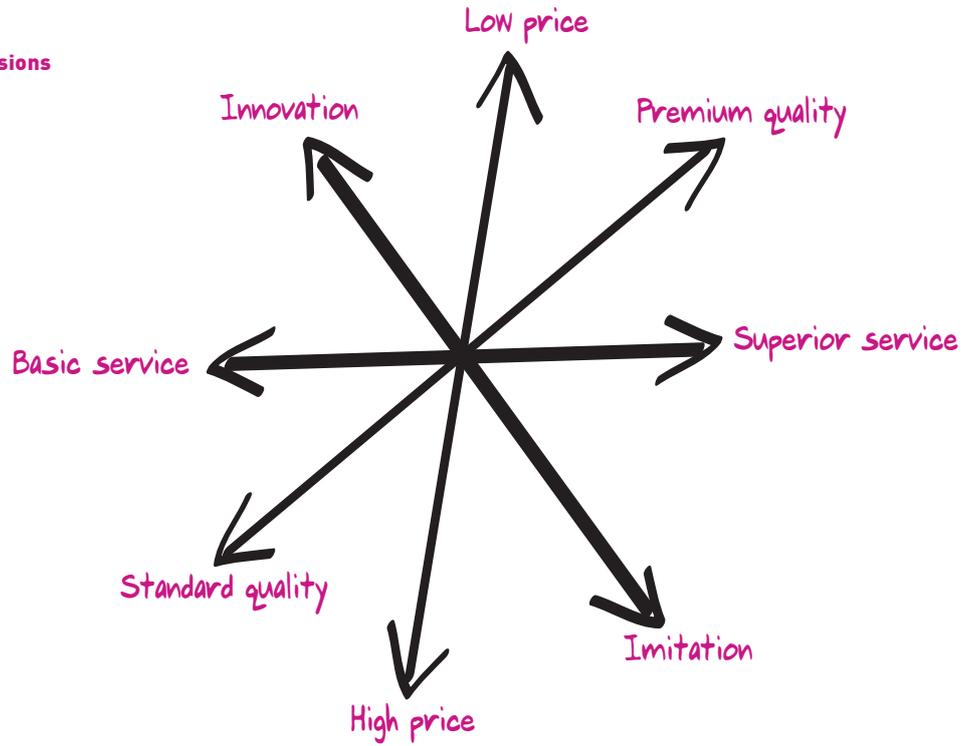


**Figure 9.4**

**A perceptual brand positioning map for visual arts events offerings available at a particular moment in time.**

Reprinted by permission of Elsevier Ltd.
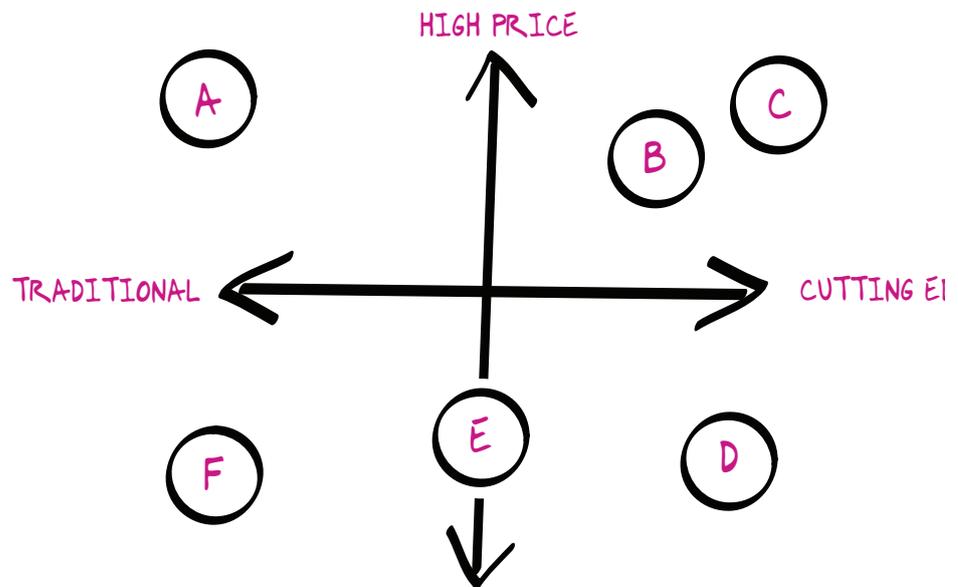


Key:
A = a 'blockbuster' exhibition of Impressionist painting;
B = a paid-for exhibition entitled Controversy;
C = live autopsy event; D = Anthony Gormley's The Angel of the North;
E = a municipal gallery's standing exhibition of its collection;
F = a free exhibition of the Lindisfarne Gospel and related items.

**of offerings involved, a scale showing 'cutting edge' to 'traditional' might amount to the same thing as 'high brow' to 'populist'). If you use two analogous scales on the same map you run the risk of mapping the same sort of consideration against itself.**

Once you have devised a relevant set of 'brand' or 'offering maps' they can be used in a number of ways to inform your developing marketing strategies. That is, they might be used to do some of the following:

• **identify the brands and offerings that offer the greatest competition to your brands** - and thus prompt some thinking about how your organisation might best compete against these brands (for instance, which aspects of your offerings to emphasise, such as the fact that an event is free; and also which aspects of competitor brands to attack, such as the fact that they might not be intended for families)

• **identify the key competitive characteristics of your offerings** – which may therefore form the core of the promotional messages that you may want to use in support of them

• **identify the gaps in the market** – that is, the positions that are currently unoccupied by existing offerings and which might enable your organisation to develop a new kind of offering to occupy this space

• **identify ways in which you might wish to move the organisation so that users and potential users of it might change** – this is frequently termed 'repositioning' and, once a desired repositioning direction has been agreed, the next step will need to be selecting how that repositioning might be achieved (for instance, by actively working to change users' perceptions of the organisation, or by amending what the organisation does or offers).

## At a glance – using brand positioning maps

**1. Select a set of dimensions that best reflect the issues relating to your organisation and its offerings (i.e. brands).**

**2. Put two of these at right angles to each other, then use them to map your organisation's offerings against other offerings in your marketplace.**

**3. With the positioning maps complete, they can now be used to:**
   • **look for other offerings that represent strong competition for your organisation**
   • **identify the key characteristics of your offerings as a basis for devising promotional messages**
   • **find gaps in the market into which your organisation could move by creating a new kind of offering**
   • **select a new direction for the organisation to adopt, thus repositioning itself.**

## Have a go

Besides providing a resource for the recording of your plans in relation to branding considerations, Worksheet Set 9 also provides a group of blank brand positioning maps intended to help your organisation map out its current brand position and think about its implications.

# Case study: two organisations repositioning themselves

## Creating a clear and compelling brand for National Museums Scotland

**Catherine Holden**, Director of Marketing and Development, explained that when National Museums Scotland decided to review their brand, they put the logo to one side and started with the big questions. What are museums for? Who are we, who are our competitors, and what makes us different? Who do we want to engage, and what do we want them to think and do?

Workshops with colleagues at all levels and roles across the organisation, and conversations with visitors, non-visitors, supporters and opinion formers, revealed that the organisation's brand needed work. There was low awareness of which museums formed the group, and individual museums were presented inconsistently; several had official and unofficial names, which confused visitors and staff. The visual identity was recessive and included eight logos. It also stopped at what you saw – there was no underlying strategic framework.

Catherine appointed consultants Jane Wentworth Associates and Hat-trick Design to help them build a strong and compelling brand. One of the main challenges was to find a 'big idea' that unified their five museums, diverse public programmes and off-site activities. They chose 'real things, revealing stories' – focusing on the power of the objects in their collections, and how these connect with people's lives. This became the heart of a wider 'brand blueprint', also covering vision, positioning and values, to deliver and shape the organisation's overall strategy.

They also developed more integrated brand management – that is, making sure that every piece of communication reinforces every other piece. In order to achieve this, a framework was created to build a consistent look and feel – for instance in photographic style, font, colour, palette, logo and tone of voice for all the museums, exhibitions and external and internal communications.

Photography was especially important, to communicate National Museums Scotland's many 'real things' and the atmosphere of their museums. Images were also used to bring to life the visitor experience, and role-model visitor profiles to others – showing that 'people like you' visit and have fun, relax, learn, observe, chat, run around, get up close – and even touch some things!

On a very practical level, the names of the museums were simplified, so that instead of 'Shambellie House' or 'Granton' as they were known before, all now include the words National, Museum and Scotland. The multiple logos were replaced with one that echoed the experience of visiting: people come to explore and enquire, and find answers and discover, maybe more questions, sometimes delight and surprise. This circular process was represented graphically with a question mark and an exclamation mark, combined to form a symbol which references the Scottish flag and hints at objects at the museums.

Catherine highlighted how they also support the 'question and answer' idea in their copy, using questions to engage people's interest and encourage more dialogue. They developed a 'brand in your hand' pocket guide for everyone, and, for people who write or speak regularly for the organisation, more detailed guidelines and training in the visual and verbal identity.

National Museums Scotland was delighted by the positive response to the launch of the new brand, but they are conscious that was just the start. Catherine says: 'We're still working on how the brand blueprint helps us make strategic choices and guides how we do things. It's a huge team effort and can only happen with the insights, creativity and hard work of colleagues right across the organisation'.

## Aberdeen Performing Arts: an organisation repositioning itself from the inside out

**Aberdeen Performing Arts** (APA) became a charitable company in 2004 and from that point was responsible for the management and operation of the city's two performance venues – His Majesty's Theatre (HMT) and the Music Hall (previously part of the city council). A trading company was also established to operate the commercial elements of the business Aberdeen Box Office, bars and catering, with profits being channelled back to the charitable company.

The creation of APA instigated a process of major change for staff and significant new demands in terms of compliance with legal and financial duties and in management and administrative aspects previously undertaken by parts of the council. At the same time as the new business began trading, HMT was undergoing a major capital redevelopment and refurbishment, with re-opening planned for September 2005.

Bonnar Keenlyside, an arts management consultancy, was appointed to undertake a review of the business and determined that significant structural changes were required to support the needs of the business and ensure commercial success. In particular strategic leadership, HR and sales and marketing expertise were identified as priorities. Shona Byrne joined as Head of Sales and Marketing in May 2005 and has led the repositioning of APA with its staff, customers and stakeholders.

The focus initially had to be on positioning APA with its employees. This was a huge challenge, as trying to get staff to embrace and adopt change is hard. To most employees APA meant absolutely nothing other than a new name. Many members of staff had worked for the council for a number of years and it was clear from the outset that change would only happen if it was supported by a significant and continuous programme of staff engagement, research and communication. So a programme of work branded APA PEOPLE began. This included annual confidential staff surveys, cross-departmental creative days and senior team development days, new uniforms, social events and even a staff exchange scheme with HMT's sister venue in Perth Australia. It has taken time and continuous effort but success is clearly visible and the staff survey has evidenced huge improvements in morale, commitment and job satisfaction.

The public positioning of APA began almost four years after the company began trading. Some might find this odd, but research carried out in 2005 revealed that customers had a strong affinity and loyalty with both the HMT and Music Hall brands. There was also a need to internalise brand positioning first, which allowed APA time to plan and agree a positioning strategy. The feedback from all the work done internally with staff helped form APA's core brand and positioning. A design consultancy was then appointed to develop the visual identity for APA including guidelines as to how it should be used. During the development phase APA was carefully trickled into the media at key stages. Finally, in 2008, a third performance venue, the Lemon Tree (which had ceased trading in December 2007), was taken on and a series of plays were staged at HMT and the Lemon Tree. This created the right time for the APA brand to come to life with the media and public at large.

The brand positioning strategy that has been adopted is one where APA plays a supporting role for its productions, venues and other activities. APA has a clear vision 'to be recognized as a leading arts organisation in the UK delivering a five star service to all our customers – reaching for the stars in all that we do'.

To date APA's story is one of strong business performance, growth in audience numbers (both in terms of ticket sales and booker numbers), good crossover between venues, satisfied customers and a supportive and loyal work force. The key driver of this success has been the commitment, energy and enthusiasm and support given to change by APA's people.

# Chapter 10 Taking a strategic approach to the marketing mix

## So what is 'the marketing mix'?

'Marketing mix' is a term frequently used (and beloved) by marketing people. An 'umbrella' expression, it describes the entire collection of tools and techniques – the practical instruments and approaches – that are available for use in putting an organisation's marketing thinking into action. As such, then, 'the marketing mix' is the label given to the whole set of elements that can be used in combination to build a marketing campaign. (And it may have already occurred to you that in developing your strategic marketing plan you may have already thought about your organisation's current marketing mix as part of your earlier marketing audit.)

**Marketing mix is the term used to describe the complete set of tools and techniques that can be used as part of a marketing campaign. These can be thought of as the 'levers' that can be pulled – or the 'buttons' that can be pushed – to bring about an exchange (or swap) between an organisation and its potential customers and users.**

## The marketing mix as four or seven 'Ps'

As thinkers and writers on marketing have elaborated their attempts to classify and categorise the generic components of the marketing mix, a number of different models have emerged. The first of these – devised by E. Jerome McCarthy (1960) – was the now famous 'four Ps' formula. This noted that the basic categories of tools available to marketers for manipulation to encourage and bring about an exchange are as shown in Figure 10.1.
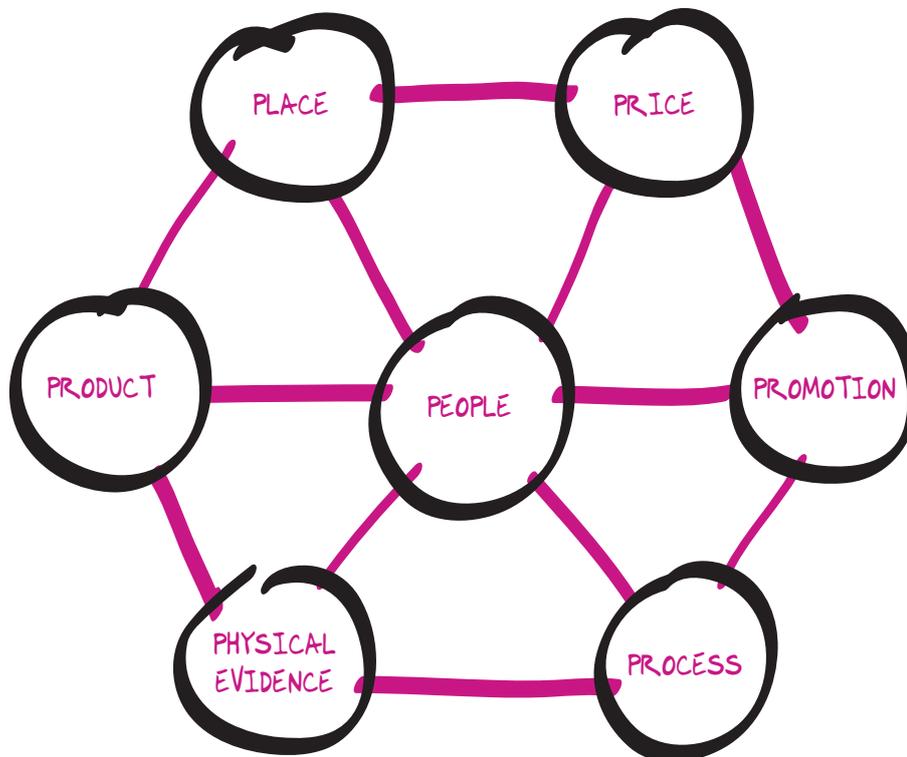
Subsequent to the creation of this 'four Ps' model, other writers have added even more 'Ps'. Thus B.H. Booms and M.J. Bintner ('Marketing Strategy and Organization Structures for Service Firms' in *Marketing of Services*, eds J. Donnelly and W.R. George, 1981) have proposed the addition of 'people', 'process' and 'physical evidence' (see Figure 10.2). This emphasises the equal importance (particularly when the offering provided is a service) of marketing personnel, the way that marketing is done, and the setting and ambience of the experience it generates.

However, while generically useful, in the realm of arts marketing these versions of the marketing mix might come across as being a touch alien to our particular setting. (For instance, since arts

**Figure 10.1**

**The marketing mix – available marketing tools to target customers** (after Lancaster and Reynolds 2002). Reprinted by permission of Elsevier Ltd.



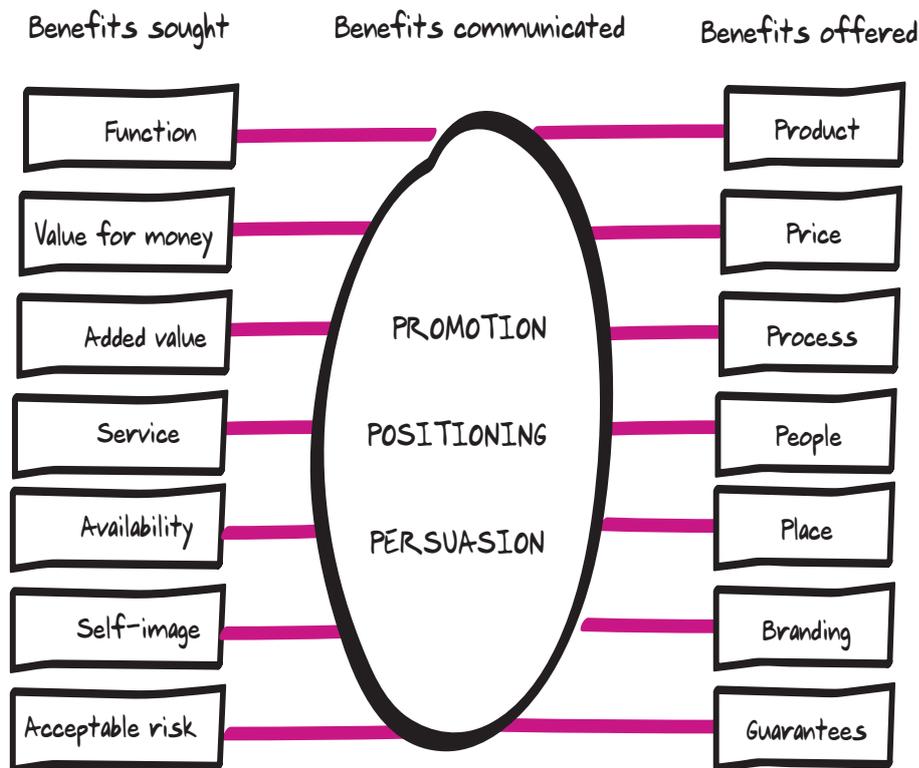| PRODUCT | PLACE |
|---------|-------|
| Design | Warehousing |
| Packaging | Transportation |
| Display | Service |
| Brand | Stockholding |
| PRICE | PROMOTION |
| Level | Advertising |
| Discrimination | Sales promotion |
| Discounts | Personal selling |

**Figure 10.2**

**The marketing mix as seven 'Ps'** (after Booms and Bintner 1981)

marketers often work in support of an experience rather than a thing, the notion of 'warehousing' as part of 'place' might well be considered as an irrelevant diversion.)

Manchester-based arts consultants Morris Hargreaves McIntyre have developed a diagram that seems extremely valuable and relevant to arts marketing. This is because it not only places the marketing mix in an arts setting, but also considers the process involved in arts marketing of matching an offerings benefit with the needs of a potential user. Indeed, this model is particularly striking because it takes the elements and sub-elements of a marketing mix and places them according to which set of concerns is being addressed by each element, and how these match with each other. Thus it shows the elements that relate directly to a product or service ('benefits offered'), the means of communicating those benefits ('benefits communicated') and what a potential customer or user is likely to be looking for ('benefits sought') (see Figure 10.3).

Up to now this guide has deliberately avoided discussing issues relating to the basic marketing mix elements –the tools, techniques and other approaches involved in putting a marketing plan into action. There are two reasons for this:

1. Those elements that make up an actual marketing campaign (such as posters, leaflets and prices) are frequently very much tactical considerations.

2. There are a number of publications that provide extensive detail on how to use such tactical tools as part of an overall campaign. For instance, Heather Maitland's AMA book *The Marketing Manual: Making Sure the Message Gets Across* (2000) provides a comprehensive and extremely useful source of information on how to apply the whole set of practical marketing tools to the arts. Similarly Elizabeth Hill, Catherine O'Sullivan and Terry O'Sullivan's *Creative Arts Marketing* (1995) is an impressively exhaustive overview of the issues and techniques involved in arts marketing. Both

**Benefits sought**   **Benefits communicated**   **Benefits offered**

| Function | | Product |
| Value for money | PROMOTION | Price |
| Added value | | Process |
| Service | POSITIONING | People |
| Availability | | Place |
| Self-image | PERSUASION | Branding |
| Acceptable risk | | Guarantees |

**Figure 10.3**

**A benefits matching model of the marketing mix**

(after Morris Hargreaves McIntyre 2002) Model ©Morris Hargreaves McIntyre – reproduced with permission

of these publications form part of this guide's recommended reading (see Bibliography).

Using tools and techniques such as brochures, price incentives and leaflet outlets frequently depends on practical and mundane day-to-day considerations. However, there are a number of strategic issues that need to be considered to ensure that the appropriate tools are being selected and used for the job in hand. These can be seen as 'strategic marketing mix issues', and are considered as such by the rest of this chapter.

## Strategic marketing mix issues

The strategic issues that impinge on an organisation's use of the marketing mix fall into two broad groups:

• The first of these relates to how such a mix can be used overall to achieve an organisation's marketing objectives.

• The second concerns aspects that need to be considered in relation to the specific elements of a marketing mix to ensure that the form they take fits with an organisation's strategic marketing objectives.

## Overall issues

A particular and initial issue concerning how the marketing mix can be used to make a strategic contribution is about ensuring that it is literally used as a mix. When adopting this overall approach there are a number of important working principles that will characterise the devising and implementation of a strategic marketing mix. These are summarised in the key thought below.

**Defining the characteristics of a strategic approach to the marketing mix**

**An overall strategic approach to the use of a marketing mix is based on the following principles:**

• **Each marketing mix will be different and will be devised to put a specific and particular set of objectives into action.**
• **Each marketing mix needs to be customised and tailored to maximise the extent to which it fits with a particular objective.**
• **The elements of each marketing mix need to be integrated with each other so that they become self-reinforcing as a means of achieving the desired objective.**

So it's always important to ensure that the various elements of a marketing mix not only all make a contribution to the achievement of the relevant marketing objective, but also all fit with each other to help increase the likelihood of the objective being achieved. At the same time it's important to accept that a standard marketing mix used in a 'one size fits all' way will not do. Because different marketing exercises can have different objectives, each and every marketing mix used to create a campaign is best customised to suit the particular and relevant marketing objective.

Consequently the consideration that – first and foremost – ensures that a marketing mix is handled in a strategic way is to make sure that it is driven and informed by the relevant marketing objectives. What's more, this importance of staying clear about the relevant objective flows beyond the overall marketing mix and permeates the nature of some of its elements and ingredients. Some of these issues are discussed below, where – for purposes of simplicity – the concept of a 'marketing mix' will be limited to the 'four Ps' model.

**Ensuring that a marketing mix is strategic means basing the integration of its elements, and the nature of its particular aspects, on the specific marketing objective that it is meant to help achieve.**

## Product issues

As noted earlier, the term 'product' is used by this guide to refer to things that an organisation makes and provides. Hence this can be a tangible thing, a service or an experience – all of which can constitute an organisation's offering to its markets. However, if you wish to plan for its use as part of a strategic marketing mix then the form that the offering takes needs to be driven, and informed by, the specific objective to which it relates. There are three areas and issues that can be helpful to consider here.

**Figure 10.4**
**Distinguishing a product's benefits from its features**

| FEATURES – WHAT IT IS AND WHAT IT OFFERS | BENEFITS – WHAT'S IN IT FOR A USER |
|---|---|
| A ballet performance | A way of escaping from everyday life |
| An exhibition of photography featuring innovative images of local landmarks | A means of being stimulated and intrigued by seeing the usual from a different perspective |
| Becoming a participant in a samba band | A chance to acquire new skills and build self-confidence as part of a new community |
| Going to a pantomime | A way of keeping the children amused during the Christmas break |

### Focussing on benefits rather than features

As many marketing commentators have observed – especially marketing gurus Theodore Levitt (*The Marketing Imagination*, 1986) together with Philip Kotler and Gary Armstrong (*Principles of Marketing*, 1991) – people don't set out to acquire things or products. What they are actually doing is looking for solutions to problems. For instance, people are more likely to be looking for a way of getting their clothes clean, rather than wanting to buy soap powder. People don't go to a DIY store looking for 5 mm drill bits – rather they are seeking a way of making 5 mm holes. Hence when it comes to the arts and culture, only a few people are likely to actively want to see a performance of Tchaikovsky's *Sleeping Beauty*, whereas a larger proportion of potential attenders might be looking for an event to stimulate their thinking or something to divert or entertain them.

At the root of this notion is the concept of understanding which particular customer and user needs each offering serves. And since your organisation's users may fall into different types and segments, there may be a whole range of needs and legitimate desires that your attenders and visitors may want satisfied. A good way of thinking about this is to begin by identifying what benefits each product offers to its users, rather than that product's features (see Figure 10.4).

Although some benefits may be obvious, others may be less apparent. Thus an essential technique of unpacking the benefits contained within a feature is to keep asking yourself 'so why is that a benefit?'

until the actual benefits are identified (see Figure 10.5).

**Figure 10.5**

**Getting to the roots of the benefits offered by an exhibition of illustrations from children's literature**

**Target visitors = families with children**

- This is an exhibition of illustrations from well-known children's books.
  SO WHY IS THAT A BENEFIT?

- Because it's a chance to see original versions of some well-known images.
  SO WHY IS THAT A BENEFIT?

- Because it's an enjoyable opportunity for children to see some images with which they are familiar.
  SO WHY IS THAT A BENEFIT?

- Because it's a way of amusing the children on a dull Sunday afternoon.
  THAT'S THE BENEFIT.

Then once you have developed a list of the relevant offering benefits, these can be related to the particular needs of the different market segments by using a benefits/segment grid. As Figure 10.6 shows, these grids can be used to pinpoint which benefits will apply to different segments. (Here a single cross is used to indicate a potential benefit, and a cross in a circle to denote a major benefit.)



| BENEFITS/ SEGMENTS | SIXTH FORM STUDENTS | REGULAR THEATRE-GOERS | ELDERLY PEOPLE |
|---|---|---|---|
| On GCSE syllabus | ⊗ | | |
| Entertaining, so a good diverting night out | | ✕ | ⊗ |
| Chance to broaden horizons by seeing a rare work | | ⊗ | |

**Figure 10.6**

**A benefit/segment grid for a performance of Shakespeare's *King John***

And once this has been done you will be well placed to identify not only which benefits are important for different segments, but also which ones play a part in achieving the overall strategic objective of a marketing exercise (i.e. encouraging repeat use by current users, broadening the social spread of your visitors, or attracting new customers). The grid can also be used to highlight which benefits need to be emphasised at a later stage – that is, when you are communicating with these potential attenders.

## Locating product benefits that apply to different segments

In discussing the use of such benefits/segment grids, the need to consider potential benefits from the point of view of the different types of people in your potential markets has already been identified. Here an intriguing and powerful research finding (produced for the then Arts Council of England by Millward Brown International, 1991) suggests

that the product aspects valued by attenders vary according to how experienced those visitors are in accessing and using the arts (see Figure 10.7). It must be emphasised that this is a non-judgemental model – there is no implication that experience is better than inexperience. But it is a model with many implications – both for the emphasis placed upon product and offering aspects, and for the way in which these are communicated to different potential segments. It also has major strategic implications. Thus if your organisation is wishing to attract new visitors who are less experienced in their use of the arts, then it would seem important to emphasise the more peripheral factors to do with comfort and ambience. Alternatively, if your organisation's strategic intention is to generate repeat use from existing experienced attenders, then the things to emphasise here will be the more factual and specific aspects of the art event at the core of the offering.

**Figure 10.7**

**The relative importance of expected benefits in relation to the status and relative maturity of the using segments**
(after Millward Brown International 1991)
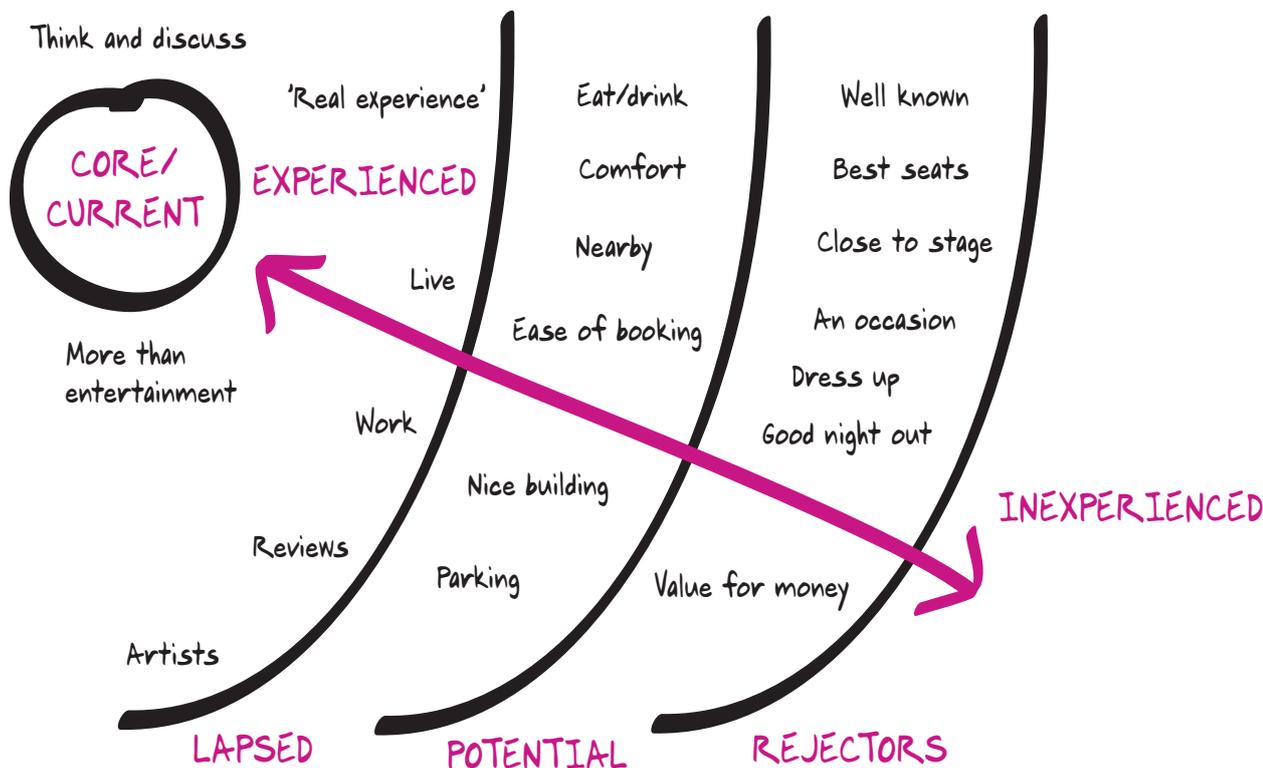
## Case study: Edinburgh International Film Festival – an example of how to segment an audience according to differing product benefits

**Edinburgh International Film Festival** (EIFF) is held in June each year and is the longest continually running film festival in the world. Ross Wilson, Head of Marketing, explained that the Festival has been learning how to communicate more effectively with both existing and potential attendees.

2008 saw a significant change for EIFF when, after more than 60 years, it moved away from its traditional August slot alongside the Edinburgh International Festival and the myriad of other activities going on in the city in that month.

Ross commented: 'The move has had a significant impact on the Festival's audience and segmentation system. In 2008 we saw the emergence of a new segment of culturally aware young professionals, but with a low frequency of attendance. The emergence of this more casual audience can be seen to be a direct result of moving the Festival to June, offering time-poor visitors the chance to see things which might otherwise have been edged out by other elements of the Edinburgh Festival in previous years.'

Another change witnessed was a rise in the proportion of visitors from Edinburgh and elsewhere in Scotland, and a subsequent fall in visitors from elsewhere in the UK. Whereas the visitors from the rest of the UK may have attended the EIFF before while in Edinburgh for another festival, these incidental visits dropped off following the date change. This change to audience segments was anticipated and a marketing strategy was devised to engage more with local and regional audiences in particular. Part of this approach involved an element of education to engage with potential new audience members in order to inform them as to what EIFF is and what it stands for. From the market research it was apparent that a significant proportion of the audience were in the 'cautious gambler' grouping, that is they required more encouragement and endorsement of particular films in order to attend. Therefore, activities based on the premise 'If you liked that, then you'll like this' were introduced. An example of this strategy included the website featuring an interactive system called the 'Suggest-O-Tron'. Various titles were featured from the 100 Greatest Movies (as selected by the public and featured in a Channel 4 run-down). From these titles, the website visitor could select five favourites. The 'Suggest-O-Tron' would then provide recommendations from the Festival programme.

Ross said: 'Overall, the various marketing activities and the profiling of audiences and how to best engage with them has resulted in a stronger EIFF brand. In 2009 people watched more films, felt more positive toward the brand, were more likely to trust the Festival's recommendations and were increasingly talking about the Festival as a community of film lovers. All this evidence suggests the Edinburgh International Film Festival is becoming an increasingly established and important feature in the cultural calendar, particularly for local residents.'

### Extending the concept of the product or offering

The Millward Brown model has further implications for strategic thinking about an organisation's product and offerings in that it fits well with a concept that was first articulated by Theodore Levitt (*The Marketing Imagination*, 1986) and which also seems to have vital consequences for arts marketing.

Although it can vary substantially from arts organisation to arts organisation, one of the main differences between classical commercial

marketing and arts marketing resides in the extent to which a marketer can influence an organisation's products. Thus in many commercial organisations it can be the marketing team that suggests what a company should produce and sell. In the arts – where sustaining artistic integrity is generally a principal priority of organisations – there can be more reticence about giving marketers influence over the programme offered. But regardless of whether an arts marketer has total or minimal influence on an organisation's provision, Levitt's extended product concept indicates a way in which marketing people can have a strategic influence over an organisation's offerings.

The idea underpinning this concept is a simple one – that any product can be considered as having different levels, rather like the layers of an onion. These levels and layers are shown in Figures 10.8 and 10.9.

**Figure 10.8**
**The various layers of a product** (after Levitt 1986)

- **Product's CORE benefits** – what kind of thing the product or offering is (e.g. a jazz performance, an exhibition of sculpture, a community street theatre event).
- **The product's EXPECTED benefits** – what users expect it to provide and almost take for granted (e.g. somewhere to sit, objects hung in a gallery space).
- **AUGMENTED benefits** – things that an organisation can add to the offering to increase and augment the experience that the product provides (e.g. comfort factors such as catering, or valued memories).
- **POTENTIAL benefits** – things that could be added to enhance further the users' experience and increase the sense of value they get from it (e.g. catalogues, interpretation, post-performance talks).

Hence even if a marketer's influence on the core product is limited, they can still have a strategic influence on an organisation's products (thus making them more likely to help fulfil a given marketing objective) by manipulating or devising changes to benefits surrounding the core and expected product. Consequently the last product

issue that needs to be considered is how this 'product surround' could be altered or manipulated to make an offering better suited to a given strategic objective and the target market segments.

## Price issues

On the face of it, price is one of the elements of the marketing mix that seems completely tactical, if only because it can be a vital operational consideration. Hence if your organisation is one of those that charges for admission or access to its services, how much is charged will – to a great extent – affect how much income the organisation can generate from its offerings.

Yet pricing and price can be a strategic tool. This is because at one and the same time:

- it can influence the organisation's brand positioning
- it can make a vital contribution to how the organisation competes in the marketplace
- it needs to be modified in relation to the organisation's particular marketing objectives.

**Using pricing to influence positioning**
Thus, considered from a strategic marketing perspective, price is about far more than just how much an organisation needs to earn from a particular set of offerings. Indeed, the price charged frequently functions as a 'badge' or 'label' of the perceived value placed by the organisation on its products. Hence the price level charged can depend on whether you aim to have your organisation's provision considered as being of 'premium quality' or at a 'social access' level. But here it should be remembered that the two extremes need not be mutually exclusive. While the basic price gives out messages about the positioning of a product, discount schemes can be used to make that offering accessible, so that it can occasionally be both sensible and desirable to set prices high (to influence perceptions of the product) but offer discounts widely (to enhance access).

**Using pricing to enhance competitive posture**
Similarly price can be a lever to influence an organisation's competitive position in relation to other players in the marketplace by adjusting

**Figure 10.9**
**Elements of Levitt's (1986) extended product concept applied to an arts experience**
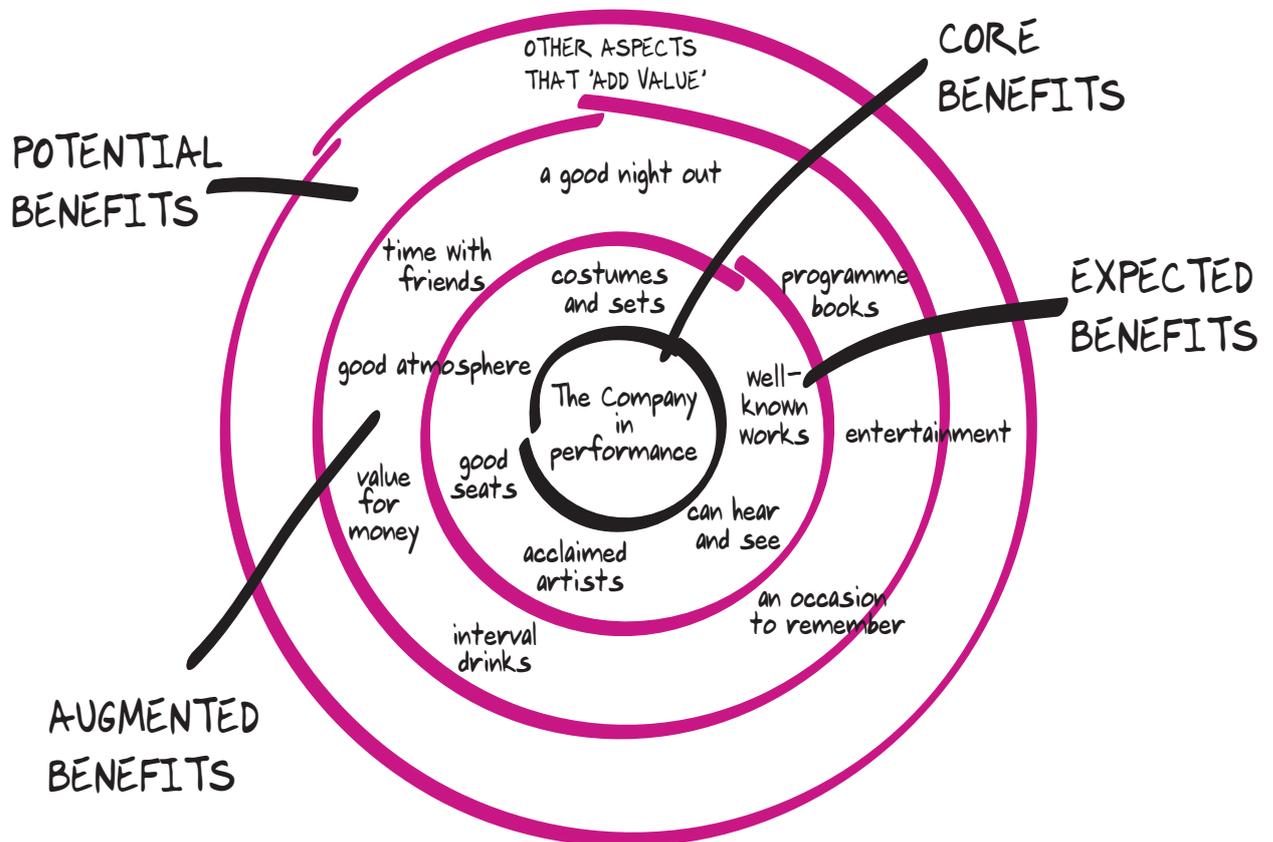


an offering's relative attractiveness to potential customers and users.

Thinking in this way can often entail a whole set of questions and considerations, which are summarised in Figure 10.10.

**Figure 10.10 Strategic questions to consider regarding pricing**

- How much does the organisation need to earn from this offering?
- How much was charged for this sort of offering in the past?
- How much is being charged for similar offerings by our competitors?
- How might the pricing be made to seem more psychologically attractive to potential users?

As can be seen, competitive approaches to pricing involve thinking not only about what other players in the marketplace are charging (and thus how your organisation wants to be perceived in relation to them), but also about what your organisation has charged in the past (and whether it wants to be seen as an organisation that keeps introducing price rises).

And then there are other psychological considerations involved which can improve the relative attractiveness of your offering to the potential customer. Principal among these is the notion that the difference between £9.99 and £10.50 is more than 51p. In other words, a psychological barrier is introduced every time a customer is forced to consider breaking into an additional banknote.

Similarly there is some evidence to suggest that paying customers tend to self-identify themselves in terms of the price level they habitually tend to buy (i.e. as a top-price booker, a middle-price booker or a lowest-price booker). Consequently, where the price breaks and differentials between different prices are set can have an additional influence on both a potential user's propensity to attend, and on the overall income generated from an event. As a result there is a need for the organisation to escape from the notion that the price breaks in a theatre or performance space are physically immutable, and regularly review what is being charged for each seat and event.

### Using pricing to fulfil marketing objectives
On top of the considerations already discussed, pricing can also be varied to a really strategic end – to suit the strategies and objectives being adopted in relation to specific target markets.

Thus Malcolm McDonald (*If You're So Brilliant ... How Come Your Marketing Plans Aren't Working? The Essential Guide to Marketing Planning*, 2002) offers a major piece of guidance on the pricing policies to be pursued according to an organisation's selected set of BCG matrix product strategies (see Figure 10.11).

By the same token it seems logical that different strategic directions drawn from the Ansoff growth/vector matrix will entail different pricing policies, thus providing the organisation with a potential menu (see Figure 10.12).

### Strategic price issues to consider
There are, then, a range of issues that need to be considered if pricing is to be thought of from a strategic perspective. Figure 10.13 provides a visual summary of the considerations that need to be noted when making such pricing decisions.

| BCG PRODUCT STRATEGY | SUGGESTED APPROACH TO PRICING |
|---|---|
| Dog 'Demanding challenges' | Raise prices (to make the most of offerings for as long as survives) |
| Question mark 'Nurtured possibles' | Price competitively (to gain maximum market share) |
| Star 'Potential winners' | Price to mantain/increase market share (i.e. non-volatile/stable pricing) |
| Cash cow 'Reliable bankers' | Stabilise or even raise price (make hay while the sun shines) |

**Figure 10.11**

**Suggested pricing approaches for different products on the BCG matrix**

(after McDonald 2002; this author's adaptations in **pink**). Reprinted by permission of Elsevier Ltd.

| ANSOFF STRATEGY | INTENTION AND IMPLICATIONS OF STRATEGY | SUGGESTED PRICING APPROACH |
|---|---|---|
| Market penetration | Cultivate and retain existing users | Price high to 'milk' frequent users, while offering discount incentives to recognise and reward loyalty |
| Product development | Encourage users to try new products and offerings | Use different pricing regimes for different programme strands. Standard pricing for existing, core offers. Discounted price incentives to encourage short-term trial of new offerings |
| Market development | Find new and different types of users | Use targeted price incentives to attract and lock in new attenders |
| Diversification | Encourage new users to try new kinds of offerings | Use discounted price incentives to encourage initial trial, followed by loyalty reward pricing to stimulate repeat use |

**Figure 10.12**

**Suggested pricing approaches for different Ansoff matrix strategies**



**Figure 10.13**

**Considerations involved in making a strategic pricing decision**

# Case study: Aberdeen Performing Arts uses price strategically to increase ticket sales and inform audience targeting

**Aberdeen Performing Arts** (APA) is a charity responsible for managing three venues in Aberdeen: His Majesty's Theatre, the Music Hall and the Lemon Tree

As part of a Scottish Arts Council funded project, coordinated by The Audience Business, APA commissioned Baker Richards to undertake a review of its pricing strategy to help it identify opportunities to maximise its ticket yield and increase its ticket sales. The recommendations had an immediate impact on both its ticket yield and overall income and enabled them to put a pricing strategy in place that will inform both its audience targeting and how it decides to price events in the future.

During the pricing review Baker Richards looked at the different genres that APA presents and tailored their recommendations accordingly. For its panto, specific recommendations were made around increasing income through changes to the performance schedule, price schedules, discounting strategy, price breaks and the availability of inventory. The implementation of Baker Richards' recommendations resulted in a 12% increase in sales (5,600 tickets) and 23% increase in income (£142,600) when compared with the previous year.

Different pricing tactics were employed when considering how to maximise yield from musicals. APA changed its price differentiation strategy, as well as restricting concessions, groups and Friends discounts on particular performances, and a new strategy was put in place for managing the availability of its inventory. APA also re-scaled the auditorium and created a new seating plan. Importantly, it also picked up on those performances where there was strong demand for lower priced seats, demonstrating that increasing ticket yield is not simply a matter of increasing prices, but often relies on responding to nuanced patterns of customer demand.

Patterns of demand for drama were significantly different when compared with the other genres. For example, matinee performances were proving incredibly popular with senior citizens and performances on Monday nights were also delivering extremely strong ticket sales. Significant emphasis was therefore placed on increasing the volume of ticket sales for other performances and APA identified that the Friends of the theatre would be a crucial target market for them in achieving this objective. A new frequency scheme was proposed and, overall, the changes APA made to pricing for drama helped to increase the average yield per ticket.

## Place issues

When it is part of the marketing mix, 'place' refers to what the retail sector calls 'distribution', i.e. all the thinking and activities that are needed to ensure that products and offerings are made available and accessible to potential purchasers or users.

Although this is an important consideration for the commercial sector, thanks to the philosophical importance justly accorded to this area by the funding system – particularly in the sense of audience development and access – this issue has become a crucial part of arts marketing thinking.

Hence, seen from a strategic perspective, place issues are about identifying, understanding and findings ways of removing or reducing all those aspects that may be forming obstacles to engagement with an organisation's offerings. And – unfortunately – these can take many and varied generic forms (see Figure 10.14).

# Case study: Artlink – increasing opportunities for individuals with disabilities to take part in the arts

Through previous work with arts venues in Edinburgh, **Artlink** became aware of the problem of hard-of-hearing visitors being unable to access some guided tours. Visitors and venues agreed that the purchase of a portable hearing loop system was a solution; however, the cost of suitable equipment was prohibitive for individual venues. Artlink, the Fruitmarket Gallery, the National Library of Scotland and Talbot Rice Gallery decided to share the cost of a portable loop system.

The portable loop was deemed preferable to a fixed loop because it works with both analogue and digital hearing aids, and can also be used by people who do not use hearing aids, but who benefit from amplification during a public tour.

In order to choose the most suitable equipment, Artlink's Audience Development Officer Susan Humble approached hard-of-hearing groups and individuals, and invited them to tours held at other Edinburgh venues with existing portable loops. Direct contact ensured that tours were well attended, which in turn meant that useful feedback could be collected. Appropriate communication channels such as text relay and email were made available.

Once the decision was made and the equipment obtained, Artlink and its partner venues programmed and marketed a series of events for hard-of-hearing visitors, called **In the Loop**. Since then, partnership venues have cooperated in sharing the equipment, and have publicised its availability in their own venue literature.

Cooperative working meant a wide choice of events for users was made accessible. Interest was further maintained by continuing direct contact with groups and individuals, and obtaining feedback and suggestions. This has led to an increase in the numbers of individuals attending tours for hard-of-hearing people as well as public events at partnership venues.

**Figure 10.14 Generic barriers and obstacles to engagement with the arts and arts offerings**

- Physical barriers – aspects of an organisation's spaces that denude accessibility.
- Psychological barriers – perceptions that inspire fear or insecurity on the part of potential participants, users or attenders.
- Social barriers – aspects relating to social class and class tensions that may discourage engagement or attendance.
- Informational barriers – things that make it difficult to get full information on events and offerings.
- Linguistic barriers – the off-putting use of arcane vocabulary by organisations.
- Economic barriers – that create the perception (or the reality) that an arts event cannot be afforded by potential users.
- Temporal barriers – that come about when events or the services relating to them are not available at convenient times.
- Process barriers – the use of booking and other procedures that are unnecessarily difficult and thus daunting.
- Organisational barriers – the occasional existence of an organisational culture or mindset that takes a dim view of ensuring full access.

# Case study: Glasgow Film Theatre – developing an online ticketing portal to increase ticket sales and online customer loyalty

Until three years ago **Glasgow Film Theatre** (GFT) was still using an antiquated box office system which had been in use since the early days of cinema. The growth of the Glasgow Film Festival (GFF) made it necessary to upgrade to a computerised ticketing system and develop online ticketing. This change was also the starting point for a shift in how the organisation uses new media and digital technology for communicating with audiences.

The implementation of a single ticketing portal (Glasgow Film Tickets) for both GFT and GFF was a decision based on the limits of the available box office technology and a consideration of the ongoing costs associated with it. It was also done to keep things as simple as possible for their audiences.

Jen Davies, Head of Marketing for GFT and GFF, explained that Glasgow Film Tickets works in different ways with each of their websites. With GFT's website, it has been fully integrated and data (including images and film descriptions) is extracted from the box office system and used to populate the site listings, saving a huge amount of staff time in programming the website. GFF's site differs in that it has separate listings which then link through to the online ticketing pages. This allows them to add a greater quantity of additional material to the festival listings, for example trailers, reviews and logos (particularly important when specific events are sponsored).

GFF runs across multiple venues (17 venues with 27 screens in total in 2010) with Glasgow Film Tickets selling tickets for all of these. The online portal is part of a centralised festival box office at GFT; tickets for all non-GFT events are sold up to the day before the screening, with tickets then distributed to each venue for collection at box office on the day.

In order to increase online ticket sales, GFT has developed various bulk ticket deals. Particularly successful were GFF 2010's Internet Saver Deals which had three options: 5 tickets for £25, 10 tickets for £45 and 20 tickets for £80. All of those deals were very simple, notably cheaper than single tickets and could be shared between no more than two people – this is because GFT wanted to limit the number of events that could be bought in a transaction to encourage individuals to see more films, rather than allowing large groups to use the deal. Tickets purchased through these online deals made up 9.51% of all tickets bought; 48.4% of all tickets bought for GFF 2010 were bought online.

In order to increase website traffic and therefore ticket sales both online and at box office, GFT spread its reach beyond the walls of its website by developing a social media presence across Facebook, Twitter and MySpace, and using Flickr and YouTube for coverage of their events. This has resulted in an online community of a total of 9,697 (April 2010) fans, friends and followers, particularly active on Facebook and Twitter. The use of social media has helped with the increase in site traffic by an average of 17% each quarter over the last three years. Jen said that they have noticed the benefits of social media particularly during GFF 2010, with online promotions turning underselling events into successes and audiences boosted when last-minute guests were confirmed online.

The introduction of online ticketing (and all that has gone along with it) has certainly worked for GFT. It has played a major part in their development and, sitting alongside a general honing of marketing activity, has resulted in an increase in annual turnover by a third over the last three years. It has also secured the status of GFF as the third largest film festival in the UK in terms of audience admissions, with just over 30,000 through the doors in February 2010.

Consequently, when it comes to planning to reduce barriers to engagement – thus ensuring full access and comprehensive place thinking – all that is needed is a simple but frank appraisal of the organisation and its offerings. This involves asking and answering three basic questions.

1. What – if anything – might be preventing or deterring our selected markets from coming into contact with our organisation and its offerings?

2. Why is this? (What are the root causes of these factors?)

3. What might be done, both now and in the future, to reduce or remove these barriers?

## Promotion issues

The last of the four Ps that go to make up the classic marketing mix to be discussed here is 'promotion'. This is slightly ironic since it is frequently the case that promotion is equated with marketing – presumably because it is seen as the most visible (or perhaps glamorous) aspect of marketing. Involving a profusion of practical measures and techniques, this is another marketing mix element that can have many tactical incarnations.

Yet there are still a number of strategic considerations involved with devising a promotional or communications campaign intended to realise an organisation's marketing objectives. These considerations are represented by another set of questions, as follows:

• What is the strategic objective of the promotional campaigns – to stimulate repeat attendance or to attract new users?
• Therefore what is going to be the core message and proposition to be used?
• Which set of promotional tools is likely to be most effective in getting this message to the target segments?

The notion of strategic objectives has recurred throughout this guide, and thus probably needs no further discussion. Similarly, the core message and proposition for your organisation and its various offerings will be provided by your previous thinking on branding issues. However, there's still the question of which promotional tools will be most appropriate to the task that your organisation will be attempting to undertake.

Indeed, there are two further considerations that can assist an organisation in creating a communications mix. These are: the extent to which a promotional mechanism can be controlled by the promoting organisation; and the extent to which results generated by a mechanism can be measured. Hence Figure 10.15 shows the set of potential tools allocated according to these criteria.

And then the last, but vital, piece of thinking that needs to be done is this matter of which tools will be best placed to reach particular target segments. Here a segment/mechanism grid (see Figure 10.16) can be an extremely useful means of carrying out this thinking. It is used just like the benefits/segment grid shown in Figure 10.6. (However, you may wish to note that, unlike the categories of tools and mechanisms shown in Figure 10.15, they are shown on this grid according to their specific manifestations and not according to general categories.)

**Figure 10.15**

**Promotional tools assessed according to their relative controllability and measurability of results**
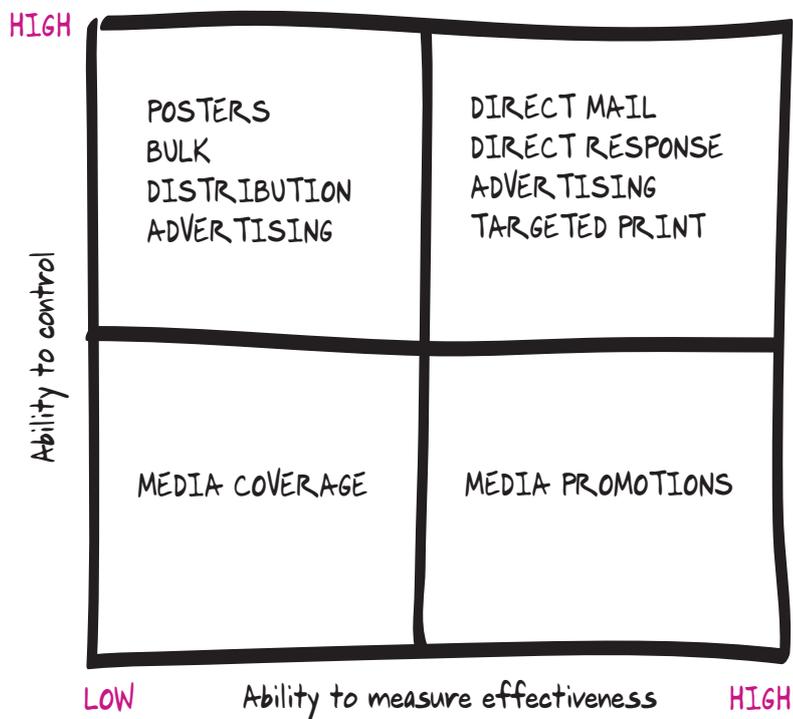


**Figure 10.16**

**A mechanism/segment grid for a performance of Shakespeare's *King John***

| MECHANISM/ SEGMENTS | SIXTH FORM STUDENTS | REGULAR THEATRE-GOERS | ELDERLY PEOPLE |
|---|---|---|---|
| Direct mail | | ⊗ | |
| Season brochures | | ✕ | |
| Performance flyers | ✕ | | ⊗ |
| Posters | ✕ | | ✕ |
| Press advertising | | | ✕ |
| Direct selling through schools | ⊗ | | |

# Case study: the Scottish Chamber Orchestra uses a strategic approach to product and place to attract a new audience



**The Scottish Chamber Orchestra** (SCO), like many other classical music ensembles, seeks to extend the demographic profile of its attenders. In one initiative to this end, the Orchestra undertook research among attenders and non-attenders into aspects of the presentation of live orchestral music. Many regular attenders were happy with the traditional concert format and desired no change to the style of presentation. However, the research showed that infrequent and non-attenders perceive attendance at a classical concert as 'high risk', particularly if the music to be performed is unfamiliar. Concerns were expressed about the commitment of time (a full evening), the perceived need to pre-book, the lack of visual stimulation and a sense of not belonging – venues felt like the domain of an 'established' audience.

On the basis of this research, SCO decided that it should not make radical changes to the presentation of its main season concerts, which continue to appeal to existing audiences. However, SCO's Marketing Director, Ann Monfries, explained that it was decided to introduce a new series of concerts in Edinburgh – CL@SIX – to meet the needs of new audiences, particularly younger people and families who felt that the current format was not for them. These new concerts provided a gateway by removing some of the perceived 'risks'.

CL@SIX concerts are given in an atmospheric church in the city centre, close to many workplaces. The Orchestra's programmers, recognising the particular needs for this series, created deliberately popular musical programmes – including well-known classics such as Vivaldi's Four Seasons and Mendelssohn's 'Scottish' Symphony. The concerts start at 6pm and last no more than an hour with no interval. Seating is unreserved, conductors frequently introduce the works to be played and, generally, the atmosphere is less formal than the Orchestra's traditional concert-giving. And the CL@SIX series has proved a huge success – it is now entering its fourth year.

## Have a go

Downloadable Worksheet Set 10 consists of a number of tables and charts to be completed with your thinking on some of the marketing mix issues as they will apply to your organisation's strategic marketing plans.

# Chapter 11 **The proof of the pudding**

There's a proverb that says 'the proof of the pudding is in the eating'. In the same sense, the only real and valid test of a strategy is in its 'doing'.

No matter how incisive, insightful and rigorous your analysis is, and regardless of how creative, ingenious and inspired your plans are, ultimately these stages will count for little if they can't be put into action. Thus an important concluding phase of strategic marketing planning is devoted to ensuring that there is a good chance of making the plan happen.

So this chapter of the guide considers:

• one useful and striking set of research data on why strategies can fail
• an amusing put powerful analogy relating to different potential ways of selling a strategic marketing plan to stakeholders both inside and outside the organisation
• a simple but effective tool for planning to sell the plan, while maximising its likelihood of being accepted.
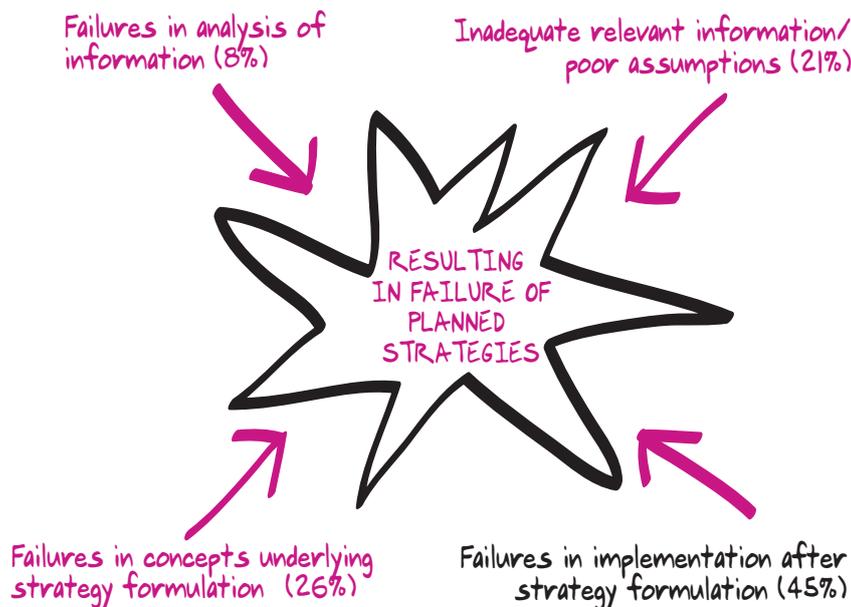
## Reasons that strategies can fail

In *Making Strategy Happen: Transforming Plans into Reality* (1990), a book that examines the issues involved in making sure that planned strategies can be put into action, Arnold Judson cites some original research that he carried out into the things that people attribute to the failure of strategies. Some of these factors relate directly to weaknesses in the planning process, or in the thinking and analysis underpinning the resulting plan.

But the predominant explanation for the failure of some strategies is perceived as being 'botched' or flawed implementation (see Figure 11.1).

Indeed Judson's findings go further, so that he provides an itemised list of the eight sorts of things that can get in the way of strategy implementation:

1. Poor preparation of line managers and staff.
2. Faulty definition of 'the business' (*i.e. its purpose and scope*).
3. An excessive focus on numbers.



Failures in analysis of information (8%)

Inadequate relevant information/ poor assumptions (21%)

RESULTING IN FAILURE OF PLANNED STRATEGIES

Failures in concepts underlying strategy formulation (26%)

Failures in implementation after strategy formulation (45%)

**Figure 11.1**
**Reasons that strategies are thought to have failed (after Judson 1990).**
Percentages indicate proportion of instances where particular cause was cited.
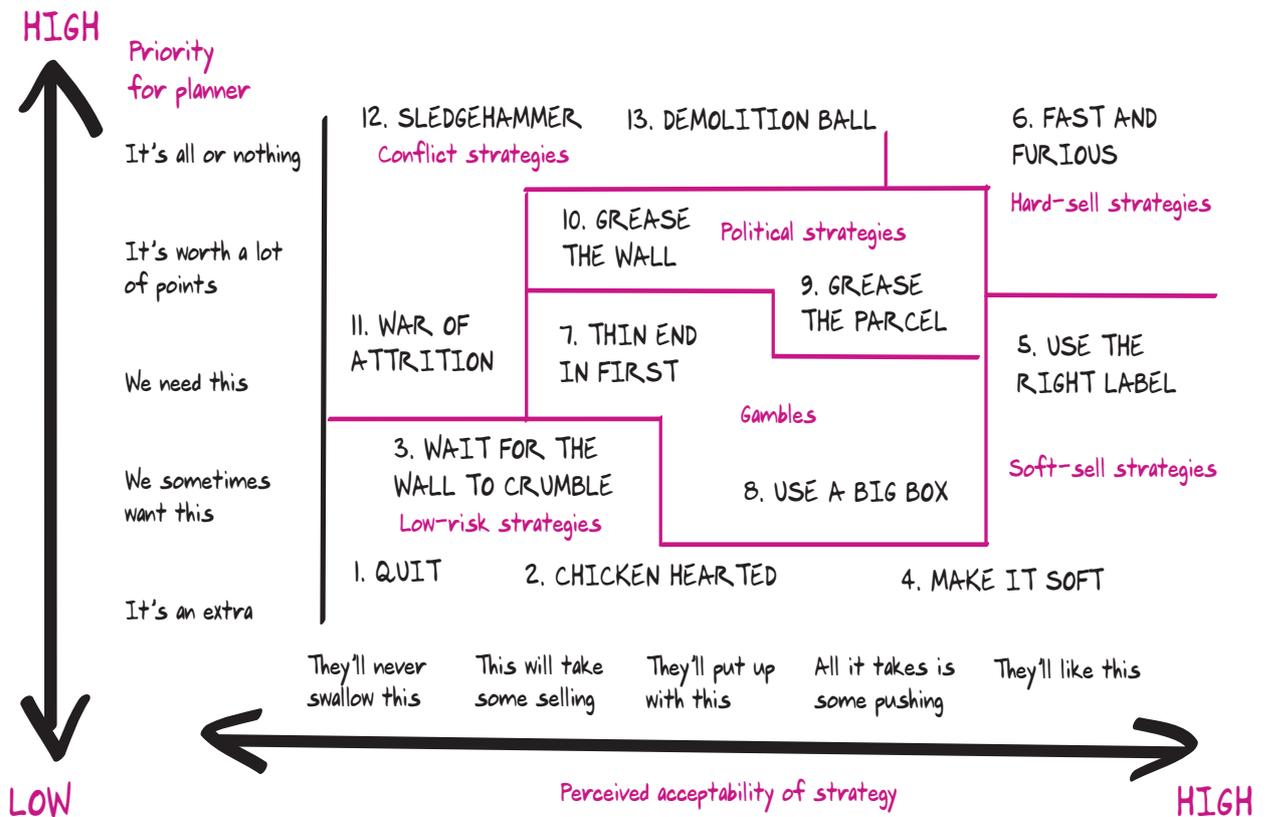Reproduced by permission of Blackwell Publishing.

**Figure 11.2**
Nigel Piercy's 1992 'The Parcel and the Wall' model of approaches for 'selling' a marketing plan within the organisation.
Reprinted by permission of Elsevier Ltd.

4. Imbalance between external and internal considerations.
5. Insufficient detailing of action.
6. Insufficient collaboration and participation across functions (*inside the organisation*).
7. Poor delivery to the organ of corporate governance (*i.e. the board or management committee*).
8. Conflicts with the institutionalised controls and systems (*i.e. the organisation's bureaucracy*).

Clearly, then, taking care of things to do with the way in which your organisation works can be an important area to address if a strategic plan is to work as desired – no matter how wonderfully that plan has been devised and crafted.

## Planning to sell the plan

Preparing colleagues, co-workers and volunteers in the organisation to undertake the planned actions – together with getting stakeholder commitment to these activities – is essentially about how the plan can be sold. Here a highly respected thinker on strategic marketing planning – Nigel Piercy (1992) – provides an insightful (and entertaining) analogy.

In this analogy Piercy suggests that the challenge of selling a plan within an organisation can be thought of as being like trying to push a large parcel through a small slot in a wall. In his 'The Parcel and the Wall' model he proposes a number of different ways of doing this. This provides a menu of alternative approaches from which an appropriate one can be identified and selected according to the nature and

circumstances of the organisation (see Figures 11.2 and 11.3). (Here – to avoid potential confusion – please note that where the diagram of the model labels things as 'strategies', this refers to the potential approach to be taken in selling the overall plan, and not to the individual strategies that form part of the plan's contents.)

Although this sort of thinking might seem slightly sneaky (or even Machiavellian), bear in mind that it's something that may have to be done to ensure that the marketing plan is implemented to best effect.

## Analysing the potential for selling the plan

And if it's accepted that, in selling the plan, internal politics may have to be addressed, a model devised by American sociologist Kurt Lewin can also prove invaluable. This is a tool known as 'force-field analysis'. Despite its high-tech resonances and hint of belonging in a sci-fi series like *Star Trek*, this tool – and the thoughts on which it is based – are as elegant as they are simple. The basic ideas underpinning them are as follows.

Lewin (*Field Theory in Social Science*, 1951) suggests that in any situation in which a change is desired, there will be people and things that will support and assist that change (i.e. 'drivers for change'). However, there will also be people and things that may oppose the desired change (i.e. 'blockers of change'). He emphasises the importance of identifying these drivers and blockers as a way of both understanding the setting for the proposed change, and also planning how that change

**Figure 11.3 At a glance, Nigel Piercy's (1992) 'Parcel and Wall' approaches for selling a plan within the organisation (abstracted and adapted).** Reprinted by permission of Elsevier Ltd.

### Low-risk strategies
- Quit – if there's low priority for the plan and it's unacceptable, then walk away.
- The chicken-hearted approach – undertaking major modifications and dilution of the plan's effectiveness so as to get it accepted.
- Wait for the wall to crumble – being patient and waiting for the plan's blockers and opponents to move on.

### Soft-sell strategies
- Make the parcel soft – submitting the plan in small steps, each of which is perceived as being acceptable.
- Use the right label – alter the plan's terminology to increase the perception that it is small and non-contentious.

### Hard-sell strategies
- The fast and furious approach – really going for it by building up momentum by adopting a 'hard-sell' approach based on making presentations, gaining widespread involvement, support and ownership and making it seem too good to reject.

### Gambles
- Thin end in first – present the most acceptable and attractive elements first, then convince people that it's probably going to be less effort to do the whole thing rather than remove or change the first stages.
- Use a big box – show the wall what seems to be a big package, then reveal that what's inside is a far smaller deal.

### Political strategies
- Grease the package – making the plan more politically acceptable without changing the organisation's overall strategies.
- Grease the wall – working to change elements of the organisation and its culture so that the plan becomes more acceptable.

### Conflict strategies
- The war of attrition – keep submitting the plan until it is finally accepted.
- The sledgehammer – involves putting the package down for the time being, then finding ways of enlarging the hole in the wall (i.e. of making the organisation more receptive to it).
- The demolition ball – used by confident managers or ones with nothing to lose, it involves setting the plan in stone, then pushing hard for its acceptance so that it smashes through any resistance.

**Figure 11.4**

**A basic force-field analysis diagram applied to a desired organisational change in a hypothetical arts organisation**
(after Lewin 1951)

DESIRED CHANGE: The creation of a dedicated fundraising post

**DRIVERS FOR CHANGE**

**BLOCKERS FOR CHANGE**

Need to extend and diversify organisation's funding

Marketing department feel challenged by this development

A dedicated post required since no team members have time to devote to fundraising

Idea is resisted by volunteer fundraisers (e.g. Friends organisation)

Professional fundraising skills and experience are currently missing from the organisation

Currently no office space available for fundraiser

Idea of appointing a dedicated fundraiser is endorsed by management committee and funders

might be brought about. Indeed these potentially opposing forces can be mapped using a relatively simple diagram (see Figure 11.4). What's more, the usefulness of this tool can be enhanced by representing the relative importance or size of an issue with an appropriate-sized arrow (i.e. the stronger a force, the bigger the arrow it gets).

Although even a basic force-field diagram can be of great value, Lewin also offers a telling and insightful perception on how to use the findings arising from such a diagram. This is that bringing about a change in any situation can be considered as trying to shift the prevailing *status quo*. And deep down, attempting to bring about such a shift is really about attempting to change a complex arrangement of things that can be thought of as 'a system'. However, when it comes to changing systems, the harder the system is pushed to change, the more it is likely to resist by pushing back. Consequently Lewin advises making a change happen by doing things to reduce or remove the

power of the forces opposing change, rather than trying to push harder by enhancing the forces supporting change. Hence a good way of using this tool is to identify which forces need to be denuded and reduced, and then to come up with a means of doing that.

Since introducing and implementing a strategic marketing plan may represent a change to your organisation's system, there could well be a legitimate case for using force-field anaylsis as part of your planning to sell the plan.

## Have a go

Worksheet Set 11 (available online) is a short form that covers a number of the issues introduced in this chapter. As such it invites you to consider these in relation to the selling of your strategic marketing plan within your organisation, and record your conclusions. Go to **www.a-m-a.co.uk**.

# Case study: National Theatre Scotland – a co-created approach to marketing and programming to reach new audiences

**The National Theatre of Scotland** (NTS) is just four years old. In that time, NTS has employed a radical building-free model to create and tour its work all over Scotland and beyond. It has engaged with 468,000 people through 117 productions in 114 locations.

## Background

The marketing and audience development work of NTS has been no less robust. It commissioned a three-year programme of market research; as a new-start company, it was essential for them to have an early sense of their audience profile. The research yielded many productive results; for example, one of the findings showed that the organisation had a glaring gap in its audiences. They had virtually no teenagers coming to see their shows.

## The evidence for internal change

So, while NTS celebrated its fourth birthday in February 2010, and while the organisation may be young, their audience isn't. Marianne Maxwell, Audience Development Manager, commented: 'We reflected that in four years we had worked with thousands of young people across Scotland. We had created amazing experiences and transformed their lives. The problem was that they just weren't buying tickets to see our other shows. So, in a bold move towards evidence-based programming, our artistic planning team determined to stage a raft of plays that would have at their core an appeal to younger audiences, teenagers in particular.'

## The solution

It was decided to mount a season of three new plays featuring young characters. These works would appeal primarily to a young audience but would not exclude older audiences. NTS picked **tfd** as the name for the season and decided to split the first two weeks of the season at the Tron Theatre in Glasgow. The first week would be exclusively for under 21s, while the second would be for everyone (adults included). Tickets were deliberately priced down to encourage young people to attend. As Marianne said: 'We wanted to open all the doors, break down every barrier and give young people a way into the theatre and a reason to come back. **Takeover@thetron** was born.'

## Cross-team working

NTS hired a young marketing assistant and drafted in a 14-year-old intern. They formed a project team with the crew, company and venue. The cast and director were committed, the writers were excited and the venue was behind them. National Theatre Scotland's teams in audience development, programming, communications and artistic all worked together to prove that the synergy between market intelligence and evidence-based programming choices can truly create waves. Together, they programmed a series of events, talks, tours and workshops around the performances. They also arranged a discount menu, goodie bags and a DJ.

## The results

Over 1,000 people under the age of 21 attended the shows and participated in 15 workshops, talks and tours during **tfd takeover week** in March 2010. NTS are already evaluating the feedback, taking pride in the successes and embracing the idea that there are more things to learn. 'We are at the start of our journey to bring a younger audience to theatre,' Marianne concluded. 'This is a journey that requires bravery, collaboration and risk taking to really make it work.'

# Chapter 12 So how did it go? Planning to monitor and evaluate the plan

The end of this journey through the strategic marketing planning process is in sight. A complete set of elements that will go to make up such a plan for your organisation will almost be within your grasp. Yet there is one final piece of planning that it's advisable to do – planning for the overall evaluation of the plan.

## What is evaluation and why is it so important?

Evaluating arts projects is now considered a vital part of such projects, and strategic marketing planning for the arts is by no means immune from this perceived need.

The concept of evaluation comes from the world of 'total quality management' and the philosophy of continuous improvement. This is founded on the idea that – regardless of the nature of a project – there will always be room for improvement. And thus the best way of identifying the ways in which such improvements could be brought about is to reflect upon, and learn from, your experiences.

Continuous improvement is epitomised by the Japanese philosophy of *kaizen*. This considers all organisational activity as being cyclic and passing through a number of stages (see Figure 12.1).
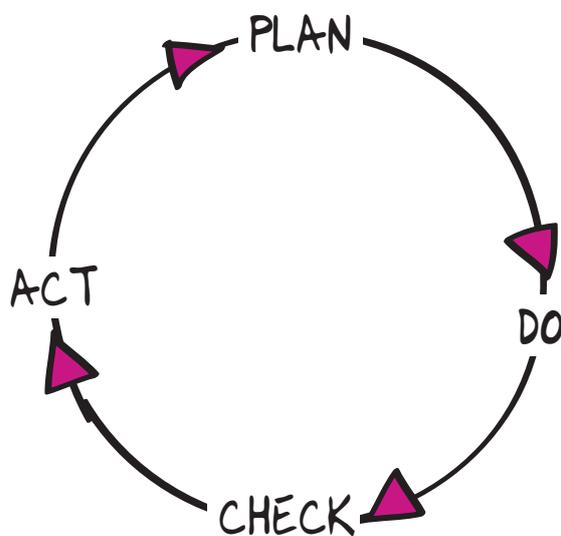


**Figure 12.1**

**The cycle of continuous improvement or *kaizen***

(after Watson 1993)

The stages involved are as follows:

• Plan what to do.
• Put it into action.
• Check what happened as a result.
• Then act on the conclusions, and use them to inform future plans.

Because it is fundamental to the 'checking stage', evaluation is a central part of both the *kaizen* cycle, and – by extension – the strategic marketing planning process.

Furthermore an authority on the management of voluntary organisations, Sandy Adirondack (*Just About Managing? Effective Management for Voluntary Organisations and Community Groups*, 1998), provides a useful description of the role and nature of evaluation and distinguishes it from 'monitoring'. (This is particularly helpful since sometimes 'monitoring' and 'evaluation' can be confused with each other.)



'**[Monitoring is about] collecting information about what is happening while it is happening … [while] evaluation involves putting a value on the work. It is an assessment of:**
• **whether the objectives were met, and if not, why not**
• **whether the work was worth doing**
• **whether it was done well**
• **what else the organisation did**
• **whether resources were well used**
• **what remains to be done and**
• **what can be learnt from the project to inform others in the future.'**
**Sandy Adirondack (*Just About Managing? Effective Management for Voluntary Organisations and Community Groups*, 1998) Reproduced by permission of LVSC.**

In the UK subsidised arts, the introduction of evaluative approaches has been spearheaded and codified by Felicity Woolf (1999) in an excellent publication commissioned by the former Arts Council of England and Regional Arts Boards. Although her book *Partnerships for Learning* has

the subtitle *A Guide to Evaluating Arts Education Projects*, its suggested approaches are eminently applicable to marketing projects.

Consequently Felicity Woolf proposes five stages that go to make up an evaluation process:

1. Planning (the project).
2. Collecting evidence (on what happened).
3. Assembling and interpreting the evidence.
4. Reflecting (on the implications) and moving forward.
5. Reporting (on) and sharing (the findings).

Used in relation to a strategic marketing plan, there are therefore two particular issues relating to monitoring and evaluation.

The first is to note that – by implication – to be fully effective evaluation needs to be planned as something that is happening throughout the implementation of a project, programme or – indeed – marketing plan. Hence as part of a marketing plan it can be useful to be clear about what evidence will need to be collected to feed the evaluation process, how it will be collected and how it will be used.

The second issue concerns a crucial aspect of what this evidence will be and how it will be interpreted. How will success be defined, and thus how will we tell whether the marketing plan's implementation has made a difference?

Clearly what is judged as 'a success' will depend upon which particular objectives are involved. For instance, making lots of money might not be a success for an aspect of the plan focussed on attracting new users and visitors, while broadening the scope of the audience could be considered as a major success. Consequently, in order to drive your collection of evidence and its subsequent appraisal you may have to define a set of 'critical success factors' (CSFs).

'**Critical Success Factors are what they say they are. They are the factors critical for the success of the organisation. They are the things that must be done well … they are the limited number of areas in which satisfactory performance … [will] contribute most to success.'**
**Hilary Barnard and Perry Walker (***Strategies for Success: A Self-Help Guide to Strategic Planning for Voluntary Organisations***, 1994)**

| STRATEGY | OBJECTIVE | CSF TO BE MEASURED |
| --- | --- | --- |
| Maximise income from mainstream programming | Increase income earned from admissions by 25% | Total income generated by mainstream events |
| Diversify socio-economic profile of users | Extend balance of workshop participants so that existing to new user ratio becomes 60:40 | Socio-economic profile of workshop participants |
| Attract new users | Increase first-time visitors by 10% | Number of new users attracted |

**Figure 12.2**
**Devising critical success factors based on relevant strategies and objectives**

## Case study: Scottish Ballet monitors and evaluates its marketing success

**Scottish Ballet** is Scotland's national dance company. The company employs 36 professional dancers, 41 staff and a part-time freelance orchestra of up to 70 musicians. Scottish Ballet's primary aim is to provide programmes of world-class dance performance and educational activity at all scales.

Charlotte Gross, Head of Marketing and Communications, explained that a new audience development strategy was devised in 2005; one of its objectives was to increase repeat attendance (the majority of dance audiences feel they are frequent attenders when they see a show once every 18 months). Scottish Ballet, with the kind collaboration of the theatres it tours to, started monitoring closely its audience patterns: percentage of new attenders per tour, crossover analysis with our last seasons and percentage of new attenders last season that returned this season. Every marketing activity geared towards repeat attendance

is also monitored, for example direct mail with or without incentive (number of tickets bought following the direct mail being the key performance indicator in this case).

This monitoring also informs new marketing initiatives: Scottish Ballet realised that their audience was still very much divided between those that enjoyed story ballets and those that preferred more abstract and contemporary programmes. So they launched a subscription scheme for their 2009/2010 season, with a discount incentive. Now in the second year of the scheme, Charlotte said they will evaluate how successful this has been in increasing frequency of attendance.

Although their monitoring is not an exact science, as they have several factors that can affect the figures (in the case of box office data: who buys the tickets and who is the +1 or +2, who collects the data, etc.), Charlotte said that it's still an essential tool to get insights into broad trends, inform their marketing strategy and control its effectiveness – thus helping to increase their campaigns' return on investment.

So a key stage in planning to evaluate the outcomes of a marketing plan is to define the CSFs to be monitored and measured in relation to your proposed strategies and objectives. This could well involve drawing up a table along the lines of the one shown in Figure 12.2.

Hence in setting up an evaluation process as part of your strategic marketing plan, you will need to consider, and plan for, a number of aspects. These are shown below.

- What will constitute success?
- What evidence will need to be collected and how will this be done?
- How will the evidence be used and analysed?
- What are the relevant CSFs relating to the strategies and objectives?
- What conclusions can be drawn?

- And how will these conclusions inform subsequent marketing plans (i.e.what are their implications)?

### Have a go

Downloadable Worksheet Set 12 provides a group of tables which, when completed, will represent an evaluation plan for your organisation's overall strategic marketing plan. Go to www.a-m-a.co.uk.

Thus, when put with all the other worksheets generated as a result of reading this guide and thinking about the issues discussed, you will now have a complete set of material to hand that will represent the basic components of a strategic marketing plan for your organisation.

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