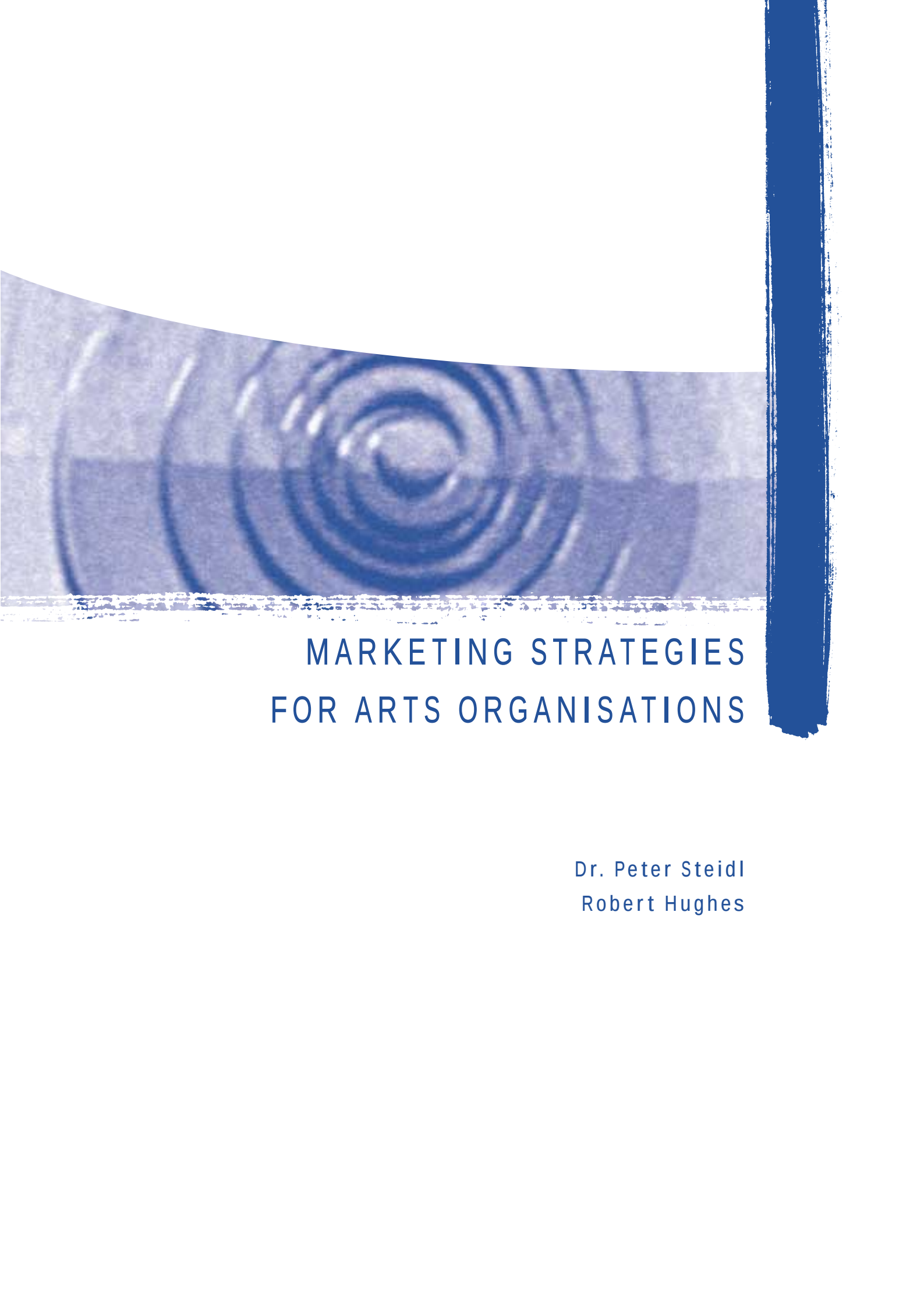


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MARKETING STRATEGIES FOR ARTS ORGANISATIONS

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Published by Australia Council

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Redfern NSW 2016

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<http://www.ozco.gov.au>

First published 1997

Second edition 1999

ISBN 1 86257 143 0

Designed by ANTART

Project Managed by Donita Hulme,

Audience Development Division

Disclaimer

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FOREWORD

Marketing Strategies for Arts Organisations aims to provide arts organisations with a four-part, easy to follow step-by-step guide to developing effective marketing strategies.

The marketing strategies manual:

- shows you ways of aligning your marketing strategy with your organisation's broader Vision, Mission and Goals;
- introduces you to processes for reviewing your competition and defining your target markets or audiences;
- guides you through the development of your marketing strategy; and
- provides a useful toolbox of practical techniques, to support future strategy development.

Marketing Strategies for Arts Organisations focuses on how marketing can contribute to achieving your organisation's Vision, Mission and Goals and assumes that the latter have been identified and clarified. If your organisation does not have a well defined Vision and Mission, or has not yet had an opportunity to carefully consider its medium to long-term goals, then you might find it useful to work through the first part of a strategic planning manual developed by the Department of Communications, Information Technology and the Arts (DoCITA). This publication, *The Art of Strategic Planning – Visions and Strategies for Cultural Organisations*, provides information about how you might develop a Vision and Mission, and set your organisation's goals.

If you are new to marketing and are looking for a brief overview on marketing issues and concepts, you may want to get a copy of *Arts Marketing: the Pocket Guide* from the Australia Council. The Guide is designed to assist arts organisations and artists in determining and addressing their marketing needs at a fundamental level.

A marketing planning publication, complementing this marketing strategy workbook is also in preparation. To inquire about the release date or order a copy, contact the Australia Council's Audience Development Division.

Another publication, *Who's My Market? A Guide to Researching Audiences and Visitors in the Arts* supports both this strategy workbook and the marketing planning manual. Again, this publication can be obtained from the Audience Development Division.

References to other useful materials can be found in the Appendix.

INTRODUCTION

WHAT IS MARKETING?

It starts with the organisation's vision – what does the arts organisation want to be known for? And by whom?

The vision will determine the type of artistic product which needs to be developed and the audiences which need to be attracted to this product. Market research can help assess whether a vision is viable, but it should never be the determining force behind a vision. Market research can tell us what is today, but it is a poor predictor of what is possible in the future.

For example, you might decide that your arts organisation wants to be known as...

- An innovator, breaking new ground: this is a high risk strategy; you are unlikely to succeed but, for those who do, there are potentially big rewards.
- A 'safe', mainstream organisation: the risk is the potential lack of differentiation from other arts organisations and their offerings. This risk is small for major arts organisations, of medium proportions for small ones (due to their low overhead structure), and high for medium sized organisations, which find it difficult to compete with the large institutions, offering a similar product, while also facing an unfavourable overhead cost structure.
- A niche marketer: specialising in the children, youth, old aged, holiday or other markets, which may be defined on a demographic, socioeconomic, geographic or lifestyle/psychographic basis. This is not an option for a large mainstream organisation, although it could target a niche with some elements of its product range. It tends to be a low to medium risk strategy when the niche market is well defined, has differentiated preferences which can be effectively addressed, and is able to pay for a tailor-made product.

Marketing can help arts organisations to realise their vision, whatever it might be. However, those who determine the long-term future of the organisation have to first decide on the long-term vision.

Marketing can contribute:

- to the development of product concepts
- the identification of target markets
- the promotion of products and other offerings to these target markets

- the pricing of these offerings
- the decision on where and when to make the offering available
- the decision on value-added benefits and experiences audiences might be exposed to
- the level of service to be offered

et cetera et cetera.

Marketing can even provide input into formulating the organisation's vision, ie, deciding what you want your arts organisation to be known for, and by whom. But marketing has to work within, and respect, the boundaries set by this vision.

Marketing can be used badly or well. It can dominate or facilitate. It can provide leadership or create friction. It can be effective or ineffective. It all depends on the approach used by the organisation to carry out the marketing function.

Marketing as such is neither good nor bad, neither effective nor ineffective. Marketing is a set of tools, concepts and techniques. What they are used for and how well they are used determines the scope and value of the contribution marketing makes to your organisation. A hammer can be used to build a home or to kill a person. And the home can be built well or poorly. It's the same with marketing!

DOES MARKETING RESTRICT ARTISTIC DEVELOPMENT?

Of course not! Marketing can help to get a larger audience and more sponsorship and other financial support for just about any artistic product. Marketing can also provide input into the development of an arts organisation's product by providing information on the size and quality (such as their ability to pay) of the potential audiences or the degree of competition the organisation would face if it developed certain artistic products. This input helps to balance the portfolio of products the arts organisation might develop.

If the Board of an arts organisation or its Executive demand that only those products which bring the largest possible income are to be developed, then a policy decision has been made which restricts the artistic product and directs the marketing effort in a particular way. This decision may be necessary at certain times in an arts organisation's development, when cash-flow problems or large debts demand an approach which is strictly commercial in the short- to medium term. This decision may be wrong at other times in an arts organisation's development, if it means that the organisation will not innovate and develop its capabilities and products further, eventually resulting in an organisation which lacks differentiation and attracts a declining (and possibly over-aged) market.

The strategic task the organisation is facing is to balance commercial considerations and artistic development within the framework set by the organisation's vision. Marketing can contribute in finding this balance – for example, through a portfolio analysis which helps to find the mix between artistic development and (current) audience appeal which is most appropriate to the organisation and its stage of development.

Marketing can also contribute to the development of audiences for artistic products that do not find a large following today. It will take time and effort, but a focused marketing program will create a larger audience within a shorter period of time than a fragmented marketing effort or no marketing program at all.

CAN MARKET RESEARCH HELP?

Yes, market research can help to understand today's market place, people's awareness, preferences, degree of satisfaction, behaviour (eg, how they spend their leisure time now), price perceptions, time and other constraints, and so forth. In this way, market research can provide valuable input into the development of a marketing strategy.

But market research also has significant limitations: people cannot imagine new concepts or products. For example, according to extensive concept testing, the Sony Walkman and ATM machines were predicted to be total failures: the problem was that consumers could not imagine what it would be like to use a Walkman or an ATM machine and thus rejected these concepts out of hand.

Market research becomes a barrier to decision making when it provides too much data that is interesting but does not help to focus on and resolve the high priority strategic marketing issues.

In summary, market research has an important contribution to make, but it should never drive your arts organisation's long-term strategy. Market research should support the decision making process but not lead it!

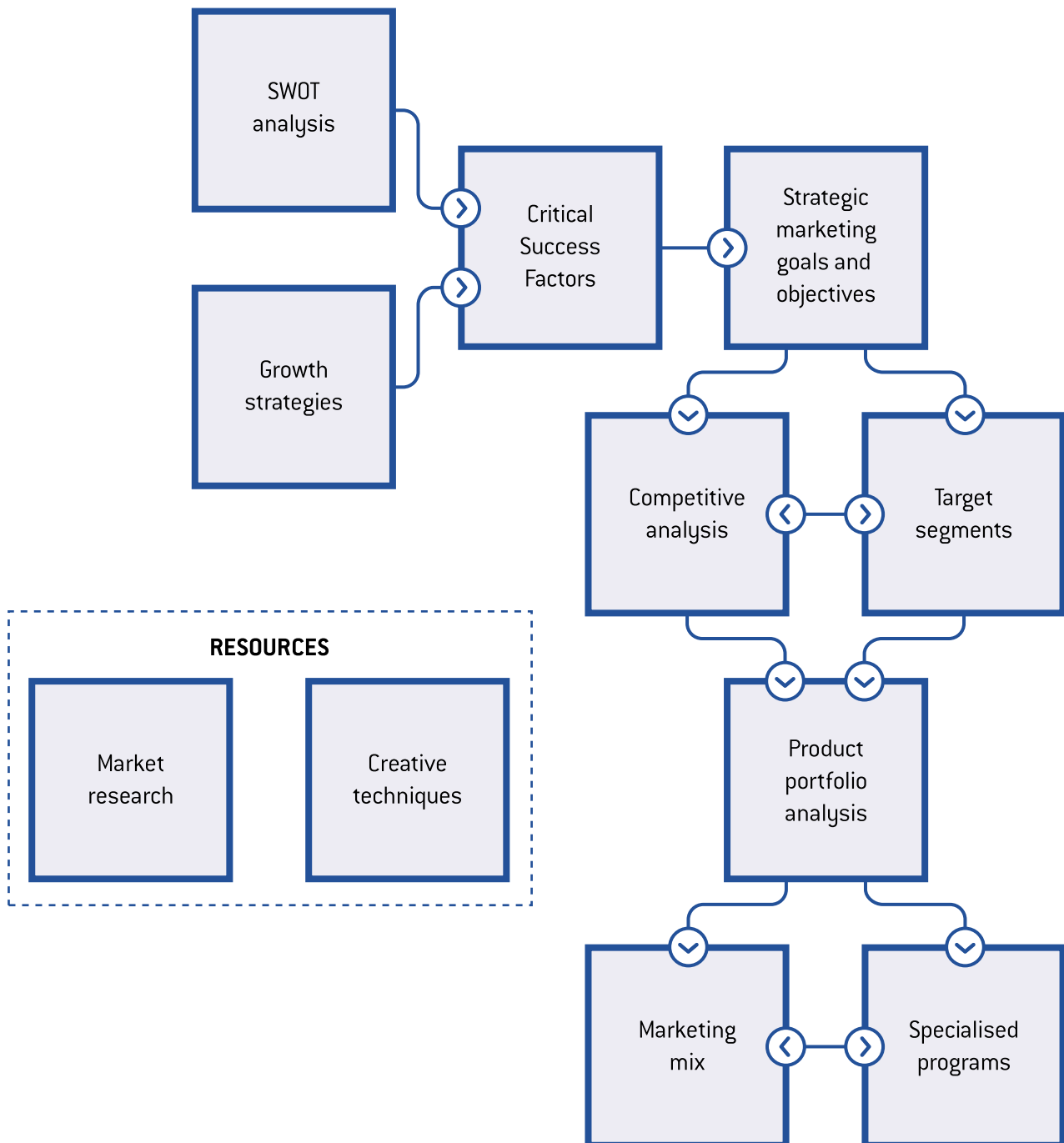
HOW CAN AN ARTS ORGANISATION USE MARKETING EFFECTIVELY?

The first step towards using marketing effectively is for those who lead the organisation to clearly spell out what sort of organisation they want to build. This overall direction, often embodied in a vision-type statement, will determine how marketing can contribute effectively.

The key stages in the development of a marketing strategy comprise:

1. identifying Critical Success Factors, ie those factors which will ultimately decide the success of your arts organisation
2. undertaking an analysis of your organisation's strengths and weaknesses and the opportunities and threats your organisation is facing now and is likely to face in the future
3. considering a range of growth strategies (if growth is seen as desirable)
4. setting strategic marketing goals and objectives in light of the above analyses
5. conducting an in-depth analysis of your competition and those segments of the total potential audience market you are planning to target
6. reviewing your current products and services and the development of a future portfolio of products and services which will satisfy your artistic and commercial objectives in the most effective way

7. deciding on your marketing mix, including product, pricing, promotions and place decisions
8. developing specialised programs within your broader marketing program, which may include educational or multimedia programs, joint ventures, et cetera
9. using market research to support and creative techniques to complement your analyses, leading to a strategically focused, creative marketing strategy, which takes the reality of the market into account.



HOW TO MAKE BEST USE OF THIS PROGRAM

To get the best results when using this manual to develop your marketing strategy, or to review a strategy you have already in place, we recommend that you...

1. DON'T READ THIS MANUAL LIKE A BOOK

If you read this manual as you might read a book you will gain little benefit from it. This is not a book – it is designed as a do-it-yourself working manual. It is imperative that you make time to think, carry out the analyses and complete the planning sheets as you work through this manual.

2. MAKE USE OF THE TOOLBOX

It is worth noting that the last section of the manual, called 'toolbox', offers an overview of creative problem-solving techniques, and data banks you may like to search for information and data. These sections have been placed into the toolbox because they are relevant to several steps in the planning process. Rather than repeating the material, we simply refer to the toolbox at various stages throughout this workbook. It is highly recommended that you do take the time required to make use of the material presented in the toolbox.

3. STAGE THE STRATEGY DEVELOPMENT PROCESS TO ALLOW TIME FOR THINKING AND THE DEVELOPMENT OF CREATIVE SOLUTIONS

We also strongly recommend that you don't work through the material in one session or within the space of a few days. Effective strategic planning is not simply an analytical process – it requires creative ideas as much as analysis. By working through the material quickly, you don't allow time for thinking, for exploring alternatives, and for formulating new, creative solutions.

4. WORK AS A TEAM

The most effective approach is without any doubt to develop your strategy as a team effort. There are two benefits to be derived from a team approach: Firstly, there will be more diverse input in the strategic planning process – different perspectives, emphases, skills, knowledge bases, visions, and so forth. Secondly, there will be more support and understanding within the organisation when it comes to putting the marketing strategies into practice.

5. WORK TOGETHER WITH OTHER ARTS ORGANISATIONS

In our experience we have found that it also helps to work with staff of other organisations. For example, you might want to co-ordinate your efforts with a couple of other arts organisations that are also working through the planning program.

By working in a workshop situation with other organisations there is the opportunity for exposure to a wider range of problems and solutions, which help to put your own issues into perspective. It is often also beneficial to be able to talk to other organisations during the implementation phase, drawing on their experiences to explore any implementation barriers, and to gain a better insight into the effectiveness of different approaches.

RECOMMENDATION

You can get better results by:

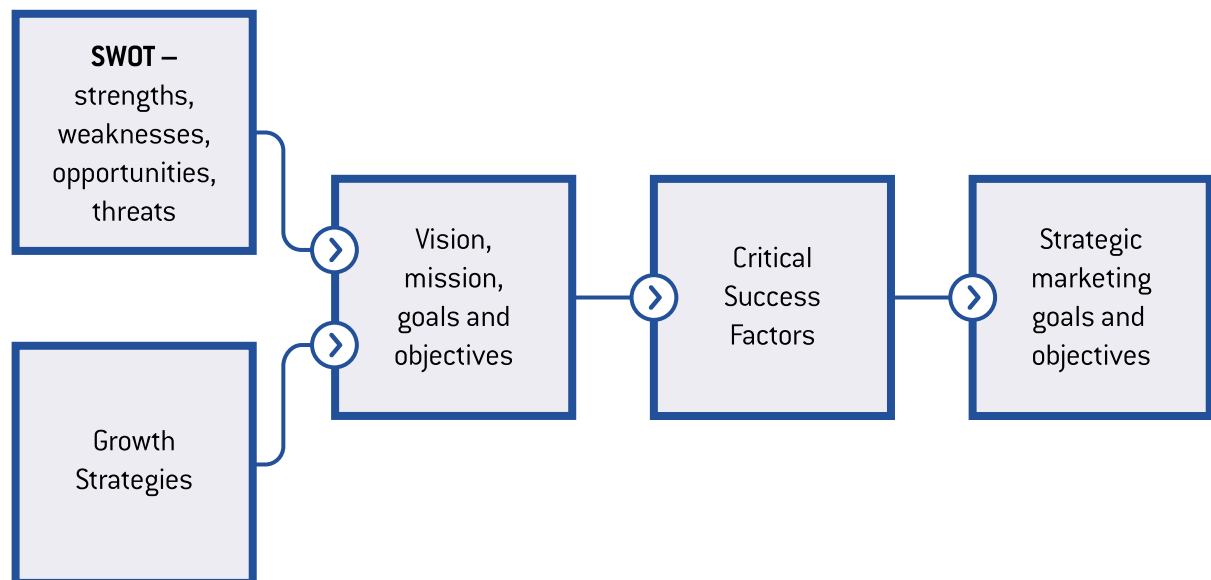
- working through this manual rather than reading it like a book
- making use of the toolbox
- going through the planning stages one by one, with some thinking (and data gathering) time in between planning sessions
- working as a team rather than in isolation
- working with other arts organisations that are also going through the process of developing a marketing plan.

ACKNOWLEDGMENTS

The authors wish to express their gratitude to the arts organisations in Adelaide and Brisbane which participated so willingly in developing the draft version of Marketing Strategies for Arts Organisations. The support of the Australia Council's Audience Development team in developing this handbook is greatly appreciated and thanks are also due to AusIndustry for its input and encouragement.

Peter Steidl
Robert Hughes

July 1997
January 1999



PART 1

ALIGNING YOUR MARKETING STRATEGY WITH THE BROADER VISION, MISSION AND GOALS OF YOUR ORGANISATION

* OBJECTIVE

To align your marketing strategy with the broader vision, mission and goals of your organisation.

* KEY ISSUE

Identifying the critical success factors – the few really important aspects or issues you have to address effectively to make progress towards realising the vision of your organisation.

* WHY IS THIS IMPORTANT?

Your marketing strategies have to address your critical success factors to make a significant contribution to the future success of your organisation.

PART 1.1

CRITICAL SUCCESS FACTORS – DETERMINING THE FOCUS AND SCOPE OF YOUR MARKETING STRATEGY

YOUR ORGANISATION'S VISION

The journey starts with your organisation's vision, ie, a clear understanding of the sort of organisation you would like to have in a few years' time.

It is important to stress that we are not talking about a somewhat academic Vision statement, which states that you want to be the best by world standards, leading in your particular niche, that you will value your audience, staff and volunteers and so forth.

What we need is a description of the organisation in, say, five to ten years' time: how is it going to be different from today's organisations? What will be the features of this organisation? What will it do? Who will it work with? What audience will it attract?

These are the sorts of questions you need to be able to answer before you can develop an effective marketing strategy.

Without a clear direction you cannot use marketing effectively. Sure, you can sell tickets and promote the next performance or exhibition. But you will not be able to use marketing strategically – to move towards your long-term goals, which bring you closer to realising the vision you have for your organisation.

Worse than that, by using marketing essentially as a stop-gap measure you are not likely to have much of a future: you will be so busy addressing the short-term problems and issues that you won't have enough time, money and energy to focus on the very few important issues which would help you to make real progress. This means that you are stuck in a rat race, with the first prize being survival rather than progress.

CONCLUSION 1

To use marketing effectively, you must first know what you want to achieve – you have to be able to describe the arts organisation you want to create over the next few years. Unless you have a clear direction, you won't be able to make effective use of marketing.

YOUR MOST IMPORTANT STAKEHOLDERS

It's important to have a clear picture of the future – to know what sort of arts organisation you want to have in a few years' time.

Once you have developed this Vision you have to ask yourself a very important question: whose support do we need to create the organisation we would like to become?

For many arts organisations the most important groups include current and potential future:

- audiences
- funding bodies
- sponsors
- staff
- volunteers

and sometimes also

- the media
- other arts organisations (with which you need to cooperate to achieve your goals).

Marketing is about managing relationships between your organisation and those parties who have a significant impact on your future. Taking a strategic approach, you need to focus your limited resources on the most important target groups, that is, those whom you expect will have the most significant impact on your future.

In this manual we will focus primarily on audiences, but the principles outlined can be applied easily to other target groups.

CONCLUSION 2

You need to identify those target groups whose support is most critical when you are working towards realising your Vision, ie, attempting to become the arts organisation you would like to be. Your marketing strategies should help you to create and maintain support by these target groups.

IDENTIFYING CRITICAL SUCCESS FACTORS

Let's assume you have a clear vision of the future – you know the sort of arts organisation you would like to become and the sorts of values and attributes you want to be known for.

Lets further assume you have also identified the target groups whose support you need most to realise your vision.

The next step is to identify the few really important strategic issues you need to address to gain the support of these target groups and to move towards realising your vision.

Naturally, there will be lots of things you have to do on a day to day basis to manage your arts organisation effectively and efficiently. But for any organisation there are usually only two to four absolutely critical issues which really need to be addressed well. In fact, if these issues are not addressed effectively you will most definitely not realise your vision.

A few examples may help at this stage to illustrate the point we are making:

* CASE ILLUSTRATION

SMALL THEATRE GROUP

A small theatre organisation can only stage one production each year, due to limited funds and lack of physical resources. Staging only one production creates a serious marketing challenge. While larger organisations can develop and market subscription schemes, this is obviously not a viable option. With only one production, it is also difficult to generate a market presence. Even if the production is a great success, many people will have forgotten after a year's time when the next performance is staged.

What should this organisation focus on:

1. developing a marketing strategy which ensures that the very limited funds available for marketing the annual production are spent to maximise the audience for this production – in other words, get as many 'bums on seats' as possible?
2. developing alliances with other small theatre groups (local or visiting), creating a more comprehensive program and thus allowing for the development of a subscription scheme and more substantial marketing resources?

We would argue that, unless the latter is addressed, there is little hope for this small theatre group in the long-term. Alliances may be built around a joint facility, a joint subscription scheme, or a joint marketing program. **The long-term strategic issue is not how to improve the marketing of a single production per annum, but rather how to create the scale and scope that provides the basis for developing a more significant market.**

Note that we are not suggesting that all small theatre organisations ought to build alliances. There are undoubtedly good reasons for some organisations to 'go it alone.' But for many, the most effective approach will be to join forces with others.

Can a marketing strategy help in this effort? It certainly can. The development of a well focused, effective strategy for the organisation and the proposed alliance will be a major factor in establishing a co-operative scheme. **Such an arts organisation may decide to work through this manual to develop a strategy for an alliance as their basis for attracting other arts organisations to join them.**

* CASE ILLUSTRATION

LARGE VISUAL ARTS ORGANISATION

Recently we worked with a large visual arts organisation which is the proud owner of the most significant collection of its kind in the southern hemisphere. However, market research showed that the audience (and even more so, the potential audience) did not see its collection as an outstanding feature.

The reason is obvious: only a very small proportion of the collection can be on show, given the severe space limitations. The question this organisation has to address is whether a marketing strategy is required to:

- increase the number of visits by the current audience as well as develop a new audience?
- gain support for the development of a multimedia facility which would allow access to the collections not on show?
- gain support for an extension of the physical facilities?

Clearly, unless the second and/or third points are addressed, the organisation will never be able to use its major competitive strength – its collection – effectively. This is not to say that this organisation should not develop a marketing strategy aimed at increasing its audience, but the point is that considerable effort has to go into addressing the long-term strategic issue rather than just focusing on the ongoing short-term marketing task.

* CASE ILLUSTRATION

VISUAL ARTS EXPORT

The Australia Council has established a Visual Arts Export program which has led to ever increasing sales of Australian visual arts and craft in overseas markets. This strategy is basically built around participation in major international arts and craft fairs.

Should the Australia Council develop a marketing strategy which

1. increases the number of fairs attended by Australian galleries?
2. limit the number of fairs, and spend some of the marketing budget on market development activities in between fairs, to establish an ongoing presence with key buyers, intermediaries and influencers?

CONCLUSION 3

All these examples highlight the fact that most organisations should review their long-term direction and identify the critical success factors that will determine their future. The development of yearly marketing plans which are just marginal improvements on previous plans is fine when an organisation works in a stable environment and is already in a strong position. However, it is not an effective approach when the market and competitive and/or funding environments are changing.

NEXT STEPS...

It is important to make a decision about those strategic issues that affect the whole organisation before starting to develop your marketing strategy. A SWOT analysis – that is, an analysis of your organisation's Strengths and Weaknesses and the Opportunities and Threats it is facing – can help with identifying important long-term strategic issues. We will go through such an analysis in the next section.

Another important issue is to consider various growth strategies open to the organisation. We are not suggesting that growth is always important or a goal that is always worthwhile pursuing. The growth analysis can also be used to evaluate the overall direction of an organisation that does not have growth ambitions. Based on this analysis, the organisation may decide to grow in areas that represent new initiatives while scaling down other aspects of its operation, resulting in no overall growth, but the emergence of a distinctly different organisation.

So let's take the next couple of steps: the SWOT analysis, and the consideration of Growth Strategies.

PART 1.2

SWOT ANALYSIS – IDENTIFYING YOUR ORGANISATION'S STRENGTHS AND WEAKNESSES AND THE OPPORTUNITIES AND THREATS IT IS FACING

* OBJECTIVE

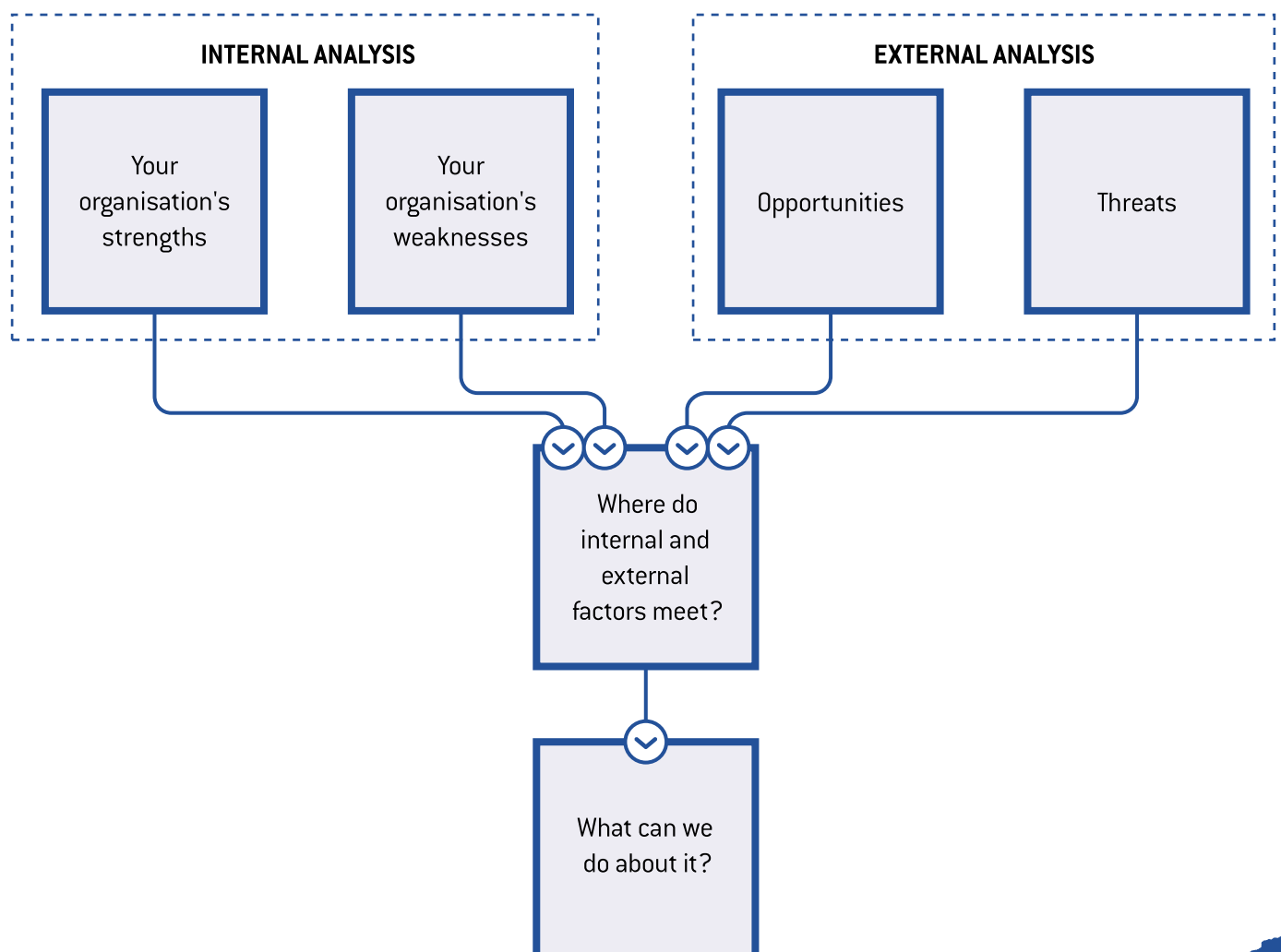
To establish a realistic starting point for setting your vision and for the development of strategies.

* KEY ISSUE

Identifying where internal strengths and weaknesses match/relate to external opportunities and threats.

* WHY IS THIS IMPORTANT?

You cannot expect to develop effective strategies without first undertaking a realistic assessment of your current position and of the environment you operate in.



THE SWOT ANALYSIS

WHAT IS IT?

An assessment of your organisation's strengths, weaknesses, opportunities and threats.

WHEN SHOULD A SWOT ANALYSIS BE CARRIED OUT?

It is useful to carry out a SWOT analysis at an early stage in your strategic planning process. However, it is important to re-visit the SWOT analysis after each major planning step – to up-date the analysis and also to reflect on the results of your SWOT analysis in light of other strategic considerations.

WHO SHOULD BE INVOLVED IN CARRYING OUT THE SWOT ANALYSIS?

Ideally, a team representing all major functions within your organisation should carry out the SWOT analysis. This results in a shared understanding of what your organisation's strengths and weaknesses are and which key opportunities and threats it is facing.

BRIEF OVERVIEW

1. STRATEGIC FOCUS

Concentrate only on the most important strengths and weaknesses, opportunities and threats. Management is not about being perfect, but rather about focusing limited resources on major issues. Ideally, you should identify not more than six or seven really important items each under strengths, weaknesses, opportunities and threats. If there are fewer than six or seven, that's fine – but try to avoid the temptation to compile a long list of items, which invariably clouds your strategic focus.

2. STRENGTHS AND WEAKNESSES

Your existing strengths should be built on whenever possible. Strengths should be exploited and reinforced to give you an edge in the market place. It is just as important to be aware of weaknesses as it is to be aware of strengths. However, it would be a mistake to try to correct all weaknesses once they have been identified. Rather, you should concentrate on those weaknesses which are barriers to your long term success.

3. OPPORTUNITIES AND THREATS

Opportunities and threats are part of the external environment in which you operate – in other words, things happening outside your arts organisation. They may be due to:

- changes in the population's demographic structure (eg aging market with different preferences)
- technological development (eg substitute products, such as multimedia productions)
- changes in consumers' or customers' attitudes and buying behaviour
- changes in the environment (eg less or more parking available close to the venue) etc.

4. TIME FRAME

Another aspect to keep in mind is the time frame. Today's strengths may be tomorrow's weaknesses. It is important to decide on a time frame before you carry out your SWOT analysis. As you are concerned with the development of a market development strategy, you may want to think about a three to five year time span in carrying out your analysis.

5. COMMON PITFALLS

Opportunities and threats on the one hand, and strengths and weaknesses on the other, cannot be assessed independently. Expected changes in the environment may determine whether certain features will be strengths or weaknesses. Alternatively, depending on existing strengths, future changes in your environment may constitute threats or opportunities.

It is therefore necessary to review your initial list of strengths and weaknesses in light of the opportunities and threats you have identified, and vice versa.

PART 1.2.1

ANALYSIS OF STRENGTHS AND WEAKNESSES

The main objective of this analysis is to isolate aspects of your organisation which determine or will determine your success or failure in the market place. It is important to keep in mind that strengths and weaknesses often need to be judged on a comparative basis – in other words, relative to organisations you may be competing with for an audience. Some key areas which may be of relevance are listed in checklist 1.

INSTRUCTIONS

use planning sheet 1 to

1. list important strengths of your organisation which may assist you in your market development efforts
2. list important weaknesses of your organisation, which may hinder your market development efforts
3. describe these as clearly as possible
4. record any information requirements, ie any aspects you are not sure about and need to gather some more information on to check whether the item you listed is really a strength or weakness.

You may want to use checklist 1 as a starting point – but make sure you cover also aspects of your organisation not covered in this checklist!

CHECKLIST 1 – STRENGTHS AND WEAKNESSES

PERCEIVED IMAGE OF YOUR ORGANISATION	✓
• market's awareness of your organisation (eg more or less unknown; well known; etc)	
• the perceived image of your organisation (what the market thinks you are like)	
• your ability to live up to the image you have (if it is a positive image)	
YOUR SUPPORT BASE	
• support by 'Friends', 'Society', or other groups	
• number of subscribers	
• loyalty of visitors/participants	
• sponsorship support	
• stability of funding	
• market share	
PRODUCT – PERFORMANCES, EXHIBITIONS, ETC	
• artistic value	
• popular appeal	
• innovativeness	
• variety in what you offer	
• intellectual property you own	
• funds available for new developments	
PROMOTION, EDUCATION AND INFORMATION	
• effectiveness of your promotional efforts	
• investment into the development of future customers (eg through work with schools, young people, etc)	
• effectiveness of information programs	
• promotional funds available	
PRICE AND PROFITABILITY	
• market acceptance of price charged (price competitiveness)	
• profitability of the exhibitions/performances you stage	

SERVICE	✓
• relevant abilities, skills and experience of your staff and volunteers	
• your customer service	
• ease of booking	
• helpfulness of staff/volunteers	
• professionalism of staff/volunteers	
• accessibility of staff/volunteers (including telephone access) or access to customer information	
• staff/volunteer loyalty	
VENUE	
• appeal of venue	
• control over venue	
• accessibility	
• ease of booking	
• ease of getting there	
• ease of parking	
• customer amenities	
• value-added offers, such as food and drink or shop	
TECHNOLOGY (IF RELEVANT)	
• level of technology used (eg, in multimedia area)	
• organisation's ability to effectively use new technology	
FINANCE	
• financial resources available to support your organisation, including your market development program	

PLANNING SHEET 1

STRENGTHS	DESCRIPTION	INFORMATION REQUIREMENTS
1		
2		
3		
4		
5		
6		

WEAKNESSES	DESCRIPTION	INFORMATION REQUIREMENTS
1		
2		
3		
4		
5		
6		

ANALYSIS OF OPPORTUNITIES AND THREATS

The main objective of this analysis is to identify factors **outside** your organisation which determine or will determine your success or failure in the market place.

COMMON PITFALLS

Many managers have a tendency to list activities rather than opportunities. For example, 'development of a XYZ exhibition' is not an opportunity, but an activity designed to exploit an opportunity. The opportunity is a latent demand in the market place or a growing market segment for a certain type of exhibition, etc.

Experience has shown that clear identification of opportunities often leads to more innovative strategies and activities. If you list specific activities rather than identifying broad underlying opportunities, you are likely to lock yourself into one specific approach without considering other – possibly more innovative ways – of exploiting these opportunities.

INSTRUCTIONS

use planning sheet 2 to

1. list *important* opportunities which you should consider in the development of your market development strategy
2. list important threats which may present barriers to success in the marketplace
3. describe these as clearly as possible
4. record any information requirements, ie any aspects you are not sure about and need to gather some more information on to check whether the item you listed is really an opportunity or a threat.

You may want to use the following checklist as a **starting point** – but make sure you cover also aspects of your organisation not covered in this checklist!

CHECKLIST 2 – OPPORTUNITIES AND THREATS

POLITICAL AND LEGAL		✓
• government education policy, impacting on schools visiting cultural institutions		
• arts industry subsidies or support programs		
• investment incentives (eg in the film industry)		
ECONOMIC DEVELOPMENTS		
• per capita disposable income affecting affordability		
• supply-demand trends (eg too many arts organisations competing for the same audiences)		
SOCIETAL DEVELOPMENTS		
• lifestyle changes		
• changes in values		
• changes in consumption habits or in the way people spend their leisure time		
TECHNOLOGICAL DEVELOPMENTS		
• technologies providing exciting new opportunities in the way you can present your exhibition/performance		
• technologies allowing you to enter new markets		
• technologies which spawn new competitors, competing for people's leisure time		
DEMANDS		
• audience trends (market size and growth)		
• key differences between market segments and growth of different market segments		
• seasonality of demand		
• market life-cycle (is it a new market, a growing market, a mature market or a declining market?)		
• changes in demand due to new leisure time options		
COMPETITIVE ANALYSIS		
• number and size of (major) competitors (note that competitors are typically not arts organisations, but organisations offering a different way of spending leisure time)		
• particular strengths or weaknesses of competitors		
• cost or funding advantages competitors have		
• pressure from substitute products (eg home entertainment products and services)		

PLANNING SHEET 2

OPPORTUNITIES	DESCRIPTION	INFORMATION REQUIREMENTS
1		
2		
3		
4		
5		
6		

THREATS	DESCRIPTION	INFORMATION REQUIREMENTS
1		
2		
3		
4		
5		
6		

RESULTING ACTIONS

You have isolated key strengths, weaknesses, opportunities and threats. This is a useful starting point. The next step is to consider what your arts organisation could do to:

- exploit opportunities by building on your strengths. Relate the identified opportunities to your strengths – do some of them match? If yes, can you build on these strengths to exploit these opportunities?
- overcome or circumvent threats by using your strengths. Relate the identified threats to your strengths – do some of these match? If yes, can you use your strengths to turn threats into opportunities, or can you use them in a different way, to avoid having to face these threats?
- overcome weaknesses by capitalising on opportunities. Relate the identified opportunities to your weaknesses – do some of them match? If yes, can you overcome some of your weaknesses by capitalising on opportunities? For example, can you identify niche market opportunities which may help you to overcome some of your competitive weaknesses?
- work out how to cope with threats which hit you where you are weak already. Relate the threats you have identified to your weaknesses – do some of them match? If yes, what can you do about it?

Note: you may want to use some of the idea generation techniques covered in your Toolbox – page 215.

INSTRUCTIONS

Use planning sheet 3 to

1. list opportunities, threats, strengths and weaknesses in the appropriate sections of the planning sheet
2. identify relationships as outlined above and record possible actions in the appropriate sections of the grid. Note that these actions need to be fairly specific, although you don't need to fully explain at this stage how a particular strategy would work.

PLANNING SHEET 3

		OPPORTUNITIES	THREATS
1			1
2			2
3			3
4			4
5			5
6			6

STRENGTHS		
1		
2		
3		
4		
5		
6		

WEAKNESSES		ACTIONS
1		
2		
3		
4		
5		
6		

WORKING WITH THE SWOT ANALYSIS

The key decision makers of many arts organisations never actually sit down and conduct a systematic SWOT analysis. Those who go through this important exercise often do not reap the long-term benefits of their efforts, because they file the SWOT analysis report in their filing cabinet or put it on their bookshelf, rather than using it as the basis for making decisions.

It is obvious that some of the key strengths and weaknesses you identify will lose significance because certain developments you may have expected will not actually occur. On the other hand, opportunities or threats may eventuate which you have not identified in your analysis.

Similarly, your arts organisation may go through developments which could make your strengths obsolete or even eliminate your weaknesses. Therefore, strategies employed by your competitors, new technologies and other major events or developments should lead to a review of your SWOT analysis.

In addition to this regular updating on a 'when needed' basis, there should be a formal review of your SWOT analysis at least once a year.

* CASE ILLUSTRATION

QUEENSLAND POTTERS ASSOCIATION

SWOT ANALYSIS

The Queensland Potters Association is based in an inner suburb of Brisbane. Their premises include a renovated historic church which functions as a gallery and shop, and a hall which has been converted to a small administrative office and a well appointed studio and workshop area. The Association has a statewide membership and produces a regular newsletter. Queensland Potters is one of the oldest and most successful craft based organisations in the state. It receives some government funding but over the years four other major visual arts or crafts service organisations have developed and these compete directly for the available funding.

Approximately one third of the Association's income is acquired through grants, another third is earned through public workshops, classes and membership subscriptions while the remainder is earned through the sale of works. 'Fusions' the Potters gallery has thirty other commercial galleries and one non-commercial visual arts centre as competitors in their local area. The voluntary Board is supported by 2.3 employees.

* CASE ILLUSTRATION

QUEENSLAND POTTERS ASSOCIATION

STRENGTHS	DESCRIPTION	INFORMATION REQUIREMENTS
1 Membership & Staff	The statewide membership is serviced by a small but dedicated staff that is highly skilled	
2 Location	Inner city on a busy road	
3 Capital Assets	The Association owns its premises	
4 Uniqueness	There is no other quality retailer of pottery in the CBD	
5 New Image / Identity	A new director has introduced a program to develop a higher profile	

WEAKNESSES	DESCRIPTION	INFORMATION REQUIREMENTS
1 Heritage Listing	Usage limitations and high maintenance	
2 Limited resources		
3 Limited audience		

OPPORTUNITIES	DESCRIPTION	INFORMATION REQUIREMENTS
1 Urban renewal		
2 2000 Olympics		
3 International Links		

THREATS	DESCRIPTION	INFORMATION REQUIREMENTS
1 Competition		

RESULTING ACTIONS

1. Broaden the membership of the organisation
2. Focus on the development of the marketplace in the local area in cooperation with the competitors
3. Improve promotion and packaging.

The actions of the Queensland Potters Association resulted in the formation of 'The Valley New Farm Arts Circuit,' a consortium of seventeen local galleries formed for the purpose of collective marketing. Their principal activity to date has been 'Art & Ride' a collaboration with Brisbane City Transport to promote transport services and the galleries. Additionally, a local firm of solicitors has sponsored the publication of a marketing brochure publicising the consortium members. Brisbane City Council has agreed to feature the consortium on a soon to be released Web site titled 'Brisbane Stories'.

The Potters Association has also determined that its next biennial state conference will be held in Far North Queensland(FNQ) to target ceramicists working in that part of the state. The Association is in the early stages of negotiations to establish a training, production and tourist facility in FNQ. And they have made an application for funds to employ a Writer-in-Residence whose task will be to increase and improve critical craft writing.

PART 1.3

GROWTH STRATEGIES

* OBJECTIVE

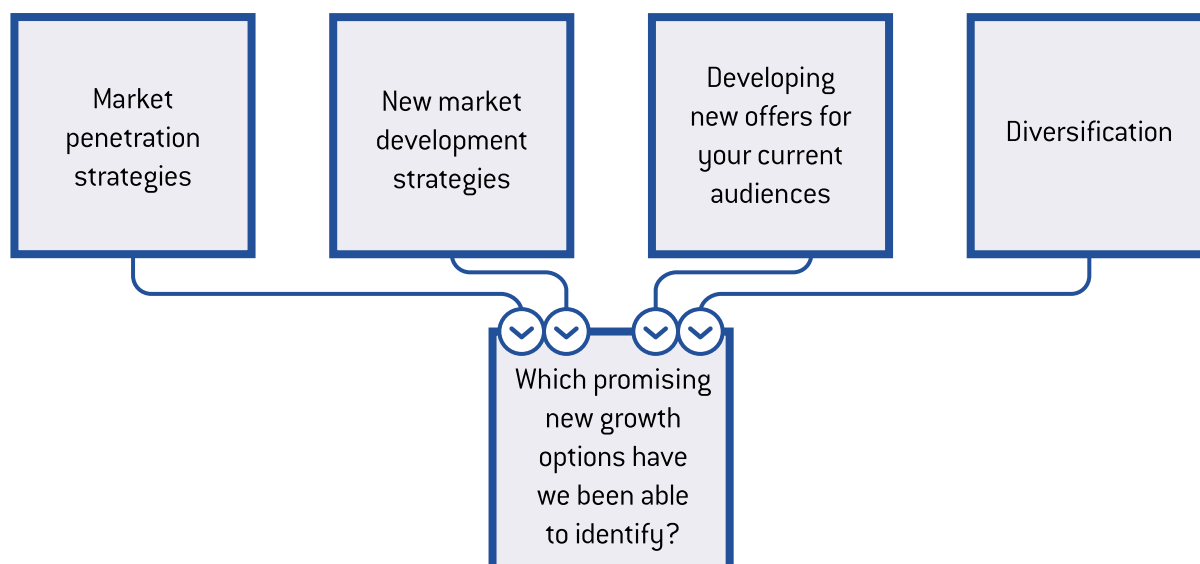
To explore where your organisation may be able to grow – may it be in terms of audiences, income, range of artistic product offered, or some other area.

* KEY ISSUE

Identifying how you can build on existing audience relationships or on your current strengths to take your organisation further towards realising your vision.

* WHY IS THIS IMPORTANT?

Organisations often ignore the obvious opportunities pursuing instead some remote and unlikely possibilities. This analysis should help you to identify growth opportunities which are based on existing strengths.



WHAT IS IT?

An assessment of strategic growth options which may help your arts organisation to expand its audience – either through increased patronage by the existing audience, or by attracting a new audience.

WHEN SHOULD A GROWTH STRATEGIES ANALYSIS BE CARRIED OUT?

The growth strategies analysis explores some broad options. It should be carried out after you have completed the SWOT analysis (see SWOT), but before considering a portfolio analysis (see Portfolio) or addressing specific marketing instruments, such as promotion, pricing, or service.

WHO SHOULD BE INVOLVED IN CARRYING OUT THE GROWTH STRATEGIES ANALYSIS?

Ideally, a team representing all (strategic) decision makers within your organisation should carry out this task. This results in a shared understanding of which growth options are most appropriate and creates a commitment to exploring these options further.

BRIEF OVERVIEW

1. STRATEGIC FOCUS

The first step comprises the generation of as many strategic options as possible. This step is almost like an idea generation session. When screening these options, you need to select those which have most chance to succeed. Most organisations will only be able to cope with one or two growth strategies concurrently – thus the task is to select a couple of winners and focus on them, rather than to fragment efforts by pursuing too many directions.

2. CORE OPTIONS

The core options explored in this section include:

- *Market Penetration*: further expansion of current audiences with current products
- *Market Development*: development of new audiences with existing products (note that this may be a new geographic market, or a new market segment within an existing geographic market)
- *Product Development*: development of new products for current audiences
- *Diversification*: development of new products for new audiences

These core strategies were presented by the renowned management consultant and educator Igor Ansoff in a 'growth matrix' (see next page)

STRATEGIC OPTIONS

		MARKET	
		EXISTING	NEW
PRODUCTS	EXISTING	MARKET PENETRATION	MARKET DEVELOPMENT
	NEW	PRODUCT DEVELOPMENT	DIVERSIFICATION

3. SELECTING THE MOST EFFECTIVE OPTION

When considering various options, it is important to select those which build on existing strengths. These may be strengths in an existing market, with an existing product, a well-established reputation, etc. You should go back to your SWOT analysis and consider your analysis of strengths and weaknesses as the basis for selecting those growth strategies most likely to succeed.

PART 1.3.1

MARKET PENETRATION – GETTING MORE OUT OF YOUR EXISTING AUDIENCE

Market Penetration is the least risky and most conservative strategy, as it avoids both new product development and the need to enter new markets. If market penetration strategies are sufficient to achieve your long-term objectives, you should pursue them.

INSTRUCTIONS

Use planning sheet 4 to

1. list any market *penetration strategies* coming to your mind. Don't be too analytical and negative – the task is to generate a wide range of ideas, rather than to critically assess and eliminate options which are not likely to succeed. The analysis is undertaken at a later stage.
2. describe these strategies as clearly as possible
3. select those strategies most likely to succeed for in-depth analysis (eg by underlining them)
4. record any information requirements, ie any aspects you are not sure about and need to gather some more information to check the assumptions you have made

You may want to use the following checklist as a **starting point** – but make sure you don't limit your thinking to the options covered in the checklist.

CHECKLIST 3 – MARKET PENETRATION

	✓
• increase the unit of purchase (eg selling subscriptions rather than single performances or visits; selling a total package including a meal or drink, a gift and a performance or visit; offering inbound tourism packages)	
• find other occasions or reasons to participate (eg special birthday packages with value-added features for performances; special celebratory packages for art galleries or museums)	
• introduce group or family discounts	
• increase promotional efforts or target current market better	
• differentiate what your arts organisation offers more clearly from alternative ways of spending leisure time	
• price promotions, special times/days/performances where entry is cheaper or free	
• develop a prestige positioning; re-inforce current customers' perception that they have made the right choice	

PLANNING SHEET 4

MARKET PENETRATION STRATEGIES	DESCRIPTION	INFORMATION REQUIREMENTS

PART 1.3.2

NEW MARKET DEVELOPMENT – FINDING A NEW AUDIENCE FOR WHAT YOU OFFER

New market development may involve expansion in terms of additional geographic markets – for example, regional, national or international touring – or it may be a matter of attracting new market segments in your current geographic market (eg different age groups, socio-economic groups).

INSTRUCTIONS

Follow the instructions shown under Market Penetration – page 31

CHECKLIST 4 – NEW MARKET DEVELOPMENT

	✓
• Can new regional markets be developed (eg travelling exhibitions or touring performances)?	
• Is interstate or overseas expansion a possibility (eg appointing an agent or promoter, joint ventures in interstate or export markets)?	
• Can different market segments be attracted by focusing on other demographic, socio-economic or psychographic segments? Note that this means developing new market segments within existing geographic markets.	
• Could other venues be used to develop other market segments? Often performing in different venues or staging exhibitions in different venues creates a new audience.	
• Could advertising in other media reach new market segments?	
• Would trial use induce current non-participants to buy (eg a free ticket, or free entry or a free performance on a particular day)?	
• Would pricing up or down attract current non-participants (eg the price sensitive segment or the prestige segment)?	
• Is it possible to find other 'product' uses which would assist the penetration of new user segments (eg gift vouchers, corporate performances, etc)?	

PLANNING SHEET 5

MARKET DEVELOPMENT STRATEGIES	DESCRIPTION	INFORMATION REQUIREMENTS

PART 1.3.3

DEVELOPING NEW OFFERS FOR YOUR CURRENT AUDIENCE

You may be able to add value to what you do already by developing new value-added features or variations (eg different types of exhibitions; supporting your exhibitions through multimedia; different theatre or dance styles or themes).

INSTRUCTIONS

Follow the instructions shown under Market Penetration – page 31

CHECKLIST 5 – DEVELOPING NEW OFFERS FOR YOUR CURRENT AUDIENCE

	✓
• Can new features be developed which add to what you are offering now?	
• Can the repertoire be expanded?	
• Is it possible to change the presentation of what you offer?	
• Is it possible to develop secondary support activities or facilities to add to what you normally offer (eg multimedia support of exhibitions; special culinary event during the break)	

PLANNING SHEET 6

PRODUCT DEVELOPMENT STRATEGIES	DESCRIPTION	INFORMATION REQUIREMENTS

DIVERSIFICATION – DOING SOMETHING QUITE DIFFERENT TO ATTRACT A NEW AUDIENCE

The fourth core strategy is diversification. In this context, diversification means developing new audience segments through new products, may these be different exhibition themes, technology, new productions, etc. The main difference from the previous strategy is that you are not aiming at your current audience, but a new audience.

Diversification could go even further. For example, you may develop a new business venture or activity in which you had no previous involvement. For example, you may establish a coffee or a gift shop, sell cultural travel packages, or offer after-show entertainment of a different sort.

There are several risks involved in the strategic option of diversification. These include:-

- Entering an area where you lack the necessary skills and technologies. For example, multimedia applications may look easy and like a logical extension, yet to end up with a professional production is not a simple task– nor is it cheap.
- You may lose the support of some of your staff (or loyal supporters) who either do not understand your diversification strategy, or don't accept it. For example, traditional gallery staff may not support the use of multimedia to support exhibitions, or a strong emphasis on commercial activities, such as coffee or gift shops, or multimedia products produced to be sold at a profit.
- You may be spreading resources too thinly, with the result that your well established, loyal audience declines.
- Diversification may bring an unforeseen increase in the complexity of managing the organisation and subsequent overloading of staff.

The most important consideration is that diversification should ideally build on an existing strength – for example, an artistic or organisational skill, or an existing facility.

INSTRUCTIONS

Follow the instructions shown under Market Penetration – page 31

CHECKLIST 6 – DIVERSIFICATION

	✓
• Is backward integration possible? For example, starting a booking agency to increase control over sales or a desktop design publishing house to be able to create exciting promotional materials.	
• Is forward integration possible? For example, an after show entertainment facility; the acquisition of a theatre facility.	
• Is horizontal integration possible? For example, taking over or merging with other theatres, museums or galleries which complement your product.	
• Is it possible to enter some counter-seasonal industry? For example, if most of the demand is limited to the holiday season, can you develop new products for the low season.	

PLANNING SHEET 7

DIVERSIFICATION STRATEGIES	DESCRIPTION	INFORMATION REQUIREMENTS

PART 1.4

VISION, MISSION, GOALS AND OBJECTIVES

Having considered the strengths and weaknesses of your organisation and the opportunities and threats it is facing, and having gone through some long-term strategic development options, it is now time to review your organisation's vision, mission, goals and objectives.

Some arts organisations will have these clearly articulated, with key decision makers fully committed to the directions embodied in them. Other arts organisations will not have any written vision, mission, goals or objectives. The following pages can either be used as the basis for a review, or for actually developing a vision, mission, goals and objectives.

* CASE ILLUSTRATION

MUSEUM OF VICTORIA

In mid-1993 the Government of Victoria announced plans for a new museum and committed \$250 million to the project. The new museum will be located on a new site and will incorporate state-of-the-art collection storage facilities and a modern research centre. It will open its doors by the year 2000.

The Museum of Victoria – faced with an opportunity of this magnitude – needed to re-define its Vision and Mission. The following sections are taken from its Strategic Plan 1995 – 2000:

MISSION

The mission of the Museum of Victoria is to be one of the great museums of the world, recognised nationally and internationally for its innovative and effective research, public presentation and education, and collection management.

The Museum will be relevant to and provide benefit for the Australian community.

It will interact with all sections of the community and with visitors to the country to explore and express:

- the origins, development and diversity of culture of the Australian people;
- the natural environment in which we function; and
- the development of society through the application of science and technology.

The Museum does not present a Vision statement as such, but the report 'Towards Museum 2000' states that this document expresses the vision of the Museum Council, staff, external experts and community advisers.

An important link between the stated Mission and the actions which may result to carry out this Mission are the Guiding Values presented in this planning document:

GUIDING VALUES

In pursuing its vision, the Museum is committed to the following guiding values:

- the attainment of international best practice in its curatorial, research and public program activities;
- the recognition of its fundamental role as a communicator of knowledge;
- the relevance of its endeavours to contemporary Victorian society;
- the attainment of new standards of access, enjoyment and comfort for visitors;
- the use of outside expertise in its examination of current and future aspects of our life and development;
- collaborating with community, research, educational and collecting institutions to achieve shared goals;
- the participation of community groups, particularly those from Aboriginal and Torres Strait Islander communities;
- the most effective and efficient use of its resources in the pursuit of its aims; and
- the personal and professional development of staff and the maintenance of a safe, equitable and invigorating working environment.

The Museum's five year plan document states that:

'In order to carry out our mission and realise our vision, we will focus on a number of key issues over the next five years.'

The key issues covered in the document are:

- Venues
- Functions (research; collection development and management; public programs and finance)
- Staff
- Community Involvement

Specific goals and objectives are presented for several of these aspects. We note that the stated objectives do not have any measurable, specific outcomes and thus are really just elaborations of the broad goals.

For example, a stated objective is:

'To account for, safeguard and provide access to the collections and associated information in the care of the Museum'

Even this brief outline of the Museum's Mission and Guiding Values should make it clear that defining a clear direction and values for the organisation provides a framework for the development of a marketing strategy. Some of the 'tests' which need to be undertaken are to check whether the marketing strategy:

- is not in conflict with the overall Vision, Mission, Goals, etc
- contributes effectively to the realisation of the Vision
- achieves marketing objectives which are sub-objectives of the overall objectives or goals.

* CASE ILLUSTRATION

ARTS AROUND ADELAIDE – VISION, MISSION AND OBJECTIVES

VISION

Arts Around Adelaide is a significant contributor to restoring Adelaide as the arts capital of Australia. There is excellent potential growth in the audience base for arts and cultural activities from local residents and visitors to South Australia. We will contribute significantly to that growth.

MISSION

Arts Around Adelaide will assist Adelaide based arts and cultural organisations to achieve substantial growth in their share of the market for live entertainment, cultural and leisure activities by:

- establishing and maintaining programs and services aiming at increasing the efficiency and effectiveness of arts marketing activities
- lifting the profile of the arts in Adelaide
- providing or facilitating the provision of appropriate arts marketing training
- promoting and facilitating greater communication and co-operation between arts organisations.

GOALS

- To establish benchmarks, against which cost efficient audience growth can be measured.
- To establish a program of research which will inform the development of projects, services and training.

- To facilitate regular communication of ideas, techniques and projects about arts marketing through formal and informal gatherings and written material on a cost effective basis.
- To establish a planned program of arts marketing training that is affordable and meets the immediate needs of the arts marketing community.
- To attract the support, co-operation and financial involvement of related organisations and service providers to enhance the work of individual arts organisations and of Arts Around Adelaide.
- To be self funding within three years of incorporation by establishing a long term project related income stream and efficient and effective work practices.

PERFORMANCE REVIEW

Arts Around Adelaide will measure its achievements by developing a process of regular review.

Note: At the time of preparing this publication the above was a draft, prepared for discussion by the Arts Around Adelaide Board.

* CASE ILLUSTRATION

STATE THEATRE COMPANY

The State Theatre Company is a body corporate by virtue of the State Theatre Company of South Australia Act 1972 – 1987.

MISSION

Matching a quality theatre product with the audience, through making or presenting theatre for an audience by providing an organisational structure which links creative people and their best work with the widest possible audience through the experience of theatre.

OBJECTIVES

- production and presentation of theatre
- commissioning the writing of theatrical works
- nurturing local and national talent in theatre
- training of people concerned in theatrical presentations
- establishing and conducting educational programs
- collecting theatrical memorabilia for archival purposes
- service to arts organisations in South Australia

Note: using the nomenclature we have adopted in this manual, we would have used the heading 'goals' rather than 'objectives'.

CONCLUSIONS

It is important for an arts organisation to have a long-term Vision which describes the future organisation, ie *the sort of organisation it wants to become*.

It is also important to have a Mission which – in broad terms – outlines what the organisation *has to do* to realise its Vision.

The Mission needs to be translated into *broad long-term goals*, which are an important link between the broad *statement of intent* embodied in the Vision and Mission, and the *operational plans* required to define action. Goals are open ended and define particular approaches or strategic directions. Often they also express *value judgements* by emphasising a particular way of realising the Vision.

The first operational element is the set of *objectives*, which translate the broad, open-ended goals into *specific, time-related, measurable outcomes*. The setting of objectives which are consistent with the Goals, and thus the Mission and Vision, is of utmost importance. If no specific objectives are set, then there is a real danger that the Mission, Vision and Goals will be hollow statements made in glossy reports, rather than driving forces which change the organisation.

It does not matter if an arts organisation sets broad Aims instead of developing a Vision/Mission statement (for example, the Tate Gallery has published an extensive set of Aims) or uses some other form of expressing its long-term intentions and the sort of organisation it wants to become in the future.

As long as there is –

- a shared and clear understanding of what sort of organisation it intends to become; and
- these broad, often qualitative statements are operationalised through well aligned objectives and strategies

we can develop functional strategies – such as a marketing or audience development strategy – which contribute to the realisation of the overall Vision and are consistent with the organisation's Mission.

We have stressed the importance of developing a Vision and Mission for an arts organisation. However, we also need to stress that some organisations place too much emphasis on this task. We have come across organisations which spend so much time and effort on developing a Mission and Vision statement, that little or no time is allocated to strategic planning and the implementation of strategies.

INSTRUCTIONS

Use planning sheet 8 to

- record your arts organisation's Mission, Vision, organisational Goals and/or other relevant information which clearly defines the direction the organisation wants to take and the organisation it intends to develop into.

If your organisation has readily available Vision, Mission (etc) statements, simply insert these.

PLANNING SHEET 8

VISION

MISSION

GOALS

OTHER

OBJECTIVES AND STRATEGIES

The question of what comes first – objectives or strategies – is somewhat academic. Clearly, strategies are developed to achieve set objectives. However, there needs to be an interactive process. For example, an organisation may set some objectives, but when attempting to develop strategies for realising these objectives, it may find that it is simply not feasible to achieve these objectives. Thus, the objectives have to be revised.

Alternatively, the organisation may develop innovative and highly effective strategies, which can achieve much more than expected when the 'draft' objectives were set. Again, it will need to revise the objectives in light of the expected impact of the strategies.

In summary, there has to be consistency between strategies and objectives. They have to be carefully aligned. While it is important to start the process with a set of 'draft' objectives which are derived from the broad, organisational Goals, it is important to review the Goals, Mission and Vision in light of what can realistically be achieved in the market place and other areas of the operation. An organisation which has not linked its Vision, Mission and Goals to its operation may as well forget the former, because the Vision will not be realised, and the Mission not carried out.

Similarly, it is a purely academic exercise to develop a Vision and Mission statement without having first undertaken an assessment of the organisation's strengths and weaknesses and the opportunities and threats it faces. It may even be worthwhile to assess some of the broad strategic directions the organisation may consider.

Once such analyses (eg SWOT and Growth Strategies) have been carried out, the Vision, Mission and Goals can be developed in a real world, realistic context, rather than as an isolated, academic exercise.

For this reason we introduced SWOT and Growth Strategies first, before this brief outline discussing Vision, Mission, Goals and Objectives.

PART 1.5

CRITICAL SUCCESS FACTORS REVISITED

Having conducted SWOT and Growth Strategies analyses and considered the organisation's Vision, Mission and overall Goals, it is time to revisit the question of what the Critical Success Factors are. These are the key factors which will determine your ability to realise your organisation's Vision.

In the examples outlined in an earlier section we found that

- for a small theatre company the development of an alliance or a merger is a Critical Success Factor – without taking such a step, marketing would simply help the organisation to survive for longer, but it would not contribute to the development of a sound and stable operating environment
- for a major gallery with a major collection a Critical Success Factor is providing access to its major collection – whether through building extensions, the use of multimedia, or both. Without addressing this Critical Success Factor marketing might be able to achieve some increases in audience numbers, but the best marketing in the world will not allow the gallery to realise its full potential
- for the Australia Council's Visual Arts Export Strategy a Critical Success Factor is the development of a limited number of key markets, allowing Australian galleries and artists to develop a market position, rather than limiting their exposure to a brief period of time when a fair is being held.

INSTRUCTIONS

1. review the results of your SWOT and Growth Strategies analyses and your organisation's Vision, Mission and overall Goals
2. identify which factors will be critical to the realisation of your Vision
3. document those Critical Success Factors which relate to the marketing task in planning sheet 9 (page 56); describe them as clearly as possible and state your assumptions.

PLANNING SHEET 9

CRITICAL SUCCESS FACTORS	DESCRIPTION	ASSUMPTIONS/INFORMATION REQUIREMENTS
1		
2		
3		
4		

★ CASE ILLUSTRATION

ROCK 'N' ROLL CIRCUS

CRITICAL SUCCESS FACTORS

Rock 'n' Roll Circus is a small human circus/physical theatre company that has been in existence for ten years. The group has a strong reputation for quality work and has international aspirations. It has enjoyed significant financial support from governments and this income is secure but it has reached a plateau and major increases are not expected in the immediate future. The group rents rehearsal space and an office in an historic but tired inner city theatre.

The Circus has a significant opportunity now because of increasing worldwide interest in physical theatre, however the marketplace they operate in is largely controlled by third parties and this creates problems. Another difficulty for the group is maintaining stability and continuity when there are changes to the performing troupe. Rock and Roll Circus is managed by a collective made up of the performers and the administration staff.

VISION

To become one of the leading companies in the world in circus/physical theatre performance.

PLANNING SHEET 9

CRITICAL SUCCESS FACTORS	DESCRIPTION	ASSUMPTIONS/INFORMATION REQUIREMENTS
1 The need to make exceptional first class work	– the problem of conceiving the work – time to create & develop work in the long term – ongoing professional development – develop internal relationships in the longer term – recruit world class performers – support audience programs	The opportunity exists because of increasing worldwide interest in physical theatre It can be made to work if the group promotes itself as the best The group needs to employ good managers and great directors
2 The need to build stronger co processes which will increase the stability of the six performers and facilitate the process of regeneration	– Spiritual – alignment of vision and personal satisfaction – Mental – wages and perks – Body – working conditions	
3 The development of a stronger financial base	– acquire a home and build an asset base – improve the selling of shows – do the hard slog of the dollars to achieve the goals – create a financial plan	financial planning information is needed marketing knowledge must be acquired
4 The need to develop a global reputation and audience	– produce a press kit – learn more about the marketplace and sell the product directly – liaise with agents and improve relationships	writing and design skills are needed for the production of the kit the group needs to build a network of clients and learn to service them the quality of performances must be consistently high

PART 1.6

SETTING STRATEGIC MARKETING GOALS AND OBJECTIVES

Having considered the overall strategic direction your arts organisation is taking and the critical success factors which need to be addressed to allow your organisation to realise its vision, it is now time to set some broad marketing goals and some specific marketing objectives.

It is important to keep in mind that these goals and objectives are simply set to provide a clearly focused direction to the development of strategies. Once you have worked through the strategy development process, you will need to review and, most likely, revise your goals and objectives to ensure they are realistic, but also that they're ambitious, taking your organisation as far as possible down the chosen strategic path.

We are using the following terminology:

goals – open ended, broad, not quantified

objectives – closed, specific, quantified

For example, **goals** would be:

- to derive more of our revenue through the sale of subscription packages
- to stage a greater number of major theme exhibitions which have been developed in-house, drawing on our own collections
- to increase our audience, in particular with the x,y, and z target segments

objectives would be:

- to generate at least 50% of our revenue through subscription sales by the year 2000
- to stage at least three major theme exhibitions a year which have been developed in house by the year 2002
- to increase our audience with respect to segment x by 10%, segment y by 15% and segment z by 8% by the year 2002

It is important from the marketing point of view to set outcomes rather than process objectives. For example, the objective about the demand for at least three major annual theme exhibitions is somewhat irrelevant from the audience development point of view unless we introduce a specific audience related measurement. The key question from the audience development point of view

would not be the staging of the three exhibitions, but the audience which will be attracted by these exhibitions (in other words, not the process of staging the exhibitions, but the outcome of how many customers are gained by staging them). A much better focused and relevant objective would be:

- to stage at least three exhibitions which attract a minimum total audience of 20,000 people
- if one of your goals is to attract a new audience, you may define your objective as to stage at least three exhibitions which attract a minimum total audience of 20,000 people, including at least 10% of visitors who have not been to the gallery for at least 5 years (or, since their childhood, or never before, etc)

In summary, the task of setting broad goals and objectives is not a difficult one once the strategic groundwork has been undertaken. We are now simply focusing our efforts on the key issues which need to be addressed and are setting some performance standards.

EVALUATION

There is obviously little point in developing specific, quantified objectives, without being able to gather the data required to assess whether these objectives have been achieved or not.

For example, there is no point in setting an objective demanding an increase in audience, unless we are prepared to monitor audience levels. There would also be no point in setting objectives with respect to the composition of this audience (eg an objective demanding a younger, older, new, etc audience), unless we are prepared to undertake an audience survey establishing the profile of our audience.

While our long-term strategic objectives may set measurable standards in three or five years' time, we will need to be able to monitor regularly if we are making progress in realising our objectives, or not. In other words, there is little point in setting, say, an audience profile related objective for the year 2000 and conducting a survey in the year 2000, with no feedback during prior years. This would mean that we will have no feedback on how well the strategies we are putting in place to achieve our long-term objective are working.

In summary, once we accept a long-term objective we need to allocate the resources required to monitor our performance against this objective on a regular basis. This allows us to assess the effectiveness of our strategies and to adapt these strategies if and when necessary.

INSTRUCTIONS

Use planning sheet 10 to

- set broad goals which focus your audience development efforts
- set specific objectives which provide clear, realistic and ambitious performance standards for your audience development strategy
- identify how you will measure to what degree your objectives have been achieved; state not just the method (eg a survey of our audience) but also the scope and timing of any activity which is carried out to assess the success of your audience development program (eg a six monthly survey of our audience, spread over three weekly periods, with a minimum sample size of 500 respondents)
- record any information requirements you feel need to be addressed before you can finalise the goals or objectives.

PLANNING SHEET 10

OBJECTIVES	MEASUREMENT	INFORMATION REQUIREMENTS
GOAL 1		
GOAL 2		
GOAL 3		
GOAL 4		

Before moving on, use the following checklist to review your goals and objectives and, if necessary, make alterations.

CHECKLIST 7 – CRITERIA TO ASSESS THE EFFECTIVENESS AND APPROPRIATENESS OF GOALS AND OBJECTIVES

GOALS		✓
• are the goals in line with the overall Vision (mission, goals) of the arts organisation, ie they are not in any way in conflict with the overall long-term directions?		
• if the goals are realised, would a significant contribution be made to the realisation of the arts organisation's Vision?		
• is the set of goals comprehensive, ie they address all critical success factors related to the audience development task?		
OBJECTIVES		
• are the objectives realising the goals, ie if the objectives are achieved would this mean you have also realised your goals?		
• are the objectives ambitious?		
• are the objectives realistic?		
• has an affordable and effective means of assessing how effective your strategies are in achieving the set objectives been developed?		

✱ CASE ILLUSTRATION

THE QUEENSLAND WRITERS CENTRE

MARKETING GOALS

The Queensland Writers Centre has been in existence for over six years. It has a large membership base and a wide range of programs, services and activities which it administers efficiently with a small staff. The Centre is housed in rental premises owned by the state government, these are affordable but old and not well placed. The Centre hopes to locate a long term home with government assistance in the near future.

The other significant challenges that face the Writers are:

- maintaining their membership
- increasing revenues
- creating work opportunities for writers in the near future

MISSION

To secure the Writers Centre's position as the state's peak body supporting writers and writing throughout Queensland.

The principles underlying the mission are:

- excellence
- innovation
- equity of access

CRITICAL SUCCESS FACTORS

1. To ensure constituency satisfaction
2. To reduce reliance on government funding
3. To ensure the development of professional writing

MARKETING GOALS

1. To ensure constituency satisfaction
2. To increase non-government revenue

OBJECTIVES	MEASUREMENT	INFORMATION REQUIREMENTS
GOAL 1 – CREATE NEW AUDIENCES		
Gain access to NESB, ATSI, regional and youth audience	members database	
GOAL 1B – INCREASE THE NUMBER OF RENEWING MEMBERS		
Increase the number of renewing members	members database	
GOAL 2A – INCREASE SPONSORSHIP		
Attract \$10,000 in the first year	financial records, monitor relationships with sponsors	
GOAL 2B – INCREASE REVENUE FROM SERVICES		
Achieve 50% earned income by 1998	unit costing / user satisfaction	
GOAL 3A – INCREASE EMPLOYMENT OPPORTUNITIES FOR WRITERS		
Increase employment opportunities for Queensland writers nationwide	via the Employment services records	
GOAL 3B – TARGET WRITERS WHO HAVE THE POTENTIAL FOR DEVELOPMENT		
Increase the number of writers available for work by 20% end 1997	monitor through the Professional Development Scheme	

PART 1.7

MARKET RESEARCH

Undoubtedly, you have come across a range of information gaps while going through the steps outlined so far. Often, market research is required to fill the most important of these information gaps.

To develop sound marketing strategies you have to gather relevant information on:

- **competitors** aiming at the same audience you are trying to attract
- the **audience** you have already got and
- the **potential audience** you would like to attract.

Marketing strategies usually aim at changing people's behaviour – you want people to visit your performance, exhibition, reading, or whatever event or activity you are staging. This means that you need more than just a descriptive understanding of your current and potential future audiences. You need to understand how they spend their leisure time now; why they spend their leisure time in this particular way; how satisfied they are with their current leisure time pursuits; and so forth.

With respect to competitors, you need to know more than just 'who' they are and what they offer. You also need to understand their particular strengths and weaknesses.

The following checklist provides an overview on typical information requirements.

CHECKLIST 8 – TYPICAL INFORMATION REQUIREMENTS

COMPETITORS	✓
• number	
• size	
• specific strengths and weaknesses, if any	
• market shares	
• competitive trends	
AUDIENCE AND POTENTIAL AUDIENCE	
• numbers	
• specific segments with similar characteristics	
• purchase/participation patterns of these segments for each of the key products offered (eg exhibition types or productions)	
• average number/volume purchased (eg subscribers, frequent visitors, etc)	
• cross-section of arts products bought	
CONSUMER BEHAVIOUR	
• preferred arts organisations and reasons for preferences	
• preferred products (eg particular art forms, types of theatre, style of visual art etc)	
• awareness of arts organisations and what they offer	
• perceived strengths and weaknesses of your organisation and its competitors	
• perceived strengths and weaknesses of your and your competitors' products	
• barriers to purchasing (eg affordability, accessibility)	
• different ways product is used (eg to educate children; to entertain visitors; for personal indulgence)	
• satisfaction with past experiences and reasons for degree of satisfaction	
• relevant attitudes, perceptions and opinions	
• purchase decision making process (eg influencers, decision makers, advisers, important sources of information, buyers, users)	
MONITORING	
• the impact of marketing programs once these have been implemented	
• strategies which did or did not work elsewhere	

Market research has a very important contribution to make in addressing these information requirements. Following is a brief overview of the most widely used market research methods.

QUALITATIVE VERSUS QUANTITATIVE RESEARCH

There are essentially two core research methodologies, namely qualitative and quantitative research. Imagine you were to conduct a quantitative survey and had to write a questionnaire. How would you know what you should be asking? You are likely to have an opinion on this matter, but how can you be sure you are not asking irrelevant questions, while not covering some very important aspects, simply because you were not aware of them?

To ensure you first gain an in-depth understanding you may decide to conduct some qualitative research. The two most common approaches are group discussions and in-depth interviews.

Group discussions are usually held by a moderator with eight representatives of a particular target group (eg people who have attended a particular performance). The moderator does not ask specific questions, but rather gets the group participants to talk about the topic (eg a particular performance, arts organisation, venue) in an unstructured way, making sure key points are covered at some stage in the discussion.

In-depth interviews are conducted with an individual rather than a group of people, and are usually based on a checklist of key points, which are covered in any sequence that suits a particular discussion. Yet at the same time, the experienced in-depth interviewer will also follow up other relevant aspects and issues which come up in the discussion, even if they are not included in the checklist.

Once an understanding of key issues has been gained, a questionnaire can be prepared for use with a larger number of respondents to make sure statistically valid (or at least more reliable) data is gathered. In other words, we are now moving from qualitative to quantitative research.

One of the big problems with **surveys** of any kind is the representativeness of the sample. If, for example, self completion questionnaires are used and only one in five people are prepared to complete these questionnaires, then we can be fairly sure that the resulting sample is biased. The fact that these people completed the questionnaire while most did not, suggests that these respondents are not typical – they are likely to have a stronger feeling about the organisation or what it offers and are therefore more prepared to spend some time to assist with the survey (or they may have some very strong negative feelings they want to express).

The reliability of market surveys are often overstated. Some research agencies present the client with a table which shows how reliable the results are, based on the sample size covered in the survey (and the percentage of respondents in a particular answer category). However, often the agency fails to mention that these tables are only valid for strict random samples, ie. samples where every respondent has been selected at random and has completed the survey.

Even when a research agency undertakes a door to door survey and samples starting points from the electoral role, the result is usually not a random sample, because the typical approach is to interview clusters of respondents around each starting point (the most common approach is to

take a random cluster sample, with 10 respondents per starting point). All we know is that the data is not as reliable as the statistical table shows, but there is no way of knowing to what degree the data has been biased by selecting a random cluster sample.

Having spelt out some of the problems we have come across with traditional market research studies, we should stress that nevertheless market research is essential. We cannot hope to design an effective audience development strategy without an understanding of the perceptions, attitudes, beliefs, opinions and levels of satisfaction (and the underlying reasons for these) of our audience and potential future audience.

THE INTERPRETATION OF RESULTS

Care has to be taken with phrasing questions and with the interpretation of the results. For example, a market survey conducted on behalf of an arts organisation asked respondents to agree or disagree with statements such as

'I'd be proud to take a friend from interstate or overseas here'

What would a respondent answer who feels the exhibition or performance was all right, but not very special? Most likely, the answer will be 'agree', as the experience was sufficiently positive not to give a negative answer. The results, of course, are not at all indicative of how respondents really feel about this issue. By confronting the respondent with a specific statement and *limiting the range of responses* we can expect that the answers given by at least some (and possibly many) respondents will not be representative of what they really think.

Another typical problem is presented by questions which are not specific. For example, if respondents 'don't agree' with the statement

'You can buy interesting things in the Museum (Gallery, etc) Shop'

we don't know what this answer means unless we also assess if they have visited the shop.

We are making these points to stress the importance of carefully thinking through what the results of market research studies really tell us. Otherwise we might misdirect our audience development efforts despite our commitment to getting it right.

LIMITATIONS OF MARKET RESEARCH

Secondary data provides an important overview on key market segments and competitors. Market research is required to gain a fuller understanding of the arts organisation's current and potential future customers by exploring their attitudes, preferences, opinions, beliefs, past experiences, levels of satisfaction, and so forth.

However, research also has limitations. It provides important analytical input into the design of audience development strategies, but it rarely highlights creative opportunities.

In Japan it is common to define the appropriate role research should play by classifying factors influencing market demand and response into three categories:

NEEDS

The basic requirements which the (potential) audience will not even mention in a survey, because these needs are expected to be catered for without even thinking about them (eg clean toilets)

WANTS

What the (potential) audience is specifically looking for.

DELIGHTS

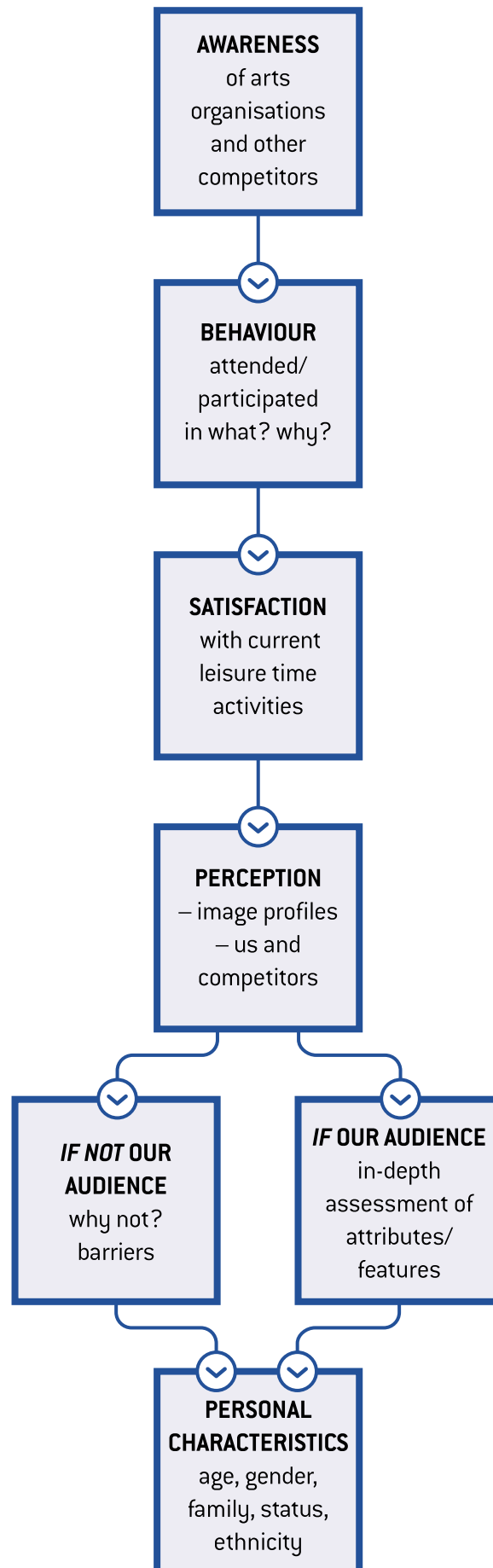
The unexpected surprises which have a significant impact on the experience or on the image of the arts organisation (eg surprises when visiting an exhibition, attending a performance). By definition (a surprise – something one would never have expected), delights cannot be identified directly through research, although research may guide the arts organisation to some degree in the development of delights.

Research should focus on identifying the 'wants' and on assessing attitudes, perceptions, past experiences and other aspects which help us to understand the reasons for these. *It is the arts organisation's responsibility to understand the 'needs' of the market through experience and to create the delights to surprise its (potential) audience.*

* CASE EXAMPLES

It is a good idea to structure your market research requirements in a systematic way. Invariably, there are 'blocks' of questions, with each block addressing the same broad area of investigation. It is a good idea to first define these blocks, which provide the framework for the development of a market research program.

For example, blocks may include:



The flowchart presented assumes that you are assessing attitudes, behaviour, degree of satisfaction and perceptions as the basis for the development of a **competitive** marketing strategy, ie a strategy which is aiming at taking market share from your main competitors.

While this is a common focus for a market research study, market research can contribute to the development of any strategy which is aiming at the market place. Take the following example: the South Australian Museum planned to change its perceived image. It was concerned that – as a Museum – it might be perceived as an old and tired repository of objects, rather than as the exciting, dynamic place it really is. The market research study conducted on behalf of the SA Museum assessed the image of Museums in general; the SA Museum's perceived image; the price sensitivity of the market; media usage; alternative leisure time activities respondents engage in and personal characteristics.

If you want to familiarise yourself with questionnaires and the insights you can gain by asking certain questions you should make use of the wide range of publicly available research publications, such as

- The Reluctant Museum Visitor, A Study of Non-Goers to History Museums and Art Galleries, Australia Council, 1994
- Public Attitudes to the Arts, Australia Council, 1995
- How Australians Use Their Time, Australian Bureau of Statistics, 1994 (Catalogue No 4153.0)

or, for a report based primarily on qualitative research you may want to get a copy of

- Older Australians and the Arts, Australia Council 1995
- Who's My Market? A Guide to Researching Audiences and Visitors in the Arts, Australia Council 1998

Numerous research publications are also available from the Arts Council of England. You can get an up to date *Marketing & Market Research Publications List* by contacting The Arts Council's Marketing & Market Research Unit at 14 Great Peter Street, London SW1P 3NQ, phone 0011 44 171 973 6467, fax 0011 44 973 6590.

There is no point in us re-printing the Australia Council's or the Arts Council's publications lists here, as they will be out of date by the time you read this manual. It is important for you to keep in touch with these and similar institutions to benefit from the latest research reports and marketing papers.

Finally, we need to stress the importance of using market research to evaluate the effectiveness of your marketing programs. Changes in audience numbers are useful indicators, but by themselves they do not tell the whole story. Only by undertaking market research on a regular basis, can you monitor changes in awareness, attitudes, perceptions and behaviour, which will help you to understand which elements of your marketing program are/are not working.

INSTRUCTIONS

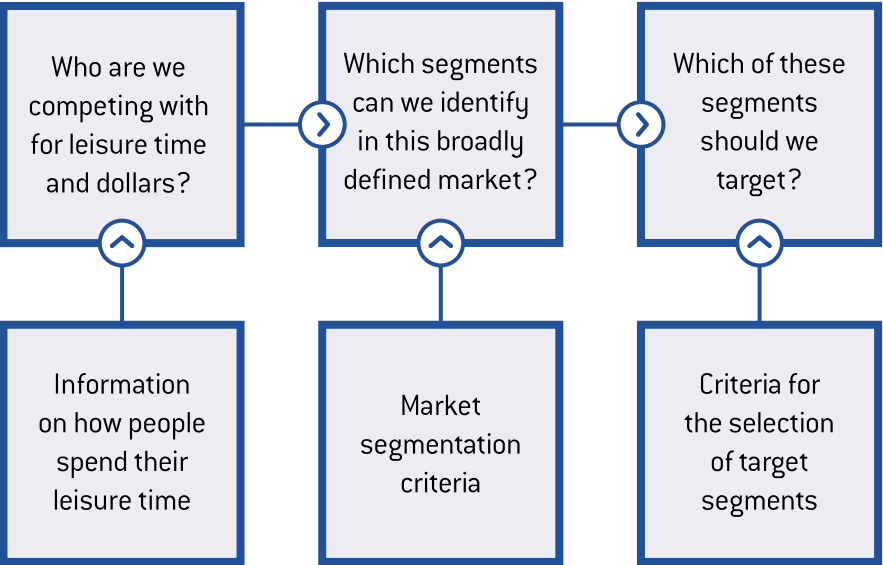
Go through all the planning sheets you have completed so far and summarise information requirements in planning sheet 11. Rate these requirements in terms of importance (eg from '1' = not important, to '3' = very important to address).

Review these information requirements and decide if you need to stop the planning process at this stage to gather more data. If this is the case, write a specific brief, which outlines your data requirements, how data will be gathered and by when. It is useful to write such a brief even if it is you, yourself, being responsible for gathering and analysing the data.

PLANNING SHEET 11

INFORMATION REQUIREMENT	IMPORTANCE	ACTIONS REQUIRED

AUDIENCE DEVELOPMENT MAP



PART 2

REVIEWING YOUR COMPETITION AND DEFINING YOUR TARGET MARKETS

* OBJECTIVE

To clearly define which market(s) you are competing in and who your competitors are.

* KEY ISSUE

Developing a clear strategic perspective with respect to who you are trying to attract and who you have to outperform in the marketplace to be successful.

* WHY IS THIS IMPORTANT?

Many arts organisations define their market very narrowly, including only organisations offering similar products to what they offer. In most instances, this totally misses the point: arts organisations are competing for people's leisure time and dollar, and a broader definition of the market they are competing in is likely to lead to more effective strategies. However, we are not suggesting that an arts organisation simply sees itself as competing in the leisure and entertainment market. It is important to identify the specific segments the arts organisation plans to target to ensure the resulting marketing strategies are well focused and effective.

PART 2.8

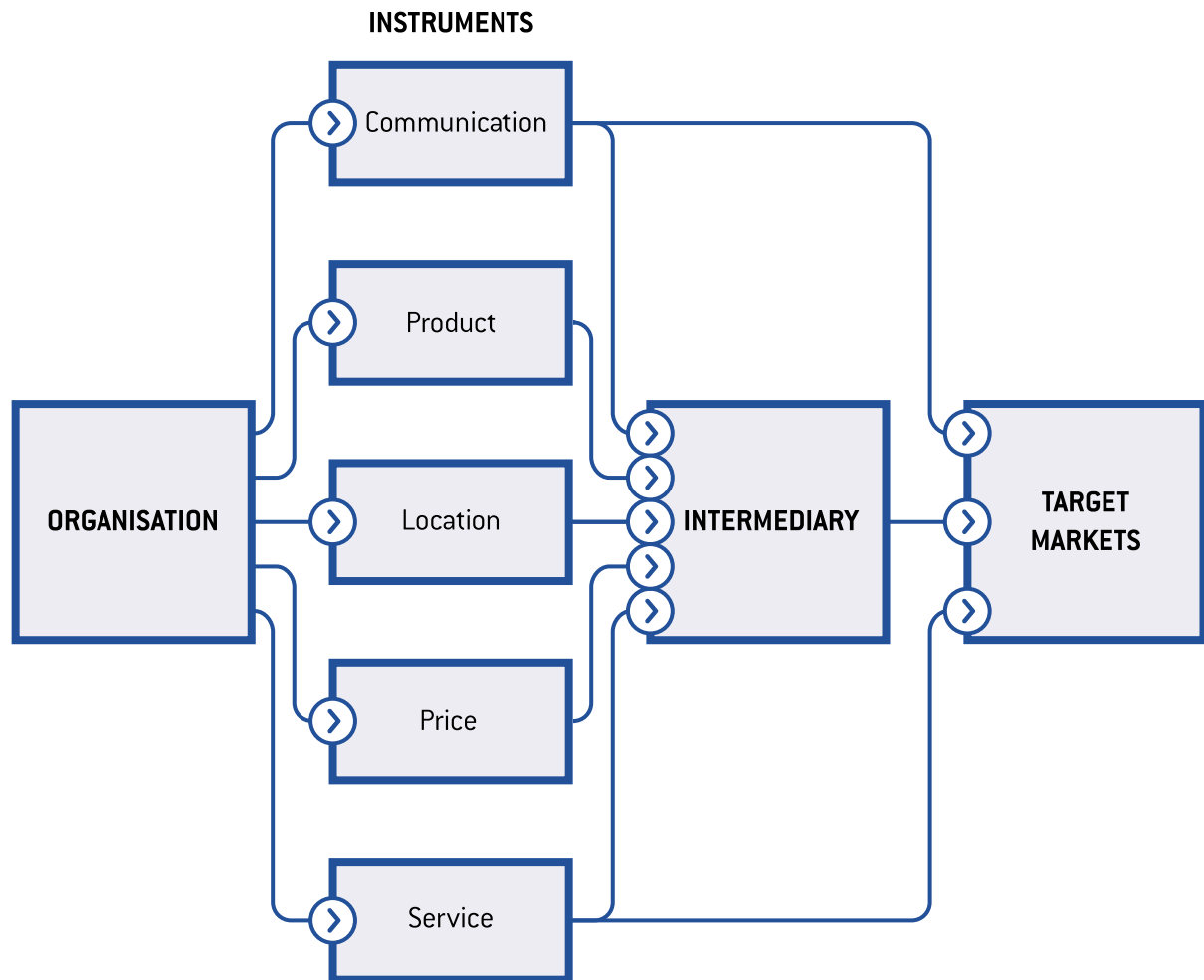
AUDIENCE DEVELOPMENT

Some arts organisations simply hope that an audience might find out about their offerings, might sample them and might find them appealing. Other arts organisations are actively developing an audience. They develop programs which they hope will interest the public, inform and, if appropriate, educate the public and promote what they have to offer.

However, being active does not necessarily mean being effective. An audience development program which is not well targeted or does not relate to the potential audience will fail to generate audience support. Worse than the inactive approach, the arts organisation will have wasted valuable funds and time without any positive results.

The following diagram shows a simple audience development 'map'. The arts organisation is aiming at particular target markets it wants to attract. It may do this by using a range of marketing instruments, such as:

- **communication** (providing information; educational programs; paid advertising; public relations; direct marketing; sales promotions)
- the '**product**' itself, ie the particular play, reading, exhibition, production, event, or activity which is being offered; by deciding on the particular product the arts organisation intends to offer, it automatically is appealing to particular target segments (eg younger or older age groups; particular ethnic groups etc) – in other words, the choice of the product and the choice of a market segment go hand in hand
- the **location** or **venue** where the product is being offered, such as the theatre, art gallery, theatre restaurant; determines the ease of access and may create barriers for some potential participants
- the **price** participants are charged, which may be a barrier for some potential participants
- **service**, which includes customer service when trying to get information, when booking, visiting, or having any other contact with the arts organisation
- sometimes an **intermediary** is used, eg a performing arts centre or a festival organiser, sometimes the arts organisation relates directly to the target market.



KEY ISSUES WHICH NEED TO BE ADDRESSED INCLUDE:

- organisations usually face **competitors**, also aiming at the same target markets
- arts organisations compete with other options of spending leisure time
- competitors can change the **expectations** of the market; for example, some competitors are making increased use of multimedia and on-demand delivery of entertainment products via pay-TV or are establishing indoor theme parks (eg the Village – Channel 9 – Warner Bros joint venture) offering the latest in virtual reality experience – when exposed to these dynamic experiences, many consumers start to change their expectations and may judge a traditional museum or gallery in a far more negative way than before
- **target markets** – eg, *current audience, potential future audience, employees, media*
- within each of the target markets there are segments of particular importance; for example there are particular journalists who have a major impact on your organisation's future development
- the '**marketing instruments**' (ie communication, price, etc) need to be combined into a consistent marketing strategy in light of the particular marketing objectives, organisational reality (eg what your organisation can afford; skill levels within your organisation) and market characteristics
- a tailor-made marketing program needs to be developed for each key target market and, often, for particular segments within these markets.

These marketing instruments determine the overall positioning of the arts organisation and its product in the market place. They determine who is most likely attracted by the offer, who is most likely to find out about it and who will be able to participate. *In other words, they largely determine the audience which will be attracted.*

We will spend considerable time in a later section dealing with your 'product', because an arts organisation's 'product' tends to be a dominant marketing instrument in the context of *long-term* strategies.

PART 2.9

WHO ARE OUR COMPETITORS?

WHICH MARKET ARE WE REALLY COMPETING IN?

More often than not, major competitors are not other arts organisations, but other ways of spending leisure time.

Competitors can cause a shift in market expectations. For example, some competitors are making increased use of multimedia technologies. They offer on-demand delivery of entertainment products via pay-TV, establish indoor theme parks and are offering the latest in interactive experiences neatly packaged on a disc to use in the comfort of one's own home.

When exposed to these dynamic experiences, many consumers develop a higher level of expectations with respect to the dynamics of an experience and may judge a traditional museum or artistic performance less favourably than they would have done before their exposure to these new entertainment technologies.

We have, of course, seen these shifts before – for example, when colour films became widespread, audiences for black and white films fell away. This is not to say that there is no market for black and white films, nor are we suggesting that people won't visit a traditional art gallery or theatre performance because of their exposure to dynamic multimedia productions. What we are highlighting here is the need to constantly monitor how market expectations are changing and the need to understand the reasons for these changes and to be able to adjust strategies accordingly.

As a first step, we should ask ourselves who we are competing with for our audience. Essentially, we are competing for people's time and, if we charge an admission fee, for their money.

In most instances our main competitors are not other arts organisations, but rather other industry sectors. To get an insight into how Australians spend their time, we could consult an ABS study, published in February 1994. It is titled '*How Australians Use Their Time*' and is available from the ABS shop (Catalogue No 4153.0).

The data contained in *How Australians Use Their Time* was derived from a national sample of approximately 3,000 households. We recommend you get yourself a copy of this report. We will only reproduce a few tables here, to illustrate how this data can assist us in learning more about our competitors.

Probably most insight can be gained from a table showing the average time spent on main activities for all persons by weekday/weekend by sex. The first few categories, covering work, domestic activities, child care/minding, purchasing goods and sleeping, eating and personal

care, represent activities which would not be seen as discretionary by most people. In other words, these activities or ways of spending time would be seen by most people as essential, with little choice involved.

Our competitors can be found primarily in the areas of social life and entertainment, active leisure and passive leisure.

Lets have a closer look at some of the figures:

TABLE 1

AVERAGE TIME SPENT ON MAIN ACTIVITIES

ALL PERSONS BY WEEKDAY/WEEKEND BY SEX, AUSTRALIA

	WEEKDAY minutes per day			WEEKEND minutes per day		
	MALES	FEMALES	PERSONS	MALES	FEMALES	PERSONS
Labour Force	336	160	248	103	42	72
main job	283	136	209	83	34	58
other job	3	2	2	5	1	3
unpaid work for family, business or farm	1	1	1	3	2	2
lunch/other break	14	7	10	2	1	2
job search	3	1	2	1	*	*
associated travel	31	15	23	8	3	6
other	2	1	1	2	1	1
Domestic activities	91	184	138	124	194	160
Total housework	35	146	91	42	150	97
food preparation, clean up	23	70	47	25	74	50
laundry, ironing, clothes care	4	34	19	5	34	20
other housework	8	42	25	12	42	27
Total other household	53	35	44	78	41	60
gardening, pool and pet care	26	21	23	41	27	34
home maintenance and car care	16	3	10	30	7	18
household management	8	10	9	6	7	7
transporting adult household members	3	2	2	1	1	1
Housework and other household						
associated travel	1	1	1	2	1	1
other	3	2	2	3	2	2
Purchasing goods and other services	34	61	47	36	42	39
purchasing goods	15	31	23	21	26	24
purchasing services	5	9	7	2	2	2
associated travel	13	20	16	13	13	13
other	1	1	1	*	*	*

* zero or rounded to zero

TABLE 1 – CONTINUED

	WEEKDAY minutes per day			WEEKEND minutes per day		
	MALES	FEMALES	PERSONS	MALES	FEMALES	PERSONS
Child care/minding	13	53	33	15	39	27
Own children	10	40	25	12	30	21
physical care	5	28	16	6	21	13
care for child, sick or with disability	*	2	1	*	1	1
teaching	1	2	1	1	1	1
playing with	3	7	5	4	5	5
minding	1	2	1	1	2	2
Other children	1	5	3	2	5	4
physical care	*	3	2	1	2	2
care for child, sick or with disability	*	*	*	*	1	1
teaching	*	*	*	*	*	*
playing with	*	1	1	1	1	1
minding	*	1	1	*	1	1
Own and other children						
associated travel	3	8	5	2	3	2
other	*	1	1	*	*	*
Sleeping, eating and personal care	608	619	614	648	645	646
sleeping	489	491	490	523	518	520
personal care	47	53	50	46	55	50
health care	6	9	8	6	6	6
eating and drinking	64	64	64	70	65	68
smoking	*	*	*	*	*	*
associated travel	1	*	*	*	*	*
other	1	1	1	1	1	1
Education	44	36	40	8	11	9
Educational/vocational courses (excluding job- related training)	22	17	19	*	*	*
other courses	1	1	1	1	1	1
homework, study and research	12	11	11	6	9	8
lunch/other breaks	2	2	2	*	*	*
job related training	2	*	1	1	*	*
associated travel (excluding travel)	5	4	5	*	*	*
other	*	1	*	*	*	*

TABLE 1 – CONTINUED

	WEEKDAY minutes per day			WEEKEND minutes per day		
	MALES	FEMALES	PERSONS	MALES	FEMALES	PERSONS
Voluntary work and community participation	20	24	22	37	32	35
helping adults, sick or with disability	2	3	3	1	4	3
helping able adults	5	5	5	12	5	8
voluntary work	4	6	5	4	2	3
religious activities	3	3	3	11	12	12
civic responsibilities	*	*	*	1	*	1
other participation	1	1	1	*	*	*
associated travel	5	5	5	8	8	8
other	1	1	1	*	*	*
Social life/entertainment	64	82	73	161	171	166
socialising	48	64	56	123	133	128
visiting entertainment and cultural venues	3	4	3	6	7	6
sports events	1	1	1	7	4	6
associated travel	12	14	13	25	26	26
other	*	*	*	*	*	*
Active Leisure	47	41	44	80	58	69
sport exercise and outdoor activities	28	17	23	50	27	38
games, cards etc.	6	6	6	8	5	7
hobbies, arts, crafts etc.	4	10	7	5	14	10
holiday travel driving for pleasure	3	3	3	8	7	8
associated travel (excluding holiday)	5	4	5	8	5	6
other	*	*	*	1	*	*
Passive Leisure	181	178	179	227	206	216
reading	22	21	21	26	28	27
watching TV/videos	109	92	101	144	105	125
listening to radio/CDs etc.	6	3	4	7	6	7
relaxing, thinking, etc.	30	37	34	37	43	40
enjoying memorabilia	*	*	*	*	*	*
talking (including phone)	12	22	17	11	20	15
writing/reading own correspondence	2	3	2	2	3	2
associated travel	*	*	*	*	*	*
other	*	*	*	*	*	*
Undescribed	2	2	2	1	2	2
Total	1440	1440	1440	1440	1440	1440

SOCIAL LIFE AND ENTERTAINMENT

- on average Australians spend 56 minutes per day socialising on weekdays and 166 minutes per day on weekends
- sports events account for one minute per day on weekdays and six minutes per day on weekends
- visiting entertainment and cultural venues accounts for one minute per day on weekdays and six minutes per day on weekends.

ACTIVE LEISURE

- sport, exercise and outdoor activities account for 23 minutes per day on weekdays and 38 minutes per day on weekends
- games and cards, etc for six and seven minutes respectively
- hobbies, arts and crafts (active leisure) for seven and ten minutes, respectively

But the biggest category of activities we are competing with is passive leisure:

PASSIVE LEISURE

- watching TV or videos for 101 minutes and 125 minutes per day, respectively
- relaxing, thinking, etc for 34 minutes and 40 minutes, respectively

and so forth.

So far we have only considered how many minutes *people* spend *on average* on various activities. However, not all people participate in these activities and it would be useful to find out *how many* people participate in these respective activities and how much time on average *these participants* spend.

The same study can give us these answers as well. Table 6, which is reproduced on the following pages, shows the participation rate, ie the percentage of people who participate in these activities and the average number of minutes spent by these participants.

TABLE 2

PARTICIPANTS – AVERAGE TIME SPENT ON ALL ACTIVITIES

BY SEX AND PARTICIPATION RATE, AUSTRALIA

	AVERAGE TIME minutes per day			PARTICIPATION RATE per cent		
	MALES	FEMALES	PERSONS	MALES	FEMALES	PERSONS
Labour Force	517	426	483	52.3	29.8	41.0
main job	474	392	444	47.6	27.2	37.3
other job	237	211	229	1.4	0.7	1.0
unpaid work for family, business or farm	190	139	163	0.8	0.9	0.8
lunch/other break	46	43	45	23.5	11.4	17.4
job search	83	65	78	2.9	1.0	1.9
associated travel	54	45	51	45.3	25.2	35.1
other	60	60	60	4.3	2.1	3.2
Domestic activities	135	211	176	79.6	95.2	87.5
Total housework	60	167	123	64.4	93.0	78.8
food preparation, clean up	43	86	69	57.4	87.4	72.5
laundry, ironing, clothes care	34	62	58	12.2	57.3	35.0
other housework	35	61	54	27.2	72.1	49.9
Total other household	110	71	90	58.5	60.1	59.3
gardening, pool and pet care	87	60	72	37.4	42.5	40.0
home maintenance and car care	92	48	79	22.5	9.5	15.9
household management	37	37	37	24.4	30.1	27.3
transporting adult household members	44	34	40	5.4	4.5	4.9
Housework and other household						
associated travel	34	25	30	3.6	2.4	3.0
other	67	43	54	4.7	5.1	4.9
Purchasing goods and other services	78	95	88	45.2	58.5	51.9
purchasing goods	45	58	53	38.3	51.8	45.1
purchasing services	31	35	33	13.7	19.6	16.7
associated travel	32	33	33	40.2	53.1	46.7
other	27	24	25	3.5	4.4	4.0

* zero or rounded to zero

TABLE 2 – CONTINUED

	AVERAGE TIME minutes per day			PARTICIPATION RATE per cent		
	MALES	FEMALES	PERSONS	MALES	FEMALES	PERSONS
Child care/minding	284	510	420	25.2	37.3	31.3
Own children	309	581	468	21.0	28.8	25.0
physical care	68	136	115	11.4	25.0	18.3
care for child, sick or with disability	133	98	106	0.6	2.1	1.4
teaching	39	41	40	2.3	8.0	5.1
playing with	102	144	127	16.0	24.0	20.0
minding	387	507	465	10.1	18.5	14.3
Other children	68	100	90	9.9	22.6	16.3
physical care	75	91	89	0.6	4.3	2.5
care for child, sick or with disability	515	388	409	*	0.1	0.1
teaching	32	48	47	0.1	0.6	0.3
playing with	85	84	84	2.3	5.6	4.0
minding	184	179	180	0.9	3.3	2.1
Own and other children						
associated travel	34	44	41	6.7	14.5	10.6
other	28	28	28	0.8	3.7	2.3
Sleeping, eating and personal care	655	657	656	99.9	99.9	99.9
sleeping	502	502	502	99.7	99.7	99.7
personal care	50	57	53	96.0	97.2	96.6
health care	106	102	104	6.5	9.0	7.7
eating and drinking	96	91	93	97.4	97.5	97.4
smoking	81	68	75	4.3	3.7	4.0
associated travel	20	22	21	2.3	1.2	1.7
other	88	63	75	1.6	1.5	1.6
Education	384	323	353	8.8	9.1	8.9
Educational/vocational courses (excluding job- related training)	309	285	298	4.9	4.3	4.6
other courses	231	173	191	0.3	0.6	0.5
homework, study and research	174	162	168	6.0	6.6	6.3
lunch/other breaks	61	57	59	2.8	2.6	2.7
job related training	382	249	350	0.4	0.1	0.3
associated travel	63	59	61	5.9	5.2	5.6
other	55	53	54	0.7	1.1	0.9

TABLE 2 – CONTINUED

	AVERAGE TIME minutes per day			PARTICIPATION RATE per cent		
	MALES	FEMALES	PERSONS	MALES	FEMALES	PERSONS
Voluntary work and community participation	127	100	112	20.9	27.8	24.4
helping adults, sick or with disability	73	82	79	2.2	4.6	3.4
helping others	87	52	68	8.6	10.3	9.4
voluntary work	157	127	139	2.6	3.7	3.1
religious activities	125	93	106	4.5	6.7	5.6
civic responsibilities	41	34	37	1.2	1.1	1.1
other participation	113	104	108	0.7	0.7	0.7
associated travel	43	36	39	13.7	16.4	15.1
other	42	33	37	1.7	2.8	2.2
Social life/entertainment	191	188	189	49.3	58.5	53.9
socialising	152	152	152	46.5	55.9	51.2
visiting entertainment and cultural venues	120	109	113	3.6	4.7	4.1
sports events	150	127	140	2.1	1.6	1.8
associated travel	44	46	45	35.5	37.6	36.6
other	33	27	29	1.0	2.1	1.5
Active Leisure	152	127	139	44.6	46.3	45.5
sport exercise and outdoor activities	119	85	104	32.6	27.3	29.9
games, cards etc.	92	80	86	11.3	10.0	10.6
hobbies, arts, crafts etc.	105	115	112	6.5	16.3	11.5
holiday travel driving for pleasure	125	122	123	3.7	3.8	3.7
associated travel (excluding holiday)	39	38	39	15.7	10.7	13.2
other	58	34	47	1.7	1.6	1.6
Passive Leisure	508	541	525	98.5	99.2	98.9
reading	82	76	79	51.3	54.5	52.9
watching TV/videos	202	204	203	87.9	88.3	88.1
listening to radio/CDs etc.	177	168	172	68.7	70.9	69.8
relaxing, thinking, etc.	76	75	75	57.7	66.5	62.2
enjoying memorabilia	54	39	44	0.6	1.5	1.1
talking (including phone)	166	176	171	69.1	80.1	74.7
writing/reading own correspondence	52	45	47	3.5	8.1	5.8
associated travel	17	23	21	0.2	0.3	0.2
other	94	85	90	0.3	0.4	0.4
Total all activities	1 862	1 993	1 928	100.0	100.0	100.0
Total Persons ('000) and participation rate	6 564.1	6 690.2	13 254.3	49.5	50.5	100.0

Naturally, the time spent in minutes per day is considerably larger (for most activities) than the average time for all people, as those who do not get involved are now excluded from these figures.

Visiting entertainment and cultural venues shows a participation rate of only 3.7%, ie only a very small percentage of the population participated in these activities, whereas watching TV or videos, for example, shows a participation rate of 73.3% – ie almost three out of every four people engage in these activities!

These statistics show that arts organisations primarily compete with passive leisure time activities and socialising. This point is important: *our main competitors are most likely not other arts and cultural organisations, but rather completely different ways of spending time.*

To more effectively fight for a greater share of peoples' time, we need to understand what attracts them to these activities. We also need to understand why some of these competitors are more successful than we are, to be able to design effective competitive strategies.

INSTRUCTIONS

Use planning sheet 12 to record information on your organisation's competitors:

1. list your competitors
2. record the reasons why you feel these competitors need to be taken into account
3. record anything you know about these competitors
4. record any information requirements.

PLANNING SHEET 12

COMPETITORS	WHY ARE THEY IMPORTANT?	WHAT DO WE KNOW ABOUT THEM?	INFORMATION REQUIREMENTS

★ CASE ILLUSTRATION

A COMMUNITY ARTS ORGANISATION

A Community Arts Organisation which represents the interests of marginalised groups to bureaucracies, the police, social and town planners, has stable funding from the state arts agency and the Australia Council, however they have also been encouraged to work with other government departments to extend their support.

Over the past two years the Community Arts Organisation has developed a sophisticated network of co-operation and discussion at senior levels in departments and agencies. This work has resulted in the imminent implementation of a number of community support programs which will have a substantial impact throughout the state. The organisation gears up on the basis of promised and implied funding increases to play its part in the implementation of these programs when there is a change of government.

The organisation now spends a protracted period of uncertainty waiting for funding decisions to be announced. In this situation, with its option unclear, the staff find it difficult to engage in planning.

The new government has significantly different philosophical objectives and the new programs are abandoned. The expected funding increases evaporate and the organisation which had overcommitted itself is now in a serious financial predicament. It is unable to pay staff, however, they agree to work without pay for the last three months of the year while the situation is stabilised.

An additional problem arises when agencies that have been third party participants in the development process begin to plunder the policies and programs and put their own name on them. Morale in the Community Arts Organisation plummets.

The organisation had previously been resourced to implement a marketing strategy and a consultant had been engaged to develop a marketing plan. Unfortunately the staff who do not have marketing experience felt that although the resulting plan contained useful elements it was largely beside the point. They decide to shelve it until they can get out of their current predicament.

The staff use the worksheets in the manual to conduct a review of their competition and redefine their target markets. They convene a Board/Staff planning day to reconsider their objectives and mission and conduct a SWOT analysis. They now have a clearer understanding of their situation and contact the Marketing Consultant to jointly revise the plan.

The organisation has significant ground to make up but it is now leaner and wiser and has a clear direction. It also has the money to support the renewal of relationships and the communication of services provided for in the resulting marketing plan.

CASE ILLUSTRATION – A COMMUNITY ARTS ORGANISATION

COMPETITORS	WHY ARE THEY IMPORTANT?	WHAT DO WE KNOW ABOUT THEM?	INFORMATION REQUIREMENTS
The City Council	They are responsible for implementing many of the things the organisation does They are a source of funding They implement programs in the same area	They are voracious for information They operate under a different organisational culture which causes problems They don't always give recognition for the work They can suffer political change	
Community based welfare organisations	They implement programs in the same area They are funding competitors	They have a different philosophical base They don't do their job properly	
Universities	They undertake research in same areas	They are effective competitors for research funding Their research process is different	
Other arts organisations	The organisation's work is judged in relation to them They are funding competitors	They are starting to work in ways similar to the Community Arts Organisation	

PART 2.10

TARGET SEGMENTS

WHAT IS IT?

A target segment is a group of individuals or organisations we focus our marketing efforts on.

WHEN SHOULD WE SELECT TARGET SEGMENTS?

This is one of the first steps in the strategic planning process, as it is obviously impossible to develop any strategies without having first made a decision which segments these strategies are supposed to aim at. However, it would be useful to undertake the target segment selection after you have completed a SWOT analysis and have identified Critical Success Factors.

WHO SHOULD BE INVOLVED IN SELECTING TARGET SEGMENTS?

The process of selecting target segments should be undertaken by the person in charge of developing the marketing strategy. However, the key decision makers in the organisation have to approve these target segments and everyone – it does not matter where they work, nor if they are staff or volunteers – should understand which segments you are targeting, why they have been selected and what you are trying to achieve with respect to each of these segments.

BRIEF OVERVIEW

1. STRATEGIC FOCUS

Even small arts organisations tend to attract a wide range of participants – different age segments, income segments, interest and lifestyle segments, and so forth. We are not suggesting that any of these segments should be discouraged. We are simply trying to identify those segments offering your arts organisation the greatest long-term return (or the segments which are most consistent with your organisation's long-term vision, ie the sort of organisation it would like to be). This will allow you to focus limited marketing resources better, making a greater impact on those segments which are most important to your organisation's future.

2. THE PROCESS

There are essentially two steps in the process: the first step is to segment the market, the second to select those segments offering the greatest potential.

STEP 1 – MARKET SEGMENTATION

Segmentation is achieved by conducting a survey of the (potential) audience market and determining the sub-groups of people who are potential target segment(s) for your organisation. For example, people can be grouped together according to various factors:

- their level of awareness of your organisation and your competitors
- favourable and non-favourable image perceptions with respect to your organisation
- their present commitment to your organisation (eg loyal subscribers versus occasional or even one-off patrons)
- their particular needs and interests
- demographic characteristics

A truly effective segmentation will also give you information about where and how these people obtain information about your organisation and what it offers, so that you know which communication channels are most effective for your promotions.

INSTRUCTIONS

1. gather as much hard data as you can find on the market and different market segments and complement this data with your own experience, insights and observations
2. attempt to identify a wide range of segments which could potentially be target segments
3. list these segments in planning sheet 13
4. record why you feel these segments are important
5. describe each segment as clearly as possible and attach background data
6. record any information requirements, ie any aspects you are not sure about and need to gather some more information on

The following checklist provides an overview on some segmentation approaches. But don't limit your thinking to this checklist – it is just a starting point.

CHECKLIST 9 – MARKET SEGMENTATION

GEOGRAPHIC		✓
• country, state or region		
• Statistical Division, Local Government Area or suburb		
• urban, suburban or rural		
DEMOGRAPHIC		
• age		
• gender		
• income		
• occupation		
• education		
• country of origin		
• family size		
• stage in family life cycle		
• age of children		
PSYCHOGRAPHIC		
• personality		
• lifestyle – how they spend their leisure time		
• particular interests		
ORGANISATION/ARTS PRODUCT RELATED		
• benefits sought (eg entertainment, broadening their horizons, knowledge, new experiences)		
• how often they attend performances/visit exhibitions, etc – heavy, medium, light participation		
• attendance occasions – (eg only turning up to official openings, only when guests need to be entertained)		
• level of awareness of your organisation and what it offers		
• degree of loyalty towards your organisation (repeat visitors, frequency of visits)		
• ease of access to your organisation from where they live/work (eg distance to theatre, gallery, museum; public transport access)		
• attitudes towards your organisation/what your organisation offers		
• past experience with your organisation/what it offers (eg negative, neutral, positive)		

PLANNING SHEET 13

SEGMENTS	WHY ARE THEY IMPORTANT?	WHAT DO WE KNOW ABOUT THEM?	INFORMATION REQUIREMENTS

STEP 2 – SELECTING TARGET SEGMENTS

Assuming you have segmented the market, using market research or other data (sometimes experience and observation offer a starting point), you are now faced with a number of segments you could focus on. The next step is to determine **which** *segment or segments you should select as target segments*.

CHECKLIST 10 – SELECTING TARGET SEGMENTS

CRITERIA TO SELECT TARGET SEGMENTS	✓
YOU MAY WANT TO CONSIDER SOME OF THE FOLLOWING CRITERIA IN YOUR ANALYSIS:	
• segments targeted by your competitors (sometimes it is more effective to aim at segments nobody else is targeting)	
• size of segment	
• growth of segment (eg a growing aged market, a declining youth market)	
• longevity of market segments (eg if you capture a young person, you may benefit for many years through repeat visits, whereas with older people there is a much more limited lifetime left)	
• likely impact of winning support from a particular segment on other segments (in other words, is this an opinion leader segment?)	
• relevant image perceptions currently held by segment, ie how they feel about your arts organisation	
• receptiveness of segment to what you can offer	
• ability to reach the segment with your communication (segments which cannot be reached with information or promotion are often useless from the operational point of view – what is the point of having defined a particular target segment, if you cannot reach it anyway?)	
• possible negative impact on other segments if you are seen to target a particular segment (eg if you target the youth segment, you might put some conservative, older segments off)	

INSTRUCTIONS

use planning sheet 14 to record the following:

1. determine which criteria are *most important* in selecting target segments; note that the task is to identify the four or five most important criteria
2. if you feel some criteria are more important than others, you may want to introduce some weighting (eg distribute 100 points amongst the criteria, with the more important criteria being allocated more points than the less important criteria)
3. consider each of the segments you have identified in step 1 and rate it against each of the criteria (eg using a rating scale from 1 = very poor to 10 = very good)
4. if you have weighted the criteria (see point 2 above) you need to multiply the ratings with the weightings before adding the points up for each of the segments; if there is no weighting, simply add up the ratings for each segment without any multiplication
5. the segments with the largest scores are the segments you should target
6. consider your limited resources, then decide how many of the top scoring segments you can realistically target
7. record any information requirements, ie any aspects you are not sure about and need to research further

PLANNING SHEET 14

SEGMENT:

CRITERIA	WEIGHT	RATING	SCORE
1			
2			
3			
4			
5			
TOTAL			

INFORMATION REQUIREMENTS

SEGMENT:

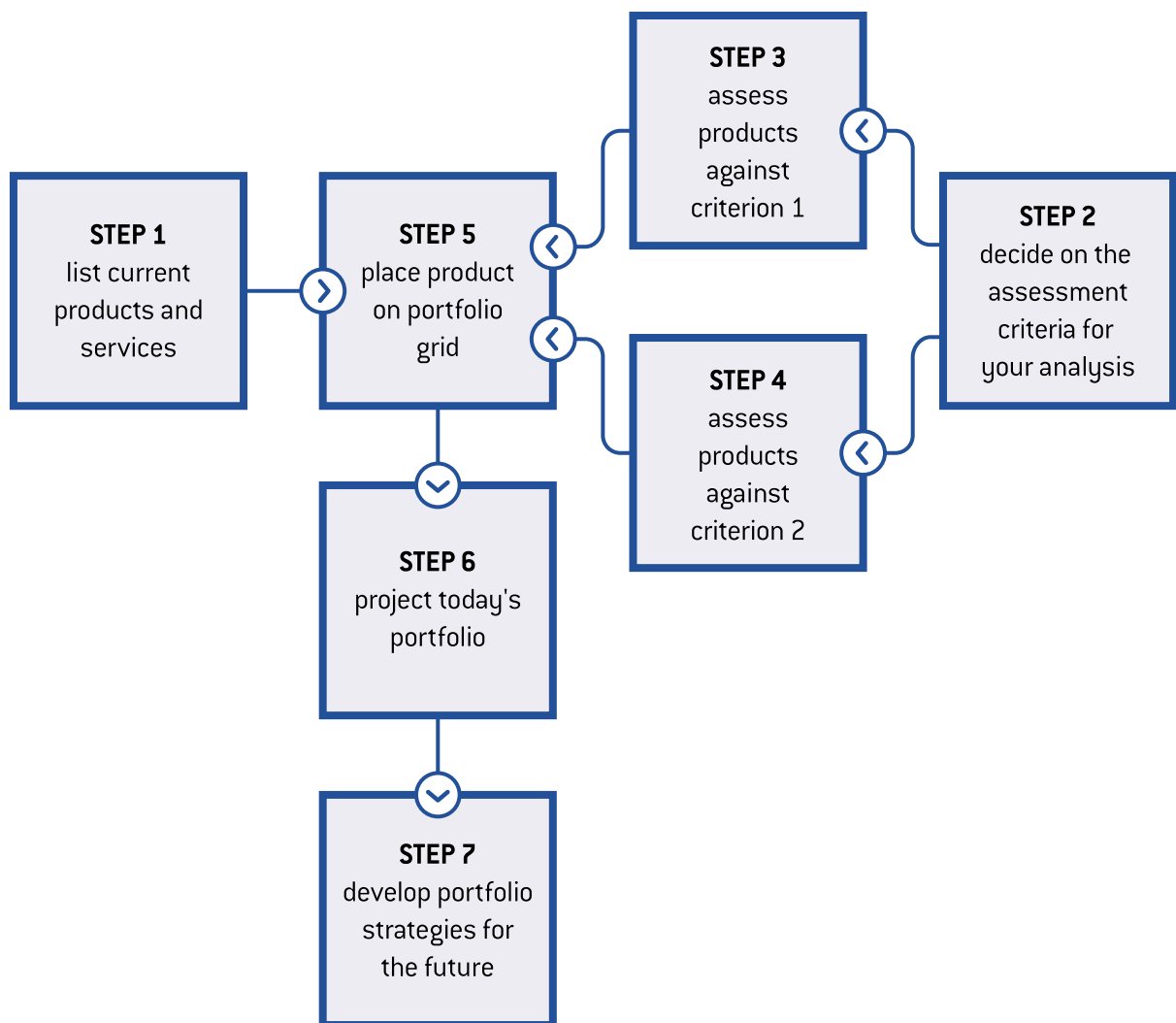
CRITERIA	WEIGHT	RATING	SCORE
1			
2			
3			
4			
5			
TOTAL			

INFORMATION REQUIREMENTS

SEGMENT:

CRITERIA	WEIGHT	RATING	SCORE
1			
2			
3			
4			
5			
TOTAL			

INFORMATION REQUIREMENTS



PART 3

DEVELOPING YOUR MARKETING STRATEGY

* OBJECTIVE

To develop a well balanced portfolio of products and services which will ensure the best use is being made of your limited resources.

* KEY ISSUE

Identifying which of your current products and services you should develop further, phase out or make more efficient, and the new products and services you should develop.

* WHY IS THIS IMPORTANT?

Most arts organisations find that there are more products and services they would like to develop/offer than their limited resources allow. Portfolio analysis is a concept which ensures that the limited resources you have are used in the most effective way. By following the portfolio strategies you develop in this section you should be able to become more successful as an arts organisation, yet reduce the stress your staff are under.

PART 3.11

PORTFOLIO ANALYSIS

WHAT IS IT?

Many arts organisations have a diverse product offer – they stage a number of exhibitions or productions, often aiming at a range of different target groups. They make decisions on new exhibitions or productions and worry about how to allocate their limited funds in the most effective way.

Portfolio analysis can help with these decisions. A portfolio analysis assists with setting priorities across a large number of current or potential future activities and programs. Importantly, the outcome of a portfolio analysis is not limited to setting clear priorities, but also provides guidelines for the strategic management of a wide range of activities or programs.

Portfolio analysis will help you to identify your current stars (top performers), question marks (products which need to be either discontinued or fully supported), cash or milk cows (products you should continue with, but not heavily invest in) and dogs (under-performers you should phase out).

A word of warning is in order at this point – do not carry out a portfolio analysis until you are clear about:

- **the long-term vision of your organisation, and**
- **the short-term financial viability of your organisation.**

The reasons for this warning should be obvious:

How could you make decisions on which products and services to invest in, which to discontinue and which to 'milk', if you have no idea what sort of an organisation you want to be in the long-term? Clearly, your portfolio analysis has to be linked to your long-term vision to ensure the resulting strategies take your organisation in the right direction, getting you a step closer towards realising your vision.

At the same time, you have to be realistic. Many organisations occasionally go through difficult periods in which their very survival may be threatened by a lack of resources. An organisation in such a situation would be well advised to focus on short-term survival rather than on pursuing its long-term vision. After all, if the organisation doesn't survive the next 12 months, it will definitely not realise its vision.

In summary, what we are saying is that you should link your portfolio analysis to your vision, ie., base your analysis on the very criteria which will bring you the success you desire (we will look at how this can be done in a very simple and effective way in a minute) – **unless** you happen to have hit very difficult financial times which make it necessary for you to put your vision on the back-burner, focusing entirely on survival.

Thus, the same arts organisation may at times develop its portfolio of products and services in line with its vision, yet at other times, the organisation may need to focus on survival and thus set different priorities when planning its products and services.

If your organisation were in an almost constant survival mode, then our view would be that you have to address some major underlying issues, rather than spend your time developing a marketing strategy. If you seem to never be able to make ends meet, then the concept underlying your organisation is obviously wrong: there is simply no market for what you do in the place where your organisation operates; or the expenses associated with your operation are far too high; or – forgive us for suggesting this – you may have incompetent management or board members.

Let's proceed with portfolio analysis, in the hope that your organisation doesn't fall into the latter category.

WHEN SHOULD A PORTFOLIO ANALYSIS BE CARRIED OUT?

You need to have a clear idea of the overall direction your arts organisation intends to take in the long-term, before undertaking a portfolio analysis. Thus, you should have identified Critical Success Factors and carried out SWOT and Growth analyses before embarking on a portfolio analysis.

WHO SHOULD BE INVOLVED IN CARRYING OUT A PORTFOLIO ANALYSIS?

Ideally, you should involve your organisation's key decision-makers in this process. This will make it possible to reach a shared conclusion regarding the resources and strategies you will apply to productions, exhibitions or other activities.

BRIEF OVERVIEW

1. STRATEGIC FOCUS

Your arts organisation, like any other organisation, may it be commercial or not-for-profit, has limited resources.

While it is important to review a wide range of possible programs and initiatives, only a small number of these can be implemented because of these resource limitations. Portfolio analysis provides a systematic way of identifying how your limited resources should be allocated to products and services (eg., exhibitions, productions).

2. SELECTING THE CRITERIA YOU PLAN TO USE FOR ANALYSING YOUR PRODUCTS AND SERVICES

Portfolio analysis focuses on two key aspects – the two most important criteria you will be using to determine which products and services you should invest in or develop, which ones you should discontinue, and which you should 'milk' by focusing on your efficiency in offering them.

Selecting these criteria is the most important step in the analysis.

If you don't select criteria that are relevant to your arts organisation the portfolio analysis will be worse than useless. The resulting strategies will take you in the wrong direction and you would not only have wasted a lot of time carrying out your analysis, but you might do irreparable damage to your organisation.

If you are in a difficult financial position, you should use commercial criteria to plan your products and services. This may mean using criteria such as 'market attractiveness' and 'relative competitive position'. If, however, your survival is not threatened, you should apply criteria that express the core elements of your vision. For example, you might use 'curatorial/artistic value' and 'public appeal' as criteria if your vision describes an organisation which is presenting product of the highest curatorial/artistic value to a significant audience.

It is important to stress that we cannot help you with selecting the right criteria. Every organisation needs to go back to its vision, describing the sort of organisation it wants to become in the long term, and then set the criteria accordingly.

For example, we once worked in a workshop with a local council organisation which was set up specifically to get disadvantaged people involved in arts events as a means of giving them a different perspective on life and a worthwhile activity to pursue. This organisation would select 'ability of our product to give participants a different perspective on life...' and 'number of disadvantaged people involved' as the two key criteria. The former would be the primary criterion, the latter the secondary one.

Another example: a theatre organisation had been specifically set up to expose as many people as possible to the issue of discrimination against females in our society. This organisation would select 'effectiveness of play in communicating the message' as the primary criterion, and 'size of audience' as the secondary criterion.

Having used the terms 'primary' and 'secondary' criteria we should explain that the former is the dominant criterion. We will come back to this aspect at a later stage.

3. TIME FRAME

You need to determine your planning horizon before starting the analysis. Three years may be long enough to allow for strategic developments, yet short enough to ensure your portfolio analysis is closely linked to your day-to-day marketing program. However, some arts organisations require much longer planning horizons. For example, major art galleries planning their exhibition program may need to adopt an 8 to 10 year time frame when it comes to blockbuster visiting exhibitions or when they plan to develop and tour a major exhibition themselves.

4. PORTFOLIO ANALYSIS AND PORTFOLIO MANAGEMENT

The portfolio analysis is only the starting point. You will have achieved very little unless effective strategies are developed and **implemented** on the basis of your portfolio analysis.

5. COMMON PITFALLS

You will only gain from this analysis if you stick to the methodology. You will have gained nothing by undertaking a portfolio analysis if you simply place your 'products' on the portfolio grid based on your 'gut feeling'. Portfolio analysis is boring and tedious, but it is worth the effort.

PART 3.11.1

CONDUCTING A PORTFOLIO ANALYSIS – THE PROCESS

This section takes you step-by-step through the process of conducting a portfolio analysis. The basic steps are:

1. define products/product groups (eg., exhibitions, productions, performances)
2. select the criteria to be used in making judgements with respect to your products and services.

If you are planning to conduct a **commercial** analysis:

3. determine market attractiveness attributes and rate products
4. determine relative competitive position attributes and rate products
5. position products on the portfolio grid
6. consider the current position of your products
7. plan your future portfolio of products.

If you are planning to conduct a **non-commercial or semi-commercial** analysis follow the above steps, but using your own specific criteria rather than market attractiveness and competitive position.

A commercial analysis should be undertaken if you are in a difficult financial position which threatens your organisation's short-term survival. Otherwise, you will be conducting a non-commercial or semi-commercial analysis.

The first two steps are the same for both types of analysis, but the types of criteria used will differ. This section takes you through a commercial portfolio analysis and should be read regardless of your organisation's position. Section 3.11.2 provides guidelines for a non-commercial or semi-commercial analysis.

STEP 1: DEFINE PRODUCTS

The first step is to clearly identify the products or product groups for which you are preparing a strategy. Sometimes it is just a matter of listing them, in other instances some thought needs to go into grouping products together which require a common strategy.

An art gallery or museum would conduct a portfolio analysis covering a wide range of exhibitions and special programs or activities (which could include educational programs, visiting exhibitions, major events/blockbusters, as well as the specific elements of the on-going exhibition program). A performing arts organisation might conduct a portfolio analysis covering current and planned performances and productions, including those staged at the home venue as well as those staged elsewhere.

Both organisations would include non-arts activities if they compete for resources (for example, funds, space, management attention). These may include a bookshop, coffee shop, electronic or printed products, and so forth.

INSTRUCTIONS

Use planning sheet 15 to record the products (productions, exhibitions, activities, programs) which are competing for your organisation's limited resources.

PLANNING SHEET 15

PRODUCTS	DESCRIPTION
1	
2	
3	
4	
5	
6	

STEP 2: DECIDING ON THE CRITERIA TO USE

We have already covered this aspect in some detail, but we will take the risk of being somewhat repetitive and summarise the key points here. After all, the selection of the criteria to be used is the most important step in the whole process. If your criteria are not appropriate you will end up with strategies that are not only ineffective but could in fact be damaging.

These are the key points you need to take into account:

1. determine to what extent you can work towards realising your vision and to what extent you have to focus on survival
2. if you can do the former, you need to select criteria which are relevant to your vision, ie., relevant to what your organisation is trying to achieve (or even better, become like) in the long-term
3. if you have to focus on survival, you need to use commercial criteria such as 'market attractiveness' and 'competitive position' (we will explore these in a later section)
4. in selecting your criteria it is also important to identify which of your criteria is the primary one (ie., related to the dominant issue or aspect) and which is secondary.

By applying the principles of portfolio analysis, you can achieve a **sound balance between artistic/curatorial value and popular appeal**, ie., between the artistic/curatorial mission of your arts organisation and the commercial reality of the market place.

INSTRUCTIONS

Use planning sheet 16 to record the two criteria you plan to use to evaluate products, services and activities competing for limited resources.

PLANNING SHEET 16

ATTRIBUTES	WEIGHT
1	
2	
3	
4	
5	
	100

The following steps take you through a portfolio analysis using a commercial approach. This may not be the approach you want to take, but you can easily change your analysis by simply using the criteria you have determined as being appropriate to your organisation, given its particular long-term vision and its short-term financial situation.

STEP 3: ASSESSING MARKET ATTRACTIVENESS

NOTE

Firstly, we need to clarify the term 'market attractiveness'. We are not actually talking about how attractive the market finds what you offer but, rather, about how attractive you find the market you are competing in with your products and services. We could have tried to find another, less confusing term but have decided to stick with 'market attractiveness' as this is the term most widely used when conducting commercial portfolio analyses.

Once the products/product groups have been defined, it is time to decide what constitutes market attractiveness. There are no universal rules. **What might be an attractive market to you, due to your particular resources, expertise and ambitions (see Vision, Mission and Goals) may not be attractive to other arts organisations.**

* EXAMPLES

Some arts organisations simply want to attract a large audience that is not price sensitive and loyal – the market attractiveness attributes would be:

- market size (large audience)
- not price sensitive
- repeat purchases or visits.

Some arts organisations want to attract particular market segments, such as a younger audience than the one they typically attract now. Attributes might be:

- young audience
- market size (lots of them!).

The following check-list can be used as a **starting point** in your analysis. Sometimes managers have difficulties with this exercise. Assume that there are a number of markets you could enter. However, due to limited resources, you can only enter one of these potential markets. How would you choose between these markets? Would the respective size of these markets be an important consideration, or their growth? and so on.

CHECKLIST 11 – MARKET ATTRACTIVENESS

CRITERIA	✓
• market growth	
• market size	
• price sensitivity	
• level of sophistication (some audiences are very critical and know a lot about the art form you are active in, others are fairly ignorant and/or easy to entertain)	
• intensity of investments required (are large investments required to remain relevant to the audience?)	
• intensity of competition (competition tends to be greater with respect to some audience segments and less intense with others)	
• barriers to entry for new competitors (how difficult is it for new competitors to enter the market?)	
• possibility of substitution (can your product be substituted?)	
• dependence on economic climate (for example if you are primarily attracting the tourist market, you are strongly dependent on the economy of the nations these tourists are from).	

It is not necessary or even desirable to develop an extensive or complete list of attributes which are related in some way to market attractiveness. Three to five of the most important attributes will suffice. The aim is to isolate those few attributes which would make a *strategic difference* to the attractiveness of a market.

Because some attributes are more important than others, you may want to "weight" the selected attributes. This is most easily done by allocating one hundred points between the attributes on your list with more points for more important attributes and fewer points for less important ones.

Please note that any attribute that has a weight of less than 10 is not likely to have a significant impact on the outcome of your portfolio analysis. **It is therefore a good idea to eliminate this attribute and redistribute the weight to the remaining attributes. This elimination of insignificant attributes will greatly assist you in developing a clear strategic focus.**

* ILLUSTRATION

ATTRIBUTES		WEIGHT
1	Market size	25
2	Intensity of competition	25
3	Market growth	20
4	Price sensitivity (ie., not price sensitive)	15
5	Barriers to entry	15
		100

INSTRUCTIONS

Use planning sheet 17 to

1. list the most important attributes
2. record weights if you feel that some attributes are more important than others.

PLANNING SHEET 17

PRODUCT:

	ATTRIBUTES	WEIGHT	RATING	SCORE
1				
2				
3				
4				
5				
TOTAL				

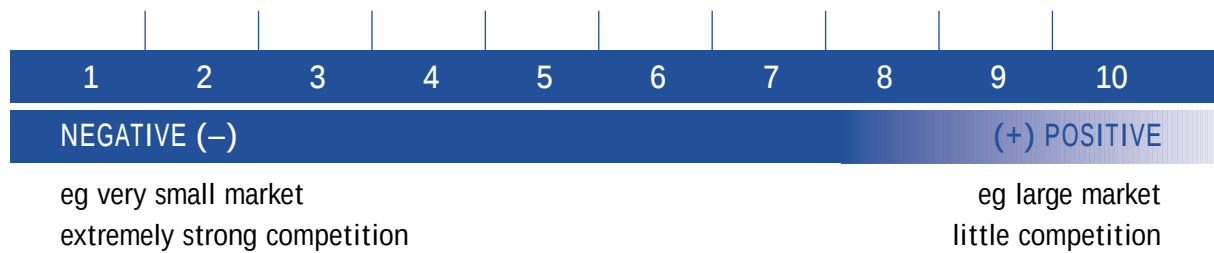
PRODUCT:

	ATTRIBUTES	WEIGHT	RATING	SCORE
1				
2				
3				
4				
5				
TOTAL				

PRODUCT:

	ATTRIBUTES	WEIGHT	RATING	SCORE
1				
2				
3				
4				
5				
TOTAL				

The next step is to rate each individual product/product group on each of the attributes. A rating scale from one to ten can be used, eg:



* ILLUSTRATION

EXHIBITION A

Attribute 1

Market Size for this mainstream exhibition is considered to be substantial, thus a rating of **9** is selected.

- Weighting was **25**, thus the **score** is **9 x 25 = 225**

Attribute 2

Competition is considered to be very strong due to some competitive events staged concurrently, thus a low score of **1** is selected.

- Weighting was **25**, thus the **score** is **1 x 25 = 25**

and so forth.

INSTRUCTIONS

use planning sheet 18 to

1. record a product in each of the headings of the tables
2. record the list of attributes and their weighting in each table
3. for each product separately decide on the appropriate rating
4. multiply the weight with the rating and record the resulting score
5. add up the scores for all attributes to establish the Total Score for each respective product.

PLANNING SHEET 18

ATTRIBUTES		WEIGHT
1		
2		
3		
4		
5		
		100

STEP 4: ASSESSING RELATIVE COMPETITIVE POSITION

There are two steps to be taken, namely:

1. an assessment of which particular attributes would provide an organisation competing in your target market with a strong competitive position
2. an assessment of your relative strengths vis à vis your competitors with respect to these attributes.

Obviously, your definition of competitors will have a significant impact on the apparent competitive position. Let's assume you are a medium sized theatre company. If you define your competitors as 'other theatre companies', you may find that your competitive position is quite reasonable. If, on the other hand, you defined your competitors as 'other organisations competing for leisure time and money', you will find that your competitive position is quite weak.

This raises the question of how broadly you should define your market.

Unfortunately, there are no firm rules we can offer. Your market definition ('I am competing in the theatre market' versus 'I am competing in the leisure time market') needs to find the right balance between:

- being sufficiently narrow to be meaningful and specific
- being broad enough to allow you to explore a wider potential audience and consider some non-traditional strategies.

You may want to start your analysis with a broader market definition and, if you feel that the resulting strategies are too broad to be useful, narrow your market definition and go through the analysis again. This is not a waste of time – you will undoubtedly gain a broader perspective and discover some new aspects you have never thought of before by going through this trial and error process.

The only point we need to make is the following: do not perceive yourself as competing only with arts organisations offering products similar to yours. You are competing with a much wider range of leisure time options and thus with a wider range of organisations. Even a narrow market definition should take this into account. **For example**, you may define your market as those who go out at night for a pre-planned activity or event (rather than just a social night of drinking and partying). This would exclude watching television or reading at home, as well as dinner parties and other social activities, but would include quite a wide range of other activities.

The following checklist provides examples of some of the attributes that may be taken into account in determining relative competitive position.

CHECKLIST 12 – RELATIVE COMPETITIVE POSITION

RELATIVE MARKET POSITION	✓
• market share and trends in market share	
• established track record/well known name	
• strong image profile with key target groups	
• strength of relationship between the organisation and its customers/audiences	
• high degree of satisfaction experienced by past customers/audiences	
PRODUCT STRENGTHS	
• offering top quality products (top exhibitions; productions)	
• innovativeness of products	
• flexibility of products in addressing specific customer needs (eg., a general exhibition program; a school/education program; public lectures; blockbuster visiting exhibitions)	
MARKETING STRENGTHS	
• price competitiveness	
• accessibility	
• well established media relationships leading to favourable media exposure	

As with market attractiveness, the task is to isolate a small number of key attributes which determine the competitive position of organisations competing in your chosen market. **Only key attributes that would make a very significant difference to the competitive position of these organisations should be considered.**

Keep in mind that this is not a list of competitive attributes your particular arts organisation has but, rather, a list of attributes that would give any organisation competing in your chosen market a strong competitive position. It does not matter if your arts organisation has a particular attribute or not. The attribute goes on the list if you believe it would make a significant difference to the competitive position of an organisation in this market – which is all that counts!

Some attributes you have chosen may be more important than others. Thus, you may want to assign weights to each attribute. As before, 100 points could be distributed between all attributes on your list, with the more important attributes receiving more points than the less important ones.

The following example illustrates this process:

* ILLUSTRATION

ATTRIBUTES		WEIGHT
1	strong image profile with target groups	25
2	positive media relationships	25
3	cost advantages	20
4	market share	15
5	price competitiveness	15
		100

INSTRUCTIONS

use planning sheet 19 to:

- list the most important attributes or criteria which would give an organisation competing in your target market a strong competitive position
- allocate 100 points to these attributes, with more points allocated to more important attributes and fewer points to less important attributes
- eliminate any attributes that have been allocated less than 10 points and re-allocate these points to the remaining attributes.

PLANNING SHEET 19

PRODUCT:

	ATTRIBUTES	WEIGHT	RATING	SCORE
1				
2				
3				
4				
5				
TOTAL				

PRODUCT:

	ATTRIBUTES	WEIGHT	RATING	SCORE
1				
2				
3				
4				
5				
TOTAL				

PRODUCT:

	ATTRIBUTES	WEIGHT	RATING	SCORE
1				
2				
3				
4				
5				
TOTAL				

Having completed this step, it is now time to consider **your own** arts organisation. Your organisation's products (exhibitions, productions, school programs, public lectures, studios, workshops, festival programs, et cetera) need to be evaluated in terms of the selected attributes.

The question you have to ask yourself is:

'How does each of our products rate with respect to attribute A, B etc vis à vis our major competitors?'

Again, a rating scale from one to ten can be used. However, while this rating scale looks the same as the one we used earlier for 'market attractiveness' it is very different:

The reason is that we are assessing the relative competitive position of your arts organisation – its advantage when compared to your key competitors. **Therefore, on the rating scale below, a score higher than five means that you are better than the competition. A score lower than five means that at least one significant competitor is better than you. A score of five means that you are as good as the best of your competitors.**



* ILLUSTRATION

EXHIBITION A

Attribute 1

your organisation's image profile with key target groups is stronger than any of your competitors'. A rating of 8 is selected.

Weighting was **30**, thus the **score** is **8 x 30 = 240**

Attribute 2

media relationships are average, thus a rating of 5 is selected.

Weighting was **15**, thus the **score** is **5 x 15 = 75**

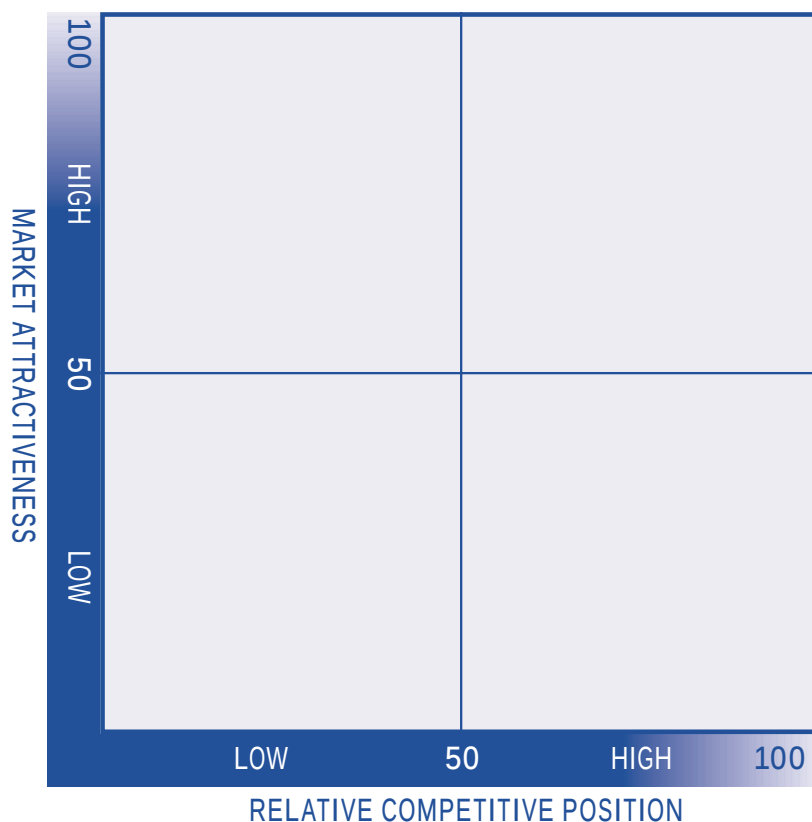
and so forth.

INSTRUCTIONS

use planning sheet 20 to:

1. record the products to be analysed
2. for each product, record the key attributes and their weighting
3. rate each product against these attributes, keeping in mind that the rating process is relative to your major competitors, and record the ratings
4. for each product, multiply the weight with the rating, and record the resulting score
5. for each product, add up the scores and record the total score, which indicates where on the portfolio grid the product will be placed.

PLANNING SHEET 20 – PORTFOLIO GRID



STEP 5: COMPLETING THE PORTFOLIO GRID

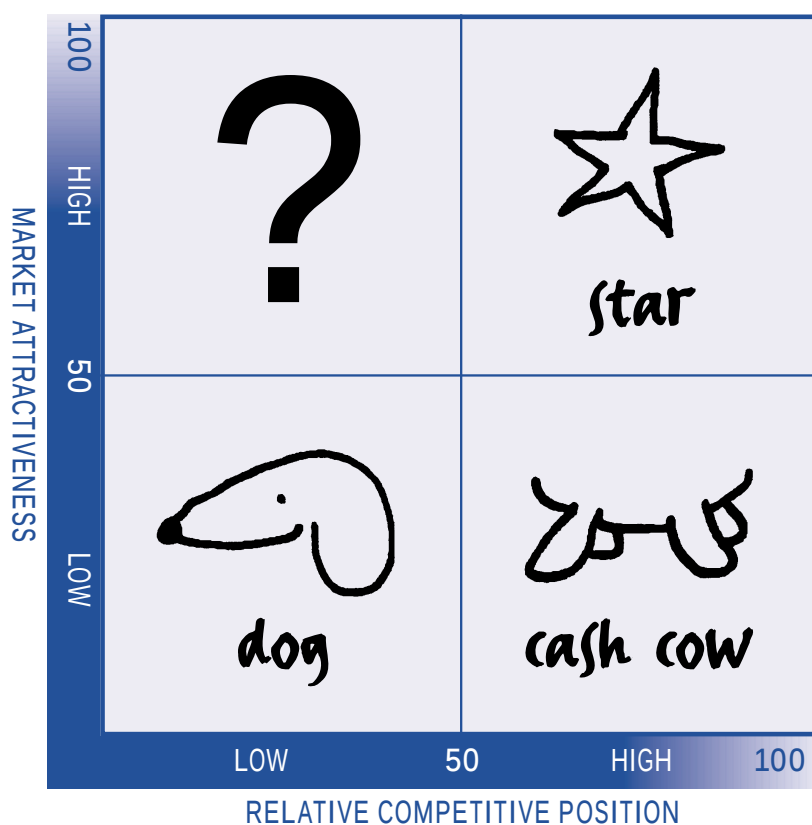
Each product is now placed on the portfolio grid, based on its total score with respect to Market Attractiveness and Relative Competitive Position. Market Attractiveness is the vertical axis for the grid, and Relative Competitive Advantage the horizontal axis.

Note that if you have weighted your Market Attractiveness attributes, you have a scale from 0 to 1000 for the vertical axis. If you have not weighted them, your scale is the sum of the maximum number of points a product could get, if it was rated 10 on all attributes. For example, if you have used 4 attributes, your scale is from 0 to 40.

The same applies to the scale to be used for Competitive Position, the horizontal axis: it is a scale from 0 to 1000 if you have weighted the attributes; otherwise, the scale is from 0 to the number of attributes used times 10 (which is the maximum a particular product could get, if it was absolutely perfect).

The completed Portfolio Grid can then provide the basis for the development of effective product portfolio strategies.

PORTFOLIO GRID



Conducting a Portfolio Analysis is a useful exercise in itself. In the process of developing your organisation's portfolio grid, you have addressed key strategic issues, such as:

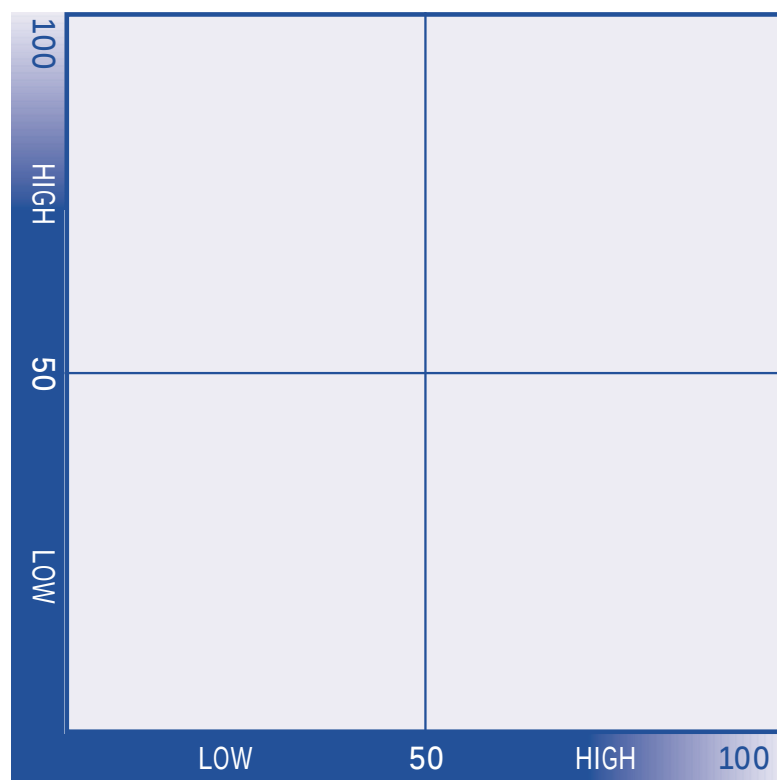
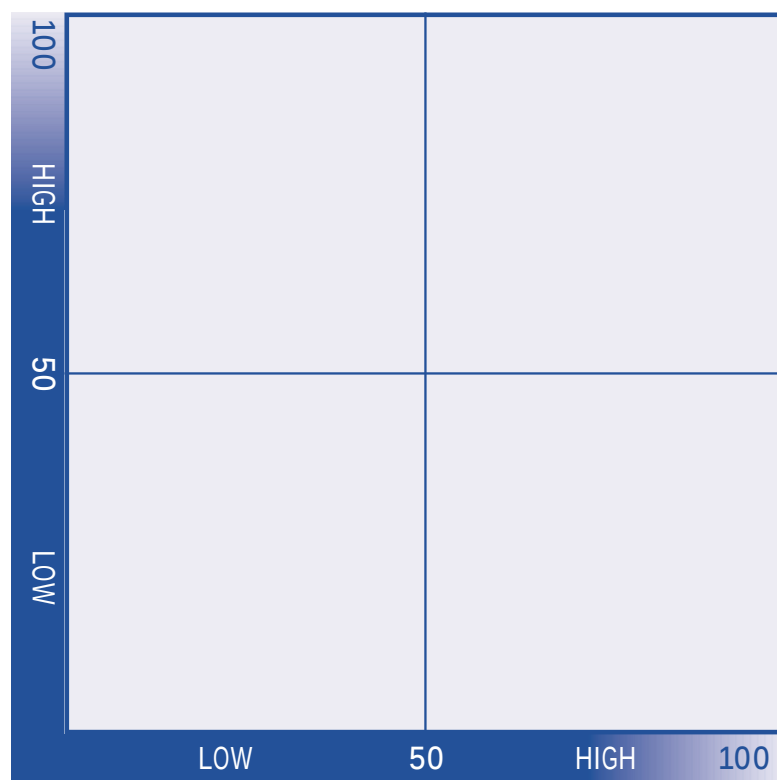
- Which criteria should we use to plan our future portfolio of products, services, activities and events?
- Which characteristics does a market (audience) have to have to be attractive from our point of view?
- What attributes would give our organisation a strong relative competitive position in the market place we decided to compete in?

By rating your various products you have identified their strengths and weaknesses, and have developed the basis for a strategy that uses your limited resources in the most effective way. You can now evaluate the positions of your products.

INSTRUCTIONS

Complete the portfolio grid shown in planning sheet 21 by placing your products in the grid.

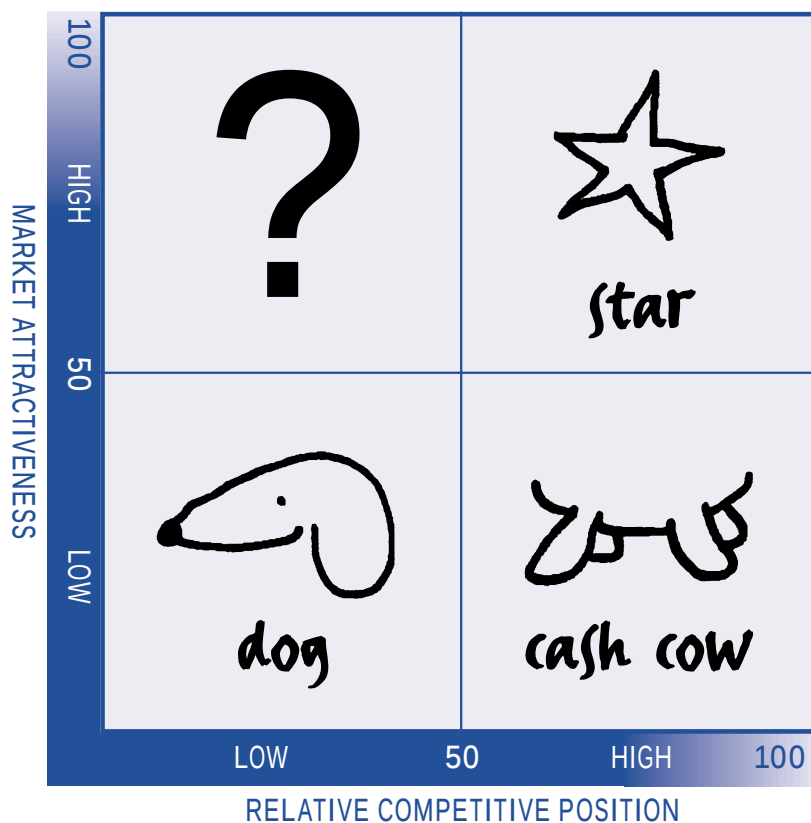
PLANNING SHEET 21



STEP 6: CONSIDERING THE CURRENT POSITIONS OF YOUR PRODUCTS

Broadly speaking, there are four key positions on the portfolio grid. Each product in the portfolio grid can be classified according to its position as a "Star", "Milk Cow", "Question Mark" or "Dog":

FUTURE PORTFOLIO IF NO STRATEGIES ARE IMPLEMENTED



STARS

We are performing well and making the desired impact. The strategic task is to grow this product/activity, to invest and expand. Key considerations are:

- these products require more resources than they are allocated now
- these products offer the best investment opportunities.

MILK COWS

We are performing well with these products, but they are not high priority areas. We should continue with these products/activities, but should explore ways of being more efficient – we want to reduce our resource input to a level where we simply protect the milk cow's position. This should allow us to free up resources to invest in stars and selected question marks. Key considerations are:

- how can we limit our resource usage with these products without 'killing' them?
- usually these products do not offer long-term growth opportunities.

QUESTION MARKS

With question marks we are addressing high priority areas, but our performance or success is somewhat limited. We need to either build our competitive strength or expertise or, if we cannot achieve this – even in the long-term – then we need to seriously consider phasing question marks out. Key considerations are:

- we need to pick the winners and allocate more resources to them to build them further
- unlikely winners need to be phased out/discontinued to free up some resources.

DOGS

Dogs are products/activities we should not be involved in, as we are neither addressing high priority markets, nor are we particularly successful in our efforts. Key considerations include:

- these products require resources but they offer us too little in return – we would be better off investing these resources in other, more successful or promising products
- we should discontinue these products to free up resources that can be allocated to more promising products.

In summary, Portfolio Strategies are aiming at:

- generating resources by milking Milk Cows (by being more efficient) and divesting Dogs and Question Marks which show little promise, to be able to invest these resources in Stars and Question Marks with potential
- creating a "balanced" portfolio – ie., a sound balance between resource generators and resource users.

COMMON PITFALLS

The two most common strategic mistakes are:

1. TO OVER-INVEST INTO A MILK COW PRODUCT

Milk Cow products are usually mature products – products with little or no growth potential in stagnating or even slowly declining markets. They do not offer long-term opportunities. However, in many organisations, these products account for a large share of today's activities and revenues. This leads to a tendency by decision-makers to invest heavily into Milk Cows, arguing that, as Milk Cows "pay the bills", they are indispensable.

Whilst Milk Cows must be protected, it is usually not worthwhile doing anything more than simply keeping them alive.

2. NOT TO DIVEST DOG PRODUCTS

It is sometimes argued that if Dog products show a positive contribution to overhead costs they should not be discontinued as, without them, overhead costs would have to be redistributed amongst other products. However, despite positive contribution margins, these products could incur hidden costs as they:

- tend to account for a relatively large proportion of the time of key staff, because Dog products are problem products and the organisation is struggling to keep them alive.
- take up resources that could be used to develop other, more promising, products.
- may lead to a negative influence on the organisation's image that could affect the whole range of products offered by that arts organisation. In other words, customers/the audience may have had negative experiences with a dog product and therefore believe that other products offered by the same organisation may be of poor standard as well.

Over-investing into Milk Cow products and not divesting Dog products are the two most common mistakes made by organisations, but they are not the only ones. Some arts organisations ignore the potential of their Stars; others fail to properly evaluate Question Marks, not willing to pick the likely winners.

PROBLEMS WITH AN UNBALANCED PORTFOLIO

Your strategies should be based on the following objectives:

- **to generate liquidity/free up resources by milking Milk Cows and divesting Dogs and Question Marks with little promise**
- **to fund/allocate resources to products with long-term potential, ie, Stars and promising Question Marks, and**
- **to create a "balanced" portfolio – ie, a sound balance between resource generators and resource users and/or between short term and long term opportunities.**

Some basic problems arise if a portfolio is not balanced. The key problems an organisation with an unbalanced portfolio is likely to face are shown in the following table:

CHECKLIST 13 – UNBALANCED PORTFOLIO

TOO MANY LOSERS	✓
• <u>cash flow crisis/over-stretched resources</u>	
• <u>heavy losses</u>	
• <u>lack of growth/rejuvenation</u>	
TOO MANY QUESTION MARKS	
• <u>cash flow crisis/overstretched resources</u>	
• <u>inadequate revenues</u>	
TOO MANY DEVELOPING WINNERS	
• <u>excessive demands on limited resources</u>	
• <u>excessive demands on management</u>	
• <u>unstable development/growth</u>	

INSTRUCTIONS

Use planning sheet 22 to

1. record weaknesses in your current product portfolio
2. some actions you might take to correct these weaknesses.

PLANNING SHEET 22

PRODUCTS	WEAKNESSES	ACTIONS
1		
2		
3		
4		
5		
6		

STEP 7: PLANNING YOUR FUTURE PORTFOLIO OF PRODUCTS

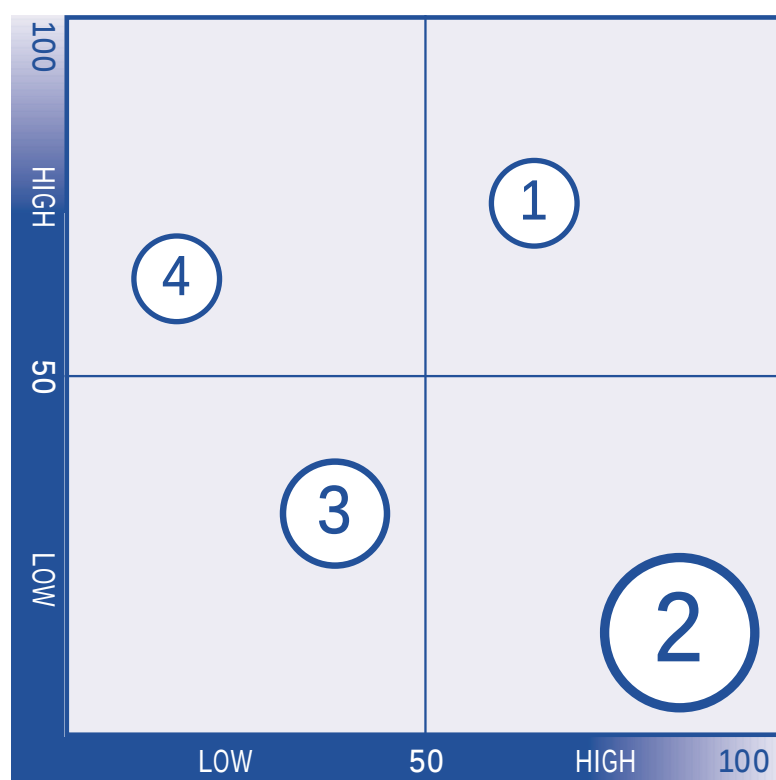
As you are using portfolio analysis to plan your long-term product strategy, you need to project your arts organisation's portfolio into the future. The best way to do this is to first undertake a portfolio analysis showing today's situation. You can then project into the future how this portfolio is likely to develop, if you do not make any significant changes to what your arts organisation is doing today.

You need to consider competitive and market trends when projecting your arts organisation's portfolio into the future.

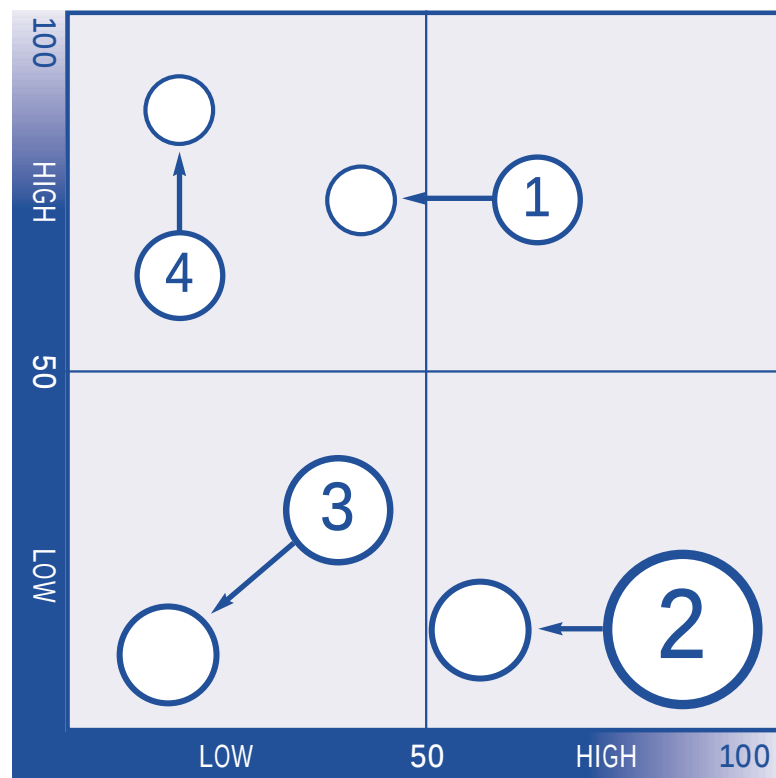
If you are satisfied with the future portfolio you believe would result, then there is no need to make any changes to the strategies and programs that have already been put in place.

If, however, you believe that your future portfolio (or even today's portfolio!) is not as strong or balanced as it should be, then you need to define and implement strategies which will allow you to develop a stronger product portfolio in the long-term. This may include the development of new products, which are designed to create a better-balanced future portfolio.

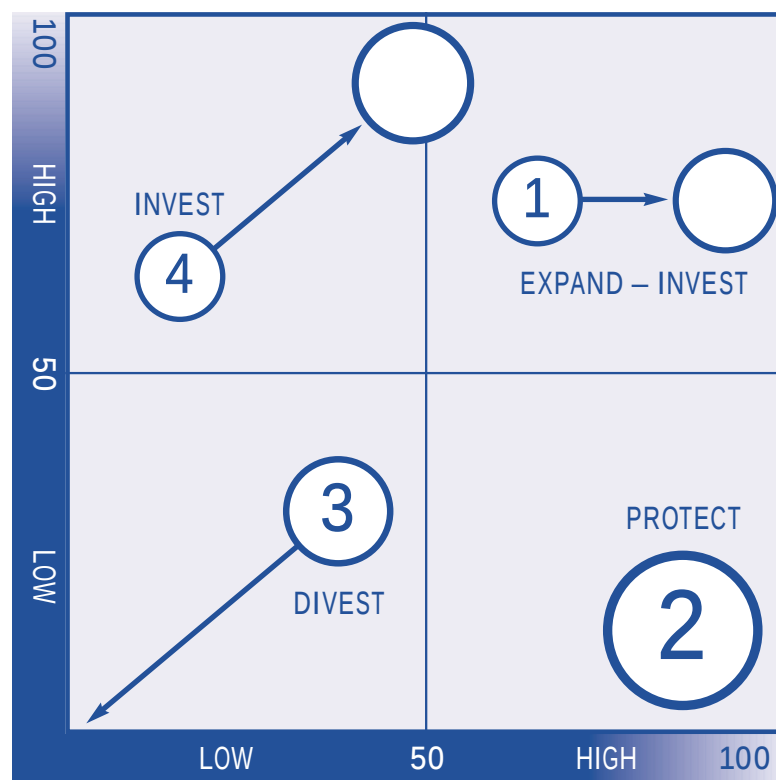
TODAY'S PORTFOLIO MATRIX



PORTFOLIO MATRIX IN FIVE YEARS IF NO STRATEGIES ARE IMPLEMENTED



PORTFOLIO MATRIX OF PLANNED PORTFOLIO

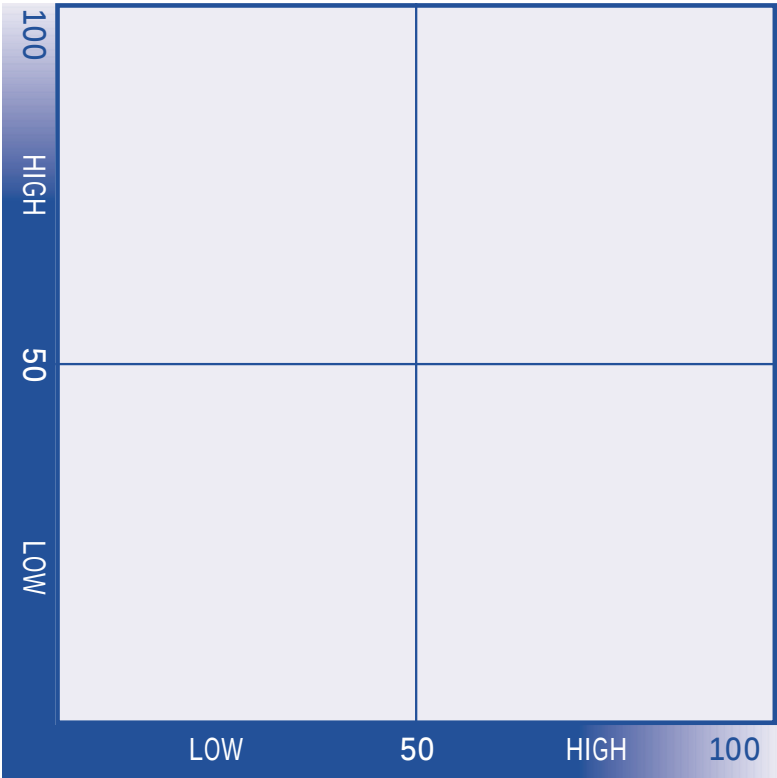
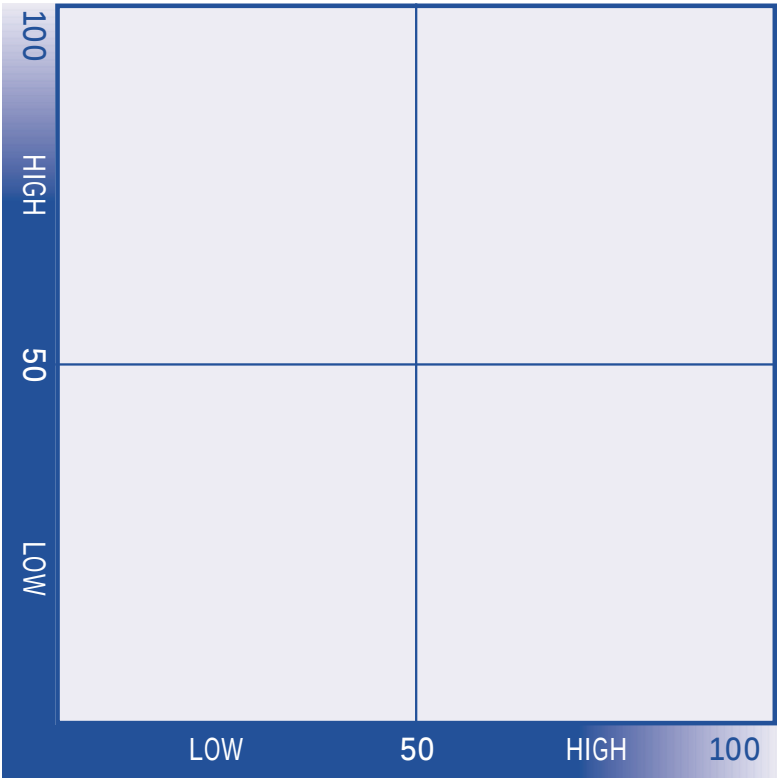


INSTRUCTIONS

Use planning sheet 23 to

1. consider how today's portfolio will change over time due to competitive and market trends
2. document the future portfolio you need to develop in line with your arts organisation's marketing goals and objectives
3. outline the strategies you need to implement to realise the desired future portfolio.

PLANNING SHEET 23



TAKING A NON-COMMERCIAL APPROACH

We have gone through a portfolio analysis taking a commercial approach. However, as we have stressed in an earlier section, a commercial approach is – for most arts organisations – only appropriate if they have to 'go into survival mode', ie., focus on short-term liquidity or resource problems.

At other times, these organisations may want to plan their product portfolio on the basis of semi- or even non-commercial criteria.

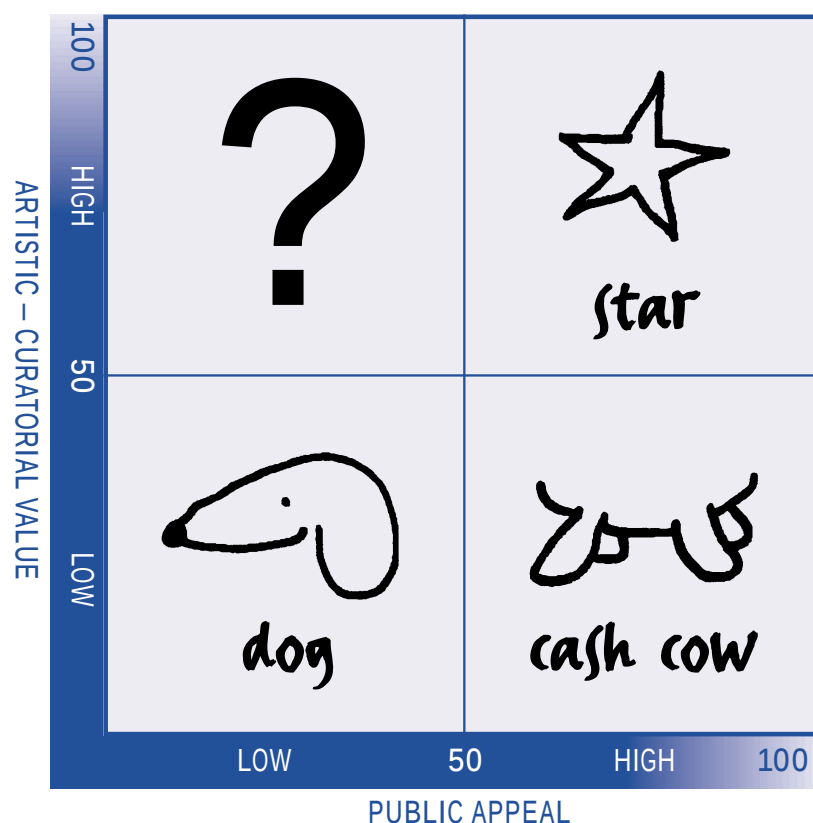
For example, an arts organisation may decide that limited resources should be allocated in a way that allows the organisation to find an appropriate balance between:

- artistic or curatorial value, and
- public appeal.

The resulting portfolio grid shows:

- Star products, which are of significant artistic or curatorial value while also having high public appeal; these products should be developed further, expanded and promoted
- Dog products, which have little artistic or curatorial value as well as little public appeal; these products should be discontinued, freeing up resources to be re-allocated to Stars and selected Question Marks
- Milk Cows, which have high public appeal, but little artistic or curatorial value; these products should be managed efficiently allowing us to re-allocate some of the resources currently used for Milk Cows to Stars and selected Question Marks
- Question Marks, which have high artistic or curatorial value but low public appeal; ideally, these products should be developed into Stars through educating the public and/or finding an appropriate audience for the product. However, some Question Marks may have to be discontinued if they cause a significant drain on resources and there is little hope of ever finding an audience.

PORTFOLIO GRID



Alternatively, an arts organisation might replace artistic/curatorial value with another dimension, such as:

- multiculturalism, or
- equity

or any other aspect that is in tune with the organisation's vision.

The primary criterion should be used for the vertical axis, and the secondary criterion for the horizontal axis. For example, most arts organisations using 'curatorial/artistic value' and 'public appeal' as their criteria will place more emphasis on the former, making it the primary criterion (as shown in the above grid). This means that a product with high curatorial/artistic value but low public appeal will be considered for further development (as a promising Question Mark), while a product with high public appeal and low curatorial/artistic value will simply be 'milked'.

Finally, we need to stress again that the most important step in a portfolio analysis is the selection of the criteria you are going to use. Do allocate some time to consider this decision carefully. If your criteria are not appropriate you will end up with strategies which are not only ineffective, but also possibly damaging!

With respect to the process, it is simply a matter of adapting the planning sheets presented earlier to make them compatible with the two dimensions you select as appropriate for your arts organisation. It is possible that neither of the criteria you select are relative in nature, ie, it would not make sense to use a rating scale which compares your arts organisation with other organisations (as is the case with competitive position). If this is the case, simply use a rating scale like the one we used for market attractiveness for both of your criteria.

* CASE ILLUSTRATION

QUEENSLAND WRITERS CENTRE – PORTFOLIO ANALYSIS

PRODUCTS

PRODUCTS	DESCRIPTION
1 corporate writing courses	<i>course aimed at the corporate sector eg plain English</i>
2 master classes	<i>aimed at developing writers with potential</i>
3 teacher training courses	<i>for teachers organising writers-in-residence programs</i>
4 writers in the library	<i>writers in short-term residence in libraries</i>
5 collaborative courses	<i>courses arranged with other arts organisations</i>

MARKET ATTRACTIVENESS

ATTRIBUTES	WEIGHT
a size	25
b affordability	25
c diversity of the market	20
d low competition	15
e perception of the Writers Centre's excellence	15
	100

PRODUCT: 1 – Corporate writing courses

ATTRIBUTES	WEIGHT	RATING	SCORE
a size	25	5	125
b affordability	25	5	125
c diversity of the market	20	3	60
d low competition	15	2	30
e perception of the Writers Centre's excellence	15	2	30
TOTAL			370

PRODUCT: 2 – Master classes

ATTRIBUTES	WEIGHT	RATING	SCORE
a size	25	3	75
b affordability	25	2	50
c diversity of the market	20	5	100
d low competition	15	8	120
e perception of the Writers Centre's excellence	15	8	120
TOTAL			465

PRODUCT: 3 – Teacher training

ATTRIBUTES	WEIGHT	RATING	SCORE
a size	25	5	125
b affordability	25	5	125
c diversity of the market	20	3	60
d low competition	15	8	120
e perception of the Writers Centre's excellence	15	7	105
TOTAL			535

PRODUCT: 4 – Writers in libraries

ATTRIBUTES	WEIGHT	RATING	SCORE
a size	25	9	225
b affordability	25	2	50
c diversity of the market	20	6	120
d low competition	15	8	120
e perception of the Writers Centre's excellence	15	8	120
TOTAL			635

PRODUCT: 5 – Collaborative courses

ATTRIBUTES	WEIGHT	RATING	SCORE
a size	25	7	175
b affordability	25	7	175
c diversity of the market	20	3	60
d low competition	15	8	120
e perception of the Writers Centre's excellence	15	6	90
TOTAL			620

RELATIVE COMPETITIVE POSITION

ATTRIBUTES	WEIGHT
a track record	25
b quality product	25
c price competitiveness	20
d market share	15
e publicity/marketing	15
	100

PRODUCT: 1 – Corporate writing courses

ATTRIBUTES	WEIGHT	RATING	SCORE
a track record	25	2	50
b quality product	25	5	125
c price competitiveness	20	7	140
d market share	15	3	45
e publicity/marketing	15	5	75
TOTAL			435

PRODUCT: 2 – Master classes

ATTRIBUTES	WEIGHT	RATING	SCORE
a track record	25	7	175
b quality product	25	8	200
c price competitiveness	20	8	160
d market share	15	7	105
e publicity/marketing	15	5	75
TOTAL			715

PRODUCT: 3 – Teacher training

ATTRIBUTES	WEIGHT	RATING	SCORE
1. track record	25	6	150
2. quality product	25	7	175
3. price competitiveness	20	7	140
4. market share	15	8	120
5. publicity/marketing	15	7	105
TOTAL			690

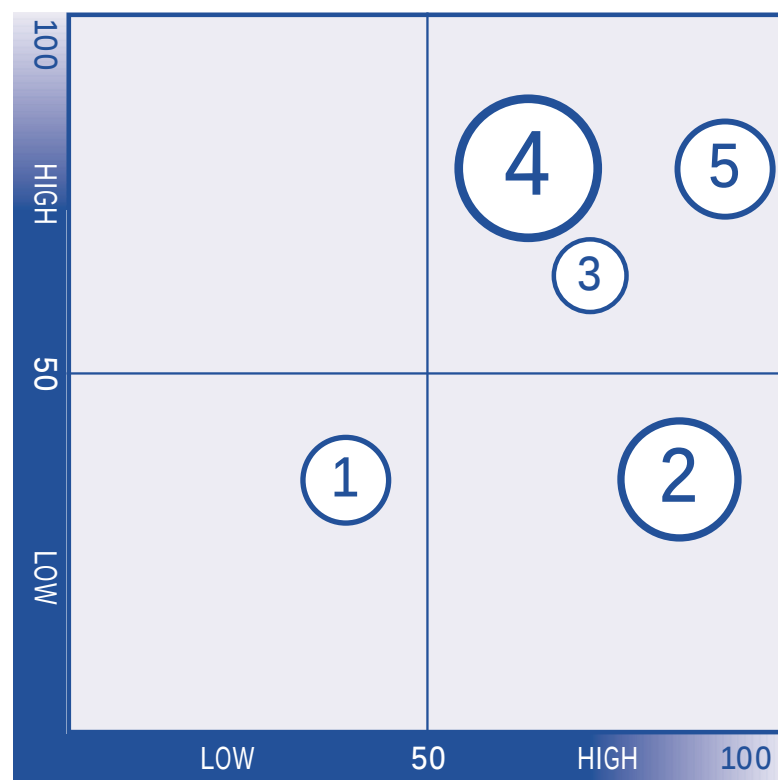
PRODUCT: 4 – Writers in libraries

ATTRIBUTES	WEIGHT	RATING	SCORE
1. track record	25	8	200
2. quality product	25	8	200
3. price competitiveness	20	7	140
4. market share	15	7	105
5. publicity/marketing	15	7	105
TOTAL			750

PRODUCT: 5 – Collaborative courses

ATTRIBUTES	WEIGHT	RATING	SCORE
1. track record	25	7	175
2. quality product	25	7	175
3. price competitiveness	20	7	120
4. market share	15	8	140
5. publicity/marketing	15	8	120
TOTAL			730

PORTFOLIO GRID



PRODUCTS LEGEND

1. Corporate writing courses
2. Master classes
3. Teacher training courses
4. Writers in the library
5. Collaborative courses

PART 3.12

THE MARKETING INSTRUMENTS

THE MARKETING INSTRUMENTS

In this manual we are focusing on strategic, long-term issues. A marketing program which 'puts bums on seats' may be judged successful when considered in isolation. But to be judged successful in a strategic context, it has to do more than that. For example, it has to

- get the 'right bums' on seats, that is, attract the **intended target audience**
- create the **desired image** with this audience (of an organisation which is exciting, dynamic, professional, or whatever is in line with the organisation's long term Vision)
- develop **loyalty**, leading to return visits
- achieve an **appropriate return** from the audience

and so forth.

Moreover, the marketing instruments have to be consistent in presenting your arts organisation and its products. The instruments have to reinforce each other and, as an integrated program, have to achieve more than the sum of the impact of each instrument in isolation.

In this section we will consider some of the strategic issues associated with each of the key marketing instruments. You may find the following criteria useful in evaluating these instruments and in deciding how to use them.

CRITERIA

It is important to consider the criteria you will use in evaluating various marketing instruments.
These may include

CHECKLIST 14

THE OVERALL IMAGE OF YOUR ORGANISATION	✓
• <u>will your organisation be presented in the way it wants to be seen?</u>	
VISION, GOALS AND OBJECTIVES	
• <u>will a significant contribution be made to the realisation of your organisation's Vision?</u>	
• <u>will a contribution be made to the realisation of your organisation's marketing goals?</u>	
• <u>will a contribution be made to the realisation of your marketing objectives?</u>	
TARGET GROUPS	
• <u>will your target groups be reached?</u>	
• <u>will the desired impact on each target group be made?</u>	
CONSISTENCY	
• <u>is the way marketing instruments are used consistent, resulting in a well- integrated approach?</u>	

Following is a brief overview of marketing instruments, before we turn to the question of how these instruments should be used.

PRODUCT

While an arts organisation may define its core product as a particular exhibition, production, performance or festival, it is useful to define your product much more broadly. The term 'product' should not be restricted to only the core product, but should encompass the total product offering.

PRODUCT BRAND

A brand name can be an extremely valuable asset. A well known brand name can:

- earn a premium price
- create barriers to entry for new competitors
- give credibility to new products
- engender pride amongst employees

Brand names can also be used to position subscription packages (eg World Theatre Series) or to focus attention on a particular exhibition. It takes time to develop an image profile for a brand, but it can be a worthwhile long-term investment. Obviously, the positioning of your product brand has to be consistent with the image your arts organisation wants to develop, ie its 'corporate' image.

Brands are also an important means of authenticating products. For example, indigenous art and craft products are often copied. The establishment of a brand name which is only used for authentic products can help to guide the buyer's decision making process. Umbrella brand names, ie brand names shared by a number of artists or arts organisations, can also be an effective means of establishing a market presence in overseas markets, or to establish a 'national brand'.

QUALITY

The quality of the product has to be in line with its positioning. The quality standards you set have to be enforced in all areas, from the brochure promoting the product to the venue, stage or exhibition design and technology used.

FEATURES

Innovative product features can be an effective means of adding value to the core product. Just like airlines hand out little presents to business or first class passengers, arts organisations could surprise their audiences by giving presents to their (loyal) subscribers or by developing some features which surprise their audience.

OPTIONS

You may decide to offer a basic/standard product, and then offer optional extras which can be varied according to market preferences in particular markets. For example, an exhibition of

French Impressionists could be offered with an optional French meal in the Gallery restaurant, a typical French cocktail or snack in the coffee shop, a lecture on French culture, etc.

STYLE

Style can be a crucial element in relating to a particular audience. The style of the venue decoration, the way staff are presented, exhibition or stage design elements, even the style of printed materials, can position the product in a way which appeals to a specific audience.

Arts organisations offering a physical product – such as a craft outlet or commercial gallery – may also consider the following aspects:

PACKAGING

There are three aspects to packaging which have significant implications:

- competitive differentiation (packaging can contribute greatly to the perceived value of products)
- consumer and/or distributor preference
- protection of the product

All three areas need to be carefully addressed for each market, and the cost implications fully understood, before packaging changes are made.

SIZES

There are four considerations with respect to size:

- differentiation (eg a miniature series)
- consumer and/or distributor preference
- effect on the product
- distribution (eg shipping efficiency)

RETURNS

A returns policy needs to be resolved both with customers and with intermediaries such as agents, representatives, wholesalers or retailers. You need to consider what competitors are offering; how often returns occur and why; the cost of replacement versus repair; legal requirements etc.

Usually of less significance are:

- after-sales service
- warranties

CHECKLIST 15 – PRODUCT

1. BRAND NAME	✓
• would the use of product brands allow you to achieve a more focused and stronger market position?	
• will consumers/audiences pay a premium for a branded product?	
• what level of support can you provide for your brand name?	
2. QUALITY	
• is your product capable of constantly meeting the customer's/audience's needs and preferences?	
• where you are dependent on a supplier, have you established procedures to ensure that goods and services provided meet your requirements; and that your requirements adequately reflect the customer's/audience's needs and preferences? For example, many larger arts organisations or performing arts centres contract out their restaurants, coffee shops and, sometimes, book/gift shops to commercial operations. The experience a visitor has when using these facilities can have a significant impact on their overall degree of satisfaction with their visits, and the resulting perceived image of your organisation.	
3. FEATURES	
• do you offer product features which differentiate you from your competitors in a positive way?	
4. OPTIONS	
• can/should optional extras be added to your product range? For example, a combined visitation package, including a meal in the restaurant and a small gift as well as the performance or exhibition.	
5. STYLE	
• does the style of your product reflect tastes/preferences?	
• would stylistic changes to your product improve sales?	
• would the benefits outweigh the costs involved?	
6. PACKAGING	
• will the product inside the packaging be finally presented as intended?	
• does the packaging comply with all the regulations?	
• can the packaging be re-used?	

CHECKLIST 15 – PRODUCT (CONTINUED)

7. SIZES		✓
•	do your sizes conform to legislation?	
•	can size changes provide a marketing difference to attract customers?	
8. WARRANTIES		
•	are there any particular warranty or insurance issues to be considered?	
•	what warranties do competitors offer?	
9. RETURNS		
•	what is your policy concerning returns? Of faulty items/poor handling/mis-use? Of change of customers' minds?	
•	what is the policy of your major competitors on these issues?	

INSTRUCTIONS

1. record key product issues in planning sheet 24
2. describe your options
3. document any action you need to take

PLANNING SHEET 24

	PRODUCT ISSUES	STRATEGIC OPTIONS	ACTION
1			
2			
3			
4			
5			
6			

PROMOTION

Promotions include paid advertising, public relations, sales promotions, direct marketing and on site promotions. Some of the key questions to be asked include:

- how credible is the source?
- how much can be presented? (eg ads have to be briefer than a feature article)
- will the target group be reached? (eg a feature article in the arts section is not likely to be read by non-participants)
- will expectations in the market place be raised?
- is the promotions program consistent with the overall strategy?

Communications instruments essentially represent the means of getting information to the target groups. A number of choices have to be made:

- media – which media will be used to carry information?
- communications strategy – what is the message; what do we want the target group to retain?
- creative strategy – how is the message presented in order to get the target group's attention and generate their interest?
- execution – what are the details of the presentation, the copy and other elements of what is presented to the target group?

Clearly, these aspects cannot be considered in isolation. The particular characteristics of your target group, and your organisation's marketing objectives, have to be taken into account in selecting the right communications mix and deciding on the strategy and execution. Obviously, financial constraints will limit the range of options.

The best starting point is the overall goal (or you may even go back to your organisation's Vision).

For example, an arts organisation which wants to position itself as a dynamic, exciting organisation which offers an innovative, contemporary product to younger audiences, will give preference to the electronic media (if affordable), given that the desired attributes can be expressed more effectively using the electronic media.

The creative strategy and execution will need to be exciting and dynamic, in line with the projected image of the organisation. Sales promotional activities can add some razzle dazzle. Once the audience has been won, it is important to deliver the promised excitement. Obviously, the core product (the show, exhibition, etc) needs to live up to expectations, but the total product can be strengthened by ensuring some surprises, planning some dynamic on-site (sales) promotions activities, and offering optional product features (eg packages with 'appealing' dinner or drink options).

The program for an older, more conservative audience would obviously look quite different with respect to media choice, the attributes projected through creative strategy and execution, and the value-added product features or promotions planned.

Following is a brief overview on some communications instruments:

PAID ADVERTISING

advantage: you can control content and select the media which reach your target audience in the most effective and efficient way

disadvantage: high cost and low credibility

Options include:

- television
- radio
- print
- newspapers
- magazines
- special interest publications (eg arts magazines)
- industry publications (eg arts industry publication)
- outdoor (eg posters, billboards)

PUBLIC RELATIONS

advantages: often relatively low cost; highly credible

disadvantages: media exposure can rarely be guaranteed (when you pay for an advertisement you know it will appear – but when you pay a public relations agency, they may fail to get any significant exposure in the media); lack of control over message

Typical Public Relations activities include:

- news releases
- feature articles and stories
- media conferences or events
- editorials

Public Relations does not have to focus on a mass audience. Other options include:

- internal relations
- special interest group public relations
- general public relations
- corporate and community public relations

SALES PROMOTIONS

advantages: offer an opportunity to differentiate the total offer; can re-inforce a particular positioning or reflect the product offered (eg a sales promotions theme related to the play or exhibition)

disadvantages: tend to be labour intensive and expensive when undertaken on a large scale

Sales Promotions examples are:

- special offers
- discounts
- merchandising (T-shirts, pens, posters...)
- video and audio tapes; CD ROMs

DIRECT MARKETING

advantages: it is often possible to target your audience with little wasted effort

disadvantages: used to be an effective approach, but today it is used so widely that it is necessary to offer an impressive product or to adopt a highly creative strategy and execution to gain the attention of the target audience

Typical direct marketing options include:

- direct mail
- telephone contact (eg telephone subscription selling)
- face to face contact (eg bringing buyers to Australia)

ON-SITE PROMOTIONS

advantages: captive audience; often quite inexpensive relative to impact

disadvantages: usually requires staff resources

On-site promotion is probably the area of opportunity which is most neglected by most arts organisations. While we concede that the coverage is limited to the audience which has already been attracted rather than getting the potential audience to participate, we feel that a lot can be done to sell subscriptions, the next show or exhibition, or generally to build a stronger relationship with the audience, through the effective use of on-site promotions.

Options include (note that we have included some options which, arguably, provide information rather than promoting something – although indirectly these options do promote a product, event, activity or venue):

- information sheets and schedules
- guidebooks
- displays

- screening of videos
- recorded information
- guides and lectures
- souvenir and gift shops
- staff comments and recommendations
- displays

BOX OFFICE

While the Box Office as such is not a promotional activity, it needs to be mentioned in the context of this section, as it provides a sound platform for a wide range of promotional activities.

The Box Office offers a captive audience for on-selling, ie when potential customers ring or transact over the counter, they can be targets for up-selling, on-selling or just generally providing them with information and promotional material. The Box Office records also provide a unique database, allowing arts organisations to target particular segments which have shown interest in particular art-forms, events, and activities.

CHECKLIST 16 – PROMOTIONS

TARGET GROUPS	✓
• are you reaching your target groups?	
• is your promotional message relevant to these target groups?	
COMPETITION	
• how much do your main competitors spend on promotion?	
• what are their main promotional activities and how effective are these?	
• are you differentiating your arts organisation, product and/or brand from your competitors?	
COMPETITIVE STRENGTHS	
• what benefits differentiate you from your competitors?	
• what is the best way of promoting these benefits?	
PROMOTIONAL MIX	
• do all promotional activities consistently stress the same attributes and benefits?	
• is the creative strategy and execution consistent across media and the whole range of promotional activities?	
FINANCIAL CONSIDERATIONS	
• what is the promotional budget necessary to achieve your marketing objectives?	
• how will the promotional program be funded?	
• what are the proposed contributions by third parties, such as commercial partners (eg contractors operating your restaurant, coffee shop or bookshop; suppliers; sponsors)?	
PERFORMANCE CRITERIA	
• what are the measurable objectives of the promotional program?	
• who will assess the effectiveness of the promotional program? when?	

INSTRUCTIONS

1. record key promotional issues in planning sheet 25
2. describe your options
3. document any action you need to take

PLANNING SHEET 25

	PROMOTIONS ISSUES	STRATEGIC OPTIONS	ACTION
1			
2			
3			
4			
5			
6			

PRICING

There are essentially two approaches to pricing, namely

COST PLUS PRICING

The 'cost plus' approach is useful for establishing what the overhead contribution must be. The other end of the spectrum is the setting of an optimum price, which requires an understanding of what the market would be willing to pay. With the 'cost plus' approach it is important to ensure that all relevant costs are included and that there is a fair contribution to overheads.

DEMAND BASED PRICING OR WHAT THE MARKET WILL BEAR

This approach aims to charge customers/the audience the highest price possible within the framework set by the marketing objectives. For example, the marketing objectives may demand the development of subscribers (or generally a loyal audience base), the creation of a particular image for your art organisation, etc. These objectives obviously need to be considered in setting the highest price possible. Often the whole exercise boils down to setting the highest possible long-term price, which contributes to the realisation of the long-term marketing objectives.

In other words, we are not referring here to a 'hit and run' strategy, but rather a strategy where the audience perceives value for money. Obviously, adding benefits to the audience's experience will allow the organisation to charge a higher price without a drop in satisfaction.

THE IMPACT OF ADMISSION FEES

Discussions on pricing have received quite some exposure lately, with many arts organisations experiencing declining government contributions and a tough sponsorship market. In particular major art galleries and museums have been forced to introduce admission charges. The experiences of these institutions can help us to understand the impact of pricing decisions:

- six out of the 13 UK national museums charge entrance fees; those that charge have seen their attendance figures decrease by 40%
- the London based Science Museum saw the number of visitors fall by 55% after introducing a £2.50 admission charge, despite allowing free entry after 4.30 pm
- the Natural History Museum in London experienced a drop from 2.7 million – before charges were introduced – to 1.7 million visitors (ie 37%)
- the Tate Gallery experienced a decline of 300,000 visitors, down to 1.2 million, when introducing admission charges
- the National Maritime Museum was the first of the UK's national museums to introduce admission charges and saw its visitor numbers fall by 15%, from a base of 900,000
- the Victoria and Albert Museum experienced a 35% drop in attendance when introducing admission charges of £2.00

- Birmingham Museum dropped their charges to its branch sites and saw attendances soar by 126%; most successful has been the Birmingham Nature Centre where attendances rocketed from 65,000 a year before charges were abolished, to 260,000 in the first year without entry charges – an increase of 300%; the Museum claims that lost revenue from ticket sales is almost exactly balanced by increased takings in tearooms and exhibition shops

The impact of admission charges on visitation figures varies, of course, depending on the size of the admission charge, and the significance of the institution.

It would be very dangerous to make pricing decisions in isolation. We have stressed several times already the need to consider the total marketing mix and the overall marketing objectives, rather than deal with each marketing instrument in isolation. Major galleries and museums making a decision on entry charges have to consider the commercial benefits or larger audiences, rather than just the earning potential through the levied charges.

For example, the National Gallery of Victoria considered a range of commercial opportunities when analysing the possibility of dropping entry fees. The conclusion reached was that the Gallery's ability to generate funds from other commercial activities would benefit substantially from the introduction of free admission, since a larger number of visitors would then be willing to spend more on other products and services, notably the Gallery's active program of special exhibitions.

Revenue sources which would increase materially include audio tours, publications, merchandise and catering sales. Spending patterns and audience surveys confirm that visitors are more prepared to spend money once in an institution if they have not had to pay for entry. Furthermore, they do so more willingly, feeling they are getting "value for money" and are therefore more likely to return. (The Metropolitan Museum of Modern Art in New York recently stopped charging for special exhibitions for this reason.)

Larger visitor numbers also reduce the cost per visitor due to the significant fixed cost component typical for a Gallery operation. For example, it costs the equivalent of £15.66 per visitor to run the National History Museum (which charges); £16.71 to run the Victoria and Albert Museum (which has a voluntary charge) but only £6.75 to run the free British Museum for its 4 million visitors.

The cost base of a gallery is proportional to the size of its collection. Its operation is typically characterised by a large fixed cost component, with few variable costs sensitive to visitor numbers. Its revenue side, on the other hand, is highly sensitive to the number of visitors. Like other organisations which experience step-wise fixed costs, a Gallery typically experiences step-wise revenue when visitor numbers increase, while the cost structure is hardly affected.

Larger visitation numbers allow the Gallery to utilise its fixed costs more effectively and benefit a larger number of patrons with a lower per head cost, while at the same time increasing its revenue base and thus its overall financial result.

Increased patronage is also likely to have a positive effect on support in the form of corporate sponsorships and private bequests.

DISCOUNTS

Consideration should be given to the following discounts:

- quantity discounts for larger orders – eg family tickets, subscription price
- cash discounts for prompt payment
- promotional discounts to support advertising and promotional activities – eg a special offer as part of a sales promotion
- discounts to attract price sensitive market segments – eg reduced entrance fee on a particular day of the week.

INSTRUCTIONS

1. record key pricing issues in planning sheet 26
2. describe your options
3. document any action you need to take

PLANNING SHEET 26

	PRICING ISSUES	STRATEGIC OPTIONS	ACTION
1			
2			
3			
4			
5			
6			

PLACE

The 'place' is where

- a play or exhibition is staged
- visual art or craft items are offered for sale
- agents represent your arts organisation's interests

The choice of the place (may this be the permanent venue owned or leased by your arts organisation, or a venue or outlet used under contract) will have a significant impact on the target group you can attract. Issues such as

- distance
- accessibility
- public transport access
- availability of parking
- the costs of accessing the 'place' (eg parking fees, public transport ticket)
- appeal of venue in its own right

will all have an impact on the potential audience's decision making process.

It is also clear that architectural design can be an effective means of re-positioning an arts organisation or positioning a new organisation. For example, San Francisco's new Museum of Modern Art, designed by architect Mario Botta, is impressive enough to be considered among the great modern art museums now. Botta's combination of industrial design and metaphors of space allowed him to place the museum in the heart of the city while keeping a rural feel.

Arguably, one of the most dramatic rejuvenation programs through infrastructure development has taken place in Paris. The Louvre completed the second stage of its three-part renovation plan when it opened the Richelieu Wing on November 18, 1993. The opening of the Richelieu wing is the latest phase of a 12-year, \$1 billion project. The first stage of the project was the construction of architect I.M. Pei's controversial glass and steel pyramid in 1989, functioning as the main entrance to the museum.

In 1992, 39 new exhibition rooms, containing roughly 700 French paintings from the 17th and 18th centuries, were opened to the public.

A new 'underground city' below the Louvre is providing visitors with underground restaurants, bookstores, boutiques and parking facilities, highlighting the importance of planning the right balance between exhibition space, commercial facilities and access related facilities.

In addition to virtually doubling the museum's exhibition space, the renovations and expansions are expected to turn the museum into a new attraction for visitors who have already been to Paris but may now want to see what's new.

Almost 5 million tourists visit the Louvre each year, according to the French Government Tourist Office.

Infrastructure development obviously requires major funding to be done well. For example, the San Francisco Museum of Contemporary Art cost \$60 million and the Museum of Contemporary Art in Chicago cost \$55 million to construct. Closer to home, the State Government is investing \$260 million into the new Museum of Victoria facilities.

The following checklist covers some of the key 'place' issues which need to be considered.

CHECKLIST 17 – PLACE

VENUES	✓
• does the venue allow your target group easy access to your product?	
• is the venue consistent with the image you want to project?	
• is the cost of the venue affordable?	
• does the venue provide value for money?	
• does the venue contribute to differentiating you from your main competitors?	
• are venue staff who are likely to interact with your customers, providing quality customer service?	
• is the capacity of the venue sufficient to allow your customers to enjoy their experience without major queues, traffic jams or claustrophobia?	
• is the venue management willing to support your in-venue promotional activities?	
• does the venue staff have the required technical knowledge to support you fully?	
• does the arrangement and generally the relationship with the venue management allow you to project your own image, rather than being dominated by the image of the venue?	
• does the venue allow you to develop a diverse range of value-added options or complementary products?	
• is your arrangement with the venue exclusive?	
The following aspects may be relevant to commercial visual arts and craft organisations:	
INVENTORY	
• does your existing inventory policy meet the requirements of your customers?	
• what inventory levels are held by your competitors in the market place?	
• is there any way of reducing inventory holdings?	
TRANSPORT	
• is there an economic choice between freight modes?	
• what are your competitors doing?	
• what would the market prefer?	
• can the product and/or its packaging be modified to optimise the shipping space?	
• will the internal and external packaging withstand the toughest environmental conditions relevant to your product?	
• do you have in-house expertise to handle the forwarding program, or do you need to use a freight forwarder?	
• what other issues need to be addressed in getting your product to the market place?	

INSTRUCTIONS

1. record key 'place' issues in planning sheet 27
2. describe your options
3. document any action you need to take

PLANNING SHEET 27

PLACE ISSUES	STRATEGIC OPTIONS	ACTION
1		
2		
3		
4		
5		
6		

PART 3.13

MARKETING STRATEGY

PART 3.13.1

EDUCATION

It would be remiss not to mention Education as a possible element of a marketing strategy. Educational programs can have a significant impact on participation rates. Some countries, such as Austria, have developed extensive programs to ensure school students visit performances and familiarise themselves with various art forms during their formative years.

Much research has been undertaken on education in a museum or art gallery setting. In the US, the American Association of Museums established a task force on museum education in 1989, and the AAM board of directors adopted the report *Excellence and Equity* in 1991. This report presents an expanded definition of the educational role of museums. It identifies 10 principles for consideration and action by the museum field, subsumed under three key ideas:

- the commitment to education as central to a museum's public service must be clearly stated in its mission and primary to all activities, including collecting, exhibiting and preserving
- museums must become more inclusive places that welcome diverse audiences and should reflect the pluralism of their community in every aspect of their operations, governance, collecting, programs, exhibits and public relations
- dynamic leadership from individuals, institutions, and organisations within and outside the museum community is the key to fulfilling the museum potential for this public service in coming years

(for details see: Bonnie Pitman, 'Excellence and Equity. Moving Forward', in *Museum News*, Jan/Feb 1993, pp 48 – 49)

The use of the word equity in the title refers not only to the public's participating but also to the dual mission of museums to preserve and educate. (see the report quoted above for the list of 10 principles)

INSTRUCTIONS (use only if relevant)

1. record key issues related to educational programs in planning sheet 28
2. describe your options
3. document any action you need to take

PLANNING SHEET 28

	EDUCATIONAL PROGRAMS	STRATEGIC OPTIONS	ACTION
1			
2			
3			
4			
5			
6			

MULTIMEDIA/NEW TECHNOLOGIES

The use of new technologies, in particular multimedia technologies, is another strategic issue which can have a significant impact on your marketing strategy. In particular, visual arts organisations all over the world are exploring options and formulating their strategies.

MULTIMEDIA AS PART OF THE EXHIBITION EXPERIENCE

It is generally recognised by museums and art galleries that the public 'likes' the objects on display and feels a need to know how to appreciate them and a need for richer interpretive and contextual information. There is great potential for interactive media to fulfil this role. The computer data becomes a link between the curator and the object, and the software structure becomes the medium through which visitors can make their own personal connection with the exhibition piece.

Multimedia is ideal for this purpose because of three of its inherent properties, argues Ralph Wayment (see 'Active, interactive and immersive multimedia in gallery environments', in *Information Services and Use* 14 (1994), pp 199 – 205):

- Firstly, because of its use of a flexible, non-linear structure to the content of the work;
- Secondly, because it redefines the role of the audience from viewer to participant; and
- Thirdly, because computers are capable of storing, accessing, manipulating and displaying large amounts of different types of materials relatively fast.

According to Wayment, multimedia information systems in galleries generally fall into six categories:

- The administrative catalogue – a complete catalogue of a collection with pictures of the collection accompanied with hypertextual (cross-referenced) information about the object. This catalogue is usually not seen by the public but can be the data source for the more creative interactives being exhibited
- The guide – basically an interactive map that gives visitors an overall perspective on the gallery, its services, and its current and future exhibitions
- The global piece – either an interactive mini-catalogue of a collection or an interactive that supplies a contextual background to a gallery with a sharply focused range of exhibits
- The exhibition-specific piece – an interactive guide with interpretive and contextual information designed to be located within the exhibition space
- The stand-alone or external piece – which is an exhibit in its own right or a multimedia piece designed for publication rather than exhibition
- The multimedia gallery – a dedicated gallery area with flexible multimedia capabilities, to stage a range of different multimedia exhibitions.

The implications include:

- the restructuring of physical space in galleries
- partnerships with the developers and manufacturers of computer hardware and software
- increased co-operation inside galleries among people from different departments contributing to the creation of multimedia works
- re-examination of the relationship between artists and computers, which are no longer simply creative tools but are becoming the medium of expression

The partnership with global information technology firms is particularly relevant to large visual arts organisations and museums. For example, the exhibit entitled 'Virtual Reality: An Emerging Medium' held from Oct 23 to Nov 1, 1993 at the **Guggenheim Museum** in New York, NY, was a joint venture with **Intel Corp**. The occasion was totally different from traditional exhibits because it used a computer network to present works of virtual art which transported the viewers to imaginary past and future locations.

Intel provided the hardware while WorldToolKit took care of the software. High-tech equipment was used to project the images. With the installation of both the network and the hosting of the virtual reality exhibit, Guggenheim has strongly indicated its intention of keeping up with technology.

MULTIMEDIA TO PROVIDE ACCESS TO A MORE SUBSTANTIAL PART OF THE COLLECTION AND TO PROVIDE VISITORS WITH IMPROVED ACCESS TO THE COLLECTION DISPLAYED

Probably the best illustration of the contribution multimedia can make with respect to improved access is the Micro Gallery at the National Gallery in London.

Displaying over 2,200 paintings with over a thousand secondary illustrations, dozens of animations, and some three hundred thousand words of supporting text, the Micro Gallery system occupies more than a gigabyte of disk space, or the equivalent of 2,000 full length novels, making it probably the largest system of its kind in the world.

The technical specifications for the Micro Gallery system were so demanding that when work began on the project in 1988, neither the development software nor the computer hardware that would eventually be needed to run the system were commercially available. The design called for an extremely large number of images to be displayed in full colour on large screens at the highest possible resolution and quality. An important constraint was that the Micro Gallery would be used by people with little or no computer experience. Another was that it had to run sufficiently fast to be 'browsable', which in practice called for an access time of one second or less from screen to screen.

The finished Micro Gallery project has taken more than twenty person years of effort over a three year time period. The final design enables a visitor to explore all of the material and special facilities contained in the Micro Gallery by touching just seven simple controls.

The Micro Gallery is sponsored by American Express Foundation.

PROVIDING ACCESS OUTSIDE THE GALLERY

There are a number of CD ROM productions featuring paintings. Microsoft has actively bought the electronic rights to various major art works. A number of art galleries (and museums) have also produced their own CD ROMs.

Some of these productions aim at the education market, others at the gift, souvenir, art connoisseur and other market segments.

While it has been argued that the market penetration of CD ROM players is still not as extensive as one would like it to be, there are significant growth rates, with many of today's PCs offering built-in CD ROM players.

An Australian Federal Government project investigating the possibility of producing the primary school curriculum on CD ROM and placing workstations in each of its 7,127 primary schools, costed the workstations at \$4,000. Each copy of a CD ROM master is estimated to cost \$10.

The use of digitised images is not limited to CD ROMs and other storage media. One advantage is the ability to provide access on demand. Some advocates argue that the exposure could attract new visitors – and new donors – to the facilities (see for example Thomas J DeLoughry, 'Museums Go High-Tech', in *The Chronicle of Higher Education*, Sep 14, 1994, pA47, A49).

A program that Apple Computer put together to show off its new QuickTime VR software demonstrates how, in the near future, one might 'visit' the Asian Art Museum of San Francisco from afar. The program allows a computer user to 'enter' the museum and 'look around' at the exhibits. The software eliminates the need for the clumsy goggles often used in virtual-reality programs by creating a feeling of three-dimensionality on the computer screen. People can use the keyboard to turn left or right as they move through the museum, and they can move close to exhibits, pick up objects and rotate them on the screen to look at all sides of them.

The World Wide Web on the Internet allows online users to browse through museums throughout the world. Displays of art resemble a colour newspaper page, and users can retrieve text, pictures or sound.

Museums and galleries on the Internet (see *Omni*, v17, n4, p25) include:

- The Andy Warhol Museum (Pittsburgh)
- Art Museum, Princeton University
- The Exploratorium (San Francisco)
- Frederick R Weisman Art Museum, University of Minnesota
- Krannert Art Museum, University of Illinois at Urbana-Champaign
- The Louvre
- Michael C Carlos Museum, Emory University
- Museum of Paleontology, University of California at Berkeley
- National Museum of Natural History, Smithsonian Institution

- The National History Museum (London)
- Peabody Museum of Natural History, Yale University
- Museum of New Zealand
- The London Transport Museum
- The Singapore Art and History Museum
- Jerusalem Mosaic

Online museums reach a global audience. The California Museum of Palaeontology had 'visitors' from 41 countries during August 1994, and sends more than 6,000 files to online visitors each day.

Many online services also have their own excellent museum resources. America Online hosts the Smithsonian Institution (and also provides access to its Journal American Art), with great photos of exhibits, as well as the National Museum of American Art, which has over 260 images of American painting and folk art.

Many Museums such as Emory University's Michael C Carlos Museum and Delaware's Winterthur Museum use a combination of computers, CD ROMs and the Internet to give visitors a detailed description of their exhibits. Networks can give people outside information about a museum's exhibits and can help students in schools to prepare for visits to a museum. The new system offers patrons information not previously available.

BENEFITS AND BARRIERS

Major **benefits** include

- the technology helps to transform galleries from merely comfortable places to walk through on a Saturday afternoon to learning centres where visitors can study topics in depth
- technology can also help museums reach out to the education sector in ways that were not possible before. Putting information on CD-ROMs or on the Internet will help students prepare for their visits and review afterwards what they have learned
- the mass of information stored in the backrooms of museums has been largely inaccessible to patrons and can now be unlocked through computer networks.

Barriers include

- the high cost of digitising the information
- the lack of technical standards needed to guarantee that today's databases will be accessible tomorrow
- getting institution-wide commitments to the technology. Many of the projects being undertaken by small teams of people will not achieve their goals, unless top administrators recognise the importance of the efforts and provide their support.

THE INTERNET

With respect to the Internet, we have so far limited our discussion to a range of applications appropriate for visual arts organisations. However, we expect the Internet to have a much broader impact on arts organisations. The following section explores some of the likely developments.

ACCESS TO THE 'RIGHT' AUDIENCES

Because the Internet allows the user to browse and search for their specific interests, it is likely that most visitors to your web site will have a general interest in what you have to offer.

Importantly, you can provide a range of options for a visitor to your web site, with each option focusing on a particular aspect or component of your organisation, which allows you to provide in-depth information to particular interest segments. For example, those who are interested in the educational aspects of your institution can take one path through your site while those who are interested in the key exhibitions/performances or institution-specific aspects can take another.

Some concern has been expressed that potential visitors may not visit the 'real' thing after having visited the Internet site. However it has long been recognised that production and publication of artists' work assists audience attendance. The same is likely to be true of the Internet experience. People become excited about what they see on the screen and want to experience the real thing.

PRODUCT FEATURES

Many arts organisations will find new ways of adding new features to their core product. Generally speaking, product features delivered through the web site can contribute a dynamic dimension to the organisation: they can entertain, educate, inform or simply orient the visitor into the electronic presentation. This may relate to selling subscriptions, membership with a Friends or other support organisation, the next performance or exhibition, or commercial enterprise (eg, bookshop, coffee shop) on site. On-selling, such as subscription or membership offers can be cleverly integrated into the electronic presentation, as can performance and exhibition dates and details.

EFFECTIVE COMMUNICATIONS

Expensive and wasteful print material will be eliminated. In the final analysis, how many of the brochures and pamphlets reach the intended market?

A clearer separation of organisational and product marketing can be achieved. For example, visitors to your web site will be able to select topics dealing with your organisation, such as its history; members of the Board; the latest annual report and most up-to-date statistical information. Others may only be interested in exhibitions or performances. Interest in one area may stimulate interest in the other.

RESEARCH

Feedback and other user response relating to the services and facilities offered by individual institutions are potentially available via the web site; for example, by brief incentive linked questionnaires.

Info California, a successful network of government Public Information Kiosks, displays a self-completion questionnaire on the screen after every Kiosk use and participation rate is relatively high. While this does not provide statistically reliable data, it is certainly a useful way to get feedback from users.

INTER-ORGANISATIONAL CO-OPERATION

This is an area which shows significant benefits. Major programs, such as RAMA (Remote Access to Museum Archives) will provide inter-organisational access to image databanks allowing, for example, curators to review collections worldwide to enable selection of works for specific exhibitions. Similarly, performing arts event organisers will be able to view performances on the Internet to select participants for touring. In this context, the Internet will act as an electronic arts market.

In addition, arts organisations will have the capacity to establish joint research or 'think tank' groups comprising participants from throughout the world. The potential for innovation will be tremendous.

BOOKINGS

Booking will be much easier, with booking options available on the Internet site, linked to a major booking agency or handled by the arts organisation itself.

FUNDRAISING

Fundraising will become more innovative and therefore perhaps more successful. Fundraising activities such as auctions, or participation in (electronic) games are applications appropriate to the Internet. The net could also act as an outlet for selling lottery tickets or for other fundraising products.

SPONSORSHIP

A sponsorship market will develop on the web, allowing arts organisations to present sponsorship packages with clearly defined benefits. Corporations will review options and select those which most closely address their own image and identity requirements.

Arts organisations where web sites boast large numbers of visitors will be ideally positioned to attract major corporations to advertise on these sites or to sponsor them.

MERCHANDISING

Museum and art gallery shops are provided with another outlet on the web, with electronic sales catalogues providing up-to-date information, thereby eliminating to some extent mass mailings

of printed brochures and catalogues. Opportunities for wider product ranges exist. Individual artists also may benefit by linking into the web audience through an association with a major arts institution or in their own right.

MAJOR EVENT PLANNING

Planning will be easier, since a consolidated overview on all major arts and cultural events will be available on the web. Arts organisations will be able to plan and organise events with less likelihood of 'double bookings'.

INTERNATIONAL TOURING

It will be possible to identify appropriate venues from a venue databank, reviewing particular features and even watching a video of performances or exhibitions in this venue. Initial negotiations relating to international tours can also take place electronically.

...AND OTHER CONSIDERATIONS

On the face of it, arts organisations appear to be ideally placed to benefit substantially through the development of the Internet. But there is one major problem: arts and cultural organisations are not alone in being potential winners as a result of web participation. Others competing for leisure time will also become more efficient and effective in their operations and, in particular, in attracting customers.

While arts and cultural institutions will benefit significantly from the developments facilitated by the growth of the Internet, they will also face far stronger competition than ever before for a share of the leisure time market.

Furthermore, the intensity of competition will not only increase because traditional competitors will make use of the Internet but also, the Internet itself and associated technology developments will create new competitors for leisure time.

The Internet is already a competitor in its own right! Studies in the US have shown that those accessing the Internet already spend more time on it than watching videos. While they may spend time surfing the web, the web also offers a wide range of entertainment options, including free games.

INSTRUCTIONS

(use only if relevant)

1. record key technology issues in planning sheet 29
2. describe your options
3. document any action you need to take

PLANNING SHEET 29

	TECHNOLOGY ISSUES	STRATEGIC OPTIONS	ACTION
1			
2			
3			
4			
5			
6			

JOINT VENTURES AND MARKETING CONSORTIA

You may benefit from joining an arts marketing consortium or forming one. Arts marketing consortia have been established in various cities to increase the impact of arts marketing efforts through the much larger scale and scope of marketing programs supported by a number of arts organisations.

In the UK there are 20 arts consortia in different cities, each bringing a number of arts organisations together to jointly undertake elements of their marketing, thus creating economies of scale and scope with an associated improvement in efficiency and effectiveness.

In the US, there are also several examples of co-operative marketing alliances.

For example, throughout the holiday season, Detroit Galleries will share their later evening hours (until 8:30 pm) on the first Thursday each month with local area non-profit groups, by hosting booths within each gallery for programs and giftwares from organisations such as the Detroit Institute of Arts, the Detroit Symphony/Orchestra Hall, the Detroit Zoo, Cranbrook Museum, Pewabic Opera Theatre, Michigan Opera Theatre, Detroit Children's Museum, Children's Opera Theatre, Detroit Focus Gallery, the Birmingham-Bloomfield Art Association, Archives of American Art, Music Hall, Preservation Wayne and the Detroit Area Art Deco Society.

In Boston, during 'Museum Goers Month', Boston Area Museums are trying to lure the non-museum goer with a full course of exhibits and activities designed to change attitudes and develop cultural appetites.

The Museums of Boston, an alliance of 36 area museums, each year takes a month to promote museum-going as fun. A theme is chosen and member museums plan their own activities and exhibits. During April, when Museum staff are focusing attention on visitors, they also are focusing on the fact that it is becoming harder to attract attention in the age of television and VCRs.

In Australia, there are three significant arts marketing consortia, namely

- Arts Around Adelaide (for information ring 08 8232 8177 or fax 08 8232 8277)
- Canberra Arts Marketing (phone 02 6257 4400 or fax 02 6247 7739)
- Townsville – JAM for T (phone 077 581 125 or fax 077 581 583)

INSTRUCTIONS

(use only if relevant)

1. record key issues related to joint ventures or co-operation in planning sheet 30
2. describe your options
3. document any action you need to take

PLANNING SHEET 30

CO-OPERATIVE PROGRAMS	STRATEGIC OPTIONS	ACTION
1		
2		
3		
4		
5		
6		

INNOVATION

While analysis is important, it is equally important to explore creative approaches and solutions. The Toolbox (see final section of this manual – page 215) provides an overview of a wide range of creative techniques. Here are just some examples of innovative marketing programs:

- The New Orleans Museum of Art, which opened a \$23 million expansion that doubled its size in 1993, has entered the wholesale tour market for the first time. Wholesale pricing is \$4.75 for adults and \$2.50 for children, compared to the museum's regular prices of \$6 for adults and \$3 for children. A sales kit has been developed to assist in marketing the museum to the trade and a packaging program has commenced with local hotels. Aside from offering wholesale pricing to the trade, the museum offers a catered tour package using its restaurant.
- In the winter, which is traditionally off-season for the Denver Museum of Natural History, Mexico will be the destination featured. The museum has teamed up with the Denver Convention and Visitors Bureau, Continental Airlines and Professional Travel Corporation to lure archaeology buffs and ethnic travellers from the United States and Mexico. In addition, the Museum has a network of ski resort partners helping to attract Colorado's ski clientele to experience Mexico's history.
- Alamo Rent A Car Inc is spending \$3 million to sponsor the 'American Impressionism and Realism' painting exhibition at the Metropolitan Museum in New York, NY. Museum visitors receive coupons and guides to locations depicted in the paintings.
- The Victoria and Albert Museum's 'Ace Caff' campaign combined images of objects in the museum's collection with deliberately 'disrespectful' comments on posters and in a TV commercial (see Nick Barker, 'Communicating the Character', in *Museums Journal*, March 1991, pp 23 – 25). The advertisements in both media ended with the line 'An ace caff with quite a nice museum attached'.

The strategy which led to this approach was based on three research findings:

- a survey of visitors to the museum indicated a disproportionate number of young, relatively 'upmarket' adults who were in general more culturally active than most people
- further research established that there were a great many more 'culturally active' young adults who did not visit the V&A. The reason for this lay in their image of the museum as old-fashioned, boring and irrelevant to the modern world: many assumed it was primarily devoted to 'Victoriana'
- the third plank in the launching pad for the 'Ace Caff' was the favourable response of people like these once they came into the museum and saw what was on display.

In particular, through targeting younger audiences museums and galleries have developed in new ways. Promotional efforts include direct mail and ads on youth music stations. Some museums, such as New York City's Metropolitan Museum of Art, are trying to attract younger people with

longer operating hours. The Pittsburgh Symphony has employed a clever strategy which targets professionals and their families.

When it comes to reaching an even younger audience, a milk carton may be the perfect medium. The new pro bono campaign for the LA Children's Museum puts drawings on the sides of Knudsen Milk cartons that teach kids how to turn cartons into castles, or planters for that matter.

Sometimes style is more important than the message. The Museum of Contemporary Art, Chicago, has a yearly New Art celebration, namely a River North street party. The Museum has managed to turn this event into a fashionable event for high society and those who would like to belong. As important as the exhibit itself are the fashion statements Chicago women seem to be making.

Exclusive fundraising programs, such as auctions of one-of-a-kind T-shirts designed by such luminaries as Giorgio Armani, Karl Lagerfeld and Isaac Mizrahi raise significant funds, as it is important to this audience to be seen to support the museum.

INSTRUCTIONS

1. record key innovation issues in planning sheet 31
2. describe your options
3. document any action you need to take

PLANNING SHEET 31

INNOVATIVE ISSUES	STRATEGIC OPTIONS	ACTION
1		
2		
3		
4		
5		
6		

PORTFOLIO STRATEGIES REVISITED

Having gone through an overview of marketing instruments, you need to consider how these instruments should be used to achieve your marketing objectives.

We will return to the portfolio analysis to illustrate how a marketing strategy with a strong strategic focus can be developed.

There are essentially three distinct core portfolio strategies, namely

- **star** strategy, ie grow, expand, invest
- **milking** strategy, ie increase efficiency and generate surplus resources
- **dog** strategy, ie divest, withdraw

The fourth strategy, the question mark strategy, is basically either a star or a dog strategy, depending on the results of your analysis of question mark products.

Obviously, you would use your marketing instruments differently depending on which portfolio strategy you are planning to implement. The following table highlights some of these differences.

MARKETING MIX TO IMPLEMENT PORTFOLIO STRATEGIES

	STAR	CASH COW	DOG
OBJECTIVE			
	• expand • grow • build on	• increase of efficiency • rationalise • reduce resource input • but protect market position	• retreat • phase out
PRODUCT			
	• consider development of a product brand • add features • surprise • innovate • widen product range • offer options	• no frills • focus on case product • limit options • reduce features	• focus on core product
PRICE			
	• clear pricing focus: either prestige price or low price (depending on prestige or market positioning) • price variations in line with features and options; • no price to discounts	• average price level • occasional price discounts to deter competitors	• increase price
PLACE			
	• consider a variety/ multiple venues • touring, etc • dominate venues with your product and corporate brand (ie product/arts organisation to be emphasised in all promotions rather than venue)	• stick with most efficient venue • negotiate best deal • use venue name strongly in promotions if venue is well regarded	• find least expensive, but acceptable, option

	STAR	CASH COW	DOG
SERVICE			
	• value-added service • special attention • follow-up • help lines • special service for particular groups (eg friends, volunteers)	• efficient service that satisfies rather than impress	• minimal service unless it can be provided at no incremental cost
TECHNOLOGY			
	• use to add value, diversify offer	• use only if a return can be generated in the short to medium term	• use only if an immediate return can be generated
INNOVATION			
	• innovate as much as possible	• limited innovation • only if costs are low and payback can be achieved in short-to-medium term	• no innovation unless immediate payback is possible
PROMOTIONS			
	• intense promotions, using a range of media (eg brochures, advertisements, use of public relations, outdoor and at the point of purchase/in-venue promotions), but with a consistent message which emphasises the key attributes of the product/arts organisation • strong creative strategy and execution	• only limited promotion – just sufficient to remind audiences that the product is on offer • continuity with respect to creative approach and execution (ie no 'hot' new ideas please!)	• promotion is only used if it leads to an immediate increase in (ticket) sales which provides net revenue in excess of the promotional funds invested

INSTRUCTIONS

1. consider all planning sheets you have completed
2. prepare a marketing strategy document, including the key planning elements identified on your planning sheets
3. consider timing, resource requirements, and responsibilities
4. prepare an executive summary and make a presentation to the key decision makers in your organisation.

PART 4

TOOLBOX

PART 4.14

GENERATING NEW IDEAS

WHAT IS IT?

Idea Generation techniques are useful when you are looking for new promotional ideas, new exhibition or production ideas, customer service innovations – in fact ideas, new approaches and solutions in literally any area. Idea generation techniques may also be useful in the development of innovative strategies to overcome internal barriers to change.

BRIEF OVERVIEW

1. TAKING A TEAM APPROACH

Most creative techniques work better when used in a team situation. Brainstorming or brainwriting cannot be used at all without a team because they rely heavily on interaction between individuals. Initially, team sessions may be awkward, produce few meaningful results, and be criticised by some as a waste of time. Those who persevere will eventually be rewarded by generating innovative, relevant ideas.

2. USING THE RIGHT HAND BRAIN

Research on the functions carried out by the brain has revealed that the right-hand and left-hand halves of the brain fulfill different functions. The left-hand brain is the rational, analytical information processor which enables us to analyse situations, develop concepts, draw logical conclusions and rationally evaluate alternatives. The right-hand brain, on the other hand, caters for intuitive, holistic approaches and works with images and fantasy rather than with rational analysis.

Most of the work carried out by managers draws heavily on the left-hand brain: analysing situations, evaluating alternatives and drawing rational conclusions. It is no wonder, then, that the successful manager has developed the left-hand brain functions to an amazing extent, whilst the right-hand brain functions have been neglected in their development and are often even suppressed. Unlike other management techniques, creative techniques draw heavily on the often untapped powerful resources of the right-hand brain.

3. COMMON PITFALLS

It is important to define the problem or issue to be addressed very clearly before applying creative techniques. The clearer the problem or issue has been defined, the more likely it is that relevant, practical solutions will be found.

Another common problem is a lack of persistence. Creative techniques will lead you into new territory, but one cannot expect to find a world-shattering solution after the first brainstorming or brainwriting session. Consistent use of creative techniques will allow an organisation to consistently come up with better solutions – but using creative techniques once in a while as a 'band-aid' measure is unlikely to result in significant new creative solutions.

THE CREATIVE TEAM

The Creative Team should bring together people with different backgrounds, expertise and job orientation. It may comprise of staff and volunteers or people from outside your arts organisation.

GROUP SIZE

The ideal group size will allow

- active participation by all team members, without splitting into subgroups
- the team leader to manage the group process effectively and efficiently
- a variety of inputs from individuals with different backgrounds and expertise.

With an increase in group size

- the group leader's task will increase in complexity, and clear rules and norms will have to be introduced, which are likely to restrict creativity
- the time available to every team member will decrease, thus leading to a lower degree of involvement and active participation
- subgroups are more likely to form, which usually do not contribute effectively to the overall creative group process
- some participants will feel more inhibited, and therefore participate less actively, thus allowing others to dominate the group
- the participants' commitment to the team and its mission will decrease, leading to a lack of enthusiasm and effort and, therefore, to a lack of "creative atmosphere".

In most instances a five to seven person team offers sufficient variety yet ensures a tight process can be followed with intense participation by everyone. This is certainly the team size we would recommend for brainstorming, grid and force field analyses. With brainwriting techniques you can use a larger team, although you are likely to find that the quality and diversity of output does not dramatically increase once you are past seven team members.

Experts on the problem to be solved are generally unsuitable as participants. Because of their expertise, they tend to follow traditional patterns of thought in their field and are less likely to accept unusual points of view.

Furthermore, their expert role leads to a dominance problem within the team. Other team members accept their expertise, tend to be led by their contributions, and may feel too embarrassed to express way-out ideas.

SELECTING THE RIGHT CREATIVE TECHNIQUE

We will be reviewing the following techniques:

- Brainstorming
- Brainstorming variations
- Brainwriting
- Grid Analysis
- Force-Field Analysis

Each of the following sections provides you with clear instructions on how to use the respective technique, as well as information on the particular strengths and weaknesses of each technique.

BRAINSTORMING

WHAT IS IT?

Brainstorming is a group process, which attempts to eliminate left hand (ie rational) brain dominance, thus providing an opportunity for right hand brain (ie, creative) thoughts to emerge. Brainstorming was pioneered by A.F. Osborn, one of the founders of Batten, Barten, Durstine & Osborn, Inc. (BBDO), one of the world's largest advertising agencies.

WHEN SHOULD A BRAINSTORMING SESSION BE CARRIED OUT?

Brainstorming is suitable when

- the problem or issue you want to address is **well defined**
- you have a **group of people** available to participate in the brainstorming session
- you are looking for a **wide range of ideas**

WHO SHOULD BE INVOLVED IN A BRAINSTORMING SESSION?

Ideally, a team of five to seven people, with diverse backgrounds. It is important for each team member to feel confident in themselves and thus willing to call out any ideas coming to mind, regardless of how silly they may appear to be. If there is sensitivity or shyness, you are better off using a brainwriting technique (page 223).

Note that it is not a good idea to have 'experts' on the team. They tend to dominate thinking and create a hierarchy within the team, with the expert seen as the natural leader. This stifles the free flowing of ideas.

SOME BRAINSTORMING CHARACTERISTICS

- Brainstorming generates a wider range of ideas than most other creative techniques
- the problem has to be well defined for Brainstorming to be fully effective.
- the quality of new solutions tends to vary considerably.

COMMON PITFALLS

Brainstorming is probably the best known creative technique, although often when the term Brainstorming is used, the activity might have little in common with what Osborn had in mind when he developed the original Brainstorming technique! Just sitting around talking about new ideas, possibilities and opportunities is not Brainstorming in the sense of its original terminology, nor can an idea generation session by **one** person ever be a Brainstorming session, as Brainstorming relies heavily on the **group process**.

BRAINSTORMING RULES

RULE 1

QUANTITY IS MORE IMPORTANT THAN QUALITY

Participants should try to generate as many ideas as possible, even if these ideas sound “crazy” or “impossible” at the time.

RULE 2

DEFERRED JUDGMENT

No criticism or assessment of ideas, neither negative nor positive, is allowed. Positive comments in relation to one particular idea infer that other ideas are not as good, and can therefore be just as damaging to the group process as negative criticism of an idea.

RULE 3

NO PROPRIETARY RIGHTS

Participants are encouraged to pick up the ideas of others and develop them further. Nobody “owns” any ideas.

BRAINSTORMING PROCEDURES

1. the team should ideally comprise 5-7 participants
2. the team members should have different backgrounds, specialisations and orientations
3. an experienced group leader is necessary
4. The time for a Brainstorming session should be between 15-60 minutes. In most instances, 30 minutes will be sufficient
5. The screening of the generated ideas should not be carried out by participants. However, positive feedback to participants after the session could motivate them for future sessions.

THE LEADER'S RESPONSIBILITIES INCLUDE:

BEFORE THE SESSION

- choosing participants
- informing participants approximately 24 hours before the session of the problem to be solved by means of Brainstorming. This is important as subconsciously (and sometimes consciously) the participants will “tune in” to this problem and thought processes will start.

DURING THE SESSION

- explaining the 3 RULES
- pointing out how long the session is supposed to last
- defining the problem again. Depending on the problem, it may be advisable to have an expert available at the beginning of the session to answer participants' questions about the problem. Once the participants are clear about the problem, the expert has to leave, otherwise the creative process could be stifled as participants may feel incompetent, embarrassed or just “overwhelmed” by the presence of the expert
- starting the brainstorming process by initially throwing in a few ideas
- ensuring that all generated ideas are recorded; ideally, the ideas should be written down on a board or flipchart, to allow all participants to see them. In this case, ideas already generated are more likely to stimulate the creation of additional ideas
- enforcing the 3 RULES
- stepping in when there is a “low” by asking questions and helping with ideas
- deciding when to finish.

AFTER THE SESSION

- asking participants *a few days after the session* if they have had any more ideas since the session. This is important as the brain is likely to be active for some time after the session.

PART 4.14.2

BRAINSTORMING VARIATIONS – OSBORN'S CHECKLIST

WHAT IS IT?

Osborn's Checklist can be used on its own in a creative idea generation session, but can also provide a new stimulus when the flow of ideas dries up in a Brainstorming session. Osborn's Check List should be displayed by the team leader on a wall, screen or black/whiteboard where creative team members can see it when there is a dearth of ideas.

OSBORN'S CHECKLIST

ADAPT

- What else is it like?
- What other idea does it suggest?
- Does the past offer a parallel?
- What could I copy?

MODIFY

- Change meaning, colour, motion, sound, shape?
- New twist?

MAGNIFY

- What can I add?
- Higher, longer, stronger, thicker?
- More time?
- Multiply?
- Duplicate?
- Exaggerate?

MINIFY

- What can I subtract?
- Make it lighter, shorter, break it up?
- Omit?
- Streamline?
- Split up?
- Understate?

SUBSTITUTE

- Another ingredient, material, process, power, source?
- What else?

REARRANGE

- Interchange components?
- Other layouts?
- Use another sequence, pace, schedule, layout?

REVERSE

- Use backwards, upside-down, topsy-turvy, end for end, transpose positive and negative?

COMBINE

- How about a blend?
- An 'alloy', an assortment, an ensemble?
- Combine functions?
- Combine units?
- Combine methods?
- Combine ideas?

ELIMINATE

- Is it needed?
- Is the function necessary?
- Can it be kept if the part is eliminated?

DESTRUCTIVE–CONSTRUCTIVE BRAINSTORMING

WHAT IS IT?

The Destructive-Constructive Brainstorming Technique was developed by the Hot Point Division of General Electric. The procedures are similar to Brainstorming and we will therefore only list the key words without repeating details. However, the process is different and is covered more fully below.

SOME DESTRUCTIVE–CONSTRUCTIVE BRAINSTORMING CHARACTERISTICS

- because of the “destructive phase”, it is likely to cover more aspects than classical Brainstorming
- the destructive phase allows the airing of criticism and aggression which helps in the constructive phase
- it is more likely to lead to adaptations than to entirely new concepts and ideas
- it is more complicated than Brainstorming – a more disciplined process needs to be enforced

CHECKLIST

DESTRUCTIVE-CONSTRUCTIVE BRAINSTORMING PROCEDURES

(see Brainstorming section for details)

1. team size: ideally 5-7 participants
2. team members: cross section of backgrounds
3. avoid dominance problem (eg by having experts or ‘bosses’ as team members)
4. team leader necessary; same tasks as with Brainstorming session
5. time span: not longer than 50 minutes
6. screening: not to be carried out by participants

PHASE 1: DESTRUCTION

The problem is looked at in a destructive, negative way. Using Brainstorming, participants concentrate on generating as many weaknesses, failures and inadequacies in relation to the problem as possible. For example, if a new exhibition concept has to be developed, the focus in this phase would be on criticising past concepts as much as possible. All criticisms are recorded, ideally on a large board clearly visible to participants.

PHASE 2: CONSTRUCTION

In the second phase, participants try to generate as many ideas as possible on how to *improve* each one of the weaknesses listed in Phase 1. The Brainstorming rules apply, ie

- quantity is more important than quality
- **no** criticism allowed, neither negative nor positive
- nobody “owns” an idea – participants are encouraged to pick up the ideas of others and develop them further.

PHASE 3: CRITICISM

The ideas generated in Phase 2 are now discussed and evaluated. It is necessary to decide on a set of criteria to be used in this evaluation – for example: is it technically possible? Is it affordable? Is it likely to have the intended impact with our target segment? All ideas should be evaluated and classified into one of three groups:

1. Ideas which are *immediately useful*
2. Ideas which should be *explored further*
3. Ideas which, at this stage, appear to be *useless*.

PART 4.14.3

BRAINWRITING

WHAT IS IT?

In Brainstorming sessions, participants call out their ideas, but when Brainwriting techniques are used, they record ideas by writing them down. A number of different Brainwriting techniques have been developed. We will discuss the Simple Brainwriting technique here as the core technique.

WHEN SHOULD A BRAINWRITING TECHNIQUE BE USED?

Brainwriting is particularly useful when

- participants are not used to Brainstorming and feel embarrassed, shy or insecure when they are asked to call out ideas
- a potential dominance problem exists, for example, because participants are from different hierarchical levels (ie boss-subordinate relationship) or because there are experts in the group.

SOME BRAINWRITING CHARACTERISTICS

- it is easier to handle than Brainstorming for participants not experienced in the application of creative techniques
- it is easier to participate in for shy, introverted people
- it avoids dominance (eg a 'boss' or expert dominating the process)
- the best ideas are often better than with Brainstorming
- there is usually frequent replication of ideas: often 25-30% of ideas are mentioned by more than one participant.

CHECKLIST

SIMPLE BRAINWRITING PROCEDURES

1. The team should comprise 5-7 participants, covering a wide range of backgrounds, sitting around a table.
2. The team leader in a Brainwriting session does not have as many responsibilities as in a Brainstorming session. The leader is more a co-ordinator/administrator.
3. The session should last between 15-30 minutes. However, different Brainwriting Techniques could be used during a 1 hour session.
4. The screening of ideas should not be carried out by the group participants.

THE RESPONSIBILITIES INCLUDE:

BEFORE THE SESSION

- choosing participants
- informing participants of the problem to be solved by means of Brainwriting approximately 24 hours before the session (note that this should include a clear and detailed problem definition).

DURING THE SESSION

- explaining the rules
- pointing out how long the session is supposed to last
- defining the problem again
- starting the session
- deciding when to close

AFTER THE SESSION

- asking participants *a few days after the session* if they have had any more ideas since the session

SIMPLE BRAINWRITING PROCESS

The process during the session is as follows:

1. Each participant starts with a blank sheet of paper, and proceeds to write ideas on this piece of paper.
2. After **three minutes**, the group leader asks participants to pass their paper on to the person sitting on the left. (Alternatively, all sheets can be collected, shuffled and handed out again).
3. Participants read the ideas written down on the paper they have been handed by the person sitting on their right, and add any more ideas that come to mind.
4. Again, after three minutes, the leader asks participants to pass their paper on to the person sitting on the left, and so forth.

PART 4.14.4

GRID ANALYSIS

WHAT IS IT?

The aim of the grid analysis is first to structure the problem area by breaking it up into its components or elements. The next step is to consider a wide range of relationships between these components or elements, leading to new associations and insights. The use of the grid establishes associations visually and, thus, helps the mind to see new relationships.

The matrix shown here is only an example to illustrate the concept. In a real application exercise, the matrix is likely to be much bigger, with more options listed.

The impossible and already existing combinations can be crossed out. Each of the remaining combinations needs to be considered further. Even if some combinations seem unlikely, they should not be scrapped without serious consideration.

	TARGET GROUPS	Public Transport Users	Parking Station Users	Shopping Centre Patrons	Social Club Members	School Students	Tertiary Students	Sporting Events Spectators	Pedestrians	Office Workers
MEDIUM										
• pamphlets										
• coupon books										
• posters										
• face to face										
• sign on car										
• fax										
• tv										
• radio										
• press										
• magazine										
• talk back show										
• telephone message										
• label (wine, food)										
• McDonald's place mat										

SOME GRID ANALYSIS CHARACTERISTICS

- it is simple to use, no lengthy learning process or experience necessary
- it is a systematic, rational method
- it is flexible and can be used by an individual or a team (although a team approach is likely to result in a wider range of new ideas and insights). If a team conducts the Analysis, then a short Brainstorming phase is recommended when generating the list of the components and options respectively.
- the likelihood of finding new ideas depends on how well the problem is structured. If certain components of the problem are excluded, then some possible options will not come up in the analysis.
- to conduct a *full* analysis of only a simple problem or issue can take several months or even years. For example, a task which can be structured into 6 components, with these 6 components having 9, 6, 4, 7, 4 and 5 solutions respectively, would allow 30,240 possible combinations when the different solutions for each component are combined. To consider 30,000 possible new combinations would take a considerable amount of time. If only 2 minutes were spent on each combination (ie each possible new solution), a workload of 1,000 hours, or nearly 7 months full-time, would result!
- the Grid Analysis is likely to come up with new ideas which are adaptations of existing solutions rather than completely new solutions.

CHECKLIST

GRID ANALYSIS PROCEDURES

1. The problem area is broken down into its components. Each of these components has to be well defined on its own, ie the components should be exclusive (non-overlapping) and exhaustive (ie comprise all elements of the problem area).
2. Under each of these components, as many existing and possible options as possible are listed.
3. All possible combinations of these options are now considered. Some of these combinations may end up as feasible new ideas.

FORCE-FIELD ANALYSIS

WHAT IS IT?

Force-Field Analysis is a combination of analytical and creative techniques, designed to find innovative solutions to well defined problems. Force-Field Analysis is often used to plan the implementation of strategies and plans.

WHEN SHOULD FORCE-FIELD ANALYSIS BE USED?

There are a number of prerequisites:

- the problem you want to address must be clearly defined
- the team going through the analysis must have a reasonably good grasp with respect to this problem – they must be able to not only define it, but understand which factors have an impact on this problem
- the team must be able to use creative techniques such as brainwriting or brainstorming effectively (see Brainstorming and Brainwriting sections).

HOW DOES IT WORK?

Force Field Analysis is based on the principle that there are positive and negative forces which cause a certain outcome. Let's assume you have developed an audience development strategy and want to implement this strategy within your organisation. There are some forces which support implementation (eg personal support by the general manager; or a shared perception that an audience development program is a high priority) and others which are barriers to implementation (eg a lack of funds or time). The balance of these forces will determine the success you have in implementing your audience development program.

Force Field Analysis *combines analysis with creativity*. The analytical steps comprise the analysis of these negative and positive forces and the development of an action plan. Creative methods, namely brainstorming, are used to find innovative ways of weakening or eliminating major negative forces and strengthening positive forces.

CHECKLIST

CONDUCTING A FORCE-FIELD ANALYSIS

STEP 1

- Define as clearly as possible the outcomes you want to achieve (eg I want to implement the audience development program within this organisation over the next financial year; or: I want a minimum of 25% of our audience to be made up of people who have never attended our theatre/visited our exhibition before).

STEP 2

- **Identify:** forces which will help in achieving the desired outcome, ie **positive forces**, and forces which are barriers to achieving the desired outcome, ie **negative forces**
- In your analysis of positive and negative factors, consider internal and external factors. For example, internal factors may include attitudes of employees, support by decision makers, available resources, availability of required skills, organisational culture, and so forth. External factors may include political support, Union support and market demand.
- Use the following table to record the desired outcome and the positive and negative forces which come to mind. Do not be concerned with how sensible or logical your ideas are.

STEP 3

- Go through the list of positive and negative forces and underline all those which you believe are the most important ones (it is advisable to limit the selection to the three or four most important ones).

STEP 4

Ask the following questions in relation to all underlined forces and record your answers below:

- How did this force originate (what are the underlying factors?)
- Did this force develop suddenly (how, when)?
- Who is/are the person(s) behind this force?
- What are the factors supporting the negative effect of this force?

STEP 5

- Consider now how the underlined negative forces can be weakened or eliminated.

DESIRED OUTCOME: to

POSITIVE FORCES		NEGATIVE FORCES
	>	<
	>	<
	>	<
	>	<
	>	<
	>	<
	>	<
	>	<
	>	<
	>	<
	>	<
	>	<

BRAINSTORMING

Write down all actions coming to mind which may reduce or eliminate these negative forces;

do not consider effectiveness, feasibility or costs of your ideas.

(see the Brainstorming section for brainstorming rules)

NEGATIVE FORCE 1

Ideas to reduce or eliminate force (record):

NEGATIVE FORCE 2

Ideas to reduce or eliminate force (record):

NEGATIVE FORCE 3

Ideas to reduce or eliminate force (record):

NEGATIVE FORCE 4

Ideas to reduce or eliminate force (record):

STEP 6

Repeat this process for the *positive forces* you have underlined. This time the Brainstorming concentrates on finding ways of *strengthening* these forces.

POSITIVE FORCE 1

Ideas to strengthen/make better use of force (record):

POSITIVE FORCE 2

Ideas to strengthen/make better use of force (record):

POSITIVE FORCE 3

Ideas to strengthen/make better use of force (record):

POSITIVE FORCE 4

Ideas to strengthen/make better use of force (record):

STEP 7

Go back to the list of ideas for the negative and positive forces (Steps 5 and 6) and **underline** all **ideas** which may have a chance of success.

STEP 8

List all underlined ideas in the following table and consider the **resources** needed to implement these ideas. Consider also who could make these resources available.

IDEAS FOR ACTION	EXISTING AND ADDITIONAL RESOURCES NEEDED (WHAT? WHO FROM?)

STEP 9

Go back to the list on the previous page. Consider all the planned actions and the resources necessary to implement them. Formulate a strategy on how you could overcome barriers and build on the positive forces supporting you in your efforts. Delete all actions which do not fit under this strategy and consider timing.

STEP 10

Develop an approach to evaluate the success of your plan: How can success be measured? When do you expect which results? etc.

PART 4.15

REFERENCES AND RESOURCES

AUDIENCE DEVELOPMENT DIVISION RESOURCES

Available free of charge from the Audience Development Division of the Australia Council on (02) 9950 9008 or toll free on 1800 226 912 or via email at ada@ozco.gov.au

Access All Areas: Marketing the arts to people with disabilities

Marketing to people with disabilities is about equal opportunity, equal access and the recognition that people with disabilities are valuable members of your audience. Access All Areas is a practical, clear guide to improving your organisation and opening your doors to the whole of the community. The guide not only describes the legal reasons why you must provide equal access but also shows the benefits for yourself and for people with disabilities.

Arts Marketing: The Pocket Guide

This handy guide to arts marketing has proved very popular, a second reprint has been released and an audio version has been produced for distribution in Australia by the Royal Blind Society.

www.fuel4arts.com – the arts marketing website

[fuel4arts](http://www.fuel4arts.com) is the website for anyone working in the Australian arts industry wanting to know about arts marketing and how to develop useful arts marketing skills. Developed by the online learning specialists, OTEN (Open Training and Education Network) and Tess Dryza, [fuel4arts](http://www.fuel4arts.com) looks at establishing networks, available resources and current opportunities for arts marketing skills development. Feedback from artswriters has helped shape [fuel4arts](http://www.fuel4arts.com) and continued feedback will ensure it stays useful and relevant. Visit [fuel4arts](http://www.fuel4arts.com) at www.fuel4arts.com

Marketing Planning Manual

Through research, Audience Development knows that many artists and arts managers prefer self-teaching as a method to acquire marketing skills, so coming out in 1999 will be the Australia Council's Marketing Planning Manual which will be relevant to all artforms. The manual will lay out the steps of how to set and achieve marketing goals, including some models to follow, worksheets to complete and loads of marketing examples and ideas.

Marketing the Arts

Sparked by the changing state of public arts funding, *Marketing the Arts* is a timely study of marketing and audience development by Australian arts organisations. It examines the marketing practices, attitudes and skills levels of the Australian arts and its recommendations have helped shaped the development of the Australia Council's Audience Development Division.

miles ahead: arts marketing that works in regional Australia

Bursting with case studies miles ahead details how 45 regional arts organisations, often working under difficult circumstances, have found inventive solutions to common problems. miles ahead is essential reading for arts administrators in regional centres and rural and remote areas. Consultants Su Hodge, Amanda Lawson and Judith James travelled around Australia in 1997 meeting artswomen in regional Australia to produce miles ahead for Audience Development.

The World is Your Audience

Commissioned by the Australia Council from Pino Migliorino and Cultural Perspectives The World is Your Audience focuses on the development of audiences from a non-English speaking background and is based on the fact that people of a non-English speaking background are not attending mainstream cultural venues and arts activities. The World is Your Audience is a valuable resource that should help arts organisations understand the benefits and processes of developing non-English speaking background audiences.

Who's My Market? A guide to researching audiences and visitors in the arts

A comprehensive and practical reference guide to arts audience and market research, Who's My Market? looks at a number of case studies from across artforms and contains a wide variety of survey forms that readers can use for their own audience research.

PUBLICATIONS

OTHER RELATED AUSTRALIA COUNCIL PUBLICATIONS

Available free of charge from the Australia Council on (02) 9950 9000 or toll free on 1800 226 912. Contact the Australia Council for a full listing of all publications in print.

Art Galleries: Who Goes?

Institute for Cultural Policy Studies, Division of Humanities, Griffith University,
Australia Council, 1991

Arts and Cultural Attendance by International Visitors 1993 and 1994

Research Paper 15, Jane Spring, Australia Council, 1995

International Visitors and Aboriginal Arts 1993

Research Paper 10, Jane Spring, Australia Council, 1993

Older Australians and the Arts

Australian Pensioners and Superannuants Federation, Australia Council, 1995

Pocket Marketing Guide for Visual Arts and Craft Organisations

Australia Council, 1992, Reprinted 1994

The Arts: Some Australian Data

5th edition, Australia Council

AUSTRALIAN BUREAU OF STATISTICS

How Australians Spend Their Time

ABS Shop Catalogue #4153.0

ACT: (06) 6252 6627

NSW: (02) 9268 4611

NT: (08) 8943 2111

QLD: (07) 3222 6351

SA: (08) 8237 7100

TAS: (03) 6222 5999

VIC: (03) 9615 7755

WA: (08) 9360 5140

Email: client.services@abs.gov.au

Website: <http://www.abs.gov.au>

COMMERCIAL PUBLICATIONS

Constructing Questions for Interviews and Questionnaires: Theory and Practice in Social Research

by William Foddy

228pp. Cambridge University Press.

Making It Happen: The Cultural and Entertainment Industries Handbook

Coordinating Editor Ruth Rentschler

Available from the Centre for Professional Development

Tel: (03) 9205-0600 Email: custsupp@cpd.com.au

Marketing Management: Analysis, Planning, Implementation, and Control

by Philip Kotler

It emphasises the importance of teamwork between marketing and all the other functions of the business. Kotler underscores the importance of computers, telecommunications, and other new technologies in improving marketing planning and performance.

824pp. Prentice Hall Publishing.

Social Marketing

by Philip Kotler

Strategies for changing public behaviour.

401pp. The Free Press.

Standing Room Only: Strategies for Marketing the Performing Arts

by Philip Kotler and Joanna Scheff

A sourcebook of marketing strategies and techniques for music, dance, opera, and theatre organisations.

560pp. Harvard Business School Press.

Strategic Marketing for Non-Profit Organisations

by Philip Kotler

Its coverage encompasses the entire marketing process, providing valuable insights on strategic evaluations, positioning, market targeting and more.

528pp. Prentice Hall Business Publishing.

American Council for the Arts Publications

Available from ACA Books

<http://www.artsusa.org/books/html>

1 East 53rd Street New York NY 10022 4201 USA

Payment can be made by credit card. Add \$US12.50 for postage and handling for the first book and then \$US7.50 for each additional book.

Expanding the Audience for the Performing Arts

by Alan R Andreasen

Becoming involved in the arts is not a one-step process. Marketers must learn to identify where target audience segments are and then motivate them to cross over to the next stage.

Catalogue #1865 64pp \$US10.95

Marketing Workbook for Nonprofit Organisations

by Gary Stern

How to do professional marketing even if you are not a marketing professional.

Catalogue #5380 144pp \$US25.00

Video: Get Back on Track

by Danny Newman

Newman explains the centrality of subscription sales to arts organisations' marketing plans.

Catalogue #3450 1hr 4min VHS \$US49.95

ONLINE

ARTS

Artsinfo

<http://www.artsinfo.net.au>

Artsnet

<http://www.peg.apc.org/~artsnet/Welcome.html>

arts up

<http://www.salarts.org.au/artsup>

Artswire

<http://www.artswire.org>

Australia Council

<http://www.ozco.gov.au>

Australia's Cultural Network

<http://www.acn.net.au>

The Space

<http://arts.abc.net.au>

World Wide Arts Resources

<http://wwar.com>

ARTS MARKETING

fuel4arts

<http://www.fuel4arts.com>

TEAME Marketing and Management Traineeship

<http://www.teame.com.au/market/>

US Arts and Business Council National Arts Marketing Project

<http://www.artsandbusiness.org/programs/amc.html>

ARTS MARKETING CONSORTIA

Arts Around Queensland

<http://www.artsguide.com.au>

Arts About Manchester

<http://www.aam.org.uk>

Arts Marketing Hampshire

<http://www.hants.gov.uk/artsexn/c194.html>

Northern Arts

<http://www.poptel.org.uk/arts/na/>

The Team – Merseyside arts marketing consortium

<http://www.merseyworld.com/team/>

Toronto Theatre Alliance

<http://www.ffa.ucalgary.ca/tta/>

INTERNET MARKETING

Advertising, Marketing and Electronic Commerce Information

<http://web.ntu.edu.sg/library/advrtise.htm>

Click Z Ultimate Guide to Internet Business

<http://www.wmo.com/Tips/T30.html>

Web Marketing Information Centre

<http://www.wilsonweb.com/webmarket/>

RESEARCH

Australia Bureau of Statistics

<http://www.statistics.gov.au>

Australian Institute of Family Studies

<http://www.aifs.org.au>

Roy Morgan Research

<http://www.roymorgan.com.au>

Demography and Population Studies

<http://coombs.anu.edu.au/ResFacilities/DemographyPage.html>

Gateway to Internet Demographics Online (GIDEON)

<http://www.commerce.net/research/gideon/>

Weinreich Communications' Social Marketing Meeting Place

<http://users.aol.com/weinreich/>