

SECTION 3

CHOOSING YOUR GOALS – INFORMATION FOR DECISION-MAKING



3.9

FILLING IN YOUR INFORMATION GAPS

CHAPTER OVERVIEW

This chapter discusses the importance of understanding your market. It also provides you with information on where to obtain research that has already been done which will assist you with this task. It identifies types of 'buyers' of arts products and suggests ways to develop strategies to tap into prospective markets.

ARTS AUDIENCES

State and national arts organisations have undertaken a number of useful audience research and marketing studies. For example, Arts Tasmania and the Salamanca Arts Centre Inc. have an Internet site that provides information on marketing and funding, which also includes case studies and useful contacts (www.salarts.org.au/artsup). The information is interesting and helpful no matter where you live.

In 1997/98 the Victorian Arts Marketing Taskforce undertook detailed audience research on specific art forms (dance, theatre, classical music, opera, visual arts and museums). A series of factsheets were produced outlining the growth potential, demographic and social characteristics of the markets, and information about what motivated them to attend, the sources of information used to get information about the arts, price perceptions and loyalty (frequency of visitation, likelihood to subscribe, etc.).

Even if you are not in Victoria, the information can be valuable in providing you with a starting point for understanding customers.¹⁰ For instance, in Factsheet Two (Dance Audiences in Victoria) the potential markets are defined as mainly women, who get most of their information from metropolitan daily newspapers, but also from friends or relatives, and who read both reviews and advertisements.

On the other hand, museum audiences (Factsheet Five) were more likely to be divided almost evenly into males and females. More than 62 per cent of museum goers also attend sporting events and get information from newspapers and television.

Art galleries are more popular with women and regional differences are also apparent, with city-based attendees more likely to favour modern art, architecture, design, photography and ethnic art, while regional visitors prefer craft, traditional painting and sculpture.

¹⁰ Contact Arts Victoria at Private Bag No. 1, City Road Post Office, 3205.

The Australia Council has also produced a range of very useful publications. Of particular interest in relation to audience research is *Selling the Performing Arts*, which contains a mine of useful information on audiences and their motivations, and reactions to specific issues such as price, media usage and developing multi-cultural markets.

Access all Areas: Guidelines for Marketing the Arts to People with Disabilities, another Australia Council publication, focuses on the needs of people with disabilities and highlights the benefits and opportunities that can come from offering increased access to the arts.

The Great Yarn Event, produced by Regional Arts Australia (www.regionalarts.com.au) is a wonderful collection of stories about innovative arts projects from across regional Australia. Although not focusing directly on audience research, the stories include information on identifying audiences and product development across all art forms.

miles ahead – arts marketing that works in regional Australia, from the Australia Council, also looks at arts marketing strategies in regional Australia. Containing interviews and stories about specific projects, it, too, includes good information on audiences, products, pricing, and promotions.

WHO'S BUYING VISUAL ART AND FINE CRAFTS — DEMOGRAPHIC PROFILES

A major study undertaken by the Australia Council, *To Sell Art, Know Your Market*¹¹ is essential reading for anyone in the visual art and fine craft market, especially since it focuses on people who actually buy works of art.

Analysis of the results showed that art buyers are more likely to be female, aged 35–54, and employed. They are also well educated (holding graduate or postgraduate qualifications).

Studies of this kind can help us to identify markets and also to identify potential partners. Displaying artworks in the foyer of a theatre, for example, could increase exposure to potential buyers. A gallery seeking something unusual and appealing to their target audience might consider a chamber music performance as part of the event, knowing this will have special appeal (exactly the sort of thing which might tempt those television watchers out of the house for the evening!)

GATHERING YOUR OWN DATA

While it is useful to have general information on the marketplace and arts audiences, it is essential to have information on your own customer base. The type of information you should be collecting about your own customers includes:

- *Who are they?* Keep track of the number of men and women and their approximate age. Do they come alone? With family and friends? As part of an organised group?
- *What do they buy?* What are the best selling items, the best selling programs in your series? Which are the most specialised in terms of their appeal? Who do they appeal to?
- *How do they make a purchase decision?* Does considerable discussion take place amongst several people? Is it an impulse purchase? Do they choose between several items, asking for specific colours, styles, prices, etc. Do they ask for a program or a calendar of events? Do they pay for one performance at a time, or purchase a season subscription?

¹¹ *To Sell Art, Know Your Market*, a survey of visual art and fine craft buyers, Australia Council, 1997.

- *What price do they pay?* Top of the range, bottom of the range, dress circle or weekday matinee. Do they ask about price, discounts, etc? Do they try to haggle?
- *How do they pay?* Cash, credit card, lay-by, cheque?
- *How frequently do they buy?* Your work and – if you can find out – work done by other people. Are they subscribers to more than one music program? Do they also regularly attend other types of arts activities?
- *Why do they buy?* What do they say about their purchase? Do they like it because it is unusual? Because they feel comfortable with it? ('I always enjoy Mozart.') Because it is a nice memento?
- *What do they ask about?* Are they knowledgeable, sophisticated buyers, or would they appreciate some subtle guidance? (A pre-concert talk may be welcome if the music is unusual. An explanation of the story behind an item might be welcome for a piece of Aboriginal art.)
- *What else do they do?* Are they visiting other shops or galleries in the area? Are you the main reason they came (for a show or performance)? Are they attending the show and also having dinner?
- *Where do they come from?* Are they local (which is good, in that they may come again or become regulars)? Are they from interstate or overseas? Will they need to have the basics of a performance explained to them because it is something new or unfamiliar?
- *How did they hear about you?* This is a most important point. Was it through someone's personal recommendation? Through your own publicity? Through advertising? If they saw an advertisement, which one? (This will be useful, of course, when you want to make the most efficient use of your advertising budget.)

It is important to identify your major markets. The better you can visualise your audience (customers) the easier it will be to work out the types of advertising and promotions that will be effective. Think in general terms, recognising that your 'typical' customer is by no means your only customer.

For example, the target audience for Coca-Cola™ is people 18–24. That doesn't mean that elderly people don't drink Coke, or that young children avoid it. It's just that the target audience, in terms of percentage of market, is in that 18–24 bracket. They design advertising and promotions that appeal to that group. They try not to annoy or 'put off' other groups, but they aim at their target audience.



WORKSHEET 3



understanding your market

Thinking in general terms, ask yourself who are your audiences? Try to zero in on a 'stereotype' if you can. This doesn't mean you won't have other audiences, just that this represents an important description of your best or more frequent customers.

1. Who are they? Are they mainly males or females, or do you get an even mix of the two? What is their general age? Level of education? Are they students? Professional people? Do they come alone? As part of a group?

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2. Where do they come from? Are they local, from interstate or overseas?

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3. How did they hear about you? This is very important! Did they see advertising? (What? Where? When?) Were they referred to you by other customers? By the tourism authority?

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4. What do they buy? What are your best selling items? Programs? Events? What things that you do have a special or different market to your main market?

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5. How do they make purchase decisions? Why do they buy? Do they buy on impulse? Do they buy for themselves or as gifts for others? Do they buy in bulk (season tickets, a range of colours or sizes, etc.)? What do they ask about?

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6. What price do they pay? What are your most popular price ranges? Do customers enquire about discounts (same day tickets, quantity discounts, etc.)? Do they pay by cash, credit card or lay-by?

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7. How frequently do they buy? Are they regular visitors, season ticket holders or members of a supporters group?

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8. What else do they do? If you can find out this information it is really useful. Do they combine it with other activities? What other interests, hobbies and arts interests do they have?

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9. Write a brief summary of your audience (existing and potential) based on your answers to questions 1–8. You can then use this in Worksheet No. 8: Marketing Plan under point C. Analysis of Operating Environment.

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COLLECTING INFORMATION

A lot of this information is very easy to collect. You can simply record it in a notebook, or if you have a computer reservation system for your organisation you can start building a database by collecting this information, then monitoring and updating it regularly. If you have the time to talk to your audiences or customers, then much of this information will be easy to obtain.

life scenes

A wood turner and his partner in Tasmania have a very successful small gallery and their customers, who enjoy watching work in progress, are provided with an atmosphere conducive to conversation.

The owners undertake two types of research. Twice a year for about two weeks at a time they conduct simple surveys (sometimes during school holidays or sometimes during summer, just to vary the time and to ensure that they cover a representative sample for the whole year).

In one survey they simply ask people: how did you hear about us? They keep a notebook on the counter and tick off boxes based on popular answers. For example:

- *from friends/relatives who have been here*
- *from the hotel/motel owner*
- *we have been here before*
- *a brochure*
- *a tour guide recommended we visit*
- *Tasmanian tourist brochures*
- *saw information on the trans-Tasman ferry*

The next fortnight they have a folder with clear plastic pockets. Inside are the front covers of all the various Tasmanian tourism and arts council brochures, booklets, etc.

They give the folder to people and ask them, 'Which of these publications did you use to plan your trip today?' They use actual examples because sometimes the names of the various guides are confusing, and people may not recall a name. But they generally recognise the front cover.

The gallery owners say it has saved them a fortune in advertising because they can identify exactly which publications their target audience actually use. When a salesperson comes in, they already know whether or not the publication appeals to their specific market, and therefore whether or not they want to advertise.

As you collect this information you'll be able to build up a customer profile which you can then compare with existing research from other sources.

Look for existing sources of information through your state and regional tourism authorities, State department of small business, State and local arts development officers and through local libraries. The Australia Council's publication, *Who's My Market? A Guide to Researching Audiences and Visitors in the Arts*, should also be helpful.

It is also useful to talk to others in your field and to compare results. Are you getting audiences or customers from places they haven't reached? Are they getting markets that could be yours, as well? There might be some opportunities to work together and expand everyone's business.

REACHING POTENTIAL NEW MARKETS

life scenes

1. *The Victorian Arts Marketing Taskforce research into dance audiences uncovered some interesting information about women's attendance at ballet performances. The research indicated that there is a strong lifestyle pattern. Girls who are interested in ballet attend performances as youngsters. They may also take lessons and be quite committed. They continue to attend into their early 20s, even if the lessons cease.*

Attendance drops off when they are older, especially if they get married, have mortgages to pay, or start raising a family. But when they again have discretionary time and money they 'return', rekindling their old interest. This is especially true if they have daughters of school age who are also becoming interested in ballet! Then the cycle starts again, with the new generation.

2. *The Sydney office of SBS has achieved a partnership which is benefiting both SBS and Australian artists — both emerging and established. Because of its design and layout, the SBS office has a generous expanse of wall space which has now been offered to artists as a venue to display their work.*

SBS has constantly changing exhibitions which fascinate and delight the many visiting international dignitaries and celebrities coming to the studio. Equally, artists — sometimes of the calibre of Boyd and Nolan, but also new, contemporary artists — present their work to an international audience of a type which might well generate further opportunities (for exhibitions, residencies, sales) in foreign lands.

The initiative has been so successful that SBS in Melbourne, although it has a much smaller suitable space, is planning a similar program.

Existing research on consumers is very useful for identifying potential buyers. By checking out the 'typical' buyer of visual arts, classical music performances, contemporary music programs, dance, or crafts, potential customers can be identified.

Factors which might impact positively on your ability to attract new audiences/customers include:

1. Increased awareness of art through popular State and national gallery exhibitions — blockbusters and special shows, leading to a general increase in information, curiosity and interest.
2. Extended leisure — an ageing population has more free time and is more financially secure. The large number of unemployed youth might also be a market, as might people who are working part-time.

3. A perception that cultural activities are a 'quality' or worthwhile leisure activity – which can be important to families trying to improve the skills and sophistication of their children, to couples and individuals trying to find a social 'niche' in which they feel comfortable and accepted, and to older people with increasing leisure time to pursue interests they didn't have time to explore when they were busy with work, families, etc.
4. Global interactions – an increase in awareness of Australia's position in the world art and culture scene (importing major London and New York musicals, Australian art exhibits travelling overseas and cultural exchanges).
5. A renewed interest in the enhancement of public space – the addition of art and sculpture to buildings, parks and gardens and city streets.
6. The increasing visibility of art and performance art – for instance suburban High Street galleries and shops, a proliferation of local art and craft markets and performing arts moving into country and regional areas for performances.
7. Increasing visibility of corporate sponsorship which means that major events are now often promoted on television and other popular media.
8. The media's interest in arts, performing arts and crafts – not just on arts programs or concert series, but on popular television programs such as gardening, home and lifestyle shows.

consider this

Which of the eight factors listed could be relevant to you in increasing your audiences/customers? How, specifically, might you take advantage of the opportunities presented?

List some other ways you could identify potential new markets.



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PURCHASE MOTIVATORS

Although it might be nice to think the only reason people attend your performances or purchase your work is because they are captivated by its artistic quality, reality suggests that we have to consider some other motivations as well.

Another way of classifying our audiences or markets is to think of them in terms of:

- art form devotees – people interested in classical music, jazz, modern dance, ballet, classical guitar, percussion or in art styles, e.g. Aboriginal art, watercolour, photography, expressionism;
- collectors – especially for visual arts, there are serious collectors who see their collections as investments, representative of periods, styles or particular artists. They may not always ‘love’ every piece in their collection, and as their tastes or financial circumstances change they may sell individual pieces to either realise their value or to improve the quality of the overall collection;
- hobbyists who appreciate professionals – people who have had some experience in playing an instrument, in having taken dancing lessons at school, or who enjoy painting or craft, appreciate seeing the work and skills of others;
- untrained but interested – people who have not taken lessons, and without a great deal of experience, but who are interested in, and enjoy, concerts, theatre, film festivals, art shows and craft exhibits;
- people with a purpose – individuals who have a specific reason for taking an interest in the arts at this time. For example, they are renovating a house and are interested in antiques, or they are redecorating and interested in art pieces which will fill specific needs, or they are attending a concert because they want to impress someone else, or be seen at the opening night;
- people who arrived ‘by accident’ – museums have long recognised that visitor numbers increase on certain weekends, not because people have suddenly taken a passionate interest in museums, but because heavy rain has made it too wet to go to the beach, the park or the gardens. ‘Accidental’ arrivals shouldn’t be neglected. Someone who goes to a country arts show because friends are going may just possibly purchase a small painting and go on to develop an interest. What brings them to art in the first place is not as important as what happens during that initial encounter.

The opportunity to meet ‘a real, live artist’ or see someone working, or see their studio, or have someone explain the background to a musical work, or talk about the instruments, can have a very positive impact on these markets.

The more you know about target markets, the more you’ll be able to locate the types of people who will be interested in your work – and the more successful you will be in earning a living from your art.

consider this

Of the types of customers listed above which would you define as your main audience/customers? Would you like to change this? If so, why? What could you do?



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KEY POINTS TO REMEMBER

- There are a number of places where you can obtain useful information to help you understand your markets. There are State and national publications and some excellent web sites to assist you in analysing the size of markets and the types of people who are especially interested in various arts forms.
- You can also gather your own information by observing people and asking simple questions. You do not need a sophisticated computer system, just a notebook will help you begin to develop your databases.
- It is also useful to talk to others in your field and compare information. There might be opportunities to work together and expand everyone's markets. It is helpful to review emerging trends and patterns in spending, leisure activities and corporate sponsorships to get ideas.
- People buy things for a variety of reasons (as investments, because they like the work, because they are furnishing a new home etc.). It is helpful to understand what motivates people to make purchases. The more you know about audiences and customers and what tempts them to spend money, the more successful you will be in earning a living from art.

3.10

UNDERSTANDING THE MARKETING MIX

CHAPTER OVERVIEW

This chapter will assist you to analyse the key elements of the marketing mix: your products (including both your main products and the ancillary things you do), your prices and the way you distribute your products or the place where your services are made available. The concept of positioning is explained and we discuss why people (you and those you work with) are a critical element of your marketing.

THE SIX Ps OF ARTS MARKETING

You'll remember that we mentioned the six Ps of marketing earlier in the Guide. It's now time to consider them in more detail. These six concepts are often referred to as 'the marketing mix'. There are a lot of ways they can be combined – mixed – and that's what makes marketing interesting.

In Chapter 2, *The What?* – Reviewing the Principles of Marketing, we defined the six Ps as:

- product – what you offer;
- price – the cost of the item, or the ticket price;
- place – where the product is made available;
- positioning – the public's image and perception of the product;
- promotion – the way in which the public is made aware of the product;
- people – the providers of the product.

PRODUCT

The term 'product' refers to the specific things you do or make. It includes your art work, your performances, your repertoire. It is the film shown in a cinema, the music performed at a rock concert, the paintings, crafts, sculptures and textiles which are produced for sale.

There are a number of things to think about in relation to your products. What existing market demand or consumer need do they meet? Are there plenty of options or alternatives for people to consider? What is the quality level of your product? What are the features of your work that make it special or unique? Is your product a fairly established one (such as classical music performances), or is it a fairly new or growing area (for example, cyber-art)?

Core product

Products are divided into several types. The most important is your core product – another technical term for the main thing that you do. If you are a musician it is the music you play, if you're an artist it is the artwork you create. If you are a member of a theatre or dance company it is the plays or dance programs the group performs.

Extras

Obviously your core product is very, very important. But there are also other subsidiary things that can have a big impact on your success. In fact, sometimes these 'extras' are the difference between success and failure. For a theatre company it includes all the additional things that happen before, during and after the performance, such as the programs, the food and drink available, the quality of sound, the lighting, the comfort of the seats, the souvenir CD recordings and the merchandise sold.

While the core product of a gallery is its art collection, it is the building, the book and souvenir shop, the café, the education programs, the friendliness and knowledge of the guides, and the exhibition catalogues that support that core product. In this way, too, a festival's key events – its core product – are supported by the general entertainment, the amenities, security, and the timing of the program.

Presentation

For art and craft work it includes the packaging – the frame on the picture, the boxes in which purchases are packed, the way in which the items are displayed.

Many arts practitioners have learned that the presentation is almost as important as the product itself. Packaging not only protects your product, it also serves as an advertisement, and can offer consumers information. Notes on how to care for the item can be included, as can information on the background of a piece, which can make it more interesting and enjoyable.

life scenes

It is worth taking time to browse through a catalogue such as the J. Peterman Company's Owners Manual. (Does that name sound familiar? Seinfeld fans will immediately recognise the name of Elaine's employer – but not a lot of people realise there really is a J. Peterman Company.) The owner started out with just one product – a canvas horseman's coat which was advertised in highly targeted publications like the New Yorker.

The catalogue became popular not just because of the merchandise, but because of the idea of offering products with a story behind them. A hat similar to one owned by Hemingway, a tugboat sea captain's sweater, a David Niven style blazer, a Gatsby period shirt, a long skirt like the one worn in Out of Africa. Peterman's philosophy is, 'People want things that are hard to find. Things that have romance, but a factual romance, about them'.¹²

¹² Faith Popcorn and Lys Marigold, *Clicking*, HarperCollins, New York, 1996, p. 88.

Personalisation or individualisation of products can increase their sales potential. Generally speaking, people are willing to pay more for unique experiences or 'one of a kind' items, limited editions or numbered prints.

When considering your product, also think in terms of product changes or improvements – and think not just in terms of your core product, but all those subsidiary things, as well.

Some people buy products for utility, some for convenience, some for decoration. Some people attend performances to be entertained. Some want to see something new. Others prefer to revisit something familiar and comfortable, or see something traditional interpreted in a new way. Or they seek to be challenged, or educated or amused. And some people go along to be seen, to be with friends, or to do what they think others are doing – so they'll be able to talk about the same things. You must understand the link between your products and your market.

At this point we need to restate something important: *a product is an item which has been produced to be sold*. It is developed and put in the marketplace to be purchased and used – or owned and enjoyed – by someone else.

For the producer (that's you) this means business. If you produce things that are not designed for the marketplace, that's fine. They may be things for your personal collection, or a showpiece, or something you do as an experiment, or something you do for your own enjoyment. But if you expect to be paid for your work or your performance then you need to be aware of the marketing environment. The product will have to meet a need – at some level, for some person, at some time. You should be able to identify that need and that potential customer.



WORKSHEET 4

analysing your product



Analysing your product:

1. What is/are your 'core' product(s)? (For example, traditional landscape oil paintings, or contemporary dance performances, or wildlife murals. There may be more than one.)

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2. What are the key features of product(s)? (For example, quality, size, materials and/or repertoire.)

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3. How do these features provide benefits for potential buyers? What are the benefits? (For example, exposure to new concepts, to artworks which complement a home filled with antiques, and so on.)

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4. Are there any other possible uses for the product/service? Any other potential buyers who might use the product/service?

5. What are the ways in which you supplement or add to it? (For example, venue, services, packaging, presentation.)

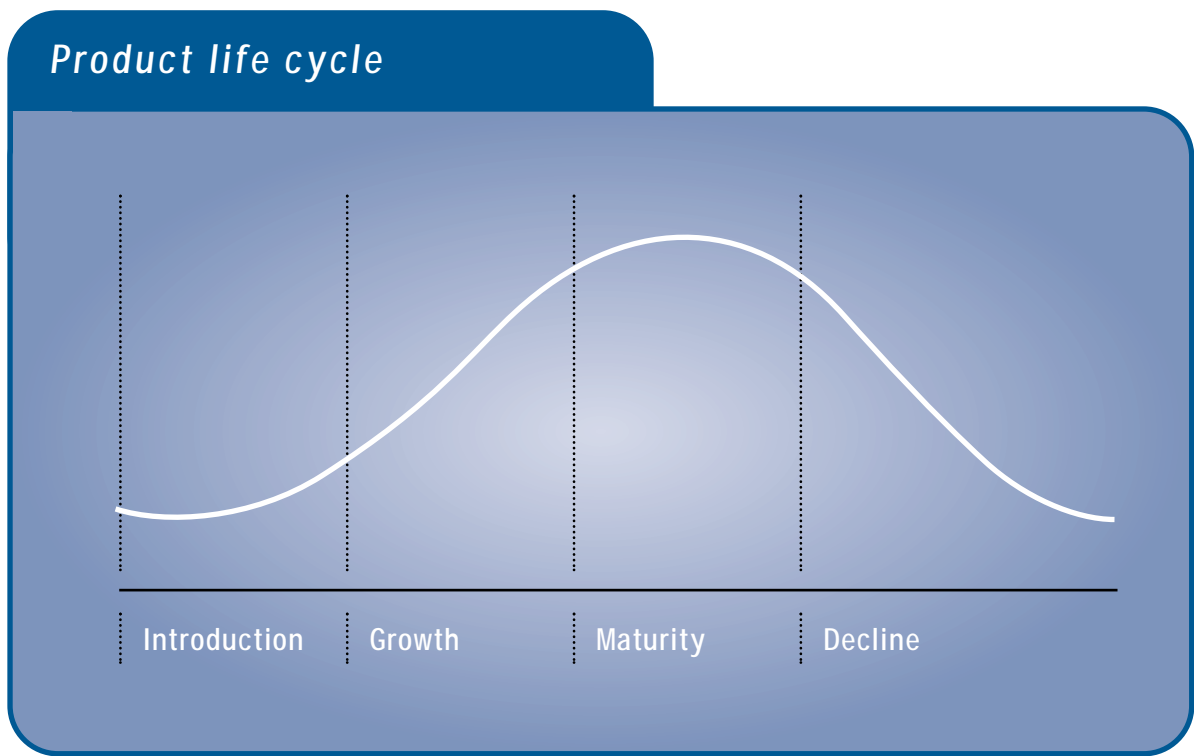
6. How else could you enhance the appeal of your product(s)?



The product life cycle

One interesting thing about products – and careers – is that, like people, they have a defined life cycle. They are born, grow up, mature and, if they are not carefully monitored and managed, eventually die.

A product life cycle looks like this:



In the early stages of development it can take time to gain awareness or acceptance of a new art form or particular style. It means doing everything you can to be seen, heard and recognised. A lot of time and effort needs to go into publicity and promotion, as well as building a reputation and gaining credibility. This is complicated by the fact that, in these early stages, prices are often low because people don't know how to 'value' something – or someone – new.

As acceptance grows, often through publicity or being 'discovered', more and more people want to buy (see, hear) and prices increase. There is a lot of money to be made at this time, but it often requires putting in a lot of effort to increase your profile and output.

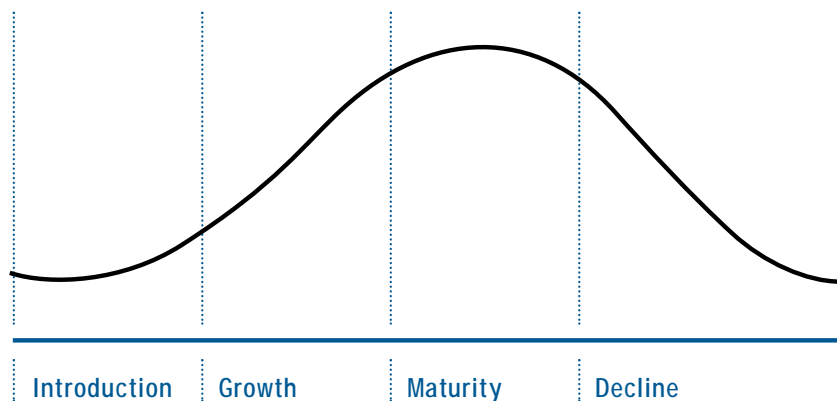
Later, as popularity increases so, too, do the number of competitors and imitators, which can start to have a negative impact on both popularity and prices. If you can maintain your competitive edge – your quality, style, uniqueness, your 'name' – then all will be well. As products settle into the mature phase of the life cycle they can last a long while (Old Masters' paintings, Baroque music) or they can just, well, sort of disappear.

Careers have a starting point, a period where they begin to grow and hopefully a period of stability, success and achievement, which can go on for many, many years before a person begins to either reduce their workload or retire.

Sometimes, because of illness or injury, a promising career can be cut short; for others, the development period goes on for a very long time before a level of 'career maturity' is reached. For others, success – or 'burnout' – comes rapidly, and the whole life cycle seems somehow compressed.

consider this

Thinking about you and your work, where would you put yourself on the product life cycle pictured below?



Why did you plot yourself at that particular point along the life cycle line?

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PRICE

Setting the right price for your product is important. Unfortunately, it is also one of the hardest things to do. In theory it sounds simple:

$\text{Selling price} = \text{your costs} + \text{your required profit}$

In practice it can be difficult to really understand the terms 'costs' and 'profits'.

We need to say this up front: you're probably going to need either the help of a business adviser or an accountant or, if you're clever with numbers and fairly comfortable with your business skills, a good accounting or business software package. You'll also benefit from expert tax advice, both in terms of your normal tax obligations and the impact of the GST.

Spending some time (and money) with a professional at the outset will help you learn to organise your record-keeping, and take you carefully through the exercises we'll describe here, so you really understand what it costs to do business, and what type of return (profit) you can realistically expect to make.

The goal of pricing is to set a price at which you make money and the buyer receives value for their purchase. If you don't make money you won't be able to stay in the arts very long. If you don't give value for money, customers won't come back – and again, you won't stay in business very long.

Costs come in three broad categories:

- Fixed costs (sometimes called non-variable costs) are costs that remain the same whether or not you are working or your organisation is putting on exhibitions or performances. These costs are related to the actual operation of your business; for example, rent, utilities, heating, cleaning, repairs, insurance. You have to pay them whether you produce a lot or a little.

Because the amount of a fixed cost is constant it decreases as the volume of activity increases. For example, if you produce two plays a season your fixed costs have to be divided between the two productions. If you produce four plays a season your fixed costs per play are divided by four, which means although the total fixed cost stays the same, it is spread across a larger number of productions.

- Variable costs vary, in total, directly and proportionately with the volume of work you do. If your sales double, then your variable costs will also double. A common example of a variable cost item is materials cost. Another example is postage (the more letters you send, the more it costs) or fuel (the more you drive your car, the more fuel you have to buy).
- Labour costs have to be considered for any staff or other assistance you have, but even more importantly, you have to cost your own time. Many people are prepared to 'earn' less in the arts than they might in another job, because they are committed to their creative work. This is a personal decision, but don't forget, it is also a business decision.

Labour costs, for some sectors, are fairly easy to calculate or estimate. Although the 'sky is the limit' there are minimum award rates in some fields. In others, there are some industry standards and averages. They can act as a starting point for considering labour costs.

Calculating costs and setting prices if you are an artist or craftsperson

If you are a self-employed artist or craftsperson you need to calculate your fixed, variable and labour costs. It is a fairly straightforward exercise to list your business's fixed costs and to calculate your variable costs (costs of the materials you use, packaging, postage, etc.). It can be more challenging to come up with a cost for your labour. One good starting point is to determine an hourly rate to charge for your work.

How do we calculate our own labour costs? There are several methods. One is to think in terms of the minimum wage (or the equivalent amount of unemployment benefits) at the low end of the scale. You can also check with the Bureau of Statistics to see what the 'average wage' of people in your sector of the arts is, and use that to work out an hourly rate.

It is sensible to calculate the amount you actually need to survive. This is done by deciding on the annual income you need (or want – but be realistic!). A simple budget, which looks at your personal fixed and variable costs, would be useful. How much do you spend on rent/mortgage payments, rates, telephone, utilities (water, electricity, gas), food, clothing, transport, health, education, memberships, superannuation, savings and loan repayments?

In addition, how much do you spend (or feel you should allow yourself to spend) on extras and the 'pleasures' of life – entertainment, travel, going to seminars, holidays? By calculating a budget you'll have an idea of what it costs you to live on an annual basis, and you can then break that down into an hourly rate.

CALCULATING AN HOURLY RATE

Let's assume you have calculated your annual living costs and the amount of extra money you would like to have, and come up with a figure of about \$35,000 per year.

The total number of chargeable (working) hours a year are:

weeks per year 52

LESS public holidays, sick days and annual holidays 6

TOTAL working weeks 46

Working five days per week, six hours per day is equal to 30 hours per week*

30 hours per week for 46 weeks = 1380 hours per year

\$35,000 per year divided by 1380 hours = \$25.00 per hour

* Remember, these hours might be fine for a craftsperson or an artist, but a performer will have considerably fewer 'revenue-producing' hours per week!

Now you need to calculate the costs of running your business. Again, there are both fixed and variable costs – rental or purchase of office equipment (computer, fax machine, photocopier), service provider charges for the Internet, advertising, the costs of your stationery, power, utilities, postage, advertising and promotions etc. You may spend \$5,000 per year to run your business. Calculated on an hourly basis that adds about another \$4 per hour to your costs (\$5,000 divided by 1380 hours).

Let's assume that your direct costs for materials, including packaging, labels and so forth, can be calculated per item. It may mean that you can calculate your costs fairly simply. If it costs you \$10 in materials to create a painted ceramic tile, you calculate the number of hours you spend, plus the costs. If it takes two hours then the costs are \$50 for your time (2 hours x \$25 per hour), \$8 to cover your business operating costs (2 hours x \$4 per hour) and \$10 for materials. You should sell it for \$68.

Now it's time to think about the reality of the situation. If you want to earn \$35,000 a year, and the painted ceramic tiles you make take two hours each, you will have to make (and sell) 700 a year to earn your desired income. How do you feel about that? Is it achievable? Is it realistic? Will it make you feel like a machine? Would you find it a creative challenge? Or do you really think the pressure of turning out that quantity of work would be physically and emotionally exhausting? Perhaps it would be a good idea to look at a variety of work (painted ceramic tiles, china painting and watercolour work). You'd then need to calculate your costs for each type of work and see what balance would be both financially and artistically rewarding.

If you decide it is feasible to do 700 painted ceramic tiles a year, then it will be worthwhile investigating the opportunities for producing in batches, bulk orders and the economies of scale. You may be able to buy tiles in bulk direct from the manufacturer (as long as you have somewhere you can safely store them), and bulk buy your other materials. You may also be able to purchase things you need through a co-operative. Such savings will significantly lower your costs for producing each item, and lower costs mean the potential for increased income.

When determining your costs – and your prices – keep in mind that if you are selling to a gallery or a retail outlet, the mark-up may be as much as 50–100 per cent. Therefore your \$68 product may cost a customer anywhere between \$100 and \$136.

Look around – visit galleries and retail outlets to see what the price range is for the type of work you are doing. If the average price of work being sold in galleries is similar to your costs/price estimates, you can feel confident that you are at least competitive in price. If, however, you calculate that you'll need to charge a gallery \$68 for your tiles, and similar tiles are being sold in the gallery for \$70, then there could be problems.

life scenes

When Jan was retrenched from her public service job she decided she'd like to turn her hobby into her job, so she signed up for a 'New Futures in Small Business' course at her local adult education centre.

On the first day of her course when everyone was asked to explain their business idea she told of her plans to make and sell découpage eggs. She had even brought a few along to show everyone. They were most impressed. In fact, she sold all the eggs she brought in – one to the lecturer and four to other class participants. She charged \$25 per egg, as she had been doing when she sold them at craft markets.

Over the next few weeks, as the class worked their way through costings and marketing, it became very clear that Jan had some major problems. The culprit was the time involved (she was applying 25 finishing coats to each egg, which was what gave them their lovely lustre, but took a LOT of time). When she calculated her fixed, variable and labour costs and the number she could produce, using a simple cost-plus pricing system the eggs costed out at \$55 each. If they were going to be sold in retail outlets, that meant the final cost would be \$80–\$100. As she checked prices she discovered that the average price for work she considered comparable was about \$40.

After considerable soul-searching (should she reduce the quality of the materials? The number of finishing coats? etc.) she decided she didn't want to change the quality or processes. She also realised that she had never really taken costs seriously into account when it was a hobby. After considerable discussion within the group she decided that this would not be the way to earn a living.

It was disappointing, but the story still has a happy ending. The lecturer approached her about teaching découpage at the centre, and she has now been teaching at four different centres for three years. She does beginners and advanced classes, and she and the students have two exhibitions per year where they sell their products – at cost plus 15 per cent.

One word of advice here, if you're a writer or composer, setting prices so that you recoup all your costs won't be quite so easy. The sad truth is that sometimes it takes months or even years to complete a symphony or novel, and the return you get on it won't come anywhere near actually compensating you for the time, effort and dedication involved in producing it.

Certainly there are times when a writer – or composer – 'hits the jackpot', but often they really do need to rely on income from other sources to keep them going, and must consider the profits from writing or composing a welcome and well-deserved bonus which supplements the 'recognition' of being published or having works performed.

Calculating costs and setting prices for arts organisations

Arts organisations need to undertake similar exercises to calculate their costs and set prices. Determining costs is usually not the difficult part of the equation. Fixed costs (rental of premises, utilities, office equipment, stage equipment, insurance) and variable costs (costumes, copyright permissions, advertising, programs, production costs) can be calculated quite accurately. Labour costs, too, can be determined (permanent, part-time and casual staff for the organisation, performers and technicians, security personnel, cleaners, ushers, and volunteer-associated costs such as insurance).

Setting prices, however, can be a challenge. Deciding what services you will charge for, and how much you charge can be difficult. It will be important for the organisation to consider its mission and goals, but also the need for ongoing viability.

life scenes

The Ran Dan Club is a Perth-based community arts association. They rely on project-based funding and have no premises other than the homes of collective members.

As a mature organisation Ran Dan has identified a need to become more professional in marketing itself and undertaking project work. In the past it would probably have charged only petrol money for travelling to a regional destination and consulting with a local council or festival board about the kinds of community cultural development projects that might be appropriate for a community; now it charges a daily rate for such work.

*'I don't know what the answers are', says Lachlan McDonald, a Ran Dan member. 'We've gotten really hard about what we can and can't achieve. We try to look at it now a bit more like a commercial model. Basically we've just started to place a more realistic financial value on our skills.'*¹³

For performing arts groups, working with programs and in theatres or concert halls, it is easy enough to calculate ticket prices.

¹³ Lachlan McDonald, *The Ran Dan Club, Not a Puppet*, Australia Council, 1997, p. 15.

CALCULATING COSTS/PRICES FOR PERFORMANCES

Let's assume you've calculated that it costs \$100,000 per year to run your organisation (fixed costs) and to meet the labour costs of non-performance staff. You run six three-week performance seasons per year in a theatre that seats 200 people.

Each production costs \$50,000 to stage and promote (your variable costs).

The total number of seats you can sell per year are:

200 seats x three weeks per program x eight performances per week (six nights and two matinees) x six programs per year = 28,800 seats per year

Fixed business costs are\$100,000

Production costs are\$300,000

Total costs are\$400,000

Costs of \$400,000 divided by the 28,800 seats = \$13.88 per seat.

In theory, if you filled every seat at every performance, and charged a standard seat price of \$13.88 you would meet your costs.

However, in reality, pricing usually isn't that simple or straightforward. You may want to subsidise costs – or provide free admission – for certain community groups, for students or for other artists. Performing arts groups have learned the value of looking at various pricing alternatives which can address social equity issues as well as identify opportunities to earn profits.

Pricing options

Flexible pricing – means setting different prices for the same 'product', according to customers' willingness to pay. For example, you can charge more for seats in the front rows, or in the first few rows of the balcony than for seats at the back of the theatre. You can also charge more for Saturday night performances than for Wednesday matinees. You can charge more for weekends than weeknights, during holiday periods, on opening and closing nights, and for performances on major holidays. You can also offer student prices, special prices for children during school holidays, etc.

Discounting – encourages purchases at particular times or in quantity. You may offer a discount for season tickets, or discounts for people who buy 'space available' tickets at the door immediately before the start of the performance. You can offer discounts to people who book and pay well in advance, or for people who attend rehearsals rather than full performances.

Value adding – in some ways the opposite of discounting, is a strategy where you provide something extra for customers who pay the normal price, such as a lecture before a performance, or a complimentary program, or coffee or tea at the interval.

Product packages – offer a combination of products and services; for example, valet parking, complimentary champagne at interval and a program at a premium price.

Usually the price should be slightly less than it would cost the person to buy each element separately. If valet parking is \$15, champagne is \$6, the program is \$12 and the ticket price for the performance is \$50 (a total of \$83), you could sell a ‘theatre package’ for \$80. (The advantage to you? Well, not everyone who comes will use valet parking, buy champagne and a program. By encouraging the package deal, you increase your sales in these areas.)

An art gallery could use packages to enhance a special exhibition; for example, packaging admission to the exhibition with a lecture by the curator, a catalogue and wine and cheese in the member’s lounge (which would also be an ideal time to promote membership).

Competitive pricing – requires that you know what your competition is charging. But it is a mistake to assume that if the competition has decided on a certain price they must know what they are doing, and if you follow suit you should be right. As we have seen, there are a lot of factors which affect costs.

Your competition, for example, may have advantages you don’t know about, such as subsidised or free rent for their premises, sponsorship for office equipment or printing, or access to discounted supplies. If you try to price yourself in the same way, you’ll soon run into trouble since you don’t have these advantages. It can be a useful benchmark for what’s happening in the industry, but an unreliable method to use on its own.

CASH FLOW

One last thing about pricing and budgets. Not only is it important to ensure you have considered all your costs, and the money you need and want to make from the business, it is also important to think in terms of cash flow. This is another technical, but very important term, and it refers to ensuring the money is there when you need it.

Many of your bills come in at predictable times, for example, rent or mortgage repayments are monthly, motor vehicle registration is annual. Most people buy groceries on a weekly basis. You may have to outlay money prior to creating something; for example, buying canvases, paint and brushes before you can produce a picture.

It could take weeks – or months – to complete a painting, put it into a gallery, have it sold and receive payment. You need to ensure you have the money you need to live on, and to buy more paint and materials so you can keep on producing.

The next stage is to work out a monthly budget estimating outgoings and income and identify times when you may be flush with funds, and when it will be very tight. It will help you to remember to plan for the slow times, and it will also identify periods when you may need to rely on bank overdrafts or savings.

There are a number of software packages available that can assist with cashflow and budgeting. Alternatively, you may like to draw up a simple spreadsheet for this purpose.

PRICING CHECKLIST

For individual arts practitioners:

- Your fixed costs – basic, set expenses.
- Your variable costs – for each unit/type of work you do.
- Your labour costs – if you have assistance/staff.

- Your tax obligations – both general and in terms of the Goods and Services Tax.
- Your hourly rate – to meet your costs.
- Your unit price(s) – for each type of work you do.
- Your workload – how many units/items will you need to produce to meet your costs?
- Your capacity to meet your projected workload – be honest and realistic about this!
- Is there an opportunity for economies of scale?
- Your prices – what you will need to charge per unit/item?
- Is this price realistic – in terms of competition, additional distribution/handling charges?
- Is there an opportunity for flexible pricing?
- Is there an opportunity for value adding?
- Is there an opportunity for packaging?
- Have you calculated your cash flow and addressed any potential problem periods?
- Have you sought assistance from someone who can give you appropriate advice and guidance?

For arts organisations:

- Your fixed costs – basic, set expenses.
- Your variable costs – for each type of work you do/each production.
- Your labour costs – full-time, part-time and casual staff (and the costs of managing and using volunteers).
- Your tax obligations – both general and in terms of the Goods and Services Tax.
- Your prices – what you will need to charge per activity/product/performance?
- Your workload – is the number of projects, performances, etc. realistic and achievable?
- Are your prices realistic – in terms of your markets and your competition?
- Is there an opportunity for flexible pricing?
- Is there an opportunity for value adding?
- Is there an opportunity for packaging?
- Have you calculated your cash flow and addressed any potential problem periods?
- Have you sought assistance from someone who can give you appropriate advice and guidance?

cash flow forecast for one year

<i>SALES & OTHER INCOME</i> <i>(Cash inflow)</i>	<i>Mth 1</i>	<i>Mth 2</i>	<i>Mth 3</i>	<i>Mth 4</i>	<i>Mth 5</i>
Cash Sales					
Debtor Collections					
Income from Other Sources					
TOTAL INFLOW					
<i>PAYMENTS</i> <i>(Cash outflow)</i>	<i>Mth 1</i>	<i>Mth 2</i>	<i>Mth 3</i>	<i>Mth 4</i>	<i>Mth 5</i>
Stock Purchases					
Accountant					
Advertising					
Bank Fees & Charges					
Drawings					
Electricity/Gas					
Freight					
Insurance					
Interest Paid					
Lease Payments					
Loan Payments					
Motor Vehicle Expenses					
Postage					
Rent & Rates					
Repairs & Maintenance					
Stationery & Printing					
Superannuation					
Tax Provision					
Telephone/Mobile					
Wages					
Sundries					
TOTAL OUTFLOW					
<i>OPENING CASH</i>					
<i>NET SURPLUS (DEFICIT)</i>					
<i>CLOSING CASH</i>					

PLACE

Knowing where to make your products or performances available is also important. Is your most viable location a busy tourist town on the waterfront where there are a lot of tourist shops selling a range of souvenirs? Would your work sell better in a High Street gallery? Should you consider being involved in community shows or co-operative showings?

Is your performance geared to a traditional theatre where you have access to sophisticated electronic equipment, sound and lighting and qualified technical staff? Or is your experimental work suited to a converted loft or open-air venue?

Issues to consider include:

- Location:
 - type of area
 - transport and parking
 - public safety
 - accessibility (for your identified markets)
- Premises:
 - age/state of repair
 - character
 - facilities (for performances)
 - amenities (for audiences)
 - cleanliness
 - maintenance
 - security
 - disabled access
 - overall appeal (to your identified markets)
- Display and merchandising:
 - quality of fittings
 - layout
 - lighting
 - security
- Management:
 - marketing and promotions strategies
 - staff knowledge and training
 - payment policies
 - service levels
 - honesty/record keeping

Your venue should be accessible and appealing to your target market; for example, Sunday markets or country markets for arts and crafts, or special exhibitions in historic homes, in conjunction with events such as garden shows.

The venue becomes part of your product – it is an essential element of the supplementary aspects of it. It should enhance the experience, not create a situation where people have to be so determined or committed that they are prepared to 'suffer' to get to your products or performances.

Keeping track of attendances or sales in relation to venues can be very useful market research. Check to see which galleries get the best numbers and the best buyers through. Which craft markets attract the most buyers? Which venues attract the biggest audiences? What comments do people make about your location?

POSITIONING

Products can be perceived by buyers as elegant, simple, exotic, unusual or 'in your face'. Performances can be considered sophisticated, energetic, classic or experimental. Positioning refers to the image you create for your work. You can position yourself and your work by appearance, by location, by price and by promotion.

It is vital to decide how you want to be perceived, since a lot of marketing decisions will flow from that decision. If you want to be seen as a designer with a flair for the contemporary, you will promote your work to *Vogue Living*. If, however, you are aiming for a sense of period quality, made-to-last tradition, then *Country Living* will be a more appropriate promotion medium.

Do you want to position yourself as part of the mainstream art market, or would fringe festivals be more appropriate?

The choice of location, promotions, even packaging will depend on the position – the image – you seek for your work. It may even affect your personal presentation, e.g. traditional formal dress for an evening performance by an orchestra, followed by an afternoon school concert in casual clothes. What you say about yourself and your work – the way you dress, the people you associate with, the places you go, the messages you send – are all ways to position yourself and your product.

life scenes

Northern Rivers Performing Arts (NORPA)'s General Manager Liz Fraser, describes her local Lismore area (population approximately 45,000) as ranging from 'the conservative to the alternative lifestyle community, from young ferals to New Agers, from old hippies to government employees and academics. Lismore is also cosmopolitan, with large Italian and other non-English speaking background communities'.¹⁴

NORPA manages community arts venues, provides ticketing services throughout the region, and also mounts its own productions, so it has been important for it to develop a brand image and position for its own productions. The position it has chosen for itself is that of a company which is:

- *adventurous, yet solid;*
- *risky, yet accessible;*
- *a leader, but not complacent.*

NORPA consistently labels its own work, using a logo so people will know which productions have the NORPA 'seal of approval'. They promote themselves through celebrity endorsement, links with television and local universities, national media coverage, and the use and development of local talent and accessible pricing.

¹⁴ 'Finding the right position in the market place', *miles ahead, arts marketing that works in regional australia*, Australia Council, 1998, p. 32.

PROMOTION

Promotion refers to all the ways you let people know about yourself and your work. It includes both paid and unpaid activities, advertising, personal appearances, competitions, media releases, speeches, demonstrations, teaching, and the way you interact with audiences, sponsors, promoters and peers. It's so important it deserves a chapter of its own – promotion is discussed in considerable detail in Chapter 11.

At this stage it is just necessary to remember that promotion is an important part of the marketing mix. While some people consider it the most important part (and the most fun because it includes all the 'bells and whistles' of advertising and publicity) it really is just one of the six Ps, all of which have to work together for marketing success.

consider this

Thinking about yourself and your work: what are you saying in positioning terms about yourself and your work in the key areas of appearance, place, price and promotions? Are you happy with that, or would you like to change anything?

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PEOPLE

'People', of course, refers to you or your organisation. There is no doubt that your success is going to depend, very much, on your commitment, your skill, your willingness to do the extra things necessary for success. Arts is a competitive field, and talent alone is no guarantee of success.

For most people in the arts, it's generally advisable to adopt a professional and accommodating image.

You might have even more success, for example, if you're prepared to do readings, or speak at a writers' festival, to work as an artist-in-residence, or to mentor others through master classes. Working with the media, being available on time for interviews, and working professionally with agents, festival organisers and publicists will probably pay off, too, in the long run.

If you're part of a larger arts organisation, you'll want to consider the training levels, professionalism, friendliness and efficiency of your staff, their willingness to assist and answer questions, and their ability to relate to your target audiences. Although, thinking about it, that's not a bad personal checklist, either.

consider this

How would you assess yourself or your organisation in terms of 'people skills'?



1. *Communications attitude — willingness to talk to, be involved with:*

- *audiences/customers*

- *promotions and publicity activities*

- *teaching/master classes*

- *students and young people*

- *industry peers/networking*

- *funding and sponsorship*

- *business people (bank manager, accountant, etc.)*

2. *Communications skills — ability to talk comfortably with others, to explain yourself, to discuss issues or ideas clearly and concisely.*

3. *Knowledge (understanding of art forms, background information, technical information).*

4. *Customer service attitudes (empathy, friendliness, ability to anticipate needs or questions).*

5. *Ability to handle difficult people, difficult situations*

KEY POINTS TO REMEMBER

- A product can be divided into several elements: the *core product* (the main thing that you do); the *extras* (the venue, the souvenirs and programs); the *presentation* (packaging, picture frames). Generally people are willing to pay more for unique experiences or 'one of a kind' items.
- The product life cycle is a way of thinking about your products in terms of their stage of development – ranging from a new product or program right through to something which has been around a long time, and is taken for granted. How you promote, package and price your product is influenced by its stage in the product life cycle.
- Pricing is an important element of your business. There are many factors which need to be taken into account and it is important to think through pricing carefully and get good advice.
- Knowing where to make your products or performances available is important. Venues become a part of the product and can affect visibility, image and overall success.
- Products can be perceived as elemental, simple, exotic, unusual or traditional. Positioning refers to the image you create for your work. You can position yourself by appearance, location, price and promotion.
- Promotion refers to all the ways you let people know about yourself and your work. It includes a range of paid advertising, but also a range of 'free' activities including publicity and public relations.
- People skills, and the ability to relate to the public, can be an important component of success.

CHAPTER OVERVIEW

This chapter looks at the aspect of the marketing mix that is most familiar to people — promotions. You will learn about the major types of paid and unpaid publicity, and the way in which direct marketing is being used in the arts. We'll also examine the advantages and disadvantages of various types of promotions and discuss setting a promotions budget.

PROMOTIONS — THE BELLS AND WHISTLES OF MARKETING

Promotions are often considered the 'fun' side of marketing. It's where you get to be creative with ideas, develop promotional materials, and let people know you're here and you're good.

There are some excellent publications that will help you with the detail of planning and preparing publicity and promotions. Look for *The Art of Self-Promotion* series, originally published by Allen & Unwin in association with the Australia Council, and now available at bookstores¹⁵. There are four: *Successful Promotion by Dancers and Choreographers*, *Successful Promotion by Musicians*, *Successful Promotion by Writers* and *Successful Promotion by Visual Artists and Craftspeople*. They are short, well-written and full of useful suggestions.

No two people will develop the same type of personal promotions program, but there are common elements.

There are six things to keep in mind when planning promotions:

- Who do you want to speak to?
- What do you want to say?
- Where is the best place to say it?
- When is the best time to send out your message?
- How much should you spend?
- How will you know if they've heard you?

No-one ever has an unlimited budget for promotions, so it is important to be as effective as possible, in terms of money, time and effort expended.

¹⁵ Please see the recommended reading list at the back of this Guide.

consider this

What types of promotions do you currently do? How effective have they been? Is there one thing that has worked better than others? How do you know what worked and what didn't?

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WHEN DO YOU START PROMOTING?

One of the most important things about promotions is getting the timing right. When, in your marketing program, do you actually start promoting? The simple truth is that effective promotion begins after – and only after – you have all the other Ps in the mix completed.

In other words, you don't start promoting yourself until your product is right, your pricing makes sense, you've got the right venue for your work or your performance, you've positioned yourself and you are confident the 'people skills' are in order. Then it's time to start 'blowing your horn'. If you promote before you're ready, you run the risk of disappointing your customers, and of creating ill will rather than good results.

PAID AND UNPAID PROMOTIONS — THE DIFFERENCE IS NOT JUST THE COST

Promotion takes many forms, but it is generally divided into four broad categories:

- advertising;
- direct marketing;
- publicity;
- public relations.

The biggest difference between the first two and the last two is in terms of cost and control. Advertising and direct marketing are **paid promotions**. Publicity and public relations are **unpaid**.

When you pay for advertising or do direct marketing you have a very high level of control over the work. As an advertiser you pay to send out your message, and that means you have the right to select the medium that will be used (radio, television, newspapers – even skywriting, if you like). You also have control of the message – what it says, what it looks like, and the time, location and number of appearances of the advertisement.

If you decide to use broadcast media (radio and television) you have total control over the script, the setting, the contents and all the elements of production, as well as final choice about which radio or television stations to broadcast on, on which days, at what time and how often.

However, all this control comes at a cost. You pay for design, you pay for making the ad, you pay each time it is run. This can get very expensive.

In contrast, publicity and public relations carry no guarantees. You send in your media release, you organise an event and then you keep your fingers crossed. If all goes well, you could end up with coverage in major media – articles, photos, interviews – all of which generate interest and enthusiasm for your work. Publicity can get you more coverage than you could ever afford to pay for if you were buying advertising space.

But there's always a chance that the information will never be picked up and used, and an even worse risk that what appears will not actually be what you wanted (a very critical review, for example).

consider this

Can you recall any situations where publicity has backfired or been extremely negative? Perhaps it hasn't actually happened to you, but to someone you know.

What about a situation where something very positive has come from a publicity activity?

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ADVERTISING

Paid advertising usually provides information which the public needs to make a purchase decision. It can include details such as performance times, location, costs, booking numbers and the performers involved. For visual arts it can include information about the opening times of exhibitions, the location and the artists involved. It can also be good to supplement the paid advertising with free publicity (which might include stories about the background of the work or the artist, for example). For paid advertising the main media include:

Print

Newspapers provide almost immediate coverage, and specific sections (and days) target arts audiences. People turn to them for information on venues, performances, bookings, etc. While colour can be used, it can be expensive and photo reproduction is not always of a high quality. Magazines, trade journals and special interest publications can reach very specific target audiences, and usually have very good colour reproduction capabilities, but they require longer lead times and are usually more expensive than newspapers. Prospective customers can cut out and save material, and information and guidebooks tend to have a long 'life span'. Print media is very, very popular for arts advertising.

- Newspapers (daily and weekend papers, regional and community papers, and specialist papers, such as *The Weekly Times* and the *Rural News*).
- Magazines (general and special interest).
- Trade journals and association publications .
- Special interest publications (magazines or newspapers catering for specific hobbies).
- Community arts publications and guidebooks.
- *Yellow Pages* and other telephone directories.

Broadcast media

Many people believe that radio and television have the highest media profile. And certainly both reach a very big audience. But the actual audience depends on the station, the time of day and the specific programs. Products with very limited niche market appeal may not find broadcast media a cost-effective way to promote.

Costs for both creating the advertisement and running it 'on air' can be expensive (although radio is cheaper than television and can provide opportunity for some very creative ads!) Video, film and Internet production costs can also be very high.

Generally speaking, a good advertisement needs 'exposure' (the number of times people see and hear it) to be effective, and each exposure costs money. Unlike newspapers and magazines, it can be hard for potential customers to 'save' a broadcast ad. On the other hand, if your product is full of sound, light, movement and colour, then broadcast media may be worth the extra costs to enhance your promotions.

- Radio
- Television
- Film
- Video
- Internet

Display advertising

Almost synonymous with the arts, the production of posters and handbills, billboards and other display materials is popular both for promotion and as a way of earning revenue through sales to fans, collectors and the audience. They can be cost-effective to produce, and although care must be taken to ensure they are legally distributed and displayed, they can create a strong impact.

Displays can also be effective, both at the site and at places where the target audience are likely to be found. It is important to watch costs, as they can escalate dramatically when using various materials, finishes, etc.

- Posters (on site or at other locations).
- Billboards (inside or outside, on site or at other locations).
- Information displays (e.g. airport or tourist centre signs).
- Window displays and display cases.

There are advantages and disadvantages in each form of advertising media. The choice of which media to use depends on your message and the audience you want to reach.

DIRECT MARKETING

Direct marketing is defined as any form of marketing that takes place directly between two parties. Although the most familiar form is direct mail (an arts organisation sends a concert series program directly to a past subscriber), it includes other forms of direct contact, such as telephone marketing (called telemarketing) and even e-mail and the Internet.

Direct marketing includes the use of giveaways, competitions, discount coupons or flyers handed out at shopping centres (again, you'll need to check on regulations and get approval) and catalogue selling, which is becoming more and more popular. It also includes offering products to people when they are at your premises, such as programs for theatre goers or CDs of performances – all made available at the venue so that the customer has direct access to them. Direct marketing means handing out information about the next program to people as they are leaving the current program, or giving them information about other products or activities which might appeal to them.

The use of direct mail is becoming increasingly popular in the arts and entertainment sector. Many arts organisations have some type of 'loyalty' program for customers, offering subscribers or sponsors special privileges, direct mailing them opportunities for pre-booking popular events, and generally seeking to build an ongoing relationship with a customer through regular one-on-one contact.

You can also purchase mailing lists from commercial mailing list organisations. There are a number of companies which compile mailing lists and can provide assistance with reaching various types of audiences. (Look up direct marketing – mailing lists in the *Yellow Pages* for details of the organisations in your area.)

By keeping track of ticket buyers, customers, subscribers and donors, organisations – and artists – you can develop a **database** which can be very useful. A database is more than a mailing list; it includes detailed information on what people are interested in and what they buy. A good database can help an artist or an arts organisation give customers access to information which is of genuine interest to them, and thus help develop ongoing relationships with these customers.

Direct marketing can be extremely cost-effective and is especially useful for communicating with existing or lapsed customers.

However, direct marketing is only effective if it reaches the right person with the right offer or information. Mailing lists and databases must be up to date and accurate to determine what, specifically, will be of interest to the target group. Your direct marketing message has to stand out by being well designed, clever, or by offering something of real value to the recipient.

Good direct marketing builds in a response method – a telephone number to ring to make a booking or confirm an invitation to an exhibition, a coupon to return, an order form to complete. There's no point in making an offer that is difficult for someone to respond to.

consider this

What direct marketing can you do? Do you currently have a mailing list or a database? List some ways you can expand the information you have on customers or potential customers.

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PREPARING YOUR ADVERTISING AND DIRECT MARKETING MESSAGES

Many organisations do their own promotions, but, if possible, it is useful to get professional advice and assistance. Some groups try to get someone with media experience on their board, or to act as a volunteer adviser. Sometimes a friendly or helpful person at a local newspaper can help with general advice. Larger advertising agencies sometimes 'adopt' arts organisations and provide assistance.

Most media, including metropolitan and community radio and television, do community service announcements which are available to non-profit organisations, and can be used for arts activities such as performances and festivals.

To pursue these opportunities you will need to prepare a small portfolio of information about yourself or your organisation. Include details on what you do (your mission and vision, the type of work done, how long you've been going, numbers of people involved), and copies of any publicity you've received and advertising you've done. Ask for help for a specific project (an upcoming concert, for example) to start with. If all goes well, then a longer term relationship may develop.

It should be noted, however, that the media and advertising agencies are generally more likely to support groups and established non-profit organisations rather than individuals seeking to make

a commercial impact. But it may still be worth a go, particularly if you need help promoting a special exhibition or something of that nature.

Collect copies of advertisements and printed material you like – and copies of things you don't like. Build up a file so that when you have to design ads you'll have a starting point.

Find out who did the ads you liked. Some advertising agencies will do limited amounts of arts work as a community service, or at a substantial discount.

EVALUATING ADVERTISING EFFECTIVENESS

While it is easy to measure the results of direct marketing, it is harder to assess the value of advertising. People might see an ad several times before finally deciding to act, or they may see several ads and it could be difficult to know which one prompted them to respond.

Probably the simplest way to gauge results is to ensure that every advertisement has a coded response message. For example, an ad in a major newspaper could include the information: 'To book your seat for this performance, call John on (telephone number)'. The same ad could appear in other publications, with a different name in each one. Keeping track of the number of people who ask for John or Maria or Robyn will make it easy to see which publication achieved the highest level of bookings.

Including code numbers on a coupon will supply information on precisely where the coupon came from. Recording the number of enquiries and bookings that come immediately after publication of an advertisement is also common practice. So, too, is simply asking people where they heard about you.

consider this

What systems could you use to measure the effectiveness of your advertising?

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SALES PROMOTIONS AND MERCHANDISING

Many organisation have found that effective use of sales promotions and merchandising can significantly increase their revenue.

Sales promotion is a general term that applies to activities other than advertising, publicity and personal selling. It includes such things as display, demonstrations, give-aways, special discounts or combining of products ('buy one, get another one for half price' or 'subscribe now and get a free CD').

Sales promotions are designed to increase sales of products, gain acceptance of new products, or increase awareness and trial of products. Sales promotion can also include participation in trade shows, gift fairs, arts showcases, and even involvement in festivals and corporate entertainment programs. Making items available as competition prizes or running competitions for your organisation are also forms of sales promotion.

Merchandising has become increasingly important, especially to performing arts organisations, museums and galleries. Linking merchandise items with performances (T-shirts, CDs, jewellery, souvenir programs, catalogues and books, postcards, etc.) can significantly increase income. In some cases travelling exhibitions and blockbusters are promoted with an accompanying line of merchandise. In other cases organisations can commission items to be produced.

When the National Wool Museum in Geelong hosted the *Life and Death Among the Pharaohs* exhibition, popular selling merchandise included books, scarves, jewellery, children's toys, and a specially designed limited edition (numbered and authenticated) rug which was produced on the Museum's loom.

Organisations should take into consideration the opportunities for sales promotion and merchandising when planning programs, and artists and craftspeople should be alert to opportunities to tie in with exhibitions.

PUBLICITY

A lot of people say they never read advertisements, or they don't believe advertising. Even if this were true (and it seldom is), they generally do, however, pay attention to publicity. The person who deliberately gets up and leaves the room when television ads come on, will watch a one-hour special on the making of a film, or an arts program which includes reviews or short takes from new performances.

However effective it may be, publicity doesn't just happen. It takes time and money. And although it is called unpaid promotion, don't think for one minute it is free. A lot of time, planning and effort goes into it. And always remember that sometimes there is no positive result.

You can spend a lot of time preparing for a media launch – booking theatre space, organising performers, preparing refreshments, writing and printing copies of media releases, organising CDs and other promotional materials – and then, five minutes before the event is due to begin, something else happens – a natural disaster, the calling of an election, or some other 'real news'. There is a very good chance then that no media at all will show up at your launch.

TYPES OF PUBLICITY

Publicity is designed to raise your visibility. While advertising should provide basic factual information, publicity provides an opportunity for you to tell your story, create interest, generate enthusiasm. The media like stories which have some type of a 'news' angle.

Examples of news can include:

- anniversaries;
- awards or other professional recognition;
- capital works, building improvements or renovations;
- new work or exhibitions;
- the opening of a new season (performances, concerts, films);

- the official launch of a book or festival, or other event;
- new services or facilities (free car parking, children’s art classes);
- appointments, promotions or the arrival or departure of visiting staff;
- new exhibitions, travelling exhibitions or recent acquisitions;
- special events (something to tie in with holidays or other events);
- major contributions, sponsorships or grants;
- fundraising activities and why the funds are needed;
- human interest stories about staff and/or volunteers (skills, hobbies, unusual places where they have worked, interesting things they have done);
- a visiting celebrity or overseas guest.

The information on these events is usually given to the media through a media release. The main point to make here is that you should check out what is involved before you start. There are specific rules about length, style, presentation and the type of information that need to be included. Because the media receive so many releases every day, they are not especially tolerant of amateurish work. If your release isn’t any good, or will need substantial rewriting, it’s easier for them to go on to the next one than spend time trying to get yours into usable shape.

consider this

Looking at the list, and thinking about your work, list five or six things which could generate some publicity for you in the next six months.

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While media releases are the main form of publicity, there are other things you can consider. Generally, these will require more experience and more time:

- Feature articles.
- Photographs.
- Press conferences.
- Events.
- Video tapes and films.

PUBLIC RELATIONS

In the arts industry, in particular, the goodwill and support of the public (or selected target audiences) is needed for artists to succeed. So it is useful to know how various people feel about the work you do. For example, funding organisations may have a high regard for someone's work, while the general public believe it to be elitist. Or someone may produce very popular work which critics dislike and take great pleasure in belittling at every opportunity.

It is important to be aware of public opinion. That doesn't mean you have to pander to it, but you should, at least, be aware of it. Generally speaking, the public can be divided into two basic groups – the external public and the internal public.

The external public includes:

- consumers (the target markets for your products);
- suppliers and distributors (theatre managers, agents, gallery directors);
- government grants and funding authorities;
- the media;
- sponsors and donors;
- special interest groups;
- the local community/neighbourhood.

The internal public includes your family and friends, staff, volunteers, board and committee members.

The attitudes of these groups are measured in various ways, including formal research and informal discussions, watching and listening, reading publications and guidelines, and networking with others in the arts.

You need to understand how you are perceived by these different groups, and then decide whether this matches, or conflicts with, your mission, objectives and goals. If everything matches, then all is well, but if there are problems or conflicts you need to consider how to address them.

consider this

Make a list of your external and internal public. Is there anyone on the list you hadn't thought of before in terms of your 'public'?

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Public relations activities, like publicity, can be time-consuming. It is good to consider everything that can be done, then realistically decide what you have the time and the ability to do. In terms of your internal public relations you can consider:

- newsletters (for customers, staff and volunteers);
- visits to your premises for employees' families, especially children;
- noticeboards and posters;
- regular meetings for staff and volunteers;
- awards programs for staff;
- social clubs;
- special events (e.g. annual dinners).

Activities aimed at your external public can include:

- written material – media releases and other publicity activities;
- audio-visual and electronic material – films, CDs and videos, transparencies, Internet home pages;
- interviews and speeches – you and your staff or volunteers attending or giving master classes, workshops, speaking at conferences or conventions, appearing on local radio or television, going to Rotary, Lions, Red Cross or Country Women's Association meetings;
- events – first nights, openings, launches;
- education and work experience for local students;
- memberships and involvement in local, civic, charitable and community activities, associations and arts networks.

consider this

Looking at this list, what are three or four things you could do in the next six months? What section of your 'public' would you target?



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PUTTING TOGETHER A PROGRAM OF ACTIVITIES

There are a lot of things you can do with regard to promotions. Here is a checklist of examples and ideas:

- advertising – for specific events and activities;
- advertising – general (local);
- art shows;
- artist-in-residence, writer-in-residence programs;
- brochures;
- business cards (and stationery);
- calendars;
- competitions;
- co-operative marketing – working with other artists in city and regional galleries and in antique shops, etc.
- direct mail letters;
- discounts, special offers and sales promotions;
- endorsements from well-known people;
- local and community arts registers;
- media releases;
- newsletters;
- personal appearances;
- postcards, stickers or magnets (other merchandising);
- posters;
- promotion of location of premises (facilities available; located near cafes and bookshops);
- promotion of opening times of galleries;
- publications – introductory booklets (such as how to care for your new purchase or how to bid at an art auction);
- publicity – print (local);
- publicity – radio and television (regional, national);
- public speaking;
- tourist guides;
- shopping centre promotions;
- special activities – off-site performances, festival appearances;
- special discounts and coupons;
- special events – opening nights, previews;
- teaching (children and adult education courses);
- tie-in activities with community events, festivals or sporting events;
- training to ensure staff and volunteers are friendly and knowledgeable;
- videos and CDs;
- working in conjunction with other art forms;
- working in non-gallery, non-traditional performance settings;

However, it's fair to say that while there are many options, some are a lot more popular than others. The Australia Council's research on arts marketing and audience developing indicated that the media release was the single most popular form of arts marketing.¹⁶

The five most frequently mentioned types of promotions mentioned were:

- media releases (used on a regular basis by 81 per cent of the organisations surveyed);
- direct mail (66 per cent);
- electronic media – for publicity and media releases (61 per cent);
- press advertising (56 per cent);
- pricing strategies – youth discounts, pensioner discounts and season subscriptions (54 per cent).

While 30 per cent said they regularly advertise on radio and television, 31 per cent do so only very occasionally, and 40 per cent never do (probably because of the cost).

While 60 per cent of arts organisations said they used research to identify market segments, only 17 per cent do so on a regular basis. However, 82 per cent said they do undertake some analysis and segmentation of their markets, and try to develop strategies and promotions to appeal to each segment.

ORGANISING YOUR PROMOTIONS

The best source of information on the media in Australia is *Margaret Gee's Australian Media Guide*.¹⁷ It's updated quarterly and includes information on Australian newspapers, magazines, newsletters, radio and television stations, and specialist publications and multicultural media.

The Media Guide lists the name, contact telephone and fax numbers, details of the circulation or readership of publications, advertising rates, and names of editors, publishers and selected staff. It is cross-indexed by name, region, and field of interest and it is available on subscription. It is expensive, so it's worth checking with your local library, and your community arts network, to see where you can access a copy.

Some people enjoy promotions work and would happily spend time on it. Others feel it takes them away from what they really want to do. In some cases, people feel that if they just do their work to the best of their ability, they shouldn't have to get involved in promotion. Unfortunately, it's rare for publicity opportunities to just present themselves or happen in some 'natural' way. It is part of your marketing planning, and at least some work will be involved. It's up to you to decide how much time, effort, money and imagination you want to put into it.

SETTING YOUR PROMOTIONS BUDGET

Unfortunately, there is no simple process for setting a promotions budget. As with other aspects of advertising, promotion and research, you have to decide what needs to be done, set priorities and then see how much money is available.

As a general rule of thumb most arts organisations set aside between three and seven per cent of their profits to spend on promotions, but that is really only a very general guide. For new operations or major blockbusters, it can increase to 10–15 per cent. And some organisations simply set aside what they can – 'What can we do with \$2,000? Because that is all we can afford!'

¹⁶ *Marketing the Arts: A Study of Marketing and Audience Development by Australian Arts Organisations*, Australia Council, 1997.

¹⁷ *Margaret Gee's Australian Media Guide*, Information Australia, Melbourne.

KEY POINTS TO REMEMBER

- There are six things to keep in mind when planning promotions:
 - Who do you want to speak to?
 - What do you want to say?
 - Where is the best place to say it?
 - When is the best time to send out your message?
 - How much should you spend?
 - How will you know if they've heard you?
- Paid promotions include advertising and direct marketing. Paid advertising usually provides information which the public needs to make a purchase decision (performance times, costs, exhibition dates, reservations and booking numbers). Paid promotions include print, broadcast media, direct marketing (mail, telephone and online).
- It can be difficult to gauge the results of advertising, but it is important to monitor where customers have heard about you and to measure the success of advertising.
- Publicity is designed to raise your visibility. The most common form of publicity is media releases.
- Public relations is designed to improve the image or standing of an individual or organisation within specific communities or groups (with the general public, potential sponsors, the media etc.) Public relations activities include newsletters, awards programs, education programs.
- Effective promotions requires a planned annual program which combines paid and unpaid promotions
- Setting a promotions budget can be a difficult exercise. Budgets range from 3–15 per cent of profits. But often organisations or individuals simply set aside an amount of money, then try to spend it as effectively as possible.

3.12

ASSESSING YOUR RESOURCES AND DEVELOPING YOUR IDEAS

CHAPTER OVERVIEW

This chapter examines the support systems and networks you need to develop for success. It will help you identify the links between time and money and the way both affect your planning. It will also help you assess your equipment needs and set priorities.

ASSESSING RESOURCES

There is an old expression: 'There are no unachievable goals, only unrealistic time frames'.

Most arts organisations know that you can do things if you have either time or money. If you need a set built and there is plenty of money, you can hire set designers and builders and have the entire project under control very quickly. If money is tight, but there is plenty of time, then volunteers can hunt for second hand materials and old sets can be remodelled. A situation where you have neither time nor money is the most unsettling and problematic!

Resources can have a big impact on planning. Generally resources include:

- time;
- money;
- human resources;
- information;
- equipment.

TIME AND MONEY

For many people interested in a career in the arts the single most difficult issue to face is determining the amount of time they can spend working on art as compared to other income generating activities. In the early stages of their career, many artists have to combine their art with other full-time or part-time employment, limiting art activity to evenings, weekends and holidays. Artists often find it necessary to take on other work, such as casual hospitality industry work or teaching, to supplement their income.

This is especially true if they are self-supporting or responsible for others. Basic living expenses and ongoing costs mean that in many cases a regular, reliable income is required. Meeting that income need may mean less time for other activities, no matter how interesting or desirable they may be.

The move from full-time non-arts work (with arts as an off-hours activity) to a situation where you can make a commitment to half-time work and half-time art activities can be a major step. The next stage — full-time in art — can be daunting.

Making the decision about how much time to spend on art work will depend on your personal situation. It will be useful to review the budget discussions in Chapter 10, Understanding the Marketing Mix. There are no easy answers. An informed decision must be based on careful assessment and planning.

life scenes

Maria was interested in the popular music scene and after two years at university decided to leave her studies and concentrate on a full-time music career. After discussions with her family, who were supportive but not wildly enthusiastic, it was agreed that they would support her for two years — the same time they would have continued to support her completion of uni studies. Looking back she realises she should have planned the time better.

'Two years sounded a long time, but really it wasn't. I hadn't done my homework, really. I'd only been doing gigs with a couple of bands locally, and although we made money on weekends, they didn't work regularly and it's really competitive out there,' says Maria.

*'By the time I really knew how to connect with people in the industry, to make contacts, my two years were up, and that really was it as far as family support was concerned. I tried to keep going awhile longer, but eventually had to get an office job, which wasn't easy to find. On my first couple of applications I put down that I had been a vocalist and they wouldn't even interview me — I know they thought I was just looking for something temporary to tide me over. After a while I just didn't mention singing, but it was still hard. It's too late now, I mean if some great opportunity came along, well... I really do think I could have made it with a bit more time.'*¹⁸

But time decisions involve more than just the key decision of 'art' versus 'non-art' activities. It also involves the way in which artists spend their 'arts work' time. For an artist or fine craftsman it means finding the best mix between commercial work and exhibition work, and having freedom to experiment with new techniques, materials or styles. For a performing artist it means finding rehearsal time, time for auditions, for recording or film work, for composing or choreography or directing, performing (of course), travel and on-road time, and developing new material.

It's also pretty important for artists to have time to network with others and to see what other artists are doing — attending performances, visiting galleries, and so on. For some artists it means allocating time to do things locally. For others, developing their skills may require overseas travel.

¹⁸ Author's own interview, conducted 1998.

life scenes

Cathryn Lloyd, a silk painter in Brisbane, told Smarts magazine about her experiences: 'Commercial silk painting and design in Australia is not an area with training courses and grand traditions to draw upon. So learning has been a lot of discovery, searching, trial and error.

'A big part of my learning process was having the opportunity to study with a great master. In 1995, I was fortunate enough to receive a Professional Development Grant from the Arts Office which helped me spend three months studying contemporary and traditional fabric design in Japan...Much of this time was spent studying in the Kyoto studio of the master kimono designer Hongo Taidenshi, and learning his particular technique of Roketsu Zome — a wax resistant process...

*'One area I would like to touch on is the fascinating tension between so called commercial work and artistic work. This seems to be a tug of war most creative people struggle with and how it is resolved is up to the individual and their particular focus, circumstances and interests and of course their financial situation. In my case, it is important to maintain a balance with my personal artistic integrity. However my time [commitment] right now is to also earn a living from the work I create.'*¹⁹

It is also important to look critically at the 'life cycle' of your career choices. While painters can still be active well into old age, dancers have to consider the probability of a shorter performing career, and to consider follow-on opportunities in arts management, choreography or teaching. While musicians can look forward to potentially long careers, some potters have been so affected by arthritis they cannot work nearly as long as they had hoped.

consider this

What are the key issues you need to consider before making a time commitment to your work? Can it be a full-time commitment? Is there a time frame for success? Will you begin part-time, and set full-time goals?

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¹⁹ 'Weaving the Strands', *Smarts*, No. 13, March, 1998, p. 31–32.

HUMAN RESOURCES

While many artists work independently, they often have a support network of other artists, family, friends, agents and gallery directors who assist them with finding work and with various aspects of their business.

Sometimes it is someone who provides advice or informal assistance, other times it can be a network of volunteers who help to keep a small theatre company going by assisting with everything from set design to ushering for performances.

It is important to assess your support network. Who is prepared to assist? What skills do they have? How willing are they to assist? How reliable are they? Do they need to be paid or will they volunteer their services? (Even if you don't pay them you should show your gratitude in some way – formal thanks, an end of season BBQ, or perhaps a party after the exhibition). When are they available? How do the various people within your network get along? Will they work together, or will you spend your time managing conflict?

life scenes

Rachel remembers an experience she had with a regional festival. Relatively new to the district, she had been doing emergency teaching, which was a good way to meet people and get to know the area. She also wanted to get involved in community activities, so she responded to an advertisement in the local paper for volunteers to help with the assembly of a floral display. An annual feature of the festival, the display was changed each year, and volunteers used thousands of dried flowers to create the patterns.

'I rang and enquired, and was really given an enthusiastic welcome. The festival organiser said that each year the group responsible for the carpet was getting smaller and smaller, that 'new blood' was desperately needed, and all volunteers would be welcomed. So I went along.

'It was horrible. There were about 15 people and they had all clearly known each other forever. When I arrived they said, "Oh, how nice to see you. Here, take these and work over there". Then they literally banished me to another corner while they sat together working and chatting and discussing people they all knew.

'I felt like such an outsider. Every half an hour or so, someone would look over at me and say, "How are you going there?" and then turn back to chatting with their friends. Of course, I never went back. I felt like an intruder in their own, private little circle. The festival director may have wanted more volunteers, but they certainly didn't.'

It's important to recognise that new volunteers need to feel welcome and accepted. The nature of networks is such that they can take time to fully develop, so you may need to provide occasional support until the newcomer is accepted into the group.

life scenes

The five founders of Aeon design studio in Western Australia described their networks to Smarts in this way: all graduates of Curtin University, the artists decided on a co-operative workshop because they wanted a supportive working environment. Although the first year presented some challenges in terms of 'finding a consensus', they valued the daily contact and recognised the value of group support.

The structure they have created is, in their words: 'flexible enough to allow for personal needs while still maintaining a group commitment... Due to the time we have studied and worked together, our relationship has developed into one of honest exchange about our work and mutual respect for our differences, as well as recognition of the strengths that we each contribute to the group'.²⁰

Assessing your support networks is important. If your networks are thin or you are on your own, you'll need to create some support groups. Contacting your community arts network or community arts officer will be a good place to start. So will learning about other people's work and seeking out people whose work you admire. Also, if you do have a lot of support, then managing, controlling and communicating with these people will take time and effort.

Using agents, booking agents, managers or working through commercial galleries and retail outlets will link you with people who are familiar with the arts scene, who usually have good contacts and can provide assistance and career support. Of course these people are paid for their contributions to your career. If you are going to use agents you will need to be aware of the legal and ethical considerations involved, and will need to find out as much about them as possible.

How do they select their clients? Agents don't have to handle everyone who comes along – they choose who to sign. How do agents charge? Usually it's a percentage of what you earn through the work they sell or the performances they book. How well known and respected are they?

Arts organisations, of course, also have to pay careful attention to their human resource assets. In most arts organisations these include their board or committee members, their paid staff (both full-time and part-time/casual) and their volunteers.

Ensuring that your board members have the combination of skills you need (including artistic skills, business skills, marketing and finance) as well as enthusiasm and commitment is no small task and needs to be actively managed. Similarly, developing strong teamwork, communications and loyalty amongst both paid staff and volunteers is also important. Having the support of high profile or influential people (e.g. politicians, artists and community leaders) will also be very helpful to your organisation.

²⁰ 'Aeon's a goer', *Smarts*, No. 13, March, 1998, p. 29–30.

consider this

List your key support networks. What are the major benefits you get from each?

Support network

Key benefits

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What additional support would be useful? Where could you get this support?

What would be useful?

Possible sources?

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INFORMATION

Knowledge is power. If you don't know about the various grants available, you won't be able to apply for them. You'll never be an artist-in-residence if you don't know where the programs are run and how to apply. If you don't know about the Performing Arts Market you'll miss out on the opportunity to meet national and international festival organisers and venue managers in a local, cost-effective environment.²¹

If you don't know the value of presentation, your work may never be as successful as it could be, and if you don't know where to find work, you'll never work as much as you'd like.

You need to know about your art form – technical and general information – but you also need to know about the operating environment, your strengths and weaknesses, where to get information, how to network, and the best way to plan your activities, prepare your work and promote yourself.

Fortunately, there is plenty of help at hand. Books (refer to the recommended reading list at the back of the Guide), adult education courses, universities, TAFE colleges and secondary schools with arts departments, exhibitions, shows, artists' co-operatives, community arts officers, State and Territory arts funding agencies and the Australia Council can all assist. The Australia Council also maintains a library which includes publications and audiovisual resources.

²¹ For further information about the Performing Arts Market contact the Australia Council's Audience Development Division, telephone (02) 9950 9000.

The catch is, however, that you don't always know what it is you don't know. You may think to check on grant availability, but not know that it's also important to find out about other government sponsored programs, such as NEIS (New Enterprise Incentive Scheme) which can help with training and income support during the development stages of a new business.

The applicability to your work of various Export Incentive Schemes can also be a possibility. That's where networking with others, being involved in the local arts scene, and contacting arts organisations can be helpful. The Australia Council and other government web sites (www.artsinfo.net.au and www.acn.net.au) provide lots of information which is regularly updated.

life scenes

Aboriginal artist Donna Hensen's success was reported in Smarts. She has designed a new board game, based on a traditional Aboriginal game, to be distributed through duty-free stores.

The game won the Innovative Indigenous Product Design award at the Indigenous Art Expo held in Casino, NSW in 1997. Made of ceramic, fibre resins and shells, she describes it as a mix of noughts-and-crosses and chess, requiring lateral thinking and patience.

With the help of the Expo co-ordinator, Donna used her prize money to trademark the name Hunters Tactics, then to find an agent to approach toy companies for a children's version and to test market her art product. She also completed a NEIS course to develop a business plan.

Donna has undertaken research to identify viable production techniques, suitable packaging, and viable target markets and distribution channels. In fact, it was an article in Smarts about duty-free opportunities which led to consideration of duty-free as a distribution system.

Having completed the NEIS course, she was eligible to apply for business assistance under the new Indigenous Business Incentives Scheme, and she will now have funding (\$20,000) to set up the new business.²²

EQUIPMENT

Some art forms require relatively little equipment. Others require a substantial investment. Therefore shared facilities, or the hire of special equipment which is only used occasionally, may be appropriate. Arts co-operatives can provide access to equipment; so can community arts centre rehearsal rooms. Hiring the recording studio at local radio and television stations is an option worth considering (most provide technical assistance). Working with someone else can also be useful. An artist can work with a local framer, a performer can work with a local photographer, and so on.

Space, light, and safe and secure storage facilities are important factors. For some artists space is particularly important, for others (fine crafts and jewellery) security is critical. Buildings need to have appropriate light, temperature and humidity, and noise levels may need to be monitored.

²² 'Hunters for Collectors', *Smarts*, December 1997, p. 25.

The best way to review your equipment needs is to make a list which includes:

- the absolute basic necessities;
- equipment that is useful and important and considered 'standard' in today's environment;
- things that could make you and your work more effective or more efficient;
- equipment which would improve the quality of your work and bring you personal satisfaction;
- things which are expensive and non-essential, but you'd just love to have.

When costing equipment, don't forget to include the non-art-specific things you may need to have your own arts business. Computers (and software programs, e-mail and Internet connections), telephones and answering machines, copying equipment, fax machines, transport, mobile phones and cordless phones, office furniture, showroom furniture, shop fittings – the list goes on and on depending on what you are doing.

The best way to develop your list is to look at other artists' operations, and to talk with them. What do they consider as essential? What are they sorry they spent money on? What would they buy if they were starting from scratch again?

consider this

Prepare your five-level equipment list:

Basic necessities
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Important
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Extremely useful
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Desirable
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'I wish'
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Now go back and put a rough cost against the items.



DEVELOPING YOUR IDEAS

An understanding of your own position, the audiences you want to reach, your goals, the environment in which you operate and the resources at your disposal comprise the essential groundwork for preparing your marketing plan.

As they say in soap operas, it's time to review 'the story so far'. You should now have:

- described what you want to do, where you want to do it, and who you want to work with;
- listed your key goals and objectives;
- listed your strengths and weaknesses, opportunities and threats (your SWOT);
- developed your mission and vision statements;
- identified the key environmental factors which will have an impact on your work;
- a description of your key target audiences;
- a basic promotions plan;
- an understanding of your available resources (time, money, networks and equipment).

With all that information at hand, you're now ready to do some serious planning.

KEY POINTS TO REMEMBER

- Resources can have a big impact on planning. Resources include time, money, human resources, information and equipment.
- Time and money are both finite. If we do not have a lot of money, but we have a lot of time (volunteers, time to build sets from scavenged materials, etc.) then projects can be completed. If time is short it may be necessary to speed things up by bringing in experts or finished products. Either way, it requires planning and an awareness of what resources are available.
- Human resources are also important. Having a support network, access to people with useful skills, and an enthusiastic volunteer network as well as experienced people who can work on boards or committees is essential for success.
- Knowledge is power. You need to know about your art form, grants, new developments and opportunities and potential problems.
- Equipment can be very important for some arts activities. Knowing where it is available, how much it costs, identifying opportunities for sharing or joint purchases will help stretch budgets. Because there are often so many things that would be useful, it is generally helpful to analyse equipment needs in terms of these categories: basic necessities, important, extremely useful, desirable and 'I wish'. Start with the basic necessities.