

## The Role of Marketing in Effective Arts Management

Today's arts administrator still needs aesthetic appreciation, enthusiasm, and commitment to their art, but this needs to be combined with practical business sense and, increasingly, an understanding of marketing, and the way in which effective marketing can enhance long-term success.

Marketing provides the framework to increase product offerings and to promote arts and entertainment through a wide range of activities. Through strategic marketing it is possible to heighten levels of satisfaction of current customers, and also reach new audiences.

### Marketing Definition

Marketing is: the analysis, planning, implementation, and control of programs designed to increase visitor awareness and use of collections, facilities, and services in a way that will mutually benefit both the organisation and the visitor.

Although many people tend to use the terms marketing and promotion as if they were interchangeable, this is not the case. Promotion is, in fact, only one element of the total marketing concept.

Probably the most salient aspect of marketing is its recognition of the importance of the consumer. It focuses on the development of sound research strategies to obtain information about consumers' needs and wants, and enables organisations to identify market segments which are most likely to respond to their products and services. It also enables arts organisations to identify the most effective way to reach these target markets.



## The Changing Context for Arts Marketing

**M**arketing in the arts was once such a sensitive topic that administrators were reluctant to even use the word, believing that it suggested 'selling out' artistic principles in favour of finding the lowest common denominator for dealing with the public. Part of the problem was based on a misunderstanding of the principles of marketing, and the way in which marketing can enhance the delivery of products and services.

The changing environment in which arts organisations operate has meant that more and more organisations are recognising the advantages of using marketing principles to assist them in making sound, practical decisions which ultimately give them even more scope for creativity and innovation.

### *The Impetus for Change*

The impetus for change has come from many directions:

- ◆ Consumers
- ◆ Government
- ◆ Sponsors
- ◆ Competition.

### **Consumers**

Faced with more options on how to spend their leisure time and discretionary income, consumers are more demanding and less loyal than ever before.

## Government

At both federal and State levels, government remains a major supporter of the arts. However, most governments have implemented programs aimed at increasing the business skills of arts administrators, especially in the area of marketing. Governments have indicated that although they will continue to fund cultural and arts programs, they expect organisations to become financially more resourceful and more able to develop and maintain their own funding base, either through increased attendances or increased commercial sponsorships.

## Sponsors

The downturn in the economy means that commercial sponsorship has become more difficult. Arts organisations have to present their sponsorship requests in terms of what they need — but also in terms of how the sponsorship will benefit the business making the contribution. The increased number and variety of sponsorship opportunities has made the environment more competitive, with increasing numbers of organisations pursuing ever smaller numbers of sponsors.

## Competitors

Arts administrators agree the marketplace is becoming more competitive. The public can choose from a vast number of alternatives, not only in general terms (what shall we do? Sports? Music? Theatre? Cinema?) but also within artforms (Music — Local bands? Classical? Cabaret? Orchestral? Choral? Light opera? Pop concert?).

Organisations are developing a marketing orientation to meet these challenges and ensure they not only survive in a difficult environment, but grow and develop, and build a long-lasting base of loyal supporters.



## Building Blocks for Marketing — the Six Ps

**M**arketing's building blocks have been traditionally referred to as the six Ps: product, place, price, processes, promotion, and people. These are defined as follows.

### *Product*

The major facilities, goods, or services being offered. The product will vary depending on the organisation, for example:

- ◆ Art gallery — the permanent collection, education programs, catalogues, research services, any special blockbuster exhibits, books, merchandise, and souvenirs.
- ◆ Theatre — the season program, the timing of performances, the individual plays, the resident actors and special guest performers, the sets, the printed programs, and other merchandise.
- ◆ Festival — the theme, the major events, the combination and range of activities being offered, the calibre of performers, food, displays, entertainment, stalls, and merchandise.

### *Place*

The venue at which the activity takes place. This includes the location, the facilities available, the parking, the comfort, and the size of the venue. Again, using specific examples, some of the elements of place include:

- ◆ Art Gallery — the location (city central, suburban, regional), the building, the size of the building, its architecture style, age, decor, level of maintenance, the amenities provided (air-conditioning, lifts, coffee shop, souvenir shop).

- ◆ Theatre — location, the building itself, the seating capacity, parking facilities, amenities (heating or air-conditioning, comfort of seating) maintenance, decor, condition of facilities, quality of sound, visibility of stage.
- ◆ Festival — location, access, parking (distance from venue, security, traffic management and control), distance between various venues or events, security and safety, maintenance and amenities (portable toilets, lost children area), quality of sound systems and visibility of stages, access to undercover areas in case of inclement weather.

### ***Price***

The prices charged for general entry, services, or facilities, or for any other elements of the product (such as printed programs, food and drinks, parking, or souvenirs). Pricing can be a major issue for consumers. Many organisations use pricing policies as a major part of their marketing strategy.

### ***Processes***

The procedures which are developed to provide information, tickets, etc. This includes box office procedures, the use of commercial external ticketing services, and the use of 1800 or 0055 numbers for information. Often a customer's experiences during the processing phase can affect their attitude towards the whole event.

### ***Promotion***

The way in which information is provided to the potential customers. It includes a wide range of options including advertising, direct selling, publicity stunts, public relations activities, and even the Internet. Sound market research can ensure cost-effective promotions which will reach their intended audiences with the right message at the right time.



## *People*

People bring a facility to life. The friendliness of the box office assistant, the knowledge and courtesy of guides and gallery guards, and the way in which grounds staff handle complaints or lost children can create an even more lasting impression than the masterpieces on the gallery walls or the string quartet on the stage.

## **The Components of Marketing**

**M**arketing includes a range of activities which can overlap with other aspects of management. Because marketing is based on a sound understanding of the product and the customer, it requires detailed research and data collection. Some of this information is of use to organisations in other management contexts.

Marketing centres around six key components:

- ◆ Research — gaining information about the business in terms of the six Ps, as well as information about visitors and non visitors and competitors.
- ◆ Analysis — identifying strengths and weaknesses, unique features and competitive advantages.
- ◆ Planning — both short-term and long-term strategic planning about the goals, mission, and objectives of the organisation.
- ◆ Promotions — the combination of paid advertising activities undertaken to increase awareness and interest in the organisation.
- ◆ Publicity and public relations — the variety of unpaid activities which are designed to increase credibility and support for the organisation.
- ◆ Staff and volunteer training — processes of recruitment and selection, induction and training for both paid staff and unpaid volunteers.

The first three elements have implications for marketing, but also for other aspects of management. Therefore research, analysis, and planning are often undertaken as part of a management team process rather than left exclusively to the marketing staff.

In smaller organisations this is usually no problem since tasks are divided among a very small team. In larger organisations, however, conflicts arising from different priorities and perceptions can occur.

The interrelationship between marketing and other activities is very strong. For example, decisions about art acquisitions, or the works to be presented in a concert series, will be of importance in marketing terms, and also relevant to curators, education officers, and performers. Decision-makers have to recognise the links.

Promotions, publicity, and public relations are all operational aspects of marketing. Although they are of immense interest to other staff, they tend to be handled by the marketing department.

Staff and volunteer training, critical to the success of an organisation, again overlaps several management areas, with input usually coming from human resource departments, marketing, and other administrative areas including curatorial, security, and education.

