

Planning Marketing Programs

Organisations that have adopted marketing as part of their philosophy also accept the need for detailed planning. Planning helps an organisation set priorities and plan activities in both the short- and long-term.

Strategic Planning

Strategic planning is usually divided into three distinct stages:

- ◆ analysis;
- ◆ strategy development; and
- ◆ implementation.

Analysis

Includes a review of the current situation, in terms of both the internal aspects of the organisation (size, budget, staff numbers, types of products offered, etc.) and the external operating context (including the policies and attitudes of governments, sponsors, and competitors).

Strategy development

The process for setting goals and objectives for an organisation. What new products or services could be introduced? What goals does the organisation have in terms of attendances, quality of performances, or income and expenses?

Implementation

Involves the identification of the specific ways in which goals will be achieved. What programs will be offered to increase perceptions of quality? What specific services will be introduced to increase revenue? How will the promotion budget be spent to ensure increases in attendances?



There are three key tools used in undertaking a detailed analysis of an organisation:

- ◆ the PEST analysis;
- ◆ the SWOT analysis;
- ◆ the facilities audit.

Understanding the External Context

Even though we may have no way of directly controlling external factors, they can still have a major influence on an organisation's activities and viability.

It is important to be aware of these external influences and take them into consideration when making planning decisions.

The external context is usually divided into two key areas:

- ◆ Macro-environment.
- ◆ Competitive environment.

To understand the macro-environment a technique called a PEST analysis is usually undertaken. PEST stands for:

- ◆ Political.
- ◆ Economic.
- ◆ Social.
- ◆ Technological.

Political context

Includes the potential impact of taxation, legislation (including import tariffs, fringe benefits tax, luxury taxes), the change of rules about charitable contributions or investment in film and television projects, duties paid on importation of books and CDs, and government policies on subsidising arts companies, grants to writers and artists, and overseas trade missions.

Government regulations have an impact at all levels, including State policies on development and planning schemes, local council ordinances on parking rules and fees, advertising, and zoning regulations.

Economic context

The economic climate can have a major influence on the arts. The amount of discretionary income people have will impact on how much they participate, and the amount that they are prepared to pay for admissions. Consumer and business confidence can also affect levels of sponsorship and contributions.

Social trends

Often linked to economic indicators, but there are also other factors such as fashions and trends which influence how people respond to arts marketing. If people are worried about their future or their jobs they are less likely to spend on 'big ticket' items such as overseas holidays or expensive home entertainment systems, but they may be more likely to attend community festivals, hire videos, and visit take away food outlets.



Technological trends

These have a major impact on planning. New technology means changing patterns for information collection (using the Internet rather than printed brochures). Technology can also change the way in which we operate. Examples include computer designed ticketing systems and the dramatically improved quality of home entertainment video and sound systems.

Often it is tempting to believe that because we are offering something unique we don't have competition. The competition for an opera might be other live music performances such as light opera or a choral group, but it might also be a video of 'The Three Tenors' which the consumer will borrow from a video library and watch at home.

Understanding the Internal Context

One of the most commonly used planning tools in Australia today, the SWOT analysis, is popular with arts administrators because it is simple, straightforward, and can be very valuable, even for administrators without a strong business background.

SWOT stands for:

- ◆ Strengths
- ◆ Weaknesses
- ◆ Opportunities
- ◆ Threats.

A SWOT analysis is a method of looking objectively at an organisation and assessing its good and bad points, and finding ways of maximising strengths and minimising weaknesses.

The strengths of an organisation might include its location, the depth, quality, and rarity of its collection, the skills and qualifications of staff members, or the high level of support for a community festival.

Weaknesses are the problems which the organisation faces, and might include such things as obsolete equipment, lack of storage, and ageing volunteers with fewer young people participating.

Opportunities include actions which arise from either strengths or weaknesses, such as offering special daytime lectures for older visitors, utilising the knowledge and expertise of staff, or developing a youth program which will increase the number of younger volunteers.

Threats are the potential risks the organisation faces if it fails to capitalise on its strengths or redress its weaknesses, or recognise external factors which may have an impact. This could include having to reduce the season because of unreliable equipment, or having key staff poached by other organisations that offer them more recognition or research opportunities.

The format for a SWOT analysis usually involves as many staff, volunteers, and Board or Committee members as possible, and even a cross-section of customers if feasible. Usually each participant works alone, for about 10 minutes, listing as many items as possible under each of the four headings.

Then the group compares, comments on, and discusses the results. Often the results are very different, with some people seeing something as a strength when someone else has identified it as a weakness.

Undertaking a Facilities Audit

An important part of the planning process is an analysis of the organisation. This is usually done through a facilities audit. A facilities audit includes an objective evaluation of: premises, collections or products, visitor data, personnel, promotions, financial position, and the identification of what it is that makes your festival, gallery, or arts company unique.



A facilities audit should be presented as a written report, consisting of several paragraphs for each of the following topics.

Premises

- ◆ Location:
 - site, address, and position (central city, suburban, etc.);
 - proximity of other attractions or facilities;
 - access to public transport;
 - access to parking;
 - ambience and security.
- ◆ Buildings:
 - age;
 - architecture style;
 - condition and maintenance;
 - facilities and services (e.g. restaurants, shops).
- ◆ Surroundings:
 - landscaping;
 - walkways and pathways;
 - other attractions, amenities, and facilities.

Collections and/or Products and Services

- ◆ Types of offerings:
 - major offerings (e.g. Asian Art, contemporary craft, light opera, chamber music);
 - additional programs (e.g. children's music appreciation, painting and drawing programs, secondary school lectures).

- ◆ Quality:
 - breadth, depth, and rarity of collection, programs, etc.;
 - quality of interpretation or programming;
 - ability and qualifications of staff and volunteers.

Visitor data

- ◆ Visitor numbers:
 - overall attendance;
 - attendance at various programs or events;
 - seasonality;
 - frequency;
 - breakdown of visitor types (e.g. students, tourists, families, researchers, etc.);
 - demographic data on visitors;
 - sociographic data on visitors.
- ◆ Visitor satisfaction levels:
 - things most liked about visit;
 - things disliked about visit;
 - intention to revisit.

Personnel

- ◆ Paid staff:
 - qualifications and training;
 - length of service;
 - interests and career goals.



- ◆ Volunteers:
 - training;
 - frequency of service;
 - skills and types of participation;
 - length of service as a volunteer.
- ◆ Board or Committee members:
 - level of experience and expertise;
 - length of service;
 - business and industry connections;
 - level of commitment and attendance at events;
 - overall contribution to organisation.

Promotions

- ◆ Media mix:
 - media used;
 - frequency;
 - creative campaigns used;
 - budget;
 - evaluation methods used.
- ◆ Publicity and public relations:
 - types of campaigns;
 - frequency;
 - budget;
 - evaluation methods used.

- ◆ Merchandising and souvenirs:
 - range;
 - sources;
 - prices (purchase and mark-up);
 - shop or display systems used;
 - advertising and promotion;
 - evaluation methods used.

Financial position

- ◆ Sources and amounts of funding:
 - recurrent;
 - capital works and maintenance;
 - special projects.
- ◆ Funding shortfalls:
 - identified gaps;
 - required amounts.
- ◆ Stability of funding.

Uniqueness

Identification of the elements which make the organisation unique in comparison with other arts organisations. What are the key factors which make it different, better, unique, or special.

