

Relationship Marketing

Research proves that it is far more efficient to develop an ongoing relationship with customers than to constantly have to seek new customers. The importance of repeat business in the arts and entertainment sector cannot be overemphasised.

A loyal base of customers who regularly attend exhibitions, or purchase subscription tickets to see a number of plays or concerts, makes it easier to plan and to predict sales.

It is also cheaper to service an existing clientele than to develop and run advertising campaigns to attract new audiences.

Customer Loyalty Programs

Many arts organisations are developing 'loyalty marketing' programs for customers, seeking to build an ongoing relationship through direct contact. Loyalty programs include memberships (Friends or Supporters groups) which offer special discounts, admissions, etc.

Perhaps the most common form of customer loyalty program in the arts industry is the subscription program.

Subscription programs can offer a variety of benefits to consumers:

- ◆ Priority booking for popular programs.
- ◆ Discounted prices for multiple bookings.
- ◆ Free souvenir programs as part of the ticket price.
- ◆ Preferred seating.
- ◆ Special performances not available to the general public.
- ◆ Access to privileges such as lectures, opportunities to meet performers, etc.



- ◆ Special motor vehicle parking arrangements.
- ◆ Pre- or post-event activities, such as coffee, cocktails, etc.
- ◆ Special areas such as meeting rooms or private lounges.
- ◆ Co-operative promotions with other organisations (theatres, galleries, restaurants, etc.).

Loyalty programs don't just benefit the consumer, of course. They provide advantages for the organisation as well, including:

- ◆ a sound base for estimating attendances;
- ◆ revenue in advance of functions or activities;
- ◆ raised awareness of the breadth of program offerings;
- ◆ secure customer loyalty in a competitive market;
- ◆ increased levels of contact with customers;
- ◆ a database of information on subscribers' interests;
- ◆ an opportunity for the company to experiment with works which might not be commercially viable on a program-by-program basis (subscribers are more likely to attend at least one new, untried, or experimental work, which they might not have otherwise been prepared to experience).