



Scottish **Arts** Council

Marketing Planning

(AD2)

Prepared by Peter Verwey
Marketing and Market Research Manager
Arts Council of Great Britain

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Scottish Arts Council
12 Manor Place, Edinburgh EH3 7DD

Telephone 0131 226 6051
Facsimile 0131 225 9833
Typetalk please prefix number with 18001
Help Desk 0845 603 6000 (local rate)
E-mail help.desk@scottisharts.org.uk
Website www.scottisharts.org.uk

MARKETING PLANNING

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MARKETING PLANNING INTRODUCTION

The planning of a campaign for a theatre, company or venue will be done more effectively within the context of plans for overall development over the following two or three years - or longer where major capital developments are entailed.

The longer-term dimension will provide a greater coherence to the way in which the organisation operates, it will add impetus to its marketing efforts and enable better use to be made of its resources. Planning can provide a clearer focus for those employed within the organisation on what they are working together to achieve, and it can help continuity as staff change. The clarification of aims and specific emphasis on systematic planned development should help to strengthen the case for public funding and for business sponsorship.

The approach to overall development can be based upon a corporate planning process. This would involve consideration of the following:

- Where the organisation is now and how it got there (ie what is known in marketing terms as a 'situation analysis')?
- Where it wants to go (ie objectives)?
- How it is aiming to get there (ie broad strategies)?
- What implications this development would have in resources (ie people, time and money)?
- How progress will be monitored and controlled?

Before looking in detail at each of these areas, it is important to recognise several points:

- The process is intended to help staff by clarifying policies aimed at attracting audiences and generating income, and providing a structured, dynamic approach for planning their implementation. It is not a straitjacket to restrict artistic policies.
- Ideally, the marketing audit should look back at trends over five years and forward two to three years; but there may be practical reasons which would make these time periods unrealistic.
- The data suggested for the audit illustrates the kind of factors which are relevant to planning, but the range given here is by no means exhaustive and other factors will, in certain cases, need to be taken into account. Also, it may not always be feasible or necessary to cover the full range of data as suggested on pages 4-7.
- Periodic up-dating of the information collated for the audit will of course form a valuable, continuing database.

SITUATIONAL ANALYSIS

Where the organisation is now, how it got here?

This entails three stages: a marketing audit of the organisation's activity; an appraisal of its strengths and weaknesses and of the opportunities and threats which it will face in the foreseeable future; and a summary of the implications of this. Together they provide a sound basis for making decisions about objectives and the strategies to achieve these.

The marketing audit (A1-8) involves consideration, in an essentially factual way, of all aspects of the organisation's marketing, the audiences it attracts, the income it receives and the factors which are relevant to these. The aspects would include:

A1 Product

This is not simply the productions which are presented, since experience of the venue itself will be a factor in the audience's experience at their visit.

- (i) Programming policy, types of show, reputation.
- (ii) Venue: location (distance from town-centre and type of area in which situated), amenities, ambience, bars, restaurants, etc.

A2 Income (past trends for up to 5 years if possible)

- Box office.
- Other earned: catering, programmes (sales and advertising space), hirings etc.
- Grants.
- Sponsorship.

A3 Pricing Policies

- Balance sought between commercial and social considerations in devising structure and setting levels.
- Numbers of prices, gradations, make-up of house.
- Concessions.
- Differentials to influence demand (eg lower prices on Mondays or for matinees, higher at weekends etc.).
- Incentives to promote frequency (eg subscription schemes etc.).
- Incentives to attract parties and groups.

A4 Booking/Selling Facilities

- Box office: hours open, number of staff.
- Other selling points eg ticket agencies.
- Other selling channels eg through personal selling within offices, factories, etc.
- Whether bookings by credit card are accepted and in what circumstances.

A5 Ticket Sales

Number and net value - with trends as far as possible.

Analysis of box office data by:

- (i) Total for year.
- (ii) Types of show, particularly in a mixed programme venue.
- (iii) Types of sale:
 - subscription.
 - members.
 - parry.
 - corporate.
 - single tickets.
 - particular concessionary groups (young, OAPs, unemployed etc.)
- (iv) Price - indicating especially unfilled capacity at particular price levels.
- (v) Day of performance - indicating especially unfilled capacity on particular days.
- (vi) Seasonal variations between different marketing periods.
- (vii) Time booked:
 - advance prior to opening of show.
 - other advance.
 - doors.
- (viii) Sales channels:
 - box office: post, personal, telephone with credit card, other telephone.
 - agencies.
 - other.

(ix) Method of payment:

- credit card.
- cash and cheque.
- debit card
- banker's order for subscriptions.

A6 Market

(i) Existing audience

To be analysed by:

- Geographic areas: based on information from audience surveys, or the analysis of well-established mailing lists (with an adjustment to allow for the areas likely to be disproportionately strong among people not on the list).
- Demographic: age, type (socio-economic).
- By frequency of attendance - extent to which attract regular audiences (or from previous visits by touring companies).
- By types of organisation making party bookings or regular corporate bookings.

(ii) Take account of competition in various parts of the catchment area.

(iii) Potential audience:

- Definition of main catchment area. If this can be done by postal districts eg M2, it enables account to be taken of mailing list breakdowns and of postal addresses on self-completion questionnaires. A breakdown by local authority districts can provide demographic data from the 1981 Census of Population. It is worth trying to achieve some degree of matching between individual postal districts (or parts of them) and local authority boundaries.
- Population, ACORN¹ and other data. Comparisons may be made between different parts of the catchment area to take account of the profile of the population. It is also possible to make use of market research data, for example the Target Group Index, to estimate the relative numbers of theatre goers in each postal district (or local authority district).

¹ (*)ACORN is an acronym for a classification of residential neighbourhoods. It is a market segmentation system which enables very small areas (ie census of population enumeration districts averaging 150 households), to be classified by a range of categories which reflect the predominant lifestyle characteristics of the people living there. As it is linked to the postcode system, it has been possible, on the basis of the analysis of theatre mailing lists and independent market research of theatregoing to identify which ACORN categories are more likely to be potential theatregoers. ACORN data on postal districts held by the Arts Council enables comparisons to be made between the potential of different parts of an organisation's catchment area. It can show particularly the areas which should be more strongly represented among audiences than they are currently.

- Scope for development. This can be based on the 'gaps' evident in the present audience, identifying particular towns or other parts of the catchment area, particular age groups etc., for sales development.

A7 Marketing Resources

(i) Staff:

- number of staff engaged in marketing (with job responsibilities, structure, level of experience degree of influence on planning).
- communications systems.
- involvement of director/administrator in marketing development.

(ii) Finance:

- budget available (how set? recurrent percentage or 'task').
- any special additional funding (eg to launch subscription).
- funds available from venue in case of tours.

(iii) Additional help:

- from venue (for tours).
- services from other bodies (eg local authority or university).
- board members.
- voluntary help.
- RAB, Arts Council, local arts organisations etc.
- advertising agency or marketing consultant.
- availability of a computerised box office system providing regular analysis of ticket sales.

A8 Marketing Approach

The marketing activities which are used eg press advertising, leaflets, subscription schemes, posters etc., will work more effectively if planned in the light of what, basically, the organisation is trying to offer and to whom.

(i) Positioning:

This is the marketing term used to describe the way in which the organisation is presenting itself and its programmes to the public(s) it seeks to attract, and it is clearly related to image, identity, public perceptions etc. Positioning involves essentially a matching of the benefits which the company is offering to the target segments of the potential audience to whom it believes the benefits would appeal. It could involve:

(a) As possible benefits:

- reputation of the company and/or the director.
- cash incentives.
- familiarity of particular authors, plays or actors.
- interest of new work.
- special night-out atmosphere of the theatre visit.
- easy to reach by car or public transport.

(b) As possible target segments:

- present subscribers.
- lapsed subscribers.
- potential new subscribers.
- regular party bookers.
- potential new party bookers.
- schools.
- new audience.

But these are only examples and it would be important for each organisation to define the appropriate benefits and target segments in its own terms, bearing in mind the competition from other theatres and places of entertainment etc., and then to decide on the 'matchings' to which it wants to give priority in its marketing approach. At this stage the purpose should be for the organisation to consider positioning over a period - rather than for individual shows - in order to develop an identity, competitive stance or 'position' for itself in the range of arts and entertainment options available to potential audiences in the catchment area. The initial use of Matrix A² helps to focus on the 'matchings' being made between benefits and target groups, and also identify the main benefits in each case. Research can be useful in revealing audiences' perception of the benefits which they are, or are *not*, deriving from their visits to the theatre. It can also show the success of particular marketing activities in informing audiences of what's on etc.

(ii) Marketing Activities:

An outline of current practice and an assessment of its effectiveness.

(a) Creative approach:

- extent to which a consistent design style is used in advertising and print material.
- copy and design approach.
- standard of print.

(b) Marketing activities:

- types of print material.
- advertising media.
- subscription schemes.
- other methods of sales promotion.
- media relations.

² See Matrix A

- also the extent to which particular types of educational material or activity are being used to attract and assist sections of the audience.

Matrix B³ can help initially in identifying the particular ways in which the organisation seeks to reach particular target segments in the potential audience.

(c) Expenditure:

Breakdown of the way in which marketing expenditure is allocated to the various activities.

A9 SWOT⁴Analysis

This stage involves (i) a critical review of the internal factors in the organisation's operation to identify the particular strengths and weaknesses which influence the marketing effort and the impact this makes and (ii) identification of the external factors which offer opportunities or threats to the company in its future development.

(i) Strengths and Weaknesses might relate to:

- company's reputation.
- venue's external appearance, foyer auditorium.
- general ambience.
- bars and catering facilities.
- clarity of identity.
- pricing.
- availability of 'outside' help.

(ii) Opportunities and Threats might relate to:

- changes in local purchasing power.
- changes in level of funding.
- changes affecting access: roads, parking, public transport.
- other venues (theatres, cinemas, tourist attractions) opening or closing.

A10 Implications

Interpretation of the marketing audit data and the SWOT analysis will carry implications for future positioning and future strategies, Consideration of these would lead into the setting of precise objectives and the action required to achieve these.

³ See Matrix B

⁴ SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats

OBJECTIVES

Where the organisation wants to go?

Objectives should be: specific, quantifiable and realistic. Essentially they should be related to the product or to the audience. They should be set within a time-scale.

May involve decisions on:

01 Product

Development of the product ie programming policy, the venue, amenities, new package schemes.

02 Audience Size

Sizes of audience: sales targets for total audience and, in mixed programme venues, for particular types of show.

03 Audience Profile

Change in audience profile: eg to attract people from particular areas or of particular demographic types, or more regular attenders.

04 Income

Income: targets for box office, other earned income and funding etc related to anticipated expenditure.

STRATEGIES

How is it going to get there?

This would involve the whole range of activities to be used in order to help achieve the objectives. But before planning these, decisions might have to be taken on future positioning.

S1 Positioning

Should there be a strengthening in positioning or a shift in the emphasis currently being given to particular benefits or target segments? One of the implications of the marketing audit and SWOT analysis may be that certain benefits have to be developed.

S2 Marketing Mix

The broad form to be taken in using Product, Price. Place (ie physical availability of the product and ticket-buying facilities) and Promotion, to enable the organisation to make the 'matchings' it seeks with the selected target segments, in order to reach the objectives. This could involve:

(i) Product:

- programming policy.
- development of amenities at the venue.
- package schemes (eg subscription, special offers etc.).

- (ii) Price:
 - level.
 - range.
 - make-up of house.
 - concessions.
 - differential prices to encourage sales for particular performances.
 - discounts to subscription/ season ticket holders or party bookers.

- (iii) Place:
 - venues to be used (for a touring company).
 - performance times.
 - ticket agencies.
 - credit card booking facilities.
 - telephone or other forms of direct selling.

- (iv) Promotion:
 - creative approach through advertising and print.
 - use of particular advertising and publicity media eg press advertising, posters, leaflets etc.
 - use of special promotion schemes.
 - media relations.

Decisions on positioning and the broad thrust of the marketing mix will provide a basis for approaching the planning of a particular campaign. But there will obviously need to be changes in emphasis between one campaign and another in the light of particular programmes and circumstances.

RESOURCE IMPLICATIONS

What level of marketing resources will be required?

R1 Marketing Budget

- (i) projected amount available for each year of the plan.
- (ii) broad allocation of this for main marketing campaigns in each year.

R2 Staff

- (i) structure and numbers.
- (ii) status in relation to director, administrator/general manager,
- (iii) input in programme planning, pricing, targeting etc.
- (iv) specific areas of responsibility,
- (v) relationship to box office and front-of-house etc.
- (vi) levels of experience required and implications in salary/wage levels and training.

R3 Additional Help

- (i) advertising agency,
- (ii) marketing consultant on a short-term basis,
- (iii) shared distribution on mailing services,

- (iv) telephone sales for special projects.

MONITORING/CONTROL

How progress against the achievement of objectives will be monitored and controlled

MCI Progress of Sales

Provision to be made for:

- (i) monitoring the development of sales during each campaign.
- (ii) the assessment of the achieved campaign results and of the estimated year-end results against the longer-term plan.
- (iii) the measurement of the success of using special marketing activities.
- (iv) periodic research to monitor the audience profile and their attitudes to benefits etc.

MC2 Budgetary Control

System for controlling marketing expenditure against the budget within each campaign period and cumulatively against the total budget for the year.

PLANNING A CAMPAIGN

The campaign approach outlined here might cover the period of an 'autumn season', or the span of a subscription season or several months at a mixed programme venue. But the same basic elements would apply for a touring company. It is assumed here that decisions have already been made on seat pricing and, in the context of the marketing planning, on the overall sales targets and the total marketing budget for the year. To an extent, of course, those decisions will have been influenced by the types of marketing activity which had been broadly envisaged for the various marketing periods of the year.

There are four main elements in campaign planning: objectives, budget allocation, die detailed planning of marketing activities and the monitoring of results for the campaign and in the context of the overall marketing plan. Although set out below in a particular order, they are, to an extent, mutually dependent. For example, the division of the budget between core and special activity would have to take account of what particular special activity is envisaged for individual productions. Also the overall campaign audience targets would have to relate to what are realistic targets for individual productions, in the light of planned activity.

1 Agree specific objectives for the campaign

- (i) Total box office and other earned income.
- (ii) Number of seats to be sold in total and for individual shows.

- (iii) Number of seats to be sold to key market segments eg subscribers, party bookers, people from particular areas, first-time attenders etc.

2 Decide on allocation of the marketing budget

- (i) Agree the budget figure for the campaign.
- (ii) Allocate this between:
- 'core' activity relating to the period as a whole or continuing right through it.
 - special activity for individual shows.

3 Plan the marketing approach and activities

The broad approach on positioning and promotional strategies decided at the marketing planning stage will need to be focused specifically on this campaign period and then translated into action plans. This would entail:

- (i) Decisions on which benefits will be featured to target segments throughout the period and also which specially for particular shows (Matrix A with 'addition').
- (ii) How benefits will be communicated to target segments through the marketing material and techniques to be used for core activity (Matrix B).
- (iii) How benefits will be communicated to target segments for individual shows - over and above the core activity (Matrix C) and what precise targets should be set for the sales which each special activity is aimed to generate.
- (iv) Detailed plans for the implementation of the marketing activities covering:
- the form, scale and timing of each (ie details of the print requirements, the advertising schedule and direct promotional activities eg special mailings or telephone selling etc.).
 - the creative approach.
 - cost
 - responsibility for preparation.
 - time schedules

4 Monitoring

This has four aspects:

- (i) checking on the development of sales etc against targets so that contingency plans can be implemented to cope with problems which may develop eg sales of subscription falling behind expectations.
- (ii) evaluating the success of the campaign in reaching its immediate objectives. This could involve research as well as an analysis of box office data etc.

- (iii) assessing the extent to which the agreed time-scale for preparation proved to be realistic - and deciding the implications of this for future campaign planning.
- (iv) looking at the results of the campaign in the context of the longer-term marketing plan to decide whether it is realistic to recover any cumulative shortfall for the current year during the remaining campaign periods, or whether the longer term marketing objectives may need to be amended. More optimistically, the plan might also need to be amended if the results for the campaign period were well above the target set.

Peter Verwey

Matrix A: Potential Market Segments

Basic Positioning A(1) Potential Benefits	Existing Subs	Potential Subs	Clubs/ Orgs	Schools	Students	Local theatre-goers	Local 'new' audience	Drama Interested Further away	Special Interest groups
Reputation of company/ director	X	⊗			⊗	X		⊗	
Interesting range of shows	⊗	⊗	⊗		⊗	⊗		X	
Spur to discovery		X			X				
Opportunity for enjoyable evening with friends			⊗						
Enjoyable evening out	X	X				X	⊗		
Special work with schools				⊗					
Personal development/ enlargement				X					
Favourable price	⊗	⊗	X	⊗	⊗				
Easy to reach							X	X	
Easy to book							⊗	X	
"live" performance				X	X		X		
Possible additions for particular campaigns A (2)									
Popular 'star'		X	X			X	⊗		
Leading actor	X	⊗	X Arts		X	⊗			
Special drama interest/ premiere	X	X			X			X	
Special local interest			X	X?		⊗		X?	
Set text 'brought to life'				⊗	X				
Popular music			X				X		
Relevance to particular issue					X				X

⊗ Main benefits to be emphasised

X Other benefits to be featured

Matrix B: Potential Market Segments

Core Marketing Activity	Existing Subs	Potential Subs	Clubs/ Orgs	Schools	Students	Local theatre-goers	Local 'new' audience	Drama Interested Further away	Special Interest groups
Subscription brochure	X	X							
Season brochure/leaflet			X	X	X	X	X	X	
Leaflet for each show					X	X	X		
Poster for each show					X	X	X		
Price advertising – classified					X	X		X	
Press advertising – display for (sub) season		X				X	X	X	
Press advertising – display for each show						X	X		
Letter	X	X	X			X (for mailing list)			
Phone Sales	X chase	X follow-up							
Displays FOH		X				X			
Displays other		X				X	X		
Regular discounts	X	X	X	X	X				
Meal/Ticket package			X				X?	X	
Media contact						X	X	X	

Matrix C: Potential Market Segments

Special marketing activity additional to core	Clubs/ Orgs	Schools	Students	Local theatre-goers	Local 'new' audience	Drama Interested Further away		Special Interest groups
						Groups	Individuals	
Leaflet	X	X	X	X	X	X	X	X
Poster		X	X	X	X			
Display advertising				X	X		X	
Radio advertising				X	X		X	
Letter	X	X				X		X
Phone sales	X	X				X		X
Display FOH			X	X				
Other display			X	X	X			
Price incentive	X	X	X			X		
Travel package					X		X?	
Personal contact	X		X		X			
Media contact				X	X		X	X

Also: during the last production(s) of the season, publicity for the next subscription season aimed at existing subscribers and potential new subscribers