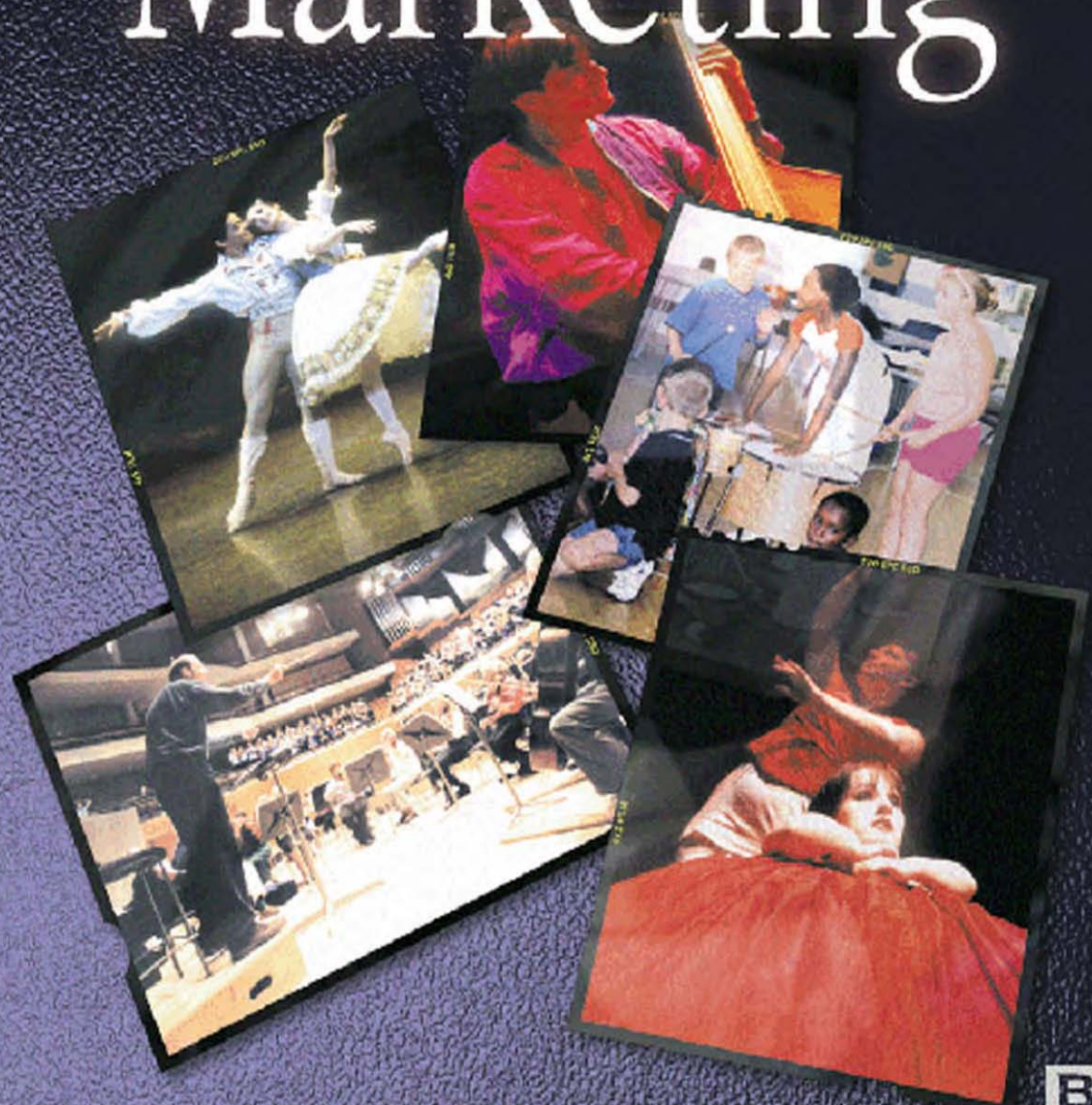


SECOND EDITION

# Creative Arts Marketing



Liz Hill, Catherine O'Sullivan & Terry O'Sullivan



# **Creative Arts Marketing**

*Dedication*

To our children and godchildren

# Creative Arts Marketing

Second edition

Liz Hill, Catherine O'Sullivan and  
Terry O'Sullivan



AMSTERDAM BOSTON HEIDELBERG LONDON NEW YORK OXFORD  
PARIS SAN DIEGO SAN FRANCISCO SINGAPORE SYDNEY TOKYO

Butterworth-Heinemann  
An imprint of Elsevier  
Linacre House, Jordan Hill, Oxford OX2 8DP  
200 Wheeler Road, Burlington, MA 01803

First published 1995  
Second edition 2003

Copyright © 1995, 2003 Liz Hill, Catherine O'Sullivan,  
Terry O'Sullivan. All rights reserved

The right of Liz Hill, Catherine O'Sullivan and Terry O'Sullivan to be  
identified as the authors of this work has been asserted in accordance with  
the Copyright, Designs and Patents Act 1988

No part of this publication may be reproduced in any material form (including photocopying  
or storing in any medium by electronic means and whether or not transiently or incidentally to  
some other use of this publication) without the written permission of the copyright holder  
except in accordance with the provisions of the Copyright, Designs and Patents Act 1988 or  
under the terms of a licence issued by the Copyright Licensing Agency Ltd, 90 Tottenham  
Court Road, London, England W1T 4LP. Applications for the copyright holder's written  
permission to reproduce any part of this publication should be addressed to the publisher

Permissions may be sought directly from Elsevier's Science and Technology Rights Department  
in Oxford, UK: phone: (+44) (0) 1865 843830; fax: (+44) (0) 1865 853333; e-mail:  
permissions@elsevier.co.uk. You may also complete your request on-line via the Elsevier  
homepage ([www.elsevier.com](http://www.elsevier.com)), by selecting 'Customer Support' and then 'Obtaining  
Permissions'

Every effort has been made to contact owners of copyright material, however the authors  
would be glad to hear from any copyright owners of material produced in this book whose  
copyright has unwittingly been infringed.

### **British Library Cataloguing in Publication Data**

Hill, Elizabeth, 1960–

Creative arts marketing. – 2nd ed.

1. Arts – Marketing 2. Arts – Management

I. Title II. O'Sullivan, Catherine III. O'Sullivan, Terry, 1957–  
700.6'88

### **Library of Congress Cataloguing in Publication Data**

A catalogue record for this book is available from the Library of Congress

ISBN 0 7506 5737 5

For information on all Butterworth-Heinemann publications visit our website at <a href="http://www.bh.com">www.bh.com</a>
--

Composition by Genesis Typesetting, Rochester, Kent  
Printed and bound in Great Britain

# Contents

<i>Foreword</i>	vii
<i>Acknowledgements</i>	ix
<i>Introduction</i>	xi
1 The evolution and context of arts marketing	1
2 Audiences	36
3 Market research	67
4 Product	114
5 Generating income	156
6 Promotion	190
7 Making the arts available	242
8 Marketing planning	271
9 Managing the marketing function	305
<i>Further reading</i>	347
<i>Author index</i>	351
<i>Index</i>	355

This Page Intentionally Left Blank

# Foreword

And old Dave, he'd go up to his room, y'understand, put on his green velvet slippers – I'll never forget – and pick up his phone and call the buyers, and without leaving his room, at the age of eighty-four, he made his living. And when I saw that, I realized that selling was the greatest career a man could want. 'Cause what could be more satisfying than to be able to go, at the age of eighty-four, into twenty or thirty different cities, and pick up a phone, and be remembered and loved and helped by so many different people? . . . In those days there was personality in it. There was respect, and comradeship, and gratitude in it. Today, it's all cut and dried, and there's no chance for bringing friendship to bear – or personality.

**Arthur Miller, *Death of a Salesman*.** Reprinted by permission of International Creative Management, Inc. Copyright © 1961 Arthur Miller

Marketing is still often confused with sales – the two terms become interchangeable. And in popular terms, both become less than honourable professions with less than honourable intentions – selling us something we do not want to buy. It's all cut and dried.

I hope I am just being over sensitive.

As the introduction to this book explains, marketing has come a long way in a relatively short time. Arts marketing as a discipline has had to cover the same ground in an even shorter period of time. So still, in the arts as in business, it is often maligned and often misunderstood. Definitions of marketing are plentiful and various. It does not help the cause that at any one time marketing can be a business philosophy, an organizational function and a process with a toolkit of techniques and tactics. So is it surprising that within arts organizations it is frequently interpreted narrowly and applied narrowly? Consequently, rather than a management function it becomes the work of one department working in isolation, rather than a planned and strategic process it becomes a reactive exercise, rather than understood and embraced by all it becomes the province of the specialist.

There are elements of arts marketing which should always remain the province of the 'specialist', but the underlying principles of marketing in



all/any of its guises must be understood by those leading, managing and funding the organization. Equally it must be acknowledged that marketing is there to enable the organization to achieve all its objectives: financial, social and artistic. There can be inherent tensions in the latter but if the organization is clear about its objectives and is honest about its reasons for pursuing them, these tensions can be understood, incorporated and even used creatively.

Creativity is at the heart of arts marketing – and not simply because what is being marketed is the product of an individual or group creative act. Arts marketing needs to communicate an experience; and an experience that can be elusive, indescribable, transformative, or simply bloody good fun. To create effective, persuasive communication for a variety of audiences – almost certainly with limited resources – requires imaginative solutions. As with any creative act the rewards for carrying this off successfully are huge.

If you are reading this book as someone who is working in arts marketing or interested in doing so, make sure this book is not far from your desk. Your task will be to marry the theory, knowledge and good practice contained within with your individual situation – and probably on that limited budget. Good luck!

If you are a policy-maker, producer or manager, I hope that this book serves to deepen understanding of how marketing can serve arts organizations. If you do not already embrace an integrated approach with a central focus on the audience, I hope you will be persuaded otherwise by what you read here.

Finally if you ever doubt the true value or real purpose of arts marketing, I would urge you simply to remember the first time you yourself were taken to a gallery, theatre or concert and were moved or inspired. The ‘product’ we have can be unbeatable. The marketing of it requires patience, dedication, enthusiasm, imagination and passion. In return there may not be gratitude at every step but there is community, satisfaction, respect, friendship. What could be more satisfying?

*Ivan Wadeson*  
*Chair, Arts Marketing Association*

The Arts Marketing Association, in existence in the UK since 1993, aims to support the personal and professional development of its members through a range of services, events, training and advice. If *Creative Arts Marketing* has whetted your appetite and you would like to join a thriving community of arts professionals interested in bringing audiences into contact with the arts, find out more at [www.a-m-a.co.uk](http://www.a-m-a.co.uk)

# Acknowledgements

In the first edition of this book the Acknowledgements section named the friends and colleagues who had helped us on the book with their ideas, experience, example and inspiration. For the second edition those thanks still stand – but the list of people to whom we owe profound gratitude has grown to the point where we feel uncomfortable about naming names in case somebody gets left out. So, to all of you who have offered advice, answered questions, read and commented on sections, and demonstrated how to combine creativity, artistry and marketing – thanks for your patience and generosity.

We would also like to take this opportunity to thank those individuals and organizations who have given use permission to use and adapt material for this book. Every effort has been made to trace the owners of copyright material, though in a few cases this has proved impossible and we apologize to any copyright holders whose rights may have been unwittingly infringed. We trust that in the event of any accidental infringement, the owners of the material will contact us directly.

This Page Intentionally Left Blank

# Introduction

## **A (very) brief history of marketing**

This book is aimed at people who are working in the arts (as practitioners, policy-makers, producers or managers), or studying arts marketing, management or policy, or even just studying marketing and looking for a fresh perspective. You may be part of a professional or voluntary organization, or you may be in the commercial or public sector. As authors we cannot take too much for granted about how much you know about marketing or even what you feel about marketing. Perhaps you have picked up this book gingerly, dubious of the desirability of applying tacky marketing techniques to something as important as the arts. Or perhaps you are happy about marketing in general, but sceptical about the difference it can make to the success of your organization or project.

This introduction is here to help you. We hope that, whatever your background, reading it will put you in a better position to understand and apply the ideas we cover in more detail in the rest of the book. It may answer some of the doubts or uncertainties you have about the appropriateness of marketing to arts organizations, and it may help clarify your expectations of the kind of contribution marketing can make. In it we intend to trace a brief (and necessarily oversimplified) history of marketing itself – and how it has grown from its origins in commercial organizations to applications in a variety of other situations. This will clarify how it differs from less effective approaches to running an organization which are often confused with it (namely, product orientation and sales orientation). Such clarification is important, particularly when defending the marketing concept in the face of criticism which may be laid more appropriately at the door of one or other rival approach.

## **In the beginning . . .**

Marketing, whether in the arts or in any other field of human enterprise, is simply the active recognition by organizations that without customers they have nothing but costs. From that point of view, you could argue that the

history of marketing is merely the history of common sense. But marketing as a recognized management discipline tends to trace its origins to the mid-twentieth century. It first emerged in post-war America, when, spurred by technological progress, industry found itself capable of producing consumer goods on an unprecedented scale for a newly-prosperous workforce. Manufacturers discovered that in the face of increased competition they had to rethink their attitudes to business. The old ways of operating, which had concentrated on the organization's view of its own products as good enough in themselves (product orientation), or on its need to sell products which its customers might not necessarily choose for themselves (sales orientation), were no longer working (Keith, 1960).

Product-led businesses maintained that if a product was of sufficiently high quality people would flock to buy it on its own merits. It is an attitude rather like that attributed to Ralph Waldo Emerson in the famous dictum that 'If a man . . . make a better mouse-trap than his neighbour, tho' he build his house in the woods, the world will make a beaten path to his door' (*Oxford Dictionary of Quotations*, 1953: 201). Certainly, as we shall stress in this book, quality is essential to marketing success. In the arts a central part of a customer's experience is the sense of excellence itself – the deftness of a painter, the grace of a dancer, the 'rightness' of a theatrical moment, the welcome extended by a venue. But in an environment where there are so many other claims on people's attention and energies, the arts cannot afford to hide their light, however bright, under a bushel. Excellent work needs energetic marketing, or it runs the risk of not being noticed.

Sales-led businesses maintained that the key to success lay in an organization's ability to sell its goods to customers. High-pressure sales techniques appeared to offer a way for businesses to browbeat their way to prosperity. It is probably true that, given energy and application, you can sell anything. But you will probably only be able to sell it once unless it satisfies a genuine need in your customer. The principles of selling, as we shall see, have an essential role in the way that arts organizations service their customers. Certainly arts marketers need to be as evangelistic about their product as the most fervent 'foot in the door' sales representative. But genuine success in the arts, as elsewhere, lies in seeing customers as partners rather than targets. Long-term relationships based on mutual benefit are the key to this.

The marketing approach facilitates such relationships. The UK industry's lead body, the Chartered Institute of Marketing, defines it as 'the management process which identifies, anticipates, and supplies customer requirements profitably'. By moving the focus of an organization's planning and decision-making on to a consideration of its customers' requirements, what the organization produces can be made more appropriate to their needs. This in turn should lead to their choice of it above the alternatives available in the marketplace, guaranteeing an organization's success and growth. As we have already observed, this may sound like nothing more than common sense. But by their very nature organizations have a tendency to drift away from external focus to considering their own interests and convenience first, even to the point where they lose touch with their customers (Levitt, 1960).

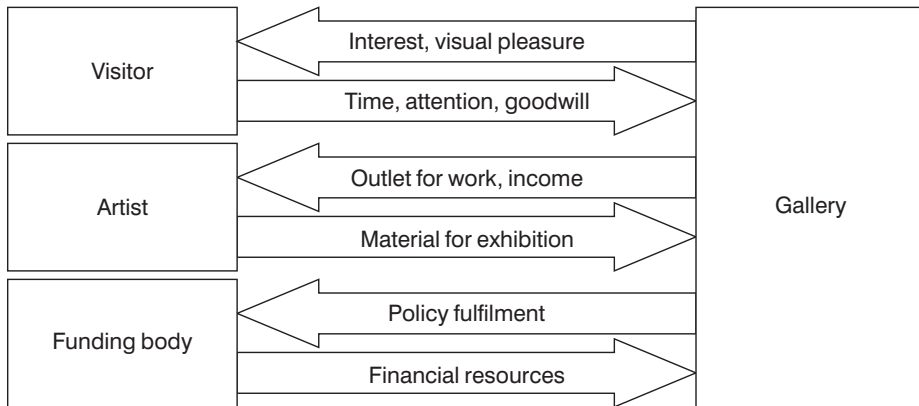
Marketing, then, is a total approach to the way an organization operates. It is, to quote the definition, a 'management process'. This has two implications. The first is that it should imbue every aspect of the way an organization is run. Marketing is too important to be left to the marketing department alone. It will not work unless the organization as a whole adopts it. The second implication, stemming from the fact that it is a 'process', means that the job of marketing never ends. It needs to be finding new ways of improvement, new areas where an organization can develop its approach to customers to the long-term benefit of each party. The corollary of this is that marketing itself is in a process of development, as it responds dynamically to the challenges offered by a changing environment.

## Marketing moves on

A large number of manufacturing firms on both sides of the Atlantic adopted the marketing approach in the late 1950s and 1960s, and the influence of American business thought in post-war reconstruction guaranteed its diffusion further afield, particularly to Japan. The geographical spread was paralleled by a spread in application. From its origins in manufacturing industries producing products for ordinary consumers, marketing found new realms to conquer, such as services (like banking or accountancy) and industrial goods (such as capital equipment). These developments were spurred by writers such as the American Philip Kotler, who maintained that 'marketing is a relevant discipline for all organizations insofar as all organizations can be said to have customers and products' (Kotler and Levy, 1969).

A particularly important development was the spread of marketing into the service sector from the early 1970s. Industries in this sector, which includes the arts alongside medicine, tourism, transport, professional and financial services, are now worth more in most developed economies than the manufacturing industries from which marketing principles originally developed. Unlike manufacturing industries, service organizations offer their customers an intangible service rather than a product which can be handled and examined. As we shall see in Chapter 4, this presents particular problems and opportunities for marketing which result in a distinctive approach to how services are marketed. An important point to note is that this distinctiveness is typical of the way in which marketing thinking and practice adapt to new areas of application, even though the core idea of the central importance of customers remains unchanged.

Even the concept of customers, however, is a problematic one for some of the organizations into which marketing has spread since the 1980s. Talking about customers carries connotations of simple commercial exchanges which are inappropriate in areas such as healthcare, education and the arts, where organizations often prefer to describe their customers as clients or service users. In such organizations the imperative to make a profit (which is the rationale for marketing in the commercial sector) often exists alongside, or is replaced completely by, other organizational objectives. Furthermore, the nature of the exchange between such organizations and the people they serve may not involve any immediate financial consideration (as in free admission to



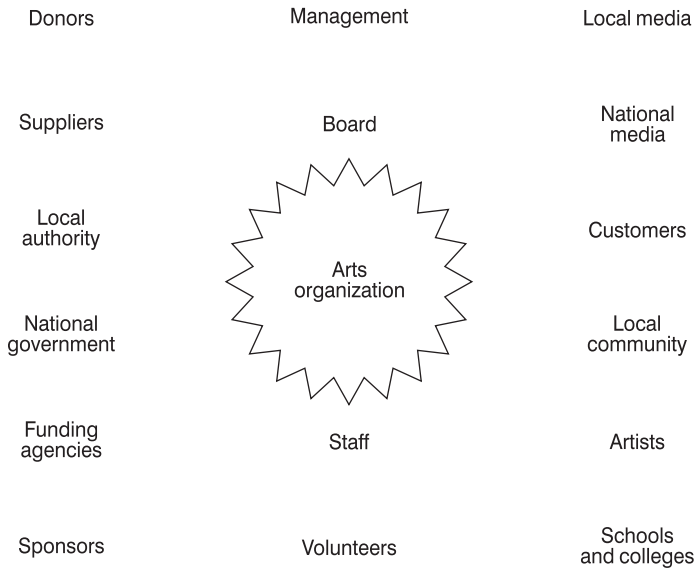
**Figure 1** Exchange relationships for a gallery

an art gallery), nor even a clearly identifiable single customer on which to concentrate. For example, the art gallery's customer could be argued to be the visitor, the artist or, for a public sector gallery, the funding body. All three bring resources without which the gallery could not survive (namely, attendance and patronage, contemporary works of art, and funding) but all three want different things from their exchange with the gallery (Figure 1).

Non-profit and public-sector organizations are well represented in the arts sector. Such organizations present a further tier of complexity to marketing because of their diversity of purpose. According to a classic article by Hofstede (1981), non-profits often have ambiguous goals and objectives and there is frequently internal disagreement on how these are to be achieved most effectively. The situation is further complicated by the difficulty of measuring outputs meaningfully. At least profit-oriented companies have a clear criterion for success – the return they offer on investment. As we shall see, the bottom line in the arts is smudged not only by the varying objectives of different organizations, but by the difficulty of measuring the impact and value of the activities they generate. Marketing's role in such organizations is to offer a route to effectiveness: the achievement of organizational objectives which will include, but not be limited to, financial ones. Marketing has therefore moved on from an automatic association with big business – its analytical models and techniques are relevant to a much wider field.

## Contemporary marketing: stakeholders and relationships

Its application in non-profit contexts is one of the factors driving developments in the way marketing is carried out more generally. A perennial issue for non-profits, many of which receive subsidy from national or local government, is to be able to manage the political environment. By political here we mean not just the narrow sense of who is in government, but the wider field of opinions and interests which affect an organization. The concept of stakeholders is a central one in this regard, and has long been of importance in non-profit and arts marketing. It is a concept to which we will return in Chapter 2. Put simply, a



**Figure 2** Stakeholders for an arts organization

stakeholder is any group or individual who has an interest (a 'stake') in the success of an organization. Stakeholders may not even be direct customers of the organization in question but they affect its access to resources and support. For an arts organization such groups might include funding bodies, local and national government, the media, the local community, the professional community and so on. Because of their lack of material resources, much of the marketing effort of non-profit organizations has traditionally focused on establishing and maintaining a good reputation with a wide variety of influential publics. Arts organizations have a public relations advantage here, because the news media tend to be interested in their output, and even dedicate specialist correspondents to their coverage.

Following its recognition of the importance of stakeholders, a second major change affecting marketing thinking in the last few decades has been the environment in which it takes place. As we have seen, the marketing concept dates from the mid-twentieth century. In those days, many of the industries which embraced marketing had plenty of potential to grow. The emphasis was, therefore, on finding new customers. Towards the beginning of the twenty-first century, however, growth slowed down or stopped in most of the traditional marketing-led industries. With a few exceptions, the developed economies of the West now feature static or declining markets. The need to seek new customers is still there, but the emphasis in most industries has moved to retaining existing ones.

This newly-defensive environment for marketing has led to a rethink about its direction and purpose. The emphasis in many businesses has moved from recruiting new customers and hoping they will stay, to analysing and managing long-term relationships with existing customers to try and make sure of keeping them. Marketing theorists call the first kind of marketing



'transaction based' because of its concern to facilitate exchanges (rather like single-ticket purchases in a theatre). The second kind, with its emphasis on a continuing relationship (rather like subscription-based marketing in the performing arts) is known as relationship marketing. While relationship marketing is not appropriate for every kind of product or service, the traditional transaction-based conception of marketing has given way to a relational one in much marketing theory and practice since the 1990s. The scarcity of new customers has led to a concentration on building and maintaining links with existing customers – and the decreasing cost of computer technology has meant that marketers have been able to gather and use information about customers which helps them to do this. Furthermore, the emergence of powerful new technologies such as the internet has made it easier than ever before to maintain an informed relationship with customers.

Relationship-marketing theorists go so far as to stress the need to create a relationship before exchanges can take place, rather than seeing a relationship as the result of such transactions (Grönroos, 1994). Thus charities will invest money and resources in what they call 'donor acquisition', running events or mailings in order to attract supporters. The initial outlay means that the charity will only see a return on the investment months, or perhaps years, into the relationship. It encourages them to think of their donors, or customers, as assets. Rather than thinking about the value of individual sales or donations made by a customer, such organizations focus on the value of a customer throughout his or her lifetime. The attraction of such an approach to marketing the arts, where a long-term relationship with an audience is often an essential strand of artistic policy, is clear. At the same time, much arts marketing is driven by a missionary zeal to reach out to new audiences – making transaction-based marketing (with an eye to the longer term) of continuing relevance as an essential audience development strategy. The tensions between the two varieties of approach have been the source of some stimulating controversy, particularly in the UK arts marketing community – although, in the long term, the rival schools of thought may have more in common than their advocates care to admit.

### **From consumers to stakeholders**

Faced with a 40 per cent decrease in audiences over two years in the mid-1990s, Coventry's famous Belgrade Theatre changed its approach to marketing. In classic 'relationship-marketing' style, it reframed its marketing efforts on its existing customers, talking to them and learning from them rather than just selling to them. From its research, the theatre came to the conclusion that the decline in audiences had happened because it had taken their loyalty for granted, in a relationship which only went one way. In much the same way as a football club expects to count on a local following, the Belgrade had made the assumption that local theatregoers would gravitate towards it as of right. In fact the dwindling audience figures provided evidence that it was losing touch with its natural constituency.

In a radical shift of policy it began to change its relationship with the audience. In the words of the Belgrade's head of marketing at the time: 'The Belgrade has formed a much closer partnership with its customers, involving them in the strategic processes of the organization, seeing them as stakeholders rather than end-consumers. The marketing activities of the theatre centre around talking to and learning from its audiences, which influences decision-making. The venue's work has now been recognized as striking a balance between innovation and populism, steering a course of non-cynical customer focus. The Belgrade has learned that loyalty as a concept is no longer valid and focuses on alliance or, more exactly, equity.'

*Source: Daykin, 1998, reproduced by kind permission.*

## **Summary**

We have briefly reviewed what differentiates marketing from other ways of managing organizations which are sometimes confused with it (i.e. product orientation and sales orientation). What distinguishes marketing is its orientation towards the customer, moving the focus of an organization's planning and decision-making on to a consideration of its customers' requirements. In the long term, such orientation produces organizations that are more profitable or more effective (depending on their objectives) than their rivals.

Marketing as a named management approach has its roots in 1940s' American consumer-goods businesses. Since that time its application has spread to business-to-business contexts, service markets and non-profit markets including the arts. New areas of application, and changes in the environment for existing markets, have revealed a focus on two linked themes in contemporary marketing: stakeholders and relationship marketing. Stakeholder marketing addresses a wider range of publics than an organization's immediate customers. It takes into account all the different groups who have an interest in the organization, and who can affect its access to resources. Relationship marketing emphasizes the long-term value of customers rather than concentrating exclusively on isolated transactions with anonymous buyers. Both of these ways of thinking about marketing owe a good deal to the experience of applying marketing outside the commercial sector. They are particularly relevant to arts marketing – which needs to consider a wide range of important and influential publics, and has a mission to develop life-long relationships with them.

## **References**

Daykin, S. (1998) 'Why audiences love being sent to Coventry', *ArtsBusiness*, 7 December, 11.

- Grönroos, C. (1994) 'From marketing mix to relationship marketing', *Management Decision*, Vol. 32, No. 2, 4–20.
- Hofstede, G. (1981) 'Management control of public and not-for-profit activities', *Accounting, Organisations and Society*, Vol. 6, No. 3, 193–211.
- Keith, R.J. (1960) 'The marketing revolution', *Journal of Marketing*, January, 35–8.
- Kotler, P. and Levy, S. (1969) 'Broadening the concept of marketing', *Journal of Marketing*, Vol. 33, January, 10–15.
- Levitt, T. (1960) 'Marketing myopia', *Harvard Business Review*, 38, July–August, 24–47.
- Oxford Dictionary of Quotations* (1953) 2nd ed. Oxford University Press.



# 1

## The evolution and context of arts marketing

This chapter sets the context for the chapters which follow. In it we will examine the nature and environment of arts marketing, and flag up some key issues facing arts marketers. Marketing the arts involves not only the day-to-day work of attracting audiences to events and activities, but also the need to understand and promote more widely the value of an organization's work. Arts marketers are arts advocates. They need to take an active interest in cultural policy and the political environment if their work is to be solidly based. Arts marketers are also marketing advocates. They need to understand what marketing is (and what it is not) in order to enthuse their colleagues towards achieving their shared objectives. This chapter seeks to sketch out in broad strokes some of the most important of these issues as a foundation for thinking about arts marketing practice.

The issues we will address are as follows:

- the evolution of arts marketing theory and practice
- the arts marketing environment
- key issues and problems for arts marketers: the arguments about arts subsidy, the peculiarities of the sector, the arm's-length principle, excellence vs. accessibility, professional and amateur arts, traditional vs. new art forms, special constituencies, and internal resistance to marketing in arts organizations.

**Definition:** Arts marketing is an integrated management process which sees mutually satisfying exchange relationships with customers as the route to achieving organizational and artistic objectives.