# WHO'S MY MARKET?

## A Guide to Researching Audiences and Visitors in the Arts

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©

ii

Arts organisations in Australia endeavour to pursue artistic excellence, present diverse works and attract support in a highly competitive marketplace, while facing a shrinkage of traditionally sourced funds, a demand to incorporate business principles into their administration, and a requirement to become more market-oriented.

The 1996 *Marketing the Arts* survey, conducted nationally by BIZTRAC and Donovan Research for the Australia Council, revealed that arts organisations need to have a better understanding of marketing and need to gain more specialised marketing skills. These skills are required to identify, understand and develop audiences and visitors. This document is part of that process. It is designed for arts organisations wishing to gather information on their markets and their marketplace by undertaking audience, visitor or consumer research.

iii

This research guide shows how information is a crucial asset to any arts organisation. It illustrates what information is important, how to get that information and how arts organisations can use that information to make a difference. If information is power, this guide is designed to make your organisation a more powerful one.

It is designed as a practical and comprehensive workbook which offers one way of addressing the need for developing research skills within arts organisations. There is value in variety of other ways that research skills can be developed, such as attending short courses or workshops, on-the-job training or via longer university or TAFE courses. The scarcity of time and resources, however, makes these options difficult for people in smaller arts organisations.

The guide offers a variety of benefits to people depending on their individual backgrounds and current roles. It is intended to enable arts organisations to better understand what is involved in research, to conduct some simple surveys themselves, and to equip arts organisations to engage consultants for part or all of a research project. While the guide focuses on primary research, that is, gathering information directly from individuals, conducting secondary research, that is, utilising existing information within the organisation or from publicly available sources, is also addressed.

The guide offers advice on how to answer the following sorts of questions: how to convince the board to allocate funds or other resources to gathering information; where to go for existing information on the Australian arts; how to conduct simple self-completion surveys; what types of questions would be useful in profiling your audiences or visitors; how to translate the questions you need answers to into research objectives; how to develop a research brief; and how research findings can be used for developing business strategies.

This guide is not a magic wand. Top class musicians are not born from reading a music text or taking lessons for six months. People do not read world advertising leader David Ogilvy's book *Confessions of an Advertising Man* and become an instant advertising whiz. And researchers are not created after reading just this or any other market research book. Nevertheless, if this guide makes a positive difference to your organisation, it will have been worthwhile.

Note: throughout this guide, the term 'arts organisations' includes all art and cultural organisations. Where appropriate, we refer specifically to different sections of the arts industry.

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Questionnaires presented in the case studies or elsewhere in this publication may be used by readers. However, this use should be acknowledged as follows:

> **The questionnaire/question item(s) used in this project were devised
> from questionnaires developed by Donovan Research and CloseUp
> Strategic Management for the Australia Council's publication**
> ***Who's My Market? A Guide to Researching Audiences and Visitors in the Arts.***

iv

# ACKNOWLEDGMENTS

The authors thank the following Australian arts organisations who have contributed in various ways to this research guide:

## AUSTRALIAN CAPITAL TERRITORY

Paige Gordon

Tuggeranong Community Arts Association

## NORTHERN TERRITORY

Darwin Theatre Company

Keringke Arts

## TASMANIA

Devonport Gallery and Arts Centre

Island Magazine

Tasmanian Museum and Art Gallery

## QUEENSLAND

Kooemba Jdarra Aboriginal Cooperative

Opera Queensland

Queensland Art Gallery

Queensland Community Arts Network

## SOUTH AUSTRALIA

Adelaide Symphony Orchestra

Art Gallery of South Australia

Chaffey Theatre

SA Country Arts Trust

## NEW SOUTH WALES

Artspace Visual Arts Centre

Australian Museum

Bangarra Dance Theatre

Boomalli Aboriginal Artists Cooperative

Community Arts Marrickville

Festival of Sydney

Gallery 460

Hogarth Gallery

Horsham Regional Art Gallery

Museum of Contemporary Art

Sydney Festival

Youth Music Australia

## VICTORIA

Benalla Art Gallery

Circus Oz

Geelong Performing Arts

Handspan Theatre

Horsham Regional Art Gallery

Melbourne International Comedy Festival

Next Wave Festival

Quadrant Magazine

v

## WESTERN AUSTRALIA

Art Gallery of Western Australia

Art On The Move

Broome Musicians Aboriginal Corporation

Craftwest Gallery

Festival Fringe Society of Perth

Festival of Perth

Fieldworks Performance Group

Fremantle Art Centre

Gomboc Art Gallery

Museum of Western Australia

Spare Parts Puppet Theatre

West Australian Ballet Company Inc

Yirra Yaakin Noongar Theatre

# 1

SPOT THE MARKET RESEARCHER.

# 1.1

## HOW MARKET RESEARCH FITS INTO ARTS ORGANISATIONS

**"One of the key fundamentals of the development of marketing focus is the importance of understanding consumers and their needs and desires. To develop effective marketing strategies we need to understand how people feel about the arts, and about specific arts and entertainment products and services. We also need to understand consumers' interests, motivations, fears, and aspirations."**

Dickman, *Arts Marketing: the Pocket Guide* (Australia Council, 1997, p25)

**"… an artistic organisation that tries to fulfil its mission and to innovate regardless of economic rationale must operate under severe handicaps in its efforts to find, expand, and keep an audience. …Given these conditions, an arts marketer must be aware of and sensitive to the different and perpetually changing interests and needs of a wide variety of audience segments."**

Kotler & Scheff, *Standing Room Only: Strategies for Marketing the Performing Arts*
(Harvard Business School Press, 1997, p20)

Market intelligence is essential for any organisation to survive and to thrive. Research contributes towards gaining market intelligence. Research can be and is used in a wide range of business activities at both strategic and tactical levels.

While research is not the only contributor to an organisation's success, information from research can assist an organisation in establishing, or modifying, its business and marketing plans.

Very broadly, an effective arts organisation will usually have three sorts of plans to which market research can contribute:

A strategic business plan spanning a defined period, which covers the role of the organisation in the marketplace, its philosophy, goals and objectives, and encompasses artistic direction, marketing, finances, production and human resources.

A strategic marketing plan which translates business goals and objectives into marketing goals and objectives and identifies strategies by which these marketing goals and objectives will be achieved.

A plan for individual exhibitions, performances, programs or campaigns which sets goals and objectives relevant to the specific exhibition etc, and states strategies for achievement.

3

This is often referred to as a tactical plan.

The second and third types of plans need to include performance measures to establish whether or not they were successful in achieving their goals and objectives and to enable the core strategies or tactical details to be fine-tuned.

Market intelligence, via market research, assists arts organisations to plan for success by providing answers to many of the questions posed below as essential to the strategic planning, and consequently the tactical planning, process.*

Organisational self-assessment is integral to strategic planning. Management strategist Peter Drucker (reported in Kotler & Scheff, 1997, p51), recommends that managers and administrators consider these five questions:

**1. What is our business mission?**

What results does the organisation seek to achieve? What are its priorities? Its strengths and weaknesses? To what extent does the mission statement currently reflect the organisation's goals and competencies?

**2. Who are our customers?**

Who are our current and prospective customers? Who are the primary and supporting customers? What are their levels of awareness of and satisfaction with the organisation's service?

**3. What do our customers value?**

For each primary customer group, what specific needs does the organisation fulfil? What satisfaction and benefits does it provide? How well is it providing value? Is the same value available from other sources?

**4. What have been our results?**

What criteria do we use to measure success? To what extent has the organisation achieved the desired results?

**5. What is our plan for the future?**
In what areas should we focus our efforts? What new results should be achieved? What activities should be abandoned, expanded, or out-sourced?

Comprehensive coverage of strategic planning is beyond the scope of this guide and readers are directed to Kotler and Scheff (1997) and McDonald (1989) for further information.

How research has helped some arts organisations:

A regional art gallery wanted to know what other (non-exhibition) activities would attract attendance at the gallery.
**Market research was used to profile current visitors and to establish their preferences for various activities.**

A capital city museum was faced with inadequate facilities to house, preserve and display artefacts; increasing demographic diversity within the community; internal dissension regarding its internal and public focused roles; and a new appointment at top management level.

4

**Market research was used to determine public and corporate attitudes towards the museum. This information was used together with financial analyses, strategic planning and marketing planning to reposition the museum within the marketplace, and to provide reasons for people to visit the museum rather than attend alternative recreational activities.**

A performing arts organisation wanted to attract sponsorship for its forthcoming season. **Market research was used to establish why an organisation would sponsor an arts rather than a sporting organisation, and how successful sponsorships could be measured in order to develop proposals for meetings with potential sponsors.**

A regional touring art-form association wanted to establish artists' needs and relevant issues for inclusion in a marketing touring program. **Market research was carried out to identify what were the preferences for skills development seminars and what were the highest priority issues for inclusion in the program.**

A group of arts organisations wanted to understand how to generate better publicity for upcoming shows and exhibitions. **Market research was used to assist in obtaining publicity by identifying what items of interest were newsworthy to media representatives; the time-frames within which reporters operate; impressions of the ways in which arts organisations currently supply publicity material; and thoughts on trends in future arts coverage.**

A regional community arts association wanted to improve its mailing list to enable its direct mail to be more targeted towards particular market groups. **Market research was used to profile visitors/audiences to several association events and to ascertain their reaction to the event, suggestions for improvement and interest in future productions.**

The above examples and the ten case studies presented in this guide illustrate circumstances in which research can add value to the organisation.

> **The Shakespeare on the Saskatchewan Festival is an example of an arts organisation that initiated a product and policy that was rooted in their community, in their market. The belief was that going to the theatre should be akin to going to a sporting event, and that the production should, while based in the context of the everyday life of the community, give people excitement. Market research is continually undertaken so the company can assess how people learnt about the production and what they thought of the production.**

Case 20 in McDougall & Weinberg *Basic Canadian Marketing Cases* (McGraw Hill, 1992)

Creativity is an essential element for success within arts organisations. Over half the surveyed organisations in the Marketing the Arts project agreed that 'our organisation is driven more by artistic than by marketing considerations'. At the same time, organisations acknowledged the need for marketing and agreed that marketing is as much for arts organisations as it is for commercial organisations.

# 1.2

## CREATIVITY, SUCCESS AND INFORMATION

So how do arts organisations keep the creative fires burning and still run a successful business?

The vast majority of successful businesses have their finger on the information pulse. They know what is happening in the marketplace: what the latest trends are; how the demographics of the population might affect them; what they offer that is different and better than their competitors; what their customers really like about their product or their service, and what they don't like.

The adage 'information is power' has merit. But will chasing it detract from producing top quality artistic and creative work?

Information can **assist** creativity. Seeds of ideas often come from others and it is what you do with them creatively that strikes a chord in people. The right information should enhance the type of works that are offered to audiences and visitors.

It takes time and money to obtain information and many arts and cultural organisations are small and already stretching their resources to the limit. Money allocated activities in the budget to research or other marketing may mean less to spend on sets, costumes, equipment, instruments, and so on.

But can an arts organisation afford not to have relevant information to develop your business's strategies? An investment in information-gathering is worthwhile if it focuses the organisation in a direction which brings profile, reputation, repeat customers, financial rewards and a greater chance of survival and success.

The artistic focus is imperative. But running an arts organisation requires more than artistic ability. And artists' creative impulses are often much stronger than their business predisposition.

**The reality is that there is not only room for both an artistic and a business focus in an arts organisation, but that without both of these skills, the organisation is unlikely to succeed in the long term.**

# 1.3

## WHY HAVE AN AUDIENCE RESEARCH GUIDE FOR ARTS ORGANISATIONS?

The 1996 *Marketing the Arts* survey found that:

- research is not regularly conducted by the majority of arts organisations surveyed;

- in particular, strategic research such as that used to identify segments for their market is least likely to be carried out;

- sixty percent of organisations say they never conduct research among the general public.

People surveyed in 1996 said that their arts organisation would benefit from staff developing further marketing and audience development skills, and research and information-gathering skills were requested.

A small survey carried out for this project indicated that most smaller arts organisations currently use in-house resources to gather information and that most are **not** satisfied with the way they are obtaining information. Larger arts organisations on the other hand mostly use a combination of in-house resources and external consultants, and tend to be satisfied with this.

> **Clearly, while a 'lack of money' is an often-mentioned concern of arts organisations, many organisations are operating with a minimum of dedicated staff for whom the task of better analysing their marketplace and potential market simply does not materialise. Perhaps the will exists, but not the wherewithal.**
>
> *Marketing the Arts* (Australia Council, 1997, p88)

The term 'audience development' has become common parlance is and often associated primarily with increasing attendance. However, audience development in the arts in its broad sense means **appreciating** art and culture. That is, **facilitating understanding of the arts, which includes, but is not limited to, encouraging attendance**. This broad view of audience development is not a temporary one – it is what many artists and organisations have been seeking since art was first offered to 'the public'.

Audience development is not simply a case of researching existing audiences. While current audiences or visitors **are** valuable to develop and retain, audience development in its broad sense includes researching significant other groups. Identifying potential audiences within the general public is one area which would spring to mind for most organisations. It is also important to gather information from groups such as sponsors and funders, suppliers, 'friends' or 'members', and the media. **All of these groups influence your audiences just as your audiences influence them**.

> **The hostile environment in which we work never gets addressed. We need to be able to better market ourselves to politicians and the media so that art and culture are valued more in our society.**
>
> Arts organisation general manager

The accompanying diagram, modified from Kotler and Scheff (1997, Figure 3-2, p62), displays the variety of groups (or 'publics') which can help or harm an organisation and whose needs or interests must be served or accommodated at particular times.

Government Agencies

Public Foundations          Private Foundations

Corporate Foundations          Corporate Sponsors

Individual Donors          General Audience

Board of Directors          Artistic Directors

Management Staff     ARTS ORGANISATION     Playwrights

Media          Curators

Labour Unions          Performers

Competitors          Artists

Volunteers          Interest Groups

Subscribers

**Figure 1: An Arts Organisation's Publics**

## GLOSSARY OF TERMS

| | |
|---|---|
| **Arts organisations** | Used throughout this guide to include all types of arts and cultural organisations in either metropolitan or regional areas. |
| **Audience development** | Facilitating appreciation of art and culture, which includes – but is not limited to – encouraging audiences. |
| **Audience research** | Market research as it applies to art and culture. Includes research, both primary and secondary, into any of the stake-holder groups which contribute to audience development. |
| **Audiences** | People who attend or access an art or cultural event. Includes visitors, clients, existing and potential customers. |
| **CAPI** | Computer assisted personal interviewing – when the interviewer enters the individual's responses directly into a hand-held computer. |
| **CATI** | Computer assisted telephone interviewing – where the questions appear on the computer and the interviewer enters the responses directly into the computer. |
| **Census** | A complete count of the total population. |
| **Chi-square test** | The chi-square statistic is used to test the statistical significance of the observed association in a cross-tabulation. |
| **Closed questions** | Questions where respondents are asked to select one or more of a given set of alternatives. |
| **Cluster sample** | Selection based on clusters of people – an attempt to make probability sampling methods more cost-efficient. |
| **Consumer research** | Research undertaken with people who 'consume' a particular product or service. Also referred to as market research. |

10

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| **Consumer survey** | A means of gaining relatively objective information about consumer habits, opinions and attitudes. |
| **Consumers** | People who actually use a product or service. |
| **Convenience sample** | Obtained where members of the population of interest congregate. Also known as an intercept sample. |
| **Customers** | People who 'buy' a product or service whether they use it or not. |
| **Demographics** | Relatively objective attributes which are readily definable and which classify an individual into categories – for example: gender, age, income level. These categories are then used to define groups within the population. |
| **Descriptive research** | Research which describes the population of interest on a number of variables. It can infer, but cannot confirm, causality. |
| **Desk research** | Gathering information from existing sources, only some of which may relate to information from respondents. Another term for secondary research. |
| **Experimental research** | Research which scientifically enables the determination of a causal relationship between variables. Scientific means that the study design is methodologically rigorous and replicable. |
| **Focus group discussion** | A group of usually six to nine individuals recruited to discuss a range of issues of interest under the 'control' of a group moderator. This is one of the most common forms of qualitative research. |
| **Group moderator** | A person who facilitates a group discussion. Flexibility is required to enable topics to flow spontaneously as is 'control' if individuals dominate the conversation. |
| **Group participants** | People who participate in a focus group discussion. |
| **Group recruiting** | A process of selecting individuals to participate in a focus group discussion. |
| **Individual depth interview (IDI)** | One-on-one, usually face-to-face interview, lasting anywhere from 45 minutes to several hours. Used when seeking information which people may find personal or of corporate sensitivity and may be unwilling to reveal in a group situation. |
| **Intercept sample** | Approaching (i.e., 'intercepting') people in high pedestrian traffic areas or where members of the population of interest congregate – for example, at a shopping mall, outside an art gallery. |
| **Interviewer** | A person who is trained in how to gain cooperation and ask questions of a respondent. |

11

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| **Laddering or benefit chaining** | A type of questioning where attempts are made to go beyond first responses to identify end-benefits, and beyond the physical or tangible attributes to determine what benefits these attributes give. |
| **Market intelligence** | A variety of information organised in such a way that it is meaningful to marketing decisions, goals and strategies. This is a combination of secondary and primary research sourced data. |
| **Market research** | The gathering of information about some topic, group, product or social issue. |
| **Marketing research** | The gathering of information relating to marketing processes, such as planning, forecasting, establishing elements of the marketing mix. |
| **Marketing** | The process by which an organisation relates creatively, productively, and profitably to the marketplace, with the goal of creating and satisfying customers within the parameters of the organisation's objectives. The ultimate objective of marketing is to influence behaviour (Kotler & Scheff, 1997, p31). |
| **Marketing mix** | The set of marketing strategies and tactics an organisation uses to pursue its marketing objectives within the target market. Often called the '4-Ps' – product, promotion, place and price. |
| **Mean** | The average; the value obtained by summing all the elements in a set and dividing by the number of elements. Useful if a variable is measured on an interval or ratio scale. |
| **Median** | The median of a sample is the middle value when the data are arranged in ascending or descending order. It is the value above which and below which half of the values fall. Useful if a variable is measured on an ordinal scale. |
| **Methodology** | A process by which information is gathered to ensure the research objectives are met. |
| **Mode** | The value that occurs most frequently in a sample distribution. Useful if a variable is measured on a nominal scale. |
| **Nominal scale** | A scale whose numbers serve only as labels or tags for identifying and classifying objects with a strict one-to-one correspondence between the numbers and the objects – for example: the numbers assigned to respondents in a study. Nominal scales are useful for identifying respondents, brands, attributes, organisations and so on. |
| **Objectives** | The objects or purposes aimed at in a research study. Research objectives should form a critical component of the research brief. They must be stated in a research proposal. |

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| **Omnibus survey** | Surveys conducted regularly by some research agencies. Organisations pay per question to include questions on the omnibus. Take care to ensure the sample is relevant to your needs and that other subscribers' issues are not in conflict with your own. |
| **Open-ended questions** | Questions where the respondent is free to answer whatever they wish. |
| **Primary research** | Gathering information via direct contact with respondents. |
| **Probability sample** | When all members of the population have an equal chance of being selected in a sample. Also known as a random sample. |
| **Psychographics** | Quantified psychological profiles of individuals and psychologically based measures of lifestyle. Lifestyle measures are usually referred to as Activities, Interests, and Opinions. |
| **Qualitative research** | Research designed to identify, describe and explain people's points of view. It is often unstructured with varying degrees of interpretation. |
| **Quantitative research** | Research designed to measure how many people hold each of the points of view. It is usually structured with little variation in degrees of interpretation. |
| **Questionnaire** | A form containing a planned list of questions designed to elicit information relevant to research objectives. |
| **Random sample** | When all members of the population have an equal chance of being selected in a sample. Also known as a probability sample. |
| **Research brief** | A written document which outlines why information is required, states research objectives and provides any constraints or requirements in undertaking the research. |
| **Research proposal** | A written document which addresses the research brief and states how the research is to be undertaken, when, by whom and for what cost. |
| **Respondents** | People who answer questions relating to research. |
| **Sample** | A sub-group selected from the total population. |
| **Sample size** | The number of people to be included in a sample. It is one of two factors that determine confidence in generalising outcomes to a total population. |
| **Sampling method** | A process for ensuring that the characteristics of the sample reflect those of the population from which it is drawn. It is one of two factors that determine confidence in generalising outcomes to a total population. |

13

**Secondary research**      Gleaning information from existing sources, only some of which may relate to information from respondents. This information is usually originally collected for other purposes. It is also referred to as desk research.

**Self-completion**      Questionnaires which are completed by an individual without the assistance of an interviewer.

**Significance levels**      Levels set to judge whether an outcome of research occurs by chance or is a real outcome. The researcher determines the most appropriate level for the situation. The most common significance levels are 1 chance in 100, 5 chances in 100 and 10 chances in 100 that the outcome occurs by chance.

**Statistical analysis**      Results generated via software packages on a computer – used in quantitative research where samples are large and/or where the analysis is complex.

**Strategic research**      Research conducted to input to strategic or long term planning or decisions.

**Tactical research**      Research conducted to input to short term planning or decisions. Also known as operational research.

**Tests of significance**      Tests used to determine the statistical significance of results.

(Publication details for sources cited in the text are included in Part IV section 3 References).