This Chapter . . .

• Defines audience development and explains the role it plays in increasing earned income for arts organizations;

• Provides an overview of marketing and the marketing planning process; and

• Discusses how arts organizations must embrace change to succeed at new audience development.
**PART I: New Audience Development**

Generally, the nation’s arts community is strong and thriving, a testament to solid marketing efforts on the part of its arts groups. Yet the arts are at a critical juncture, with audience growth slowing and average audience ages rising. Audience sizes ebb and flow with the state of the economy. Funders place grants on hold while they re-assess their priorities. Entertainment consumption is limited by time, as well as money, and people are more cautious about their commitments. Non-profit arts groups also face stiff competition, as for-profit arts companies flood the market with slick, larger-than-life shows and online content.

Arts groups are spending increasing amounts of money on marketing efforts that are netting flat results. Available consumer data and certain industry practices, including mailing list sharing, tend to focus on the same groups of extremely loyal arts participants.

How can arts groups survive—and thrive—in this competitive, uncertain environment?

One way is to cultivate new sources of earned income . . . Building relationships with new segments of the population who will pay to take in a new theater production, tour an avant garde gallery, download symphonic music, attend a dance concert or sample an interdisciplinary arts experience. In short, by developing new audiences for the arts.

So . . . define “new.” We aren’t talking about importing an audience from Mars. But we are saying arts organizations have to move beyond the known universe of loyal arts fans to explore a new world of opportunity.

A new audience may be new to the arts, or just new to your type of art. They could be any medium or light arts “user” who is positively predisposed to your product. They may be a group with whom you’re already in touch, or maybe someone who has never entered your doors, but may be likely to, with the proper inducement.

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**SOURCES OF NEW AUDIENCES:**
- one-time attendees
- multiple/repeat attendees
- subscribers/members
- group attendees
- future attendees
A new point of view—and a new attitude. “Relationship” is the key word here, because new audience development also involves a shift in the way arts organizations think about their consumers—best expressed as a shift from audience to customer. While audience implies a passive, one-way relationship, a customer is in an active, reciprocal relationship through which the organization satisfies a need.

Developing these kinds of relationships requires arts groups to be far more aggressive and sophisticated in their marketing efforts. It requires arts groups to step into the minds of consumers who don’t live, breathe, and die the arts. It forces them to meet consumers halfway in their quest to bring new audiences through the front door. Perhaps harder still, it requires arts organizations to undergo the kind of systemic organizational change that will permit them to be responsive to audience needs without compromising their basic artistic missions.

What is the Difference Between A Customer & An Audience?

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Characteristics</th>
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<tbody>
<tr>
<td><strong>Audience</strong></td>
<td>A body of listeners or spectators</td>
<td>Passive, Recipient, One-sided relationship, Short-term contact, No impact on product, delivery, Needs unknown, Power rests with presenter</td>
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| **Customer** | 1. A person who buys, esp. on a regular basis  
2. A person with whom one must deal. | Active, Participant, Two-way, ongoing relationship, Transaction is overt, Involved in product and delivery, Needs fulfillment is key to success of sale, Power rests with buyer |
PART II: You've Got to Have a Plan

What is marketing? Marketing is the entire process by which one comes to understand the relationship between a product and its customer.

First, it's a process—not the end product. It's not PR, posters, direct mail or advertising.

It is the process of examining the world in which you operate, including your customers, your competition and what you have to offer.

Second, it involves your product, which may not be a typical consumer product like laundry detergent or a car, but can be examined and tweaked to provide maximum services by looking at the four key components as defined by marketing scholars: Product, Price, Place and Promotion. We add two more components for groups in public service: People and Positioning.

Promotion, which is what most people think of when they consider marketing, is one of the last steps in the marketing process. If you start with promotion, without understanding your competition and your customers, then you are saying all the wrong things to all the wrong people.

Marketing is also an inexact science. Combining two elements doesn't always give the same results. Arts managers often ask if there is a “right” way to market a theater or dance company, arts education program or gallery show. Each marketing solution must be custom-developed to the uniqueness of each arts organization and their unique marketing problem.

What's the objective of marketing? Marketing typically seeks to increase earned income by two means: Recruiting new customers and improving customer loyalty. To build new audiences, arts groups must use what are called “penetration strategies,” to recruit new customers; and “buying rate strategies,” to build customer loyalty, which increases use of their product over a given period. Thus, new prospects become customers, occasional customers come more frequently and frequent customers become members—even long-term patrons.

“Marketing is similar to dating: You don't just wander up to somebody, spend three hours talking about yourself, and then expect them to ask for your phone number. The same is true when you are dealing with your public.”

—Julie Peeler

The Big Picture:
New Audience Development for the Arts
While retention and membership development are important to the long-term financial stability of arts organizations, the emphasis in new audience development is on digging for new segments and on converting the lighter arts users into more frequent participants.

There are four main stages involved in marketing: creating interest, building awareness, stimulating trial and converting to loyal customers. A good marketing plan contains elements of each of these stages.

**What's marketing planning?** Marketing planning for the arts is *asking the right questions* to narrow what seems like an enormous problem (Where do I find new audiences?) down to manageable size, resulting in logical and creative solutions. We’ve converted the standard planning model into a series of questions more appropriate to the public sector, where mission and service are paramount. [See chart on next page.]

**The marketing plan** is the backbone of the new audience development. Simply put, it is a road map that sets out the most important landmarks on the path to reaching your marketing goals. In a marketing plan, you assess where you are, define where you want to go, reveal who you need to target to get there, and map out the quickest, easiest, most effective way to get there.

**It sounds like a lot of work!** Yes, it’s a lot of detailed research that involves turning your organization inside out to challenge long-held assumptions and search for clues as to where new audiences can be met and won over . . . and no, it’s not a lot of writing. In fact, most of your research will be tossed aside as you begin to focus in on your best opportunities for growing your audiences.

Actually, a good marketing plan is concise, reflecting lots of thinking encapsulated in a few, well-chosen words. It should be well-researched and realistic. Most of all, it should be flexible and adaptable to inevitable changes in the marketplace.

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**THE MARKETING CONTINUUM:**
- creating interest
- building awareness
- stimulating trial
- converting to loyal customers

**GOOD MARKETING PLANS ARE:**
- concise
- precise
- well-researched
- realistic
- flexible and adaptable
The Marketing Plan Answers Seven Key Questions

1. Where Are We?
   - What is our mission?
   - Who is our current customer?
   - Who else could be a potential customer for us?
   - Who do we compete with for our customer’s time and money?
   - What are the key issues facing my organization, my industry and my community currently and in the near future?
   - What are our internal strengths and weaknesses (assets, financial resources, management, volunteers, corporate culture, etc.)?
   - What are our external opportunities and threats?

2. Where Do We Want to Go?
   - What objective should I focus on that is measurable, attainable, financially viable and socially significant?

3. How Will We Get There?
   - What strategies and tactics will I employ that address opportunities uncovered in Section 1?
   - How do these learnings apply to Product, Price, Place, Promotion, People, Positioning and Politics?
   - How do I pick from all the great ideas the staff came up with in the brainstorming session?

4. Who Will Do What, When & With What Resources?
   - What can and should I pay for, and what can and should I find pro bono?
   - Does this growth strategy require adding staff or resources?
   - What is our internal approval process for promotional materials?

5. What Will it Cost?
   - Have we accounted for reasonable amounts of time, money and staff?

6. How Will We Measure Progress and When?
   - Are the systems in place to track new audience members as they come to our organization, and the sources of their interest in our organization?

7. Did We Achieve Our Goals? What Did We Learn in the Process?
   - Does our analysis include all seven of the Arts Marketing Ps or are we just focused on promotion?
   - What did we learn about our suppositions that we made in the planning model regarding new audiences?
   - What did we learn about timing or internal approval processes that could help us next year?
**A Different Approach.** For many arts managers, a formal, systematic marketing plan represents a whole new approach to marketing their artistic products. Many arts managers, working in isolation with limited training in marketing, often rely solely on gut instinct to develop their marketing programs. Unlike for-profit counterparts, they may lack access to sophisticated information regarding potential new audiences and new marketing tools, as well as the time to research the application of these tools.

Seat-of-the-pants marketing can be hit or miss under the best of circumstances, but in the current climate, it is destined to fail more often than not. A disciplined, strategic approach to marketing is necessary if arts organizations wish to attract new audiences and build long-term relationships with them.

**WHERE DO WE WANT TO GO?**
Increase overall attendance at Blue Rider from the following targets:

**#1. NEW RESIDENTS LIVING WITHIN 2 MILES OF THE THEATRE**
Welcome 600 new audience members out of the thousands of people moving into the expanding metropolitan area.

**#2 PEOPLE WHO ATTEND ART GALLERIES**
Convert 500 visual art enthusiasts into Blue Rider enthusiasts.

**HOW WILL WE GET THERE?**
In our past marketing efforts, we have positioned our productions, but neglected to position the organization....Our new approach is to position the theatre as a hotbed of today's most daring arts...our productions then will be positioned as an extension of the theatre...
Part III. Getting Ready for Change

New audience development inevitably leads to change—there’s no two ways about it. As you go through the process, you take a hard look at the way your product relates to your customers and potential customers. But it doesn’t stop there. The process can lead to change in many other areas, including your mission, identity, product, channels of delivery, customer service, primary target audience, communications program, budget and staffing. It can even affect organizational governance.

New audience development touches virtually every area of your organization and everyone in it from the board to the front office. Everyone must be ready to make changes in the way they think about and approach many different kinds of activities.

Change is hard. Unfortunately, as we all know, change can be difficult. Most of the time, people don’t adapt to change quickly, if at all. If you’ve ever tried to change a personal habit or achieve a difficult goal, you know how hard it can be. And organizations are no different. It takes a combination of a ringmaster and a shepherd to get everyone moving in a new direction and keep them going. It takes someone to inspire people to pull together to make change succeed. It takes leadership. And it takes solid groundwork to prepare the organization for change.

Are You a Leader? “Providing leadership does not require someone to be Winston Churchill or Nelson Mandela. What is needed is a more modest form of leadership,” says John Kotter, a leading expert on organizational change. What’s needed is someone with a clear vision, the ability to communicate that vision and the support of key people in the organization for that vision. One person can’t do it alone. The change agent must find allies who can help the organization overcome barriers and help keep the faith, even when problems inevitably arise.

The time to start making way for change is now, at the beginning of the planning process.

Take the time to talk to people at all levels of the organization to obtain their views and assess their readiness for change. Involve them in the planning process, from the SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) through the implementation timetable. Find champions within the organization, as well as in the outside community, who can work with you every step of the way.
Preparing for Change. There are three major constituencies of an arts organization, both internally and externally, that need to be part of your preparations for change. They are:

- **Staff and Board**
- **Current Audiences/Supporters**
- **Potential New Audiences/Supporters**

Begin by focusing on the current staff and board. Do they all know that changing the current audience make-up is a key strategic goal of the organization? Does every member of the staff understand their role in audience diversity? Are the diversity efforts a part of every staff and board member’s annual performance goals?

Do the staff and board need to be diversified in order to reflect the desired audience make-up? Diversifying the staff and board means that all points of view are at the table when developing programming and other organizational strategies.

Ensure that the organization understands that audience diversity in a long-term process, and that the organization has made a long-term commitment to presenting more diverse programming.

Next, focus on current audiences by making them a partner in change. Sometimes, arts audiences consider themselves “insiders” or “exclusive members” of organizations even when those arts organizations don’t have memberships or subscriptions. These audiences derive a sense of belonging from participating in an organization. And they can derail your diversity efforts by shunning new faces.

Show them your diversity goal by including pictures of diverse audiences in promotional materials. Spend time mingling with your audiences and ask ushers/docents/guards to report any incidents between new and old audience members.

Finally, focus on new audiences. Begin by defining what our audience isn’t (ethnically, racially, socio-economically, age-wise, etc.), then determine the size and growth potential of those various groups (this process is detailed in Chapter 3).
The Big Picture:  
New Audience Development for the Arts

JOHN KOTTER’S TYPICAL PITFALLS TO CHANGE
- allow too much complacency
- don’t put a strong enough team together
- one person thinks he or she can do it all
- allocate to a committee that gets nothing done
- don’t work hard enough and long enough on developing a vision
- fail to communicate the vision strongly, because they do not understand the importance of getting people at all levels of the organization to buy into it

Examine the relevance of your artistic product for each group. Examine their image of the art form, its role within their own cultural or generational expression. Examine your organization’s location in order to uncover real or perceived barriers to attendance.

Once barriers and motivations are defined for the target group, develop programs and marketing tactics to overcome those barriers. This should help you develop the most appropriate path for diversifying your organization.

KEY ELEMENTS OF DRAMATIC CHANGE*

People who have been successful at making change all have eight similar qualities:

1. They attack complacency.
2. They organize a strong team of individuals.
3. That team develops a vision.
4. They are great communicators.
5. They search the system very carefully for impediments.
6. They look for avenues that will allow them to produce some short-term wins.
7. As soon as they get momentum, they take on even larger and bigger and more difficult challenges.
8. They find ways to connect the change to the culture of the organization.

From Leading Change by John Kotter, Boston, MA 1996.
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Communication is Key. During the planning process, as well as during implementation, take every opportunity to talk with people and elicit their feedback, but remember that although you understand marketing and new audience development, they may not. So keep it simple. Use analogies and verbal pictures to get your point across. And don’t forget that communication is a two-way street. You may get criticism or be asked tough questions—but they can help you make the plan better and sell it more persuasively.
Is the Art Relevant? Whether the discussion begins with racial and ethnic diversity, age diversity, or class diversity, it ultimately becomes a discussion of relevance. Relevance cannot be discussed apart from the artistic product itself, and it is important to remember that the audience determines what is relevant to them, not the artist. What makes a work of art relevant to one group may be the very thing that makes it irrelevant to another. Is it wrong, then, that the audience only consists of those for whom the art is relevant? Is it reasonable, then, to expect that all art will be relevant to all audiences?

The question of relevance leads into a further discussion of the role art plays in society. One commonly held opinion is that art reflects society. Art serves to tell our stories, sometimes celebrating the good, sometimes espousing a more critical view. On the other hand, art can be put in the role of fixing society’s ills. In this scenario, the artist is no longer in the role of observer/commentator, but instead activist/healer.

Which of the above roles is appropriate for art? Can both co-exist successfully for artists and audiences? What is the role of the audience in either of these scenarios? Clearly, the issue of audience diversity is more complex than simply making the numbers work. It is about the relationship between art and audience.

Barriers & Motivations: The above questions have led many communities to conduct research to explain why less frequent users of the arts don’t participate more often. One of the most recent of these studies, conducted by the Greater Philadelphia Cultural Alliance as part of their Engage 2020 initiative, provides critical insight on this topic. Among the key barriers identified are:

• Uncertainty about how to behave in arts and cultural settings
• Not having friends to go with and not wanting to go alone to an arts event
• Not enjoying the “sit still and be quiet” element of traditional arts presentations
• Feeling that other people like them are not going to be there
• Having to plan more and further ahead to have an arts and cultural experience than to have a competing experience (like going to a movie or meeting friends at a bar or club)

One of the key findings of this study and others is that the barriers and motivations to arts participation do not differ greatly from one ethnic group to another. At the heart, we are all human, and arts participation is motivated by a basic desire to be stimulated and entertained. Key barriers across ethnic groups include unfamiliarity with a particular venue or neighborhood, unfamiliarity with the particular arts product, and lack of awareness of the options available. No one wants to feel unsafe, out of place, or ignorant, regardless of ethnicity, age or class.
The Big Picture:
New Audience Development for the Arts

Are You Ready for Change?
Use the chart below to assess your organization's readiness for change:

A CHANGE CHECKLIST*

⚠️ Are you low on oil?
Oil is attention, the lotion you rub on people to let them know that you see what they are doing and that they are doing OK. The oil that smoothes the progress of a change initiative is recognition, reinforcement and acknowledgement. You don't have to wait until the battle is won to slap some on—in fact, you had better not wait that long . . .

⚠️ Did you bring enough cash?
An underfunded change initiative is an endangered change initiative. Short of pawning your organization's birthright, see to it that there is enough money to pay for the training and software the new system will require. You may have to cut deals with other hallowed projects to arrange this, but change is all about money and politics. . .

⚠️ How's your follow-up?
The best laid plans of mice and men go down the tube in a jiffy when you are not on top of change processes. The process of follow-up should be viewed not as a policing function, but a coaching. Are you willing to make a downpayment of pain?

⚠️ Are you willing to make a down-payment of pain?
The high price of change is mistakes. Any organization that heads into new territory planning on a best-case scenario—zero dead and zero wounded—is likely to wind up with the exact opposite. Of course there will be mistakes in planning and communication and execution, and they will hurt like hell. One way to look at it is that today's pain is a down-payment on future possibilities. Each one is a valuable lesson. Note: This doesn't mean you should maximize your mistakes in order to learn a lot of lessons quickly.

⚠️ Who is with you?
Look around, and count the number of people you know who are solidly behind the idea. You can't do this alone. If you are the leader of a large organization, you will need a loyal cadre of top managers to keep the flame from going out. It you are the leader of a team, you will need an even higher degree of unanimity. A change idea is never assured of success. But there does come a point in the development of an idea when the vision achieves critical mass. When a solid core of people believe in the idea enough to be held accountable to it, victory is at hand.

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For more information, visit www.petersons.com.
Real-Life Example:  
Becoming More than a Great Orchestra

— Bruce Coppock, Director  
St. Louis Symphony Orchestra Society

I’d like to share with you a story about how an outwardly successful but inwardly moribund institution found the courage to come to understand that the criteria by which it had gauged its success were the very same ones which laid the seeds of disaffection and lack of support. It’s a story of how staring at the abyss can be the inspiration for positive and effective change.

In St. Louis, a decade of undeniable success culminated in 1989 with the awarding of an enormous recording contract to the St. Louis Symphony. It was the ultimate validation, following tremendous national publicity, European tours, yearly appearances at Carnegie Hall, and national radio broadcasts. In our own terms, we were completely successful, because we had been validated in New York and Europe. What happened in our home town was far less important to us.

This view presumed that artistic excellence and community service were mutually exclusive missions. Our industry was also driven by the notion that an individual member of an orchestra—probably a highly creative, self-disciplined, engaging person—has to sublimate those energies in the workplace, and therefore can only find an outlet for those energies outside the workplace. Thus, a distinguished member of our orchestra wrote to me five years ago, requesting the following year’s schedule so that he could: “balance [his] career as a violinist with the job at the symphony.”

But during that year, despite our success, our endowment campaign came to a screeching halt. We quickly canceled the campaign and tried for a property tax referendum, which, if passed, would save us. We lost badly: The public debate was not about artistic excellence; it was about arrogance, insensitivity, running deficits, paying lip service to education, lip service to the black community, and about the perception that we felt entitled to do whatever we wanted to do. The juxtaposition of our artistic successes and the harsh rejection by the community was overwhelmingly painful. Two years of stunned denial followed.
In 1992, we started bailing water to save the orchestra from financial disaster. We cut 25 percent of the staff, education programs, concerts, building repairs, advertising—all in a desperate attempt somehow to save this great orchestra from financial disaster. We knew we’d identified the problem—lack of community involvement, but we had not identified the solution. Instead of trying to find the solution behind closed doors, however, we decided to throw open the discussion to the community as well, in a highly cumbersome and lengthy planning process.

In constructing a long-range plan to fit with our new community-based philosophy, we tried to focus on areas of agreement with the community: music education; high artistic achievement; and community outreach. In other words, we would have to do more, and be more, than a great orchestra.

We reached consensus in mid-1993, with a programmatically radical long-range plan that articulated a commonly derived vision of artistic excellence, proactive involvement in the community, a deep commitment to music education, and the infusion of 100 highly gifted musicians into the community. Still, our budget was nearly two million dollars out of balance. And we had fewer than 30 months of staying power before a defining financial crisis would hit. The orchestra was at a true crossroads. With our vision in hand and little to lose, we decided to risk everything, and fund the next two years with our last remaining capital reserves. Throughout the crisis that followed in 1994, the long-range plan was crucial in holding various constituents’ feet to the fire.

Soon after a successful European tour, our conductor, Leonard Slatkin, announced his intention to step down after 27 years, effective the end of 1995-96, just the very moment when we knew we would run out of money. Next, the board chairman announced he would step down in May of 1994 and, in this crisis, no prominent community leader would go near the job. We had a deep financial crisis and a music director search on our hands. These were tough times.

We found a music director, Hans Vonk, who could not only lead us to the next level artistically, but who warmly embraced our vision. The community also found a touchstone for the orchestra in his presence and artistic leadership. And our plan provided a new labor agreement that helped unleash the creative energies of our musicians into the community. The players got higher pay, and the Symphony Orchestra Society got tons of flexibility in how we used the musicians’ talents outside the concert hall. The community got an institution far more able to provide the kinds of services it had told us it wanted during the
planning of our long-range plan. So much for the conflict between artistic excellence and community involvement! Maybe community involvement and the attendant artistic and creative outlet for our musicians has enhanced artistic excellence.

During the same summer, we merged with a dying music school to form the St. Louis Symphony Community Music School. The merger has succeeded by every measure—enrollment doubling to 3,500 in two years, solid financial footing, strong audience building, and by providing the musical education of our next generation of St. Louisans—the school plays the most central role in the St. Louis Symphony today. It has fundamentally altered our interaction with the community.

With a revolutionary labor contract, a new music director, a successful relationship in the black community, a music school—but no money—the moment of truth arrived in late 1995.

That summer we convened a group of trustees—not the traditional leaders—that we thought were best able to absorb the complex dynamics of the symphony, and challenged them to prepare a financial recovery plan. The recovery plan we eventually devised was daring, brazen, and aggressive, and defied institutional intuition and experience. One of the architects of the plan stepped forward with a critical two-million-dollar lead challenge gift. It was the boost we needed, and we raised ten million dollars in matching funds during 1996, hitting every component of our financial plan, despite the continued naysaying of the old guard. The newly invigorated board leadership has allowed us to accomplish in one year what our original plan called for us to achieve in five.

This has been accomplished by ideistically pushing incredibly hard, by sometimes getting way too far out in front of one constituency or another, and by rarely accepting “no” for an answer. It’s been accomplished by aggressively getting outside the box on fundamental issues as to what a symphony orchestra should be, and by judging carefully the community’s threshold for certain kinds of behavior. Careful assessment of the local opportunities and open discussion among all our constituents about the realities we faced has proven immensely valuable in rebuilding this institution. And all of this education and community outreach activity not only meets the long-term strategic agenda of audience development, but it also taps the community through its children and amateur musicians, and taps the creative juices musicians have within them.

In 1991, our European tour was canceled because of the travel restrictions imposed during the Gulf War. So instead of playing in Vienna, we played in Fort Leonard Wood, Missouri, in a rundown Army auditorium for spouses and children of soldiers just sent off to the Gulf War. Halfway through Barber’s Adagio for Strings, audible weeping swept throughout the concert hall. By the end of the piece, many orchestra members were weeping too. We asked ourselves, had something fundamentally more important happened here in Fort Leonard Wood than could possibly have happened at the Musikverein in Vienna?

Similar experiences in African-American churches, raising funds for flood victims, and other programs only reinforced the binding nature of this work.

Symphony members initially resistant were now passionately embracing this activity. Could the symphony workplace have begun to provide an outlet for the creative and expressive energy of our musicians? Could giving back to the community be a more satisfying and successful strategy than complaining that the community didn’t appreciate how good we were?