



**MARKETING STRATEGIES
FOR ARTS ORGANISATIONS**

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FOREWORD

Marketing Strategies for Arts Organisations aims to provide arts organisations with a four-part, easy to follow step-by-step guide to developing effective marketing strategies.

The marketing strategies manual:

- shows you ways of aligning your marketing strategy with your organisation's broader Vision, Mission and Goals;
- introduces you to processes for reviewing your competition and defining your target markets or audiences;
- guides you through the development of your marketing strategy; and
- provides a useful toolbox of practical techniques, to support future strategy development.

Marketing Strategies for Arts Organisations focuses on how marketing can contribute to achieving your organisation's Vision, Mission and Goals and assumes that the latter have been identified and clarified. If your organisation does not have a well defined Vision and Mission, or has not yet had an opportunity to carefully consider its medium to long-term goals, then you might find it useful to work through the first part of a strategic planning manual developed by the Department of Communications, Information Technology and the Arts (DoCITA). This publication, *The Art of Strategic Planning – Visions and Strategies for Cultural Organisations*, provides information about how you might develop a Vision and Mission, and set your organisation's goals.

If you are new to marketing and are looking for a brief overview on marketing issues and concepts, you may want to get a copy of *Arts Marketing: the Pocket Guide* from the Australia Council. The Guide is designed to assist arts organisations and artists in determining and addressing their marketing needs at a fundamental level.

A marketing planning publication, complementing this marketing strategy workbook is also in preparation. To inquire about the release date or order a copy, contact the Australia Council's Audience Development Division.

Another publication, *Who's My Market? A Guide to Researching Audiences and Visitors in the Arts* supports both this strategy workbook and the marketing planning manual. Again, this publication can be obtained from the Audience Development Division.

References to other useful materials can be found in the Appendix.

INTRODUCTION

WHAT IS MARKETING?

It starts with the organisation's vision – what does the arts organisation want to be known for? And by whom?

The vision will determine the type of artistic product which needs to be developed and the audiences which need to be attracted to this product. Market research can help assess whether a vision is viable, but it should never be the determining force behind a vision. Market research can tell us what is today, but it is a poor predictor of what is possible in the future.

For example, you might decide that your arts organisation wants to be known as...

- An innovator, breaking new ground: this is a high risk strategy; you are unlikely to succeed but, for those who do, there are potentially big rewards.
- A 'safe', mainstream organisation: the risk is the potential lack of differentiation from other arts organisations and their offerings. This risk is small for major arts organisations, of medium proportions for small ones (due to their low overhead structure), and high for medium sized organisations, which find it difficult to compete with the large institutions, offering a similar product, while also facing an unfavourable overhead cost structure.
- A niche marketer: specialising in the children, youth, old aged, holiday or other markets, which may be defined on a demographic, socioeconomic, geographic or lifestyle/psychographic basis. This is not an option for a large mainstream organisation, although it could target a niche with some elements of its product range. It tends to be a low to medium risk strategy when the niche market is well defined, has differentiated preferences which can be effectively addressed, and is able to pay for a tailor-made product.

Marketing can help arts organisations to realise their vision, whatever it might be. However, those who determine the long-term future of the organisation have to first decide on the long-term vision.

Marketing can contribute:

- to the development of product concepts
- the identification of target markets
- the promotion of products and other offerings to these target markets

- the pricing of these offerings
- the decision on where and when to make the offering available
- the decision on value-added benefits and experiences audiences might be exposed to
- the level of service to be offered

et cetera et cetera.

Marketing can even provide input into formulating the organisation's vision, ie, deciding what you want your arts organisation to be known for, and by whom. But marketing has to work within, and respect, the boundaries set by this vision.

Marketing can be used badly or well. It can dominate or facilitate. It can provide leadership or create friction. It can be effective or ineffective. It all depends on the approach used by the organisation to carry out the marketing function.

Marketing as such is neither good nor bad, neither effective nor ineffective. Marketing is a set of tools, concepts and techniques. What they are used for and how well they are used determines the scope and value of the contribution marketing makes to your organisation. A hammer can be used to build a home or to kill a person. And the home can be built well or poorly. It's the same with marketing!

DOES MARKETING RESTRICT ARTISTIC DEVELOPMENT?

Of course not! Marketing can help to get a larger audience and more sponsorship and other financial support for just about any artistic product. Marketing can also provide input into the development of an arts organisation's product by providing information on the size and quality (such as their ability to pay) of the potential audiences or the degree of competition the organisation would face if it developed certain artistic products. This input helps to balance the portfolio of products the arts organisation might develop.

If the Board of an arts organisation or its Executive demand that only those products which bring the largest possible income are to be developed, then a policy decision has been made which restricts the artistic product and directs the marketing effort in a particular way. This decision may be necessary at certain times in an arts organisation's development, when cash-flow problems or large debts demand an approach which is strictly commercial in the short- to medium term. This decision may be wrong at other times in an arts organisation's development, if it means that the organisation will not innovate and develop its capabilities and products further, eventually resulting in an organisation which lacks differentiation and attracts a declining (and possibly over-aged) market.

The strategic task the organisation is facing is to balance commercial considerations and artistic development within the framework set by the organisation's vision. Marketing can contribute in finding this balance – for example, through a portfolio analysis which helps to find the mix between artistic development and (current) audience appeal which is most appropriate to the organisation and its stage of development.

Marketing can also contribute to the development of audiences for artistic products that do not find a large following today. It will take time and effort, but a focused marketing program will create a larger audience within a shorter period of time than a fragmented marketing effort or no marketing program at all.

CAN MARKET RESEARCH HELP?

Yes, market research can help to understand today's market place, people's awareness, preferences, degree of satisfaction, behaviour (eg, how they spend their leisure time now), price perceptions, time and other constraints, and so forth. In this way, market research can provide valuable input into the development of a marketing strategy.

But market research also has significant limitations: people cannot imagine new concepts or products. For example, according to extensive concept testing, the Sony Walkman and ATM machines were predicted to be total failures: the problem was that consumers could not imagine what it would be like to use a Walkman or an ATM machine and thus rejected these concepts out of hand.

Market research becomes a barrier to decision making when it provides too much data that is interesting but does not help to focus on and resolve the high priority strategic marketing issues.

In summary, market research has an important contribution to make, but it should never drive your arts organisation's long-term strategy. Market research should support the decision making process but not lead it!

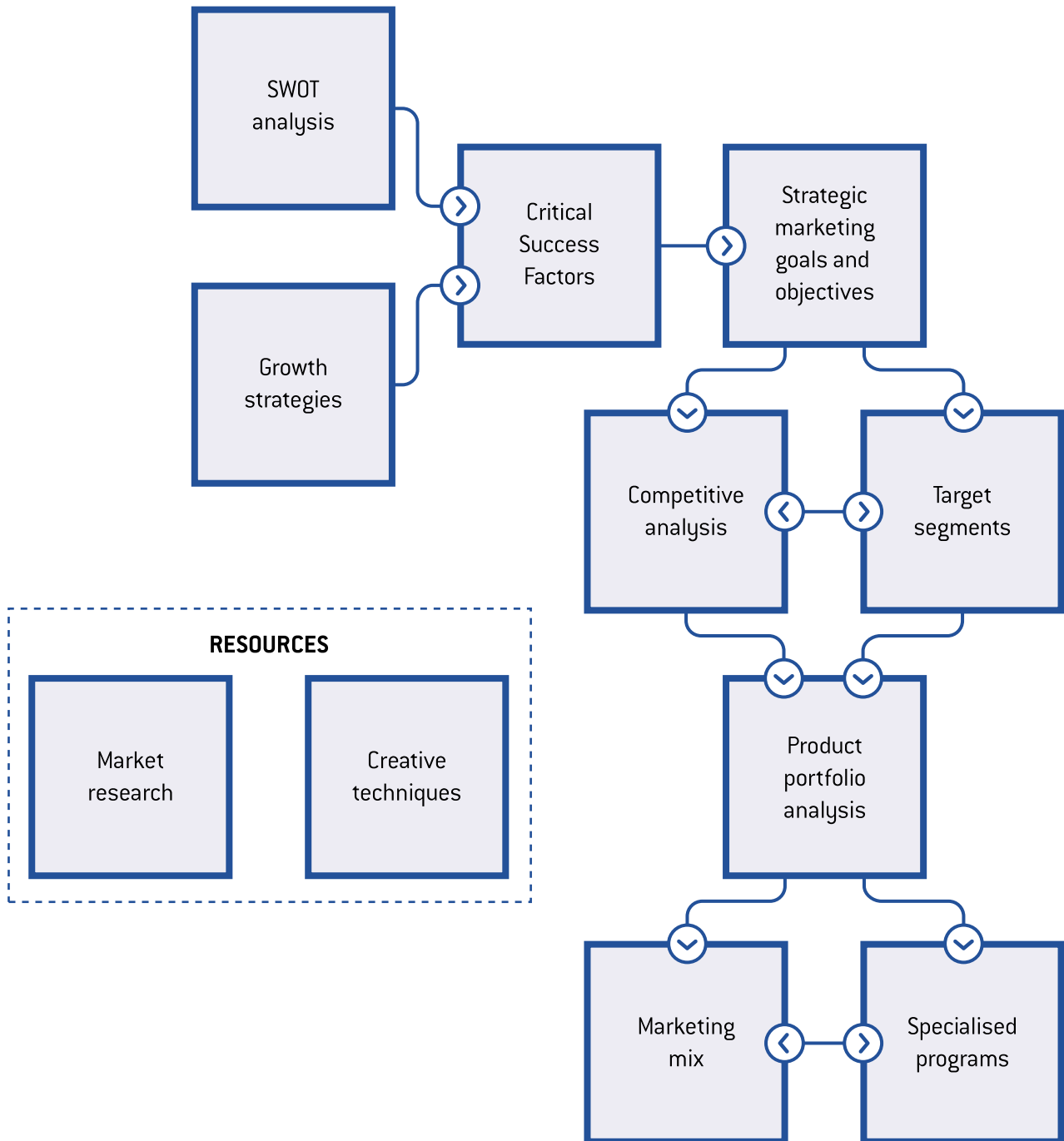
HOW CAN AN ARTS ORGANISATION USE MARKETING EFFECTIVELY?

The first step towards using marketing effectively is for those who lead the organisation to clearly spell out what sort of organisation they want to build. This overall direction, often embodied in a vision-type statement, will determine how marketing can contribute effectively.

The key stages in the development of a marketing strategy comprise:

1. identifying Critical Success Factors, ie those factors which will ultimately decide the success of your arts organisation
2. undertaking an analysis of your organisation's strengths and weaknesses and the opportunities and threats your organisation is facing now and is likely to face in the future
3. considering a range of growth strategies (if growth is seen as desirable)
4. setting strategic marketing goals and objectives in light of the above analyses
5. conducting an in-depth analysis of your competition and those segments of the total potential audience market you are planning to target
6. reviewing your current products and services and the development of a future portfolio of products and services which will satisfy your artistic and commercial objectives in the most effective way

7. deciding on your marketing mix, including product, pricing, promotions and place decisions
8. developing specialised programs within your broader marketing program, which may include educational or multimedia programs, joint ventures, et cetera
9. using market research to support and creative techniques to complement your analyses, leading to a strategically focused, creative marketing strategy, which takes the reality of the market into account.



HOW TO MAKE BEST USE OF THIS PROGRAM

To get the best results when using this manual to develop your marketing strategy, or to review a strategy you have already in place, we recommend that you...

1. DON'T READ THIS MANUAL LIKE A BOOK

If you read this manual as you might read a book you will gain little benefit from it. This is not a book – it is designed as a do-it-yourself working manual. It is imperative that you make time to think, carry out the analyses and complete the planning sheets as you work through this manual.

2. MAKE USE OF THE TOOLBOX

It is worth noting that the last section of the manual, called 'toolbox', offers an overview of creative problem-solving techniques, and data banks you may like to search for information and data. These sections have been placed into the toolbox because they are relevant to several steps in the planning process. Rather than repeating the material, we simply refer to the toolbox at various stages throughout this workbook. It is highly recommended that you do take the time required to make use of the material presented in the toolbox.

3. STAGE THE STRATEGY DEVELOPMENT PROCESS TO ALLOW TIME FOR THINKING AND THE DEVELOPMENT OF CREATIVE SOLUTIONS

We also strongly recommend that you don't work through the material in one session or within the space of a few days. Effective strategic planning is not simply an analytical process – it requires creative ideas as much as analysis. By working through the material quickly, you don't allow time for thinking, for exploring alternatives, and for formulating new, creative solutions.

4. WORK AS A TEAM

The most effective approach is without any doubt to develop your strategy as a team effort. There are two benefits to be derived from a team approach: Firstly, there will be more diverse input in the strategic planning process – different perspectives, emphases, skills, knowledge bases, visions, and so forth. Secondly, there will be more support and understanding within the organisation when it comes to putting the marketing strategies into practice.

5. WORK TOGETHER WITH OTHER ARTS ORGANISATIONS

In our experience we have found that it also helps to work with staff of other organisations. For example, you might want to co-ordinate your efforts with a couple of other arts organisations that are also working through the planning program.

By working in a workshop situation with other organisations there is the opportunity for exposure to a wider range of problems and solutions, which help to put your own issues into perspective. It is often also beneficial to be able to talk to other organisations during the implementation phase, drawing on their experiences to explore any implementation barriers, and to gain a better insight into the effectiveness of different approaches.

RECOMMENDATION

You can get better results by:

- working through this manual rather than reading it like a book
- making use of the toolbox
- going through the planning stages one by one, with some thinking (and data gathering) time in between planning sessions
- working as a team rather than in isolation
- working with other arts organisations that are also going through the process of developing a marketing plan.

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