



Marketing, audience, income

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Objectives



Objectives

Four teal circles are arranged horizontally at the top of the slide. The first and third circles are solid teal, while the second and fourth circles are hollow with a teal outline.

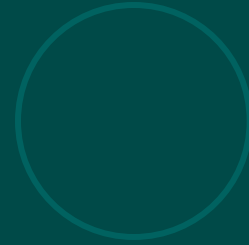
- Maximizing cultural value
- Maximizing audience
- Within the constraint of financial possibilities

Opportunities



- Product
 - Primary product
 - Ancillary services
- Price policy
- Audience

Product



Characteristics product

- Supply side
 - Kind of arts
 - Place
 - Image
 - Ancillary services
 - Product development

Product differentiation

Varying a product so a different price may be requested. In the theater, for example, a ticket including a separate cloakroom and personal service in the break. Possibly a meet and greet with the soloists or stars, cancellation possibilities, a program booklet, valet parking, dinner and reception.

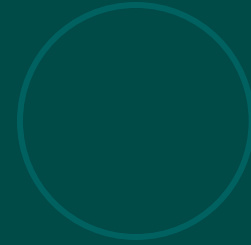


Product differentiation

Caffè Americano, Caffè Latte, Caffè Mocha, Cappuccino, Caramel Macchiato, Espresso, Espresso Con Panna, Espresso Macchiato, Latte met smaakje, Iced Caffè Americano, Iced Caffè Latte, Iced Caffè Mocha, Iced Caramel Macchiato, Iced Latte met smaakje, Iced Skinny Latte met smaakje, Skinny Latte met smaakje, Caffè Misto, Iced Coffee met melk, Pike Place™ Roast, at Classic, Starbucks® Signature Hot Frappuccino® Blended Coffee, Coffee, Coffee Frappuccino® Light Blended Beverage, Espresso Frappuccino® Blended Coffee, Espresso Frappuccino® Light Blended Coffee, Mocha Frappuccino® Blended Coffee, Mocha Light Frappuccino® Blended Beverage, Frappuccino® Blended Crème', Strawberries & Crème Frappuccino® Blended Crème, Chai Crème Frappuccino® Blended Beverage, Caramel Frappuccino® Light Blended Beverage, Caramel Frappuccino® Blended Beverage

prices: 2,25 – 7 euro

Communication



Old media



- Advertisements printed
- Commercials
- Free publicity
- Signing

New media



- Twitter, facebook, etc.
- New, few research
- Social groups
- Share, don't sell
- Make friends, not clients

Traditional and new marketing communication

Traditional

- Product groups
- Target groups
- Old media

New

- 1 to 1 approach
- Personas
- New media

Personas example

Betty (passant)

- Visit: 1-2 per year
- Turnover: 45%
- Retention: 20%
- Genre: entertainment
- Loyalty: no
- Incidental buyer
- Circa 32 year
- Female
- Social media: yes
- Discount: can, not necessary
- Likes advice

Linda (regular)

- Visit: 3-5 per year
- Turnover: 16%
- Retention: 60%
- Genre: everything
- Loyalty: medium
- Subscriber + incidental
- Circa 55 year
- Female
- Social media: yes
- Discount: sensitive
- Sensitive for persuasion
- Sensitive for substitutes
- Doesn't need advice

John (lover)

- Visit: 6 per year
- Turnover: 26%
- Retention: 80%
- Genre: fine arts, some entertainment
- Loyalty: high
- Subscriber
- Circa 55 year
- Female
- Social media: yes
- Discount: not necessary
- Likes service, courses, information
- Doesn't need advice

Audience



1. Audience broadening: attracting greater numbers of traditional visitors
2. Audience deepening: intensifying engagement with current visitors
3. Audience diversifying: attracting new groups of consumers



1. Audience broadening: attracting greater numbers of traditional visitors

Aspects involved from the demand side

- Needs/utility
- Price sensitivity
- Education
- Motivation
- Loyalty
- Income
- Size population
- Scatter



2. Audience deepening: intensifying engagement with current visitors

Customer loyalty



- Social media
- Show appreciation
- Loyalty programs
- Customer panel
- Newsletters

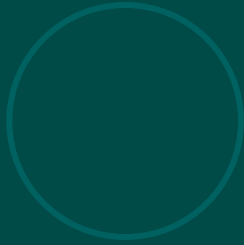
De Rooij (2013): incidental visitors decide for performance, frequent visitors decide because of distance

Motivation

- Intrinsic and extrinsic motivation
- Intrinsic: the reason to visit performing arts is the artistic content of the performance.
- Extrinsic: the reason to visit performing arts is related to social reasons like to spend a night with friends (Bouder-Pailler, 1999).

Motivation

Cat 1	Cat 5
Enjoy attending performing arts	Very strong theater lovers
Influenced by media, friends	Know what to visit
Go for intellectual enrichment	Go for the piece
Want to meet other people	Do not want to meet other people
Want to be identified as theater lover	Want to be identified as theater lover



3a. Audience diversifying: attracting new groups of consumers in existing areas

New audience entertainment

- combination of different media: harry potter, disney: book, film, entertainment park orlando, musical, cd, magazine
- publicity: looking for Maria, developing of stars
- make stars of your actresses and actors
- retail: outlet supermarkets, gaz stations

New audience pop music

- Distribute the music
- Radio, internet, tv (mtv), festivals
- Former days concerts to promote cd's,
nowadays music to promote concerts

New audience fine arts

- difficult
- use existent audience as ambassador
- education, develop taste, courses, lectures

Raging reporters, ambassadors, 'look at dance', help with buying tickets, internet course

- friendly ticket prices for youngsters
- trigger people to try other genres
- follow your visitors



3b. Audience diversifying: attracting new groups of consumers in new areas



- Difficult
- Time intensive
- Find key figures (ethnical groups)
- Look for their means of communication
- Commit them

Price



Pricing methods



- Value based
- Production costs +

Traditional pricing policy



- Experience
- History
- Marketresearch
- 'fingerspitzengefühl'
- Product/quality/exclusiveness
- Attractiveness

Methods of pricing

- Discount
- Price differentiation
- Price discrimination
- Product differentiation and premium prices
- Non-price rationing
- Dynamic pricing
- Psychological prices
- Early bird prices
- All-in prices
- Subscriptions
- Free tickets
- Day of the week
- Time of the day
- Newcomers discount
- Last-minute tickets
- Pay what you want
- Exit prices
- Auction
- Joined purchasing
- Under pricing

Research on price differentiation

- Price differentiation leads to higher income
- Price differentiation leads to more visitors
- Price differentiation leads to different visitors

Huntington, P.A. (1993). Ticket pricing policy and box office revenue. *Journal of Cultural Economics*, 17(1), 71-78. Doi: 10.1007/BF00820768.

Stoker, C. (2012). What a difference a Range makes. A thesis on the possibilities of price differentiation for the Dutch Performing arts sector. (Masterthesis) Erasmus University, Rotterdam. Erasmus School of History, Culture. and Communication.

Price discrimination

Price discrimination (3 levels): calculating a different price for the same service or product. This may be:

- 1) to an individual (negotiate the price of a car),
- 2) giving volume discounts
- 3) charging lower prices to children, students or seniors.

Dynamic pricing



- Prices go up with increasing scarcity
- Prices go up with increasing necessity
- Relatively small variance in prices in the performing arts

Dynamic Pricing

SHREK de Musical

PLATTEGROND

EXTRA BIJ TE BOEKEN
HEERLIJK DINEREN IN HET
SHREK THEATERRESTAURANT

Exclusief in het **RAI theater**
Rai Theater Amsterdam
Europaplein
1078 GZ Amsterdam
[Klik hier voor de routebeschrijving](#)

albert verlinde
entertainment

KOOP NU TICKETS

Datum ▼	Tijd	Standaard ▼	Premium ▼
vr 26 oktober	20:00	€43	€59
za 27 oktober	15:00	€45	Uitverkocht
za 27 oktober	20:00	€43	€59
zo 28 oktober	12:00	€45	€59
zo 28 oktober	16:00	€43	€59
do 1 november	20:00	€33	€49
vr 2 november	20:00	€43	€59
za 3 november	20:00	€43	€59
wo 7 november	20:00	€35	€52
do 8 november	20:00	€35	€52
vr 9 november	20:00	€43	€59
za 10 november	15:00	Uitverkocht	Uitverkocht
za 10 november	20:00	Uitverkocht	Uitverkocht
zo 11 november	12:00	€47	€59
zo 11 november	16:00	€43	€59
wo 14 november	20:00	€33	€49
do 15 november	20:00	€33	€49
vr 16 november	20:00	€43	€59
za 17 november	15:00	Uitverkocht	Uitverkocht

Jij bepaalt wat je voor Shrek betaalt hoe eerder je boek hoe lager de prijs

[klik voor meer informatie over dynamische dagprijzen](#)

Zoeken

Zoek op dag ▼

Zoek op maand ▼

Zoek nu

Alle voorstellingen

Uitleg

Klik op de *prijs* button om direct tickets te reserveren!

- Ruime beschikbaarheid
- Bepaalde beschikbaarheid
- Beperkt zicht plaatsen
- Uitverkocht (mogelijk nog individuele stoelen beschikbaar via 0900-3006050 45cpm)

Klik op "Standaard" (goede plaatsen) of "Premium" (allerbeste plaatsen) om op prijs te sorteren.

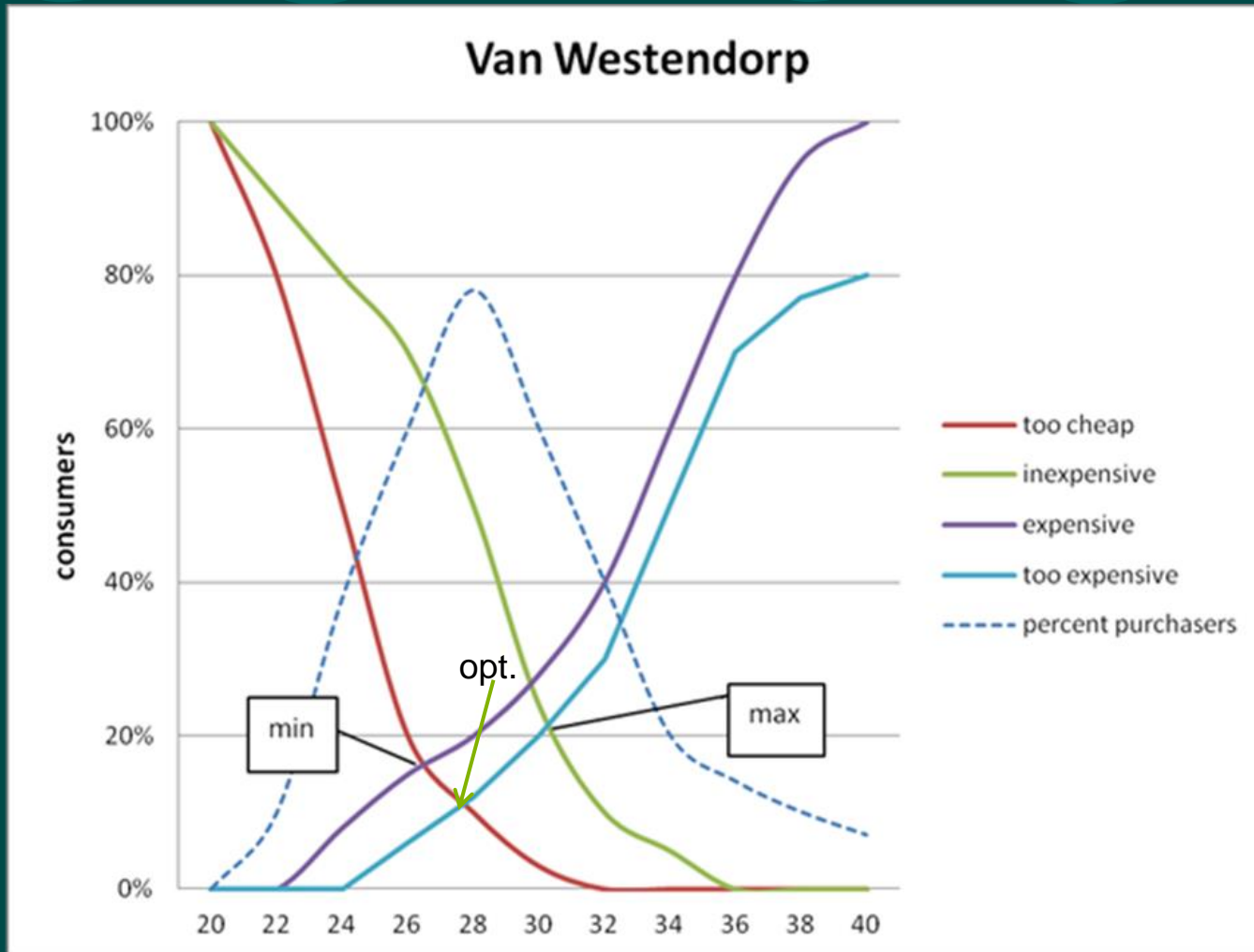
Klik op "Datum" om hierop van hoog naar laag te sorteren.

determinant	Influence on willingness to pay
Popularity genre	+
Size production	+
International reputation	+
Degree of renewal	+
Decor, visual effects	+
Scarcity	+
Durance of performance	+
In house production	+
Well known/relation to artist	+
Well known producer	+
Well known director, playwright, composer	+
Image theater	+
Price differentiation	+
Capacity theater	+
Location theater	+
Private/subsidised theater	+
Quantity of free publicity	+
Tv programmes/critics/brochures	+

Overview

Price discrimination	Price differentiation	Dynamic pricing	Product differentiation
Price reduction for:	Ranks	Demand	Content of performance
Students	Time: early bird	Time left	Meet & Greet
Elderly			Dinner
Unemployed			Program booklet
Groups			Cancellation regulations
Own employees			Valet parking

Van Westendorp Price Sensitivity Model



Van Westendorp, P (1976). NSS-Price Sensitivity Meter (PSM)- A new approach to study consumer perception of price." Proceedings of the ESOMAR Congress.

Reference price



- Own experience (internal reference price)
 - Previous purchase
 - High frequency, go for the arts, no experience with substitution goods, price sensible
 - Memory related

Continuation

- External experience (external reference price)
 - Price other brands
 - Substitution goods
 - Advertised prices
 - Stimulus related
 - Low frequency, like to go out, compare substitution goods, not price sensible

(Wellens, 2012) elements of product/price strategy performing arts

Characteristics	Example	Form
Segments	Age, family, groups, loyal customers, private persons, companies, sponsors	Price discrimination
Purpose	Own consumption, relation marketing, giving as present	Motivation
Distribution	Internet, retail, box office	Product differentiation
Time of purchase	Early booking, during season, last minute	Price differentiation
Time of performance	Day of the week, morning, matinee, evening, night, midnight	Product/price differentiation
Quantity	Number of tickets or performances	Price discrimination, second level
Price sensitivity	Voucher, basic price, closing day of price promotion	
Ranks	Range of prices within hall	Price differentiation
Ancillary services	Special lobby, cancellation terms	Product differentiation
Performances	Premiere, gala, dernière	Product differentiation



Thanks for your attention