Relationship Marketing And The Concert Experience: How Can It Increase The Sydney Symphony Orchestra’s Single Ticket Revenue?

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Abstract In a modern context, symphonic music is constantly exploring how to market itself innovatively and yet respect traditional forms, in order to engage new audiences and remain relevant in the 21st century. This project researches the need to understand single ticket buyer behaviour and its connections to marketing tools currently being used, so that a symphony orchestra can compete successfully in a competitive marketplace. The research concludes that a discounted offer delivered to the audience via ‘direct mail’ is the most effective in pushing return purchases for the target symphony orchestra audiences (fifty years +). The study also indicates that audiences are more likely to book and commit to concerts/events much closer to the date of the event. Thus direct mail has longevity in influencing the consumers’ behaviour, as it has the ability to be continually referred to and kept, whereas email marketing, if not acted on in the first few days, will often be deleted and disregarded.

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Introduction

Since the turn of the twenty first century, audience needs and preferences have changed significantly. There is much debate as to whether changing ticket purchasing behaviour is a result of people responding differently to how the product is packaged and communicated to the public or whether it reflects a demise in the popularity of the art form (Kotler & Scheff 1997, p. 67).

There is a noted trend in the classical music industry that identifies a reduction of subscription retention, and this is predicted to become increasingly evident in Australia in the next five years. Subscriptions often provide orchestral organisations with 60% to 70% of their ticket revenue for the year. This has meant that a large proportion of their revenue could be accounted for early in the season and strategies and marketing could be based on this income. However, as peoples’ lives become more complicated and demanding, fewer consumers are willing to lock into a season of performances so far in advance. Some symphony orchestras (particularly Baltimore Symphony, Pittsburgh Symphony, and Louisiana Philharmonic Orchestras) are now looking to engage single ticket buyers as the possible solution to uncertain subscription base revenue. To want to understand customer behaviour in order to better meet consumer needs requires putting the consumer at the centre of the marketing strategy (Kotler & Scheff 1997), and making a clear, critical analysis of the processes currently being used.
The single ticket buyer market, as a whole, shows potential as a provider of long-term growth, if targeted accurately and effectively. If 13% of single ticket buyers are ‘initiators’ compared to 10% of subscribers (Brown 2004, (c), p. 3), then to successfully target their needs means that the ripple effect of their experience and ‘word of mouth’ could cause future potential consumers to also attend.

It is noted that many arts organisations claim they are ‘marketing focused’ and ‘consumer driven’, when in reality they are ‘product focused’ (Kotler & Scheff 1997). Customer Relationship Marketing (CRM) research and behaviour studies enable organisations such as the Sydney Symphony Orchestra (SSO) to look directly at certain mediums to determine which are more profitable in terms of return revenue. If the SSO are able to identify the consumer behaviour of a set group of single ticket buyers, then they can identify the budget required for certain media to be effective in return, and how much they are prepared to invest to retain single ticket buyers. This would provide the SSO with an informed, strategic position in a market that requires a competitive CRM edge to stay successful. Voss (1997, p. 3) describes behavioural marketing as situated at the relationship end of Gronroos’ marketing continuum, which mirrors the continuum placement of this SSO marketing study. If executed accurately, relationship development could assist the SSO to:

- stimulate awareness and exploration by new customers;
- move infrequent customers to a maintained relationship with the organisation;
- motivate customers to invest in a bilateral relationship with the organisation, with which they are responsible for the involvement and correspondence, motivated by positive experience and value;
- enhance relationships that expand out from the customer and therefore reengage them with the organisation;
- maintain the initial relationship (Voss 1997, p. 5).

The Getty Leadership Institute (2004) provides Morison and Dalgleish’s (1987) research findings as a useful means of establishing loyalty in consumer behaviour. They talk about the need to produce a long term strategy comprising of ‘stepping stones’ that gradually increases participants’ involvement in the life of the arts organisation. The stepping stone strategy combines approaches designed to first attract new participants, then slowly expand their involvement and broaden their program interests through a variety of guided/learning experiences that increase their commitment to the organisation.

What have other organisations done?

At any cultural event, there are actually two performances taking place. One is onstage and the other is happening in the audience. When consumers purchase tickets, it is for the opportunity to observe both the onstage performance and also participate in the audience performance. They desire the opportunity to interact with other audience members and a means to start and develop social relationships. Advertising and communication tools need to carry this association with value and self benefit (Kolb 2005, p. 71).

McCarthy, Ondaatje, Zakaras and Brooks (2001) state that it is a set of benefits that connect directly to the intrinsic value of the concert experience; that influences consumers to continue interacting with the organisation. The benefits are as follows (from ultimate benefit to lower level of participation):
1. Captivation
2. Pleasure
3. Expansion of individual capacities
4. Cognitive growth

They suggest that this system of benefits is a more accurate indication of single ticket buyer needs than Maslow’s Hierarchy of Needs (Kolb 2005, p. 97). It is also proposed that the single ticket buyer will participate in the arts experience again, if it is positive and they feel like they are included in the audience and participate in a form of social bonding towards the art form. Their goal is not to reach captivation but to expand their individual capacities to understand and enjoy the music. It is believed that subscribers strive to reach captivation.

The experience of attending the concert is vital in establishing the value of the performance, in conjunction with the consumer’s needs and wants. However, the initial marketing tools need to focus on making the connection between value before the purchase and value during and after the consumption (Bourgeon-Renault, Urbain, Petr, Le Gall-Ely & Gombault 2006, p. 35).

It is vital for the SSO to focus on the tools of other arts organisations and external industry companies to gain a greater understanding of effective contemporary marketing; how they may enhance the perceived value of the concert experience for single ticket buyers and develop further studies on CRM in the areas where this study has lacked. These tools have proven successful for other arts organisations in engaging single ticket buyer loyalty.

Some examples of tools targeting single ticket buyers – before the event:

1. Art Gallery of NSW (The Goddess exhibition campaign): developed new software for their website that facilitates inviting others to exhibitions. This appeals to a sense of community and as new attendees are invited their email and details are added to the database. The Goddess webpage asked Initiators to create a Goddess for their friend and as an invite. The Knight Foundation suggests this is not just an invite being sent, it’s actually your credibility you are passing along. It is a clear ploy to play on personal connections, which is also very valid as 85 out of 100 exhibition attendees have the psychological profile of a ‘Responder’. Many Responders rely on referral from friends (Initiators) as a guarantee the product is worth while and this is a creative way of taking advantage of this relationship.

2. Philadelphia Orchestra; Atlanta Symphony Orchestra; Louisiana Orchestra (Brown 2004, (b), p. 62): have launched a nonprofit Organisation Relationship Building Invitation Tool (ORBIT). As customers surf an orchestra’s website and select a program, they are asked to invite a friend. Clicking on the prompt takes them to the ORBIT system, where they can personalise an invitation and email to a friend. To complete the sale with potential consumers, the users are redirected back to the orchestra’s online ticketing system.

3. Auckland Theatre Company (Cork 2007): have started using SMS codes on their promotional posters which prompt consumers to SMS their name and details to obtain a value added product, discounted tickets and/or general information about the concert. The promo was further advertised through distribution of a
flyer. Once engaged, single ticket buyers details are then added to a database. Although targeted towards the youth market, this may be a valid tool as the SSO should in the future start considering the technological abilities of their older market.

4. The City of Birmingham Symphony and Sound-junction webpage: have started a collaboration to target single ticket buyers with little experience or knowledge of classical music. Here the Sound-junction webpage (www.soundjunction.com) focuses on information about how composers make music, influences and gives the single ticket buyer the ability to take music apart and listen to sections and specific instruments. If consumers are given the ability to determine the value they place on the product, in their own time and at their own pace, the result is more likely to be positive.

5. The Sydney Opera House and Saville Hotel Group: have started to work with the Executive Channel. These screens are strategically located by treadmills in the gym and next to lifts on the entrance to corporate buildings, to target mass congregations of potential single ticket buyers. They are a great tool to play music through and use striking imagery to capture a waiting audience.

Some examples of tools targeting single ticket buyers – during the event:

1. Louisiana Philharmonic: have started featuring small ensembles with contemporary repertoire in unusual locations. The location is hidden and clues are provided on the ‘FindPhil.com’ website, which requires consumers to register and builds a database of interested single ticket buyers. The tool is also affective in receiving promotional press for the organisation (Brown 2004, (a), p. 63).

2. The San Francisco War Memorial Opera: attract busy, young, single ticket buyers to the Opera, by creating ‘The Concert Companion’. It is a personal digital assistant that silently provides information about what you are hearing while the concert is going on. The information is synchronized with the music. This is perfect for educating single ticket buyers about the music while they are at the experience and by informing them about the music (Kolb 2005, p. 78).

3. The Tate Gallery London (Kolb 2005, p. 98): identified the need to establish a relationship with the visitor as soon as they arrived. They now provide hubs that hold: Easy access orientation plans; free information for people with little knowledge of modern art; audio and video guides; proactive assistants that can direct people and talk about the works (Warwick Arts Centre 1999, p. 28).

4. The Art Gallery of NSW: have computer terminals at the end of the exhibitions for potential loyal consumers to enter into exhibition competitions and prize incentives. Their details are entered on the gallery database. The aim is to make consumers engage with the organisation while they are at the experience and their perception of value is high and at the forefront of their mind.

Some examples of tools targeting single ticket buyers – after the event:

1. London Symphony Orchestra and Australian Youth Orchestra: send out promotional mail to single ticket buyers after the concert. The mail includes a sound file, sent via email, specifically chosen from the concert they attended, to remind them of the experience and the value of attending again.
2. The Museum of Fine Art Boston: have a detailed webpage for single ticket buyers to create ‘My Gallery’. Here they can pick and choose imagery, art movements, artists and information they wish to be updated on regularly, (much like a Facebook webpage) in a virtual gallery space. The museum then uses this information to specifically target direct mail and exhibition promotions to each consumer, delivered through their ‘My Gallery’. This is an accurate indicator of the value the consumer places on the experience through the information and gallery space they create.

3. Cincinnati Symphony; Pittsburgh Symphony Orchestra; Chicago Classical Music: have produced online communities (Blogs) for single ticket buyers to discuss the performance and find a common ground with like-minded consumers. These communities are structured and guided by the staff at the organisations, by posting anonymous discussion and marketing based information to make the tool more effective in positively influencing single ticket buyer return and value perception.

These different approaches demonstrate the changing trend in marketing strategies and the need for organisations to start to redirect their tools to cater for an immediate need for information, changes in technology, a desire for single ticket buyers’ to learn about arts experiences and an understanding that organisations with older target markets, will eventually need to find a means of targeting youth markets to stay competitive in the market. They display an interesting number of alternatives for the SSO to consider, in response to a previous overall low response to direct mail and email marketing tools.

Methodology

The methodology used here focuses on 3,000 single ticket buyers, who have purchased a ticket to a Sydney Symphony Orchestra concert in the previous two years. These single ticket buyers reside in the local Sydney area and were selected on their likelihood to resume booking if given the motivation through marketing material to do so. The 3,000 single ticket buyers were sent an initial marketing letter inviting them to attend one of two concerts hosted by the First Violinist, specifically for their appeal to the general public. Of the 3,000 single ticket buyers approached, twenty participants booked for the hosted concert experience at the Romeo and Juliet concert. The single ticket buyers chosen to track, received other marketing material such as the discounted offer, direct mail and ‘email morning after letter’. They were all taken from the SSO database as individuals who had purchased tickets for either Romeo and Juliet or Symphonie Fantastique without previous purchasing records.

Of the twenty people that attended the Romeo and Juliet concert and received the Early Bird discount rebooking offer via direct mail, five rebooked for the Rachmaninov festival in November. However, none of the twenty recipients of the Early Bird email that attended Romeo and Juliet rebooked. Of the twenty people that attended the Romeo and Juliet concert and received the normal marketing material email (not containing any offer), two rebooked for the Rachmaninov festival and the John Williams concert. However, none of the twenty recipients of the normal marketing material direct mail that attended Romeo and Juliet rebooked. Of the twenty people that attended the Symphonie Fantastique concert and received the Early Bird discount rebooking offer via direct mail, two rebooked for the Mozart Piano Concert in November. However, none of the twenty recipients of the Early Bird email that attended Symphonie Fantastique rebooked. Of the twenty people who attended a hosted concert experience with the SSO First Violinist, no people rebooked or quoted this marketing tool as successful in motivating them to return.
This highlights the most receptive form of communication in this study (prompting rebooking by single ticket buyers) is the Early Bird discount distributed via direct mail, with seven of the forty people targeted quoting this marketing material as effective. Surprisingly, the least successful were the Early Bird discounts distributed via email and the normal marketing material distributed via direct mail, with no responses. Likewise, the hosted concerts proved to be unsuccessful at fulfilling their aim to encourage and educate single ticket buyers about the experience.

1. Early bird/discount incentives

Price alone is not normally the main reason for not attending, but when packaged with other elements can address barriers to attendance (Baker 2006).

The project has revealed that a discounted offer delivered to the audience via direct mail is the most effective in pushing return purchases for the target SSO audiences (fifty years +). The majority of these bookings were made by consumers in the five days after the initial concert experience, and three days after the marketing material was received.

The success of this marketing tool may be due to the average age of the SSO single ticket buyer (often fifty + years). Material that is able to be kept and referred to frequently is responded to better by this age group. Also the direct mail letter was more visually appealing and professional than the email version, as it appeared on letter head with the First Violinist’s image at the top as a personal recommendation of the content. Early bird discounts also received strong response from the older market, as in general, this age group is more willing to commit to events in the future, as they have less time restraints.

2. Basic Customer Relationship Marketing (CRM)

Within a few days of a single ticket buyer attending a first concert, they need to be followed up with a call, or letter (Royce 2003).

The Sydney Youth Orchestra and the Art Gallery of NSW suggested that by maintaining contact with a consumer in the days after their initial experience, an organisation has a greater likelihood of retaining their loyalty. This is largely because the experience is still fresh in their minds and they are looking to extend the positive experience into the future. However, this was not entirely true with the study here as, of the eighty people who received morning after marketing material, only eight rebooked. Perhaps this highlights that a more significant form of CRM follow up needed to be made, to initiate further bookings.

Also, no further bookings were made by single ticket buyers in the target groups after September 10. This shows that both email and direct mail material was acted upon by the recipient within two weeks of receiving it and, if not utilised, may have been disposed of. With a tendency now for arts consumers to make purchasing decisions later (Royce 2003), it is also likely that these single ticket buyers may respond to mail closer to the date of the events in November, as marketed in the material received. This aspect will be interesting to monitor, because if they fail to respond closer to the date, this will indicate that the marketing material used is ineffective at prompting single ticket buyers to rebook, if distributed over a month before the event. It will suggest that perhaps a strategy with a number of staggered dates is more effective in reminding the single ticket buyers of the event.

3. Tools – post/email

The International Consumers Research Organisation has found that 70% of consumers don’t mind receiving unsolicited marketing information and offers from
organisations they don’t often engage with. Some 31% said they discard print mail, versus 53.2% discarding emails from organisations they don’t often engage with (Sass 2007).

Single ticket buyers do not often engage with the SSO through email correspondence. This means if we are to agree with the International Consumers Research Organisation (quote above), then single ticket buyers are more than likely to discard the email-based marketing material. With only two of the forty people contacted via email (with both discounted offers and normal marketing material) having rebooked, the results highlight that the medium could have been utilised more accurately. A high number of single ticket buyers not interacting with the email suggests as the International Consumers Research Organisation indicate that audiences are more likely to disregard the tool.

Buck (2004) discusses the importance of producing dynamic email marketing material if it is going to be successful in targeting the organisation’s market. The material needs to accurately reflect the organisation’s style, be eye-catching and embody the overall message in the first glance (Buck 2004, p. 84). The email material distributed for this study did not correspond with Buck’s suggestions. It lacked eye-catching content and presented as a letter within an email context. The email did not have any imagery or sound files attached, and the subject title was generic and may have appeared to be junk mail. Interviews with other organisations such as Musica Viva and the Art Gallery of NSW have also highlighted the need for promotional emails to contain a link to the organisation’s web-based booking services, to initiate and make the interaction easy for the consumer.

4. Hosted concert experiences

The transformation from single ticket buyer to frequent participant occurs when the individual internalises their motivation for participation and personal value for the product. At this point, the decision is no longer whether to participate, but how and when to participate (McCarthy, Ondaatje, Zakaras & Brooks 2001).

The hosted concert experiences conducted by First Violinist Rosalind Horton were designed to appeal to the single ticket buyer’s need for information, and reassurance to understand and enjoy a concert. Previous focus group studies by the SSO have indicated that single ticket buyers fail to return to performances because they neglect to feel like part of the classical music ‘crowd’, and they lack the understanding and knowledge to truly appreciate the music. In Brown’s 2004 report with The Knight Foundation, Orchestras in the Age of Entertainment, Julian Johnson argues that classical music requires careful and educated listening in order to be fully appreciated. These hosted concert experiences aimed to give the participants general and specific educational tools to gain benefit from attending a concert and listening to classical music and to remove all elitist notions attached to the art form. This is similar to the Minnesota Orchestra’s 2003 experiment, with musicians and visiting artists speaking on stage prior to and at the conclusion of the performance. Gwen Pappas, the Minnesota Orchestra’s PR manager, claimed that new audience members enjoyed the opportunity to hear from the musicians and found it very informative. However, the major complaint by regular concert attendees, was that the talking itself was a disruption to the familiar concert ritual and disrespectful to the music.

It is fair to assume then, that the participants of the hosted concert experiences were not provided with a satisfying enough performance/event to internalise their motivation for participation and identify personal value in the product. The attendees’ desire to learn and to be informed was challenged by the time commitment, struggle to change initial perceptions of complexity and the effort required in learning to appreciate new experiences.
Discussion

It is evident that a letter suggesting appropriate concerts for future attendance (as morning after CRM material) is not sufficient in increasing single ticket buyer commitment to the product. The results identified a need for a complex strategy continuum that focuses on a series of steps to engage single ticket buyers. The steps need to include marketing material that involves visuals and sound files, which represent the organisation’s mission and style, to nurture the single ticket buyer’s future involvement and maintain positive interactions. As Morison and Dalgleish, (1987) discuss, it is essential for organisations to nurture single ticket buyers’ experiences and interactions with the organisation, in order to feel comfortable enough to engage on their own steam.

In reflection, this area is where the study has failed. It appears the marketing material attracted a number of single ticket buyers to view concerts and hosted talks, but lacked the stepping stone to broaden their interests. The assumption that single ticket buyer interaction and progression to customer loyalty was a two-step process structured by discounted offers and direct mail was greatly underestimated. It also highlights that this market is looking for much more to re-engage with an organisation.

Understanding the single ticket buyer is an important step in understanding participation patterns over time. An understanding of these patterns, however, is limited by the theoretical literature on single ticket buyer purchasing behaviour, which tends to focus on discrete participation decisions and in particular, on the decision to participate or not (McCarthy & Jinnett, 2001). This research often takes too simple a view of the participation decision process and, as McCarthy and Jinnett point out, tends to focus on the initial decision to participate, rather than whether and why individuals choose to continue their participation. As such, this study focused on targeting the ‘who’, ‘what’, ‘how’, and ‘how often’ of single ticket buyer participation, but gave little attention to the critical issues of patterns of ‘participation over time’.

Orchestras are now rethinking how classical concerts are presented and experimenting with the retention of single ticket buyers who have a limited experience of this art form. In doing so, they are running headlong into controversy that pits the sanctity of the classical concert experience against the need to remain respectful of their organisational mission and still cater to their major regular markets. This is a major issue for the SSO if they are to continue drawing single ticket buyers to the concert experience. The challenge will be for the SSO to create additional benefits to the concert experience that meet the different values of the single ticket buyer market. These benefits were tested to a certain degree in this study through the hosted sessions, however this aspect needs to be studied further, for a more accurate analysis.

In comparison, Musica Viva have dealt with this dynamic by developing an organisation and mission that targets and appeals to a range of markets through distinct program arms, whilst providing steps that guide single ticket buyers into becoming loyal consumers over time. Musica Viva takes music performances out of the concert hall entirely and into community centres and nightclubs, to increase consumer benefits. By doing so they tap into markets already established and the need to socialise in an informal setting, and they also provide a new and non-traditional experience.

It is worth acknowledging that the Sydney Symphony are ahead of the competition in terms of research conducted and understanding their market position, but are presently reluctant to explore a connection with new markets and tools to engage them. This reluctance in many ways forced the materials and structure of this study in a direction that failed to explore new avenues, and instead tested established tools.
Subsequently, the marketing material used in this study was not innovative and distributed effectively. Likewise, the changes to the concert experience to incorporate hosted concert experiences, were not inspiring or motivating enough to make people feel like part of the informed crowd and, consequently, to rebook. The research process which needed to make the direct connection between single ticket buyer, product, marketing material and booking services lacked adequate follow up and a personalised touch to assist the consumers up the loyalty ladder. The material was also distributed too far from the concert dates, especially in a consumer culture where late booking is becoming more prevalent.

Although this study has demonstrated a greater single ticket response for direct mail, this was only small in comparison to the amount of material distributed. Direct mail is still a valuable marketing tool as it is reliable and proven effective. However, if orchestras are to grow and stay appealing to new audiences, they need to start incorporating and experimenting with new marketing methods. The message needs to be both accessible and relevant to the market. Single ticket buyers are traditionally busy consumers, juggling a variety of arts and entertainment options, and the marketing material should reflect this need to sift through information quickly, whilst referencing contemporary media tools.

Conclusion

This study has identified the need for the SSO to continue on from these findings to ascertain the connection marketing material can make between the single ticket buyer, the concert experience, and before, during and after stages of engagement. The strategy to target single ticket buyers needs to connect all three concert experience tools (before, during and prior to a concert), together with effective marketing material, whilst recognising a needed shift in music content, if single ticket buyers are going to maintain single ticket buyer interaction with the Sydney Symphony.

This study has also identified the importance of identifying and meeting customer needs in concert content, and the timing of offers distributed to single ticket buyers. Effective marketing and changes to the concert experience can increase the attendance of single ticket buyers. This has been demonstrated through the examples and research of other arts organisations’ use of innovative tools to re-engage audiences (as discussed earlier). This study has shown that direct mail and email discounts alone will not increase single ticket buyers’ future interaction with the Sydney Symphony.
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