

**RELATIONSHIP MARKETING IN THE NOT-FOR-
PROFIT SECTOR: THE KEY TO A STRATEGIC
MARKETING FOCUS?
THE CASE OF THE SUBSIDISED ARTS**

A. CONWAY

Management Research Institute
School of Management
University of Salford, Salford, UK

Submitted in Partial Fulfilment of the Requirements of the
Degree of Doctor of Philosophy, March 2003

CONTENTS

	<u>Page</u>
Acknowledgements	xii
Abstract	xiii
Chapter 1: Introduction	1
1.1: Introduction	1
1.2: Rationale for the Study	2
1.3: Thesis Structure	3
Chapter 2: Marketing in the Not-For-Profit Sector	9
2.1: Introduction	9
2.2: What is the Not-For-Profit Sector?	9
2.3: Marketing in the Not-For-Profit Sector	26
2.4: Specific Differences Between Marketing in the Profit and the Not-For-Profit Sectors	29
2.5: Implications of these Differences for Marketing	41
2.6: Analysis of the Not-For-Profit Marketing Literature	43
2.7: Chapter Summary	44
Chapter 3: Marketing of the Subsidised Arts	46
3.1: Introduction	46
3.2: Nature of the Market	47
3.3: Marketing the Subsidised Arts: General	50
3.4: Specific Differences Between Marketing the Arts and other Goods and Services	55
3.5: Analysis of the Literature Sources	83
3.6: Chapter Summary	84

	<u>Page</u>
Chapter 4: Relationship Marketing	86
4.1: Introduction	86
4.2: Development of the Concept	86
4.3: 'Relationship Marketing': A New Type of Marketing?	88
4.4: The Benefits of Relationship Marketing	95
4.5: Where is Relationship Marketing Found?	97
4.6: What is Meant by a 'Relationship'?	104
4.7: Relationship Marketing for All?	118
4.8: Rationale for the Empirical Research	119
4.9: A Stakeholder Conceptual Model	121
4.10: Chapter Summary	126
Chapter 5: The Research Study: Methodology	127
5.1: Introduction	127
5.2: Preliminary Research to Identify Successful Theatres	131
5.3: The Main Research: Methodology	140
5.4: Chapter Summary	174
Chapter 6: Research Findings	175
6.1: Introduction	175
6.2: Preliminary Research Findings	175
6.3: A New Conceptual Model	179

	<u>Page</u>
6.4: Findings of the Main Research	183
6.5: Chapter Summary	241
Chapter 7: Analysis of Findings and Discussion	242
7.1: Introduction	242
7.2: Perceptions of Organisational Issues	242
7.3: Measurement of Success	258
7.4: Relationships with the Audience	268
7.5: Relationships with Funders/Regulators	288
7.6: Relationships with Employees	294
7.7: A Modified Conceptual Framework	296
7.8: Discussion	298
7.9: Chapter Summary	308
Chapter 8: Conclusion	309
8.1: Introduction	309
8.2: Summary of the Process	309
8.3: Summary of the Research	312
8.4: Limitations of the Study	321
8.5: Implications of the Study	324
8.6: Further Research	325
References	326
Appendix 1: Analysis of the Not-For-Profit Literature	370

Appendix 2: Analysis of the Subsidised Arts Marketing Literature	385
Appendix 3: Findings of the Preliminary Study	411
Appendix 4: Research Methodology	431
Synopsis of the Three Theatres	432
Interview Checklist for Artistic Directors	435
Interview Checklist for Resource Generation	438
Interview Checklist for Regulation	439
Interview Checklist for Human Resource Deployment	440
Interview Checklist for Usage	442

LIST OF FIGURES

	<u>Page</u>
2.1 Diagramatical Representation of the Relationship between the Three Key Sectors	14
2.2 Classification Based on Control and Finance	18
2.3 Classification Based on Consumer Involvement and Buyer	21
2.4 Classification Based on User Activity and User/Supplier	21
2.5 Classification Based on Degree of Contact with the Public and Degree to which Price is Paid	22
3.1 Typology of the 'Arts Product'	66
3.2 Analysis of a Theatre Season	68
3.3 Promotion Policy Proposals for the Performing Arts	75
3.4 Types of Subscriber According to Relational Motivation and Satisfaction Level	78
4.1 Different Types of Marketing Based on Time Period and Management Style	92
4.2 Forms of Relational Exchange	93
4.3 Relationships in a Business Marketing Setting	100
4.4 A Relationship Matrix of Relational Concepts on Three Network Layers	101
4.5 Ladder of Customer Loyalty	117
4.6 Relationship Marketing Approach to the Subsidised Arts	125
5.1 Development of the Study	173
6.1 Relationship Marketing Approach to the Subsidised Arts (Modified Version)	181
6.2 Usual Reasons for Attending (From Postal Survey)	199

	<u>Page</u>
6.3 Satisfaction Levels Amongst Theatre Attenders (From Postal Survey)	200
6.4 Main Reasons for Purchase of Season Ticket	202
6.5 How Would You Rate the Following Aspects of the Season Ticket Scheme?	203
6.6 How Would You Rank the Benefits of the Season Ticket Scheme?	204
6.7 Respondents Views on the Theatre's Performances (Theatre Y)	236
6.8 Attitudes to the Theatre	236
7.1 Each Theatre's Position for Each Success Criterion	265
7.2 Each Theatre's Position on Four Common Success Criteria	266
7.3 Relationship Marketing Approach to the Subsidised Arts	298
7.4 Relationships of Theatres A, B and Y with Each of the Key Stakeholder Groupings	302
7.5 Theatre A's Relationship with its Stakeholders	303
7.6 Theatre B's Relationship with its Stakeholders	304
7.7 Theatre Y's Relationship with its Stakeholders	305

LIST OF TABLES

	<u>Page</u>	
2.1	Terms Used in the Not-For-Profit Literature	12
2.2	Types of U.S.A. Organisation	15
2.3	U.S.A. 'Public Organisations'	16
2.4	Typology of Offerings	16
2.5	Classification of Organisations Based on Financial Support	20
2.6	Classification of Publics by Functional Relationship	23
2.7	Classification of Typologies	25
3.1	Classification of Those with Similar Motives for Attending Performing Arts Events	59
3.2	Potential Problems in the Marketing of Arts Organisations	77
4.1	Two Different Philosophies: Segmentation and Niche Marketing	90
4.2	Differences Between Relationship Marketing and Database Marketing	91
4.3	Managerial Challenges of the Two Types of Relationship Theory	94
4.4	Relationship Marketing and the Nonprofit Sector	102
5.1	Interviewees	149
5.2	The Research and the Variety of Role Relationships Addressed Within It	155
5.3	Content Analysis of the Promotional Material	157
5.4	Key Issues to be Considered in the Empirical Research Undertaken with a Theatre's Artistic Director	161,162
5.5	Issues Chosen from the Secondary Empirical Research: Theatre A	168,169
5.6	Issues Chosen from the Secondary Empirical Research: Theatre Y	169

	<u>Page</u>
5.7 Key Issues to be Considered in the Empirical Research Undertaken with the Theatres' Various Stakeholder Partners	171,172
6.1 Issues Addressed in the Research	183
6.2 Content Analysis of Key Words or Phrases in the Communication with the Different Audience Types (Theatre A)	197
6.3 Length of Relationship Respondents Renewing Their Season Tickets had with the Theatre	201
6.4 Content Analysis of Key words and Phrases in the Communication with the Different Audience Types (Theatre B)	220
6.5 Content Analysis of Key words and Phrases in the Communication with the Different Audience Types (Theatre Y)	235
6.6 Comments Received Regarding Theatre Y	237
6.7 Respondent Recommendations	238
7.1 Issue: Organisation Structure/Culture	250
7.2 Issue: Organisation Mission/Direction	251
7.3 Issue: Perception Of / Criteria For Success	252
7.4 Issue: Theatre Product	253
7.5 Issue: Perceptions of Audience Development	254
7.6 Issue: Perceptions of Marketing	255
7.7 Issue: Theatre Beneficiaries	256
7.8 Issue: Consistency of Perceptions	257
7.9 Indicators of Theatre Success	258
7.10 Summary of the Evidence of One or Two-way Relationships From Interviews	268
7.11 Frequencies and Comparison of Usage of the Word 'Us'	269
7.12 Frequency and Comparison of Publicising Own Name	270
7.13 Frequency and Comparison of Usage of the Word 'We'	270

	<u>Page</u>	
7.14	Frequency and Comparison of Usage of the Word 'You'	271
7.15	Frequency and Comparison of Usage of the Word 'Your'	271
7.16	Frequency and Comparison of Usage of the Word 'For You/r'	272
7.17	Comparison of the Frequency of Key Words/Phrases Used By Each Theatre in its Publicity	272
7.18	Tone and Style Communicated by Each Theatre in its Publicity	274
7.19	Summary of Content Analysis	275
7.20	Comparison of Theatre Products Publicised: Spring/Summer 2002	276
7.21	Theatre A's Relationship with the Audience Overall	286
7.22	Theatre B's Relationship with the Audience Overall	286
7.23	Theatre Y's Relationship with the Audience Overall	287
7.24	Summary of Relationship Elements for All Three Theatres	288
7.25	The Three Theatres' Relationships with Funders/Regulators	294
7.26	Theatres' Relationships with Employees Overall	296
7.27	Strength of Relationship Each Theatre Has With Each Stakeholder Type	300
A.1.1	Analysis of Literature by Sector, Country and Type	371-378
A.1.2	Analysis of Literature by the Three Sectors	379-384
A.2.1	Classification of Arts Marketing Literature	386-396
A.2.2	Analysis of Arts Marketing Literature: Empirical/ Conceptual By Country of Origin, Art Form and Topic Area	397-404
A.2.3	Analysis of Arts Marketing Literature: Number of References By Country, Empirical/Conceptual, Art form and Topic Area	405-406
A.2.4	Analysis of the Arts Marketing Literature: Emprical Work By Marketing or Internal Organisational Issues	407-408

Page

A.2.5 Analysis of the Arts Marketing Literature: Conceptual Work By Marketing or Internal Organisational Issues	409,410
--	---------

ACKNOWLEDGEMENTS

I wish to express my gratitude to the following for their help and support in the preparation of this thesis:

My supervisor, Professor Jeryl Whitelock, whose advice and insights have substantially enhanced my research skills; the interviewees who kindly gave their time to be interviewed and particularly those who allowed me to work with their own research data; my wife Debé and my children Paul, Rachel and Lynsey who tolerated my obsession.

ABSTRACT

There is evidence to suggest that not-for-profit organisations generally, and subsidised arts organisations particularly, tend to use marketing for short-term, tactical purposes. This research study considers whether successful subsidised arts organisations are more likely to apply a relationship rather than transactional marketing approach to overcome this short-term focus. Relationship marketing involves the development of continuous relationships between parties that are usually long-term and dynamic. Managers make decisions about the sort of the relationships they would like to have and how to achieve them and in this context, they have to think strategically.

Research was undertaken to identify whether 'successful' subsidised performing arts organisations were indeed more strategic in their focus, whether they had applied a relationship marketing approach and whether such an approach had been influential in the development of their 'success'. Preliminary research with senior managers from subsidised theatres in the North West of England, found that there was general agreement on what could be considered to be a 'successful' and an 'unsuccessful' theatre. Respondents from 'successful' theatres highlighted the importance of collaboration with a variety of stakeholders whereas collaboration with audience segments only, was found to be the case for unsuccessful theatres.

As a result of these findings, a conceptual framework was developed which identified the major partnerships and the specific stakeholder types that need to be considered by a subsidised performing arts organisation if an effective relationship marketing approach is to be developed. The conceptual framework was used as the basis for subsequent research involving a multiple case study approach studying two 'successful' theatres and one 'unsuccessful' theatre in depth. The strengths of relationship between the various key stakeholder roles and artistic directors within the three theatres were analysed and findings suggest that a link does exist between the building of relationships with a variety of stakeholders, a strategic focus and theatre success.

CHAPTER 1: INTRODUCTION

1.1 Introduction

In the UK alone, the 'not-for-profit sector' is an important contributor to the economy. The UK public sector employs over 5 million people in many diverse areas (Economic Trends, 2000) whereas the voluntary sector, although not formally employing a large number of people, incorporates many unpaid members/volunteers. In addition to the large degree of human participation of employees and volunteers within this sector, the value of revenue/expenditure is considerable. For example, the total real income of the top 6% of charities in 2001/2 was over £23 billion (Charities Commission, 2002) and the total expenditure on government services in 1999 was £16.3 billion (Economic Trends, 2000).

In the thirty years since the publication of Kotler and Levy's article on the broadening of the concept of marketing (Kotler and Levy, 1967) many changes have been taking place which affect those organisations which do not specifically produce material goods and do not exist solely to make profits. In the UK, such organisations have increased their interest in marketing as a result of changes in funding and increased competition. This trend has been shown particularly amongst those organisations where 'privatisation' has taken place, where motivation is still to provide a public service, but an increased emphasis is placed on costs. There has also been an increasing emphasis on 'competition' as customers have been given greater freedom of choice from which institution/s they can choose to patronise e.g. schools, hospitals, doctors etc. and many not-for-profit organisations have introduced sections or programmes that are intended to be profit making. Organisations such as charities and voluntary bodies have also come to realise that they must compete for donations or grants (Schlegelmilch, 1988).

1:2 Rationale for the Study

1.2.1 Context

There has been a rapid growth in the application of marketing to what is commonly identified as not-for-profit organisations. However, there is a need to consider whether a different type of marketing is required for this sector as there are a number of characteristics which differentiate it from the commercial sector.

Such a consideration has been the major focus of work undertaken by the researcher in recent years and the development of the Centre for Audience Development and Research (CADRE) at the University of Salford (now The Centre for Audience and Visitor Research) offered the opportunity to take this work further and to study a specific type of not-for-profit organisation: the subsidised arts.

The arts market has been stimulated by the popularity of UK artists during the 1990's and the UK has become globally acknowledged as being a creative centre. The promotion of 'Cool Britannia' would seem to have reinforced this view (Intel, 1998).

The perceived value of the arts has increased considerably (Intel, 1998). Arts sponsorship, for example, virtually trebled in the 6 years from 1993 (when it was estimated at £50m) to £141m in 1999 (Thorncroft, 2000). Although the largest segment was the London region with £45.77m (Intel, 1998), there does, however, seem to be a growth in the provincial areas (Tweedy, 1996; Intel, 1998). Indeed, in England, the provincial area with the biggest growth has been the North West with a 55% increase between 1994 and 1997 (Intel, 1998). Greater Manchester particularly, has been developing a growing reputation over recent years. In 1994, Manchester achieved the

status of 'City of Drama' and since 1996, Manchester has gained an additional 4,500 theatre/concert hall seats giving it the highest density of theatre seats per head of the population outside London which is more than any other regional city in the UK (Hemisphere, 2000).

1.2.2 Initial Research Questions and Issues

With the above in mind, this thesis attempts to address the following issue:

To what extent can the application of relationship marketing be useful in overcoming the problem of a short-term tactical focus in the subsidised arts in particular?

1.3 Thesis Structure

1.3.1 Consideration and Analysis of the Relevant Literature

In order to address the issues, the initial stages of the thesis involve literature reviews of both marketing in the not-for-profit sector generally and of marketing in the subsidised arts in particular.

Chapter 2 considers the relevant literature on not-for-profit organisations, and highlights the fact that different terms are used to mean similar things and that the same terms have been used in very different contexts. Identifying a single sector of the economy which has particular characteristics is therefore, not as simple as it would seem. At the basic level, this sector includes all those organisations where the pursuit of profit is not the predominant motive. However, in reality, there does seem to be some confusion as to what types of goods and services should be included within this sector and also as to which terms should be used. The literature demonstrates a high degree of variability both

in terms of usage and in the ways this 'sector' is classified. It is possible, however, through further analysis to identify some common themes and by combining an analysis of the various terms used in the literature and of the different classification systems used, a more robust definition of this sector is proposed.

There has been a growth of not-for-profit marketing in the USA resulting from increased privatisation of public services and changes in the traditional sources of support for non-profits (Rosenbaum,1984; Kotler and Andreasen,1991) and similar changes have taken place both in the UK and elsewhere in Europe (Harrigan ,1992; Van Der Hart,1990) However, the application of marketing in this sector is likely to be very different to marketing material goods in the commercial sector. Chapter 2 highlights a number of specific differences in marketing between the two sectors. These differences are divided into those relating to the market place (customer orientation, the division between resource attraction and allocation, segmentation, marketing research, marketing planning, marketing mix issues and monitoring and control) and those that relate to the internal organisation (goal ambiguity, quality and experience of management, employee motivation, funding and organisational performance).

The literature is further analysed and categorised in terms of type of sector referred to, author, country of origin, whether empirical or conceptual and if empirical, the methodology used. The findings highlight the fact that firstly, the majority of the literature identified is of a conceptual rather than empirical nature and secondly some sectors tend to receive more attention than others. More specifically, there seems to be a need for further consideration of marketing planning within the public sector.

Chapter 3 looks more specifically at a particular element of the public sector in more detail: the subsidised arts, to see whether the literature for this sector also lacks consideration of marketing planning.

The chapter reviews the arts marketing literature and reveals some distinguishing features of the arts. As with the not-for-profit sector literature generally, this literature is classified under the headings of work relating to the market place and that relating to internal organisational factors. The issues are generally the same as for the not-for-profit sector as a whole (customer orientation etc. for those relating to the market place and goal ambiguity etc. for organisational issues). In addition, some of the arts marketing literature considers two other issues, namely Relationship Marketing and the overemphasis on Tactical Marketing.

The literature is further analysed in terms of type of art form considered, country of origin, aspect of marketing covered and whether work is empirical or conceptual. The analysis suggests a need for empirical work in the performing arts within the UK in the key areas of Strategic and Relationship Marketing. There is also the suggestion that Strategy versus Tactics is an important issue for such organisations.

Chapter 4, therefore, reviews the literature on Relationship Marketing (RM). RM both as a philosophy and as a strategic tool including the elements of successful relationships is considered. RM's relevance to the not-for-profit sector generally and the subsidised arts specifically is also evaluated. In the context of the subsidised arts, further study into what organisations mean by the term 'customer' and in particular whether successful organisations consider the satisfaction of a variety of stakeholders is of interest. Chapter 4 proposes a model that provides a theoretical framework for the rest of the study.

1.3.2 The Research Project

The theatre is the most popular art form in terms of attendance with plays taking the lion's share of audiences (Social Trends, 1995, Arts Council of Great Britain, 1995). However, in terms of the commercial sector, there has been a steady decline in the theatre market. A probable cause of the difference between the subsidised and commercial sectors is that there has been a greater increase in attendance in the subsidised sector which has, to a certain extent, compensated for the fall in the commercial sector.

Chapter 5 describes the methodology for both initial preliminary and major research undertaken aimed at assessing whether the model presented in Chapter 4 was an accurate representation of reality. The phenomenological paradigm forming the framework for this research is discussed. Phenomenology focuses on the ways the experiential world is produced and experienced by members and it was important to try and understand what was happening and to construct explanations and build theories about what was observed.

A preliminary study involving semi-structured interviews with senior managers of six theatres in the North West of England is presented followed by details of the major research using a multi-case study methodology. This methodology included the use of in-depth interviews with representatives of stakeholder groups and content analysis of case theatres' promotional literature. Two 'successful' theatres: A and B, and one 'unsuccessful' theatre: Y, are chosen for further more in-depth study. The research involves a relationship 'audit', that aims to assess the strength of relationship each theatre

has with its various stakeholders. In-depth interviews both with various respondents from within the three theatres and with representatives of external stakeholders that have relationships with each theatre are proposed. The content analysis aimed to identify each theatre's communication with its type of audience. This chapter also explains both the practical and philosophical difficulties encountered in undertaking audience research. Audience research undertaken by two of the theatres (A and Y) is described and the relevance and appropriateness of this research to this study is discussed.

Chapter 6 presents an analysis of the preliminary research where organisational issues (structure, vision and what makes a successful theatre), marketing issues (key beneficiaries, theatre product and views on marketing and audience development) and relationship issues are described and analysed. The importance of the artistic director as the strategic driving force behind each theatre is identified and, as a result, a modified conceptual model is proposed that represents the key relationships a theatre (through the artistic director) has with its stakeholders.

The preliminary research findings were the basis for the following key research questions:

What features were found in 'successful' theatres as compared to 'unsuccessful' ones?

Did 'successful' theatres have a more strategic marketing perspective than 'unsuccessful' ones?

Was a strategic marketing perspective the result of a relationship marketing approach?

In Chapter 6, the findings from the various aspects of the research as they refer to each theatre in turn are presented and Chapter 7 analyses these findings in more detail. Consistency of perceptions amongst respondents are analysed and as a result, key indicators of theatre success are suggested with each theatre being assessed on these criteria. These perceptions also, in conjunction with results of the content analysis and the findings from the theatres' own research, are used to assess the strength of the key elements of relationships namely customer orientation/empathy, experience/satisfaction, trust/ commitment and type of communication (one or two-way). The strength of each theatre's relationship with each stakeholder type is subsequently assessed. An assessment of whether the conceptual model that was proposed in Chapter 6 provides an accurate description and explanation of what is happening is undertaken by comparing the strength of relationships a theatre has with its stakeholders (and thus whether relationship marketing is being applied) with the degree to which it can be considered to be 'successful'. As a result of the analysis, a minor modification to the model is made and it is then applied to each theatre.

The thesis concludes in Chapter 8 with an overall summary of the study, its limitations and suggested practical implications. Opportunities for further research are also highlighted.

CHAPTER 2: MARKETING IN THE NOT-FOR-PROFIT SECTOR

2.1 Introduction

This chapter is the first of three chapters to review the literature relevant to this study. This chapter looks at marketing in the not-for-sector generally, Chapter 3 deals with marketing within a specific not-for-profit sub-sector: the subsidised arts and Chapter 4 reviews the literature on Relationship Marketing.

This chapter firstly considers the difficulties that exist in trying to define the not-for-profit sector. Through a review and analysis of the academic literature, the key characteristics of such organisations are identified and a definition of the sector is proposed. Using this definition, a number of specific differences in marketing between the for-profit and not-for-profit sectors are highlighted. These differences are categorised as those relating to the market place and those relating to the internal organisation.

The literature is then further analysed with a view to identifying potential areas for further research.

2.2 What is the Not-For-Profit Sector?

2.2.1 General Descriptions

In simple terms, this sector comprises all those organisations whose reason for existence does not rely on the profit motive. However, in reality, there seems to be a lack of clarity in identifying the types of goods and services included within this sector and in the terms used.

Some terms such as 'non-profit', 'not-for-profit' and 'public sector' have sometimes been used as generic terms that denote all organisations where profit is not the major motive. Other terms such as 'voluntary sector' are used for specific non-commercial sectors in a particular economy. Other generic terms that have been used are 'social sector' (Webster, 1975; Fine, 1990) and 'concept sector' (Fine, 1990). To confuse matters further, some of the terms which are used as generic by some are considered as relating to specific sectors by others.

The terms 'non-profit' and 'not-for-profit' seem to be used interchangeably by many authors although one term may be preferred (Blois, 1987; Lovelock and Weinberg, 1984). In the UK, Blois (1987) although using both terms, prefers to use the term 'not-for-profit' as such organisations do not have the creation of profits as their prime goal but do need to cover their costs. Many such organisations pursue profit making activities but only in support of their prime goal. Lovelock and Weinberg (1984) also prefer to use the term 'not-for-profit' when considering the US situation although they tend to use this and 'non-profit' interchangeably. Kotler and Andreasen (1991) use the term 'non-profit' but also display an awareness that there are non-profit organisations undertaking profit making activities and there are profit based companies undertaking non-profit activities.

The term 'Public Sector' at first glance seems to be quite clear. However, there may still be confusion here as there are a number of difficulties in defining 'public' and 'private'. What is defined as the public sector differs from country to country and from decade to decade (Titman, 1995). Indeed, over the years there has been a 'blurring' or convergence of sectors as a result of increases in government regulation of various activities and of mixed undertakings such as private contracts with public sector organisations. As a result, there are intermediate types and overlaps on various dimensions (Rainey, Backoff and Levine, 1976). Some corporations are so dependent on government contracts that they

take on certain attributes of government agencies (Wiedenbaum, 1969) and many firms have so much market power and influence on the public interest that it is no longer appropriate to regard them as 'private' (Galbraith, 1973).

Some of the terms used seem to be very much influenced by the country being considered. For example, the USA economy is sometimes divided into three sectors: commercial, public and non-profit (Kotler, 1982). The term non-profit, here, refers to voluntary organisations and indeed is sometimes known as the voluntary, independent or third sector. Wortman (1979), however, uses the term 'third sector' to denote public-private agencies. Fine (1990) in offering an alternative classification, denotes government agencies and non-profit organisations that provide individual and community services as the 'social' or 'concept' sector. This sector accounts for 20% of the US National Income of which 14% relates to Government services and 6% being 'non-profit' services (Fine, 1990). Lovelock and Weinberg (1984) divide the US economy differently. They distinguish between private, public and not-for-profit sectors but state that the boundaries are constantly shifting.

UK authors, in contrast, use the terms differently. Octon (1983), for example, uses the term 'non-profit' where the non-profit organisation's attainment of its prime goal is not assessed by economic measures. However, in pursuit of that goal it may undertake profit-making activities. Octon (1983) divides British non-profit organisations into the 'public' and 'voluntary' sectors. The public sector is defined as those economic activities that come within the scope of central government (eg. public bodies, government departments, public corporations, local authorities) whilst voluntary sector organisations are non-commercial with services provided for the benefit of clients, members or the public at large and not for shareholders (eg. voluntary organisations, mutual aid, special agencies, funded charities).

In the US therefore, 'non-profit' refers specifically to voluntary organisations whereas in the UK, the term refers to a broader sector which includes both governmental and voluntary agencies. However, even within this broad distinction, the many different terms used by authors in their respective countries means that attempting to identify the key characteristics of the 'not-for-profit sector' can be problematic.

Presenting the variety of terms used, how they are used and by whom may help to clarify the relationships between them. Table 2.1 displays this.

Table 2.1: Terms used in the Not-for-Profit Literature

TYPE OF TERM	ECONOMY TO WHICH IT REFERS	
	UK/Europe	USA
General	Non-profit Sector (Octon, 1983, Blois, 1987) Not-for-profit Sector (Blois, 1987) Public Sector (Titman, 1995)	Not-for-profit Sector (Lovelock and Weinberg, 1984) Non-business (Rothschild, 1979; Lovelock and Weinberg, 1990) Social Sector (Webster, 1975; Fine, 1990) Concept Sector (Fine, 1990) Service Institutions (Drucker, 1973)
Specific to Sector	Voluntary Sector (Octon, 1993) Public Sector (Butler and Collins, 1995)	Non-profit Sector (Fine, 1990) Public Sector (Rainey et al, 1976, Fine, 1990) Public Organisations (Kotler, 1982) Public Service Institutions (Drucker, 1973) Voluntary Sector (Fine, 1990) Independent Sector (Kotler, 1982; Fine, 1990) Institutional Organisations (Wortman, 1979) Third Sector (Wortman, 1979; Kotler, 1982; Fine, 1990)

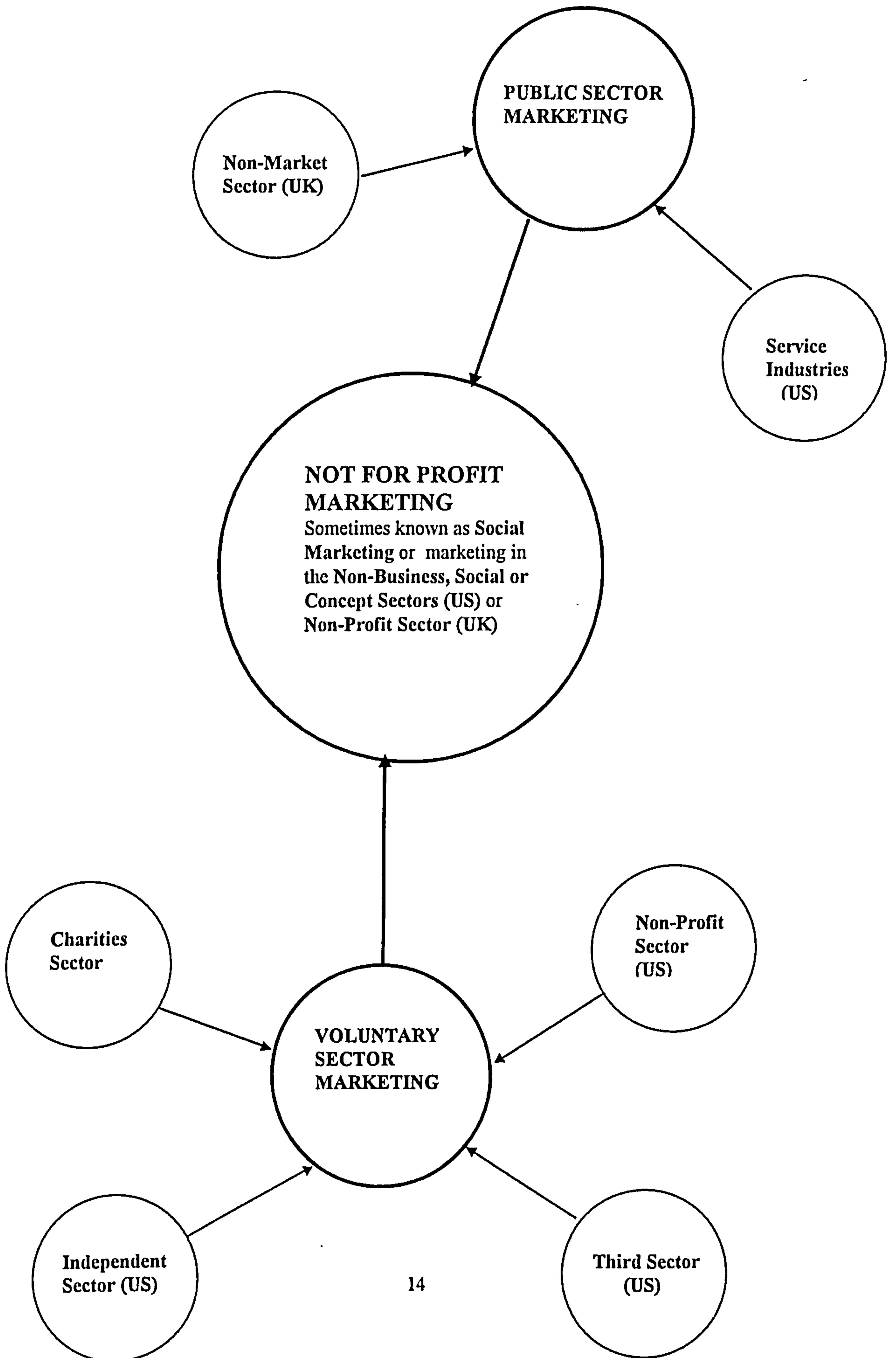
An analysis of the above produces the identification of three main sectors, whose relationships are shown in figure 2.1.

Not for Profit: This covers all organisations where profit is not the major motive for their existence and includes the following terms noted in the literature: Non-profit (UK), Non-business (US), both public and voluntary sectors in the UK, Public and non-profit sectors in the US, Social or Concept sectors in the US and Social Marketing (which cuts across all sectors).

Public Sector: This denotes government enterprises and includes the following terms: Public sectors in all countries, Non-market sector in the UK and Service Institutions in the US.

Voluntary Sector: This term is used to describe non-government enterprises where profit is not the major motive and where volunteers are key to survival. This sector includes the following terms used in the literature: Non-profit in the US which is sometimes known as the voluntary/ third/ independent sectors, the voluntary sector in the UK and Charities.

Figure 2.1: Diagrammatical Representation of the Relationship between the Three Key Sectors



2.2.2 Classification Systems

A number of schemes have been used to classify various aspects of the not-for-profit sector. Such schemes can be categorised by: types of motive (profit v not-for-profit), organisations, financial support and customers/ publics.

Motive

Some produce classifications based an organisation's motive for its existence. In the USA, Kotler (1982) distinguishes between private for profit, public for profit, private not-for-profit and public not-for-profit organisations. Table 2.2 displays his classification:

Table 2.2: Types of USA Organisations

	Private	Public
Profit	1 Private Corporations Partnerships Sole traders	2 State owned airlines State owned telecom companies
Non-Profit	4 Private museums Private charities Private Universities Private Hospitals	3 Government agencies Public schools Public hospitals

Source: Kotler (1982): 12

Kotler uses the term 'first sector' for those in cell 1 and classifies those in cells 2 and 3 as 'public organisations'. These in turn are classified in table 2.3 as follows:

Table 2.3: USA 'Public Organisations'

TYPE	FUNCTION	EXAMPLES
1. Business-type Government agency	Produces goods and services for sale	Postal services Nationalised Industries
2. Service-type Government agency	Services at no direct charge to users	Schools Libraries
3. Transfer-type Government agency	Effects unilateral transfers of money	Social Security administration State Welfare departments Tax
4. Intervention-type Government agency	Regulates freedom of some groups for the sake of promoting public interest	Courts MMC

Source: Kotler (1982): 13

Cell number 4, the private non-profit sector, Kotler calls the 'third sector'. Organisations in this sector tend to carry out a social purpose, tend to be more experimental and change oriented and depend on donations and volunteer time and include religious, social, cultural, political and social cause organisations. This sector is also sometimes known as the 'Independent Sector'

Fine (1981) combines motive (non-profit/profit) with type of 'product' (tangible/ abstract) and produces the following matrix (Table 2.4):

Table 2.4: Typology of Offerings

	Tangible Products	Services	Idea	Cause
Non-profit	1. Goods made by disabled	2. Library	3. Family planning	4. Pollution
Profit Making	5. Investments in real estate	6. Travel	7. Patents	8 .Recycling waste Fashionable trends

Source: Fine (1981): 28/29

However, although helpful, these motive-based classifications do not account for some organisations fitting into more than one category. Health care, for example, can be

provided in all four of Kotler's sectors and in at least cells 2,3,6 and 7 of Fine's classification.

Organisations

Some authors distinguish between different types of not-for-profit organisation. Some simply classify using general service types such as Health Services, Education, Social Services, Arts and Culture etc. (Newman and Wallender, 1976), whilst others (Anderson, 1983) classify organisation types according to whether they are private sector, public sector and not-for-profit sector or a combination of these. For example:

Private/public organisations e.g. utilities

Private/ not-for-profit organisations e.g. performing arts

Public/not-for-profit e.g. primary, secondary education and universities

Private/public/not-for-profit e.g. hospitals

Although these two approaches seem to overcome the difficulty encountered by those using motive as a criterion, the former scheme relies on generic headings such as 'other private' or 'other government' for those organisations that do not fit into a specific category and the latter assumes that there is a clear distinction between what can be considered as private and what can be considered as public (an issue highlighted previously). Both of these failings could lead to difficulties in undertaking detailed analysis of particular organisation types.

Rather than attempting to classify all not-for-profit organisations, some distinguish between different organisation types within a particular not-for-profit sector. Smith (1988), for example, identifies 3 types of organisation that exist in the UK Public Sector. **Quasi-public** organisations are those that used to be public corporations but now face extensive competition e.g. electricity companies. Here, maximisation of revenues has

become a major motive and thus the private sector model of organisations would be most appropriate. There are **Social organisations** where full-blown marketing is unlikely to ever be appropriate as these provide services which are obligatory e.g. health care organisations. The third type of organisation, **Quasi-public/social mix** exists where there is unlikely to be an easy fit with either situation. Libraries and leisure services would be examples of these.

Although a useful way of identifying different public sector organisations requiring different approaches, the assumption that there is such a thing as 'full blown marketing' may be erroneous. There may in fact be different approaches to achieving the same outcomes and this is a view that will be presented as this chapter progresses.

Financial Support

A number of authors produce classification frameworks based on the type of financial support given. Hansmann (1980), for example, combines types of funding : 'donative' or 'commercial' with types of control: 'mutual' (controlled by users) or 'entrepreneurial' (controlled by managers) and produces a four-fold classification (figure 2.2).

Fig. 2.2: Classification Based on Control and Finance

		<u>CONTROL</u>	
		Mutual	Entrepreneurial
<u>FUNDING</u>	Donative	Political Party	Arts organisation
	Commercial	Building Society	Public utility

Source: Hansmann (1980): 841

Similarly, Smith and Rosenbaum (1981) classify organisations by the source of financial support: from profits, from government revenues or from voluntary donations.

Building on this funding approach, Rados (1981) identifies various organisational forms based on the relationship of two groups: backers (owners, creditors, taxpayers, donors, etc.) and clients (customers, members etc.). A commercial business produces goods and services to customers and operates to reward its owners and creditors. In contrast, a non-profit business provides goods and services to customers, but this organisational form, however, permits no such reward to its backers/owners as no surplus is passed onto individuals. Indeed, there are usually no owners/shareholders, no dividends or any financial rewards to individuals. Rados (1981) also identifies Common Benefit Organisations (where consumers are not outsiders but are members), Service Organisations which have clients and are funded partly by fees and partly by backers and Commonwealth Organisations where clients gain services funded by the general public through taxes.

Harrigan (1992) classifies the types of not-for-profit organisation by source of funding (government, voluntary contribution and other) but also links these to type of product/service (tangible or intangible) and organisational form (donative, commercial, mutual, entrepreneurial). Thus a variety of combinations are possible.

These financial-based classification systems although able to deal with most organisation types, tend to omit those organisations where there is a combination of commercial and donor support. Webster (1975), however, seems to overcome this difficulty. In dealing with the issue of raising funds from sources other than the customers, his financial support-based classification distinguishes between governmental, charitable, quasi-public

and social cause with the quasi-public being funded by both customers and external funders (Table 2.5):

Table 2.5: Classification of Organisations Based on Financial Support

Type of Social Marketing	Major Objective	Main Source	Target Clients	Examples
Governmental	Essential Community Service	Taxpayers	Public at large	Fire service
Charitable	Support useful services which lack broad public support	Donors	All with specifically defined needs	Red Cross
Quasi-public	Satisfy special interests and needs	Donors Fees for service	All with special interest	Private colleges Libraries
Social Cause	To change beliefs, attitudes or behaviour	Donors Taxpayers	Public at large	Political parties Religious groups

Source: Webster (1975): 71

Customers/Publics

The use of type of beneficiary or customer as the basis for a classification framework may be more successful for analysis. Smith and Friedman (1994), for example, use a consumer perspective based on consumer involvement and whether the consumer is buying for him/herself or someone else (figure 2.3).

Fig. 2.3: Classification Based on Consumer Involvement and Buyer

	Consumer is consumer	Consumer is not consumer
Higher Involvement	(1) Counselling Music lessons Legal aid	(2) College Nursing home Day care Insurance
Lower Involvement	(3) Car rental Restaurant Museum Theatre	(4) Same as Cell 3 but purchased on user's behalf

Source: Smith and Freidman (1994): 17

In a similar way, Wensley (1990) produces a taxonomy to characterise the various ways of representing the relationship between two specific publics: suppliers and users with the classification based on the activity of the public concerned (figure 2.4).

Fig. 2.4: Classification Based on User Activity and User/ Supplier Specification

	Supplier Specified		
User Passive	Patient	Client	User Active
	Consumer	Customer	
	User Specified		

Source: Wensley (1990): 55

In looking specifically at the public sector, Van Der Hart (1990) also distinguishes between customers and identifies two factors:

- a) Degree of direct or indirect contact between the organisation and the public and
- b) Degree to which the customer pays for the service

He then produces the following matrix (figure 2.5):

Fig. 2.5: Classification Based on Degree of Contact with Public and Degree to which Price is Paid

		Degree to which price is paid	
		1	2
Degree of Contact with Public		Hospital Police Education	Post Office Railways Library Theatre
		3	4
		Municipal Department Director for DFE	National Pension Fund Utilities

Source: Van Der Hart (1990): 36

For those in Cell 1, the customer orientation demands considerable effort as people do not have to pay and therefore there is a greater emphasis on the internal organisation. Van Der Hart indicates that those in Cell 2 may very well be moving towards a market led approach. For those in Cell 3, there is an emphasis on internal customers and intermediaries and those in Cell 4 tend to be more money oriented.

Whilst useful, these frameworks use criteria that are difficult to measure. Degree of involvement, level of activity or indeed, level of contact could all be interpreted differently by researchers and indeed by the customers/beneficiaries themselves.

A number of classifications simply identify the various customer or beneficiary types that tend to exist for not-for-profit organisations. Bruce (1995), for example, in distinguishing the different types of UK not-for-profit organisation makes the distinction between Direct and Intermediary customers and also distinguishes between beneficiaries, supporters, stakeholders and regulators. Bruce (1995) believes that to reach the beneficiaries, intermediaries are often essential. Supporters are all those not-for-profit customers who provide resources for the organisation and stakeholders are very influential.

Similarly, Theodossin (1986) distinguishes between 4 types of multiple markets in the not-for-profit context: primary (the actual users or direct beneficiaries), secondary (those who are in a position to influence the decision making), legitimiser (these exist to ensure that the service is provided in an acceptable manner) and resource (those who are responsible for allocating resources). Chapman and Cowdell (1998) add 'internal markets' to the above. The internal market is one which involves a contractual relationship between the consumer and supplier within the same organisation (some of these can be seen as 'captive markets' in that they restrict choice.)

In the US, Kotler and Andreasen (1991) define a 'public' as a distinct group of people, organisations or both whose actual or potential needs must in some sense be served, and classify publics by their functional relationship to the organisation (Table 2.6).

Table 2.6: Classification of Publics by Functional Relationship

Input Publics	Internal Publics	Intermediary Publics	Consuming Publics
Donor Publics Supplier Publics Regulatory Publics	Management Board Staff Volunteers	Merchants Agents Facilitators Marketing Firms	Clients Local Publics Activity Publics General Publics Media Publics

Source: Kotler and Andreasen (1991): 91

These are all useful approaches but do not highlight the fact that individuals can perform more than one role at any given time. Gwin (1990), however, seems to display an awareness of this in his consideration of the different publics/stakeholders that exist for profit and not-for-profit organisations and their concerns. In most cases in the profit sector, relationships are formally contractual. As a result, relationships are well defined

and generally easy to understand and manage. Not-for-profit organisations have the following publics and concerns: Resource Generators, including taxpayers, donors, third party providers and patrons; Service Users (both revenue and non-revenue generating); Regulators (government and advisory boards) and Managers and Staff Members.

Gwin highlights the difficulty that any one person may belong to several constituent groups simultaneously with each constituent role having different needs and demands on the organisation.

2.2.3 A Definition of the Not-For-Profit Sector

Despite the difficulties in producing a classification framework that successfully deals with all not-for-profit organisation types, such schemes still offer the opportunity to identify important characteristics of such organisations. Table 2.7 presents a summary of the different classification frameworks with examples of types of organisation within each typology.

Table 2.7: Classification of Typologies

Not-for-profit classification			
Sector of concern	Key variables/dimensions	Resultant typology	Example
General classification	Sector profit motive or otherwise (Kotler 1975)	Private for profit Public for profit Private not-for-profit Public not-for-profit	IBM Commercial consultancy within a university NSPCC Inland Revenue
General classification	Relationships between Backers and Clients (Rados, 1981)	Business form Non-profit business Common benefit organisation Service organisation Commonwealth organisation	Marks and Spencer Public school Golf Club YMCA Social Services
General Classification	Degree to which user is Passive/active. Degree to which user or supplier is specified (Wensley, 1990)	Patient (user passive/supplier specified) Client (user active/supplier specified) Consumer (user passive/ user specified) Customer (user active/ User specified)	Hospital patient Accountant's client Child and toy Parent purchasing toy for child
General classification	By sector (Anderson, 1983)	Private/public Private/Not-for-profit Public/Not-for-profit Private/Public/ Not-for-profit	Electricity Theatre Secondary School Hospital
Public and non-profit (USA)	Profit-making nature; degree of tangibility of product (Fine, 1990)	Non-profit tangible Non-profit service Non-profit idea Non-profit issue/cause Profit tangible Profit service Profit idea Profit issue/cause	Blood donation Local park Family planning Drink/driving Blood bank (paid) Private health Fashion design Recycling water
Public and non-profit (USA)	Type of service (Newman and Wallender, 1979)	Health Education Social Services Arts and culture Co-operatives Other private Other Government	Hospital University Childcare Library Savings bank Religious group Police
Non-profit (USA)	Source of revenue; type of organisational management (Hansmann, 1980)	Donative Commercial Mutual Entrepreneurial	Age Concern AA Local Golf Club NSPCC
Public and Non-profit (USA)	Source of finance (Webster, 1975)	Taxpayers Donors Donors/ Fees for service Donors/ Taxpayers	Fire Service Red Cross Private Colleges Political Parties
Public Sector (The Netherlands)	Degree of contact with the public; degree to which price is paid (Van Der Hart, 1990)	High/high High/low Low/high Low/low	Theatre Education Government pension fund Local authority department
Public Sector (UK)	Degree to which subject to market forces (Smith, 1988)	Quasi-public organisation Social organisation Quasi/social mix	British Gas HM Customs and Excise Leisure Centre

Based on the distinction between the Not-For-Profit, Public and Voluntary Sector Marketing highlighted in the previous section and linking the classification variables of

motive, organisation, financial support and publics, it is possible to produce a definition of the Not-For-Profit Sector which aims to overcome the confusion that seems to exist in the literature. As a result, the following is proposed:

The not -for -profit sector is that part of an economy which consists of organisations whose major purpose is that which is other than profit (although profits may be made). It includes all Government enterprises and other non-commercial organisations where there are no owners/shareholders, nor are there dividends or financial rewards to individuals. Such organisations exist to provide goods, services, or ideas aimed at enhancing the welfare of individuals and/or the community. In many cases, the funds used for this provision are acquired from sources other than solely the key beneficiaries. It also includes those organisations where volunteers are important for survival.

Such a definition is necessarily very broad. It is clear, however, that the subsidised arts falls within this definition. Before considering the literature relating to marketing in the subsidised arts, however, a review of marketing in relation to the not-for-profit sector is presented to provide the broader context for this study.

2.3 Marketing in the Not-for-Profit Context

2.3.1 Historical Development

The acceptance that marketing should be applied by not-for-profit organisations has developed over a number of decades. Over 30 years ago, Kotler (1972) saw marketing for the not-for-profit sector as stemming from the development of three stages of 'marketing consciousness'. 'Consciousness #1' was where marketing was used solely as a business

subject and where the core concept was the **market transaction**. This was **economic exchange** and little attention was paid to non-market transactions as there was a lack of explicit payment. The shift to 'Consciousness #2' was where payment was not seen as a necessary condition. This consciousness was based on an **organisation-client transaction**. This was relevant in all situations where an organisation, a client group and broadly defined products could be identified. The third stage in the development of marketing ('Consciousness #3') considers other publics in addition to the customers such as suppliers, shareholders, regulatory bodies etc. Each of these 'customers' are considered in their own right and are included in organisations' overall marketing strategies. This would seem to be the stage of consciousness that exists at the present time.

Kotler saw the growth of not-for-profit marketing in the USA as resulting from four key developments (Kotler and Andreasen, 1991). Changes in the political environment with increased privatisation of public services; change in social climate encouraging increased voluntarism; changes in the orientation of international social agencies which had given social marketing a central role; and finally, changes in the traditional sources of support for not-for-profits i.e. in addition to government subsidies/grants, corporate giving and private giving, there were now sales of services and ancillary marketing. This final development is also highlighted by Rosenbaum (1984) who, in describing the changes that have occurred within not-for-profit organisations in the USA, proposes 4 stages of their evolution: voluntary/civic model; philanthropic patronage; rights and entitlements and the 'competitive/market' stage.

Although this would seem to be an accurate description of the development of not-for-profit marketing in general, the degree to which these stages have developed, differs considerably between countries and within sectors. For example, the acceptance of marketing in the UK not-for-profit sector is relatively new and there is still a degree of

resistance from a number of not-for-profit organisations to the use of marketing concepts, principles and practices even today. Despite this, many of the changes highlighted within the USA have been mirrored in the UK albeit more slowly.

There is evidence that in some instances, the UK public sector has become more interested in marketing due to changes in funding and increased competition as have charities and voluntary bodies who also have come to realise that they must compete for donations or grants and that they need to satisfy their customers' requirements (Schlegelmilch, 1988).

This trend has been shown particularly amongst those organisations where 'privatisation' has taken place. Public utilities and public corporations have all moved in the direction of complete privatisation. Also, many not-for-profit organisations have introduced sections or programmes that are intended to be profit making and therefore marketing approaches are being applied. However, there are still not many not-for-profit organisations that put a large amount of effort into achieving customer satisfaction. Many still prefer to consider other aspects eg. curriculum targets in education, the number of consultants in hospitals etc. In fact, some organisations do not want to attract more customers and may wish to deter some.

Van Der Hart (1990) analyses the developments taking place in the public sector within the Netherlands and notes the following similarities with the UK:

- a) An increasing attention to quality
- b) The need for business-like attitudes and a realisation that government institutions are also regular businesses
- c) Assigning managing authority to lower levels of the organisation so that decisions are being made closer to the citizen
- d) Privatisation of government services

- e) The application of the direct benefit principle in some government services i.e. the user pays
- f) Deregulation, simplification/streamlining of rules, debureaucratisation of government
- g) More attention for self-determination within the government.

The implications for such organisations would therefore seem to be a clear need for the application of the marketing discipline. Indeed, Harrigan (1992) claims that public sector institutions have moved into the transitional stage between product orientation and marketing orientation.

2.4 Specific Differences between Marketing in the Profit and Not-For-Profit

Sectors

Although it is becoming generally accepted that there is a role for marketing in the not-for-profit sector, many believe that a straight transfer of product, for-profit marketing is inappropriate for this sector as there are a number of differences that exist. These differences can be classified as those relating to the market place and the internal organisation. Market place differences relate to customer orientation; multiple publics/resource attraction and allocation; market segmentation; marketing research; marketing planning; marketing mix issues (product, price, distribution and communication) and evaluation/monitoring and control. Internal organisational differences include organisational objectives; management; employees; financial resources and organisational performance.

2.4.1 Market Place Differences

Customer Orientation

A difference between not-for-profit and commercial organisations noted by many is the lack of customer orientation in not-for-profits. Despite their apparent closeness to their

customers, many not-for-profits are sufficiently insulated from and unresponsive to their clients (Newman and Wallender, 1976; Andreasen, 1982; Blois, 1987; Van Der Hart, 1990; Moyer, 1994; Bruce, 1995; Rangan, Karim and Sandberg, 1996).

Given that marketing involves the development of mutually beneficial exchange relationships, this lack of customer focus in not-for-profit organisations clearly causes problems for the application of marketing within the sector. However, the need to compete for funds and the increased competition resulting from the competitive tendering of certain services has meant that more of a customer focus is likely. In addition, the growth in the number of regulatory bodies established by recent governments to ensure quality of service provision may lead to changes in attitude. In some instances, however, there are difficulties in determining precisely who the recipients of the service are (Hatten, 1982; Graham, 1994). In healthcare, for example, the agreed objective of 'best treatment' will have different meanings depending on who the customer is: the medical profession or patient (Klein, 1977). Similarly, although local government considers 'citizens' as customers, it is not always clear which citizen is the consumer. Is it the council tax payer or the particular service user?

Multiple Publics/Resource Attraction and Allocation

Octon (1983) notes that in the UK public sector, there is a need to serve many publics. However, this concept of multiple publics has been developed and applied to all business and non-business markets although it may very well have been the study of non-business that led to the importance of different publics for all (Lovelock and Weinberg, 1990).

An important feature, however, of the not-for-profit situation is that benefits and costs are usually distributed across the population unequally (Shapiro, 1973; Lovelock and Weinberg, 1975; Rothschild, 1979; Mason, 1979; Smith and Friedman, 1994). In some

situations people other than those who pay/get involved actually gain. There are the clients for whom not-for-profits provide goods and services and there are the donors from whom they receive resources. A profit motivated company has one marketing function: to facilitate direct two-way exchange which simultaneously includes both resource allocation (providing goods and services) and resource attraction (obtaining revenue). Not-for-profit organisations, however, have two separate tasks as they involve separate constituencies (Shapiro, 1973). Although this distinction can allow for more flexibility as the same approach for both is not needed, there are still two different consumers to satisfy. If the organisation wishes to be successful, it must satisfy both parties. However, as resources are generated from a donor market and then reallocated to a separate beneficiary market or body of consumers, receivers do not directly pay for the service. Therefore, there is no link between resource attraction and resource allocation and marketing may revert to its original selling orientation mode i.e. fundraising (Birks and Southan, 1991).

Other 'publics' also need to be considered and strategists must take into account all parties who either affect or who are affected by, the organisation's strategies i.e. stakeholders, by including them directly in the process, by consulting them or by considering their views (Marson and Mitroff, 1981; Nutt and Backoff, 1987; Sirgy and Lee, 1996).

However, although all businesses need to consider a variety of stakeholders in their strategic decision making. There is less likely to be a synergy between the stakeholders of not-for-profit organisations compared to their commercial counterparts where financial gain is more likely to be a common aim. Different stakeholder types are likely to have very different needs and at times these needs can be conflicting.

Market Segmentation

A number of authors identify this as a specific problem for not-for-profits as there is the need to market in an entire yet heterogeneous society (Lovelock and Weinberg, 1975; Rothschild 1979; Lamb, 1987). Even if segmentation was undertaken, there is often not the accurate behavioural data to use in identifying segments (Bloom and Novelli, 1981). Despite these difficulties, there is still a strong case for segmentation as no organisation can serve all and the question is more of how it can be done (Moyer, 1994).

There are other issues which are unique to public sector organisations. Firstly, instead of targeting the most receptive segments, some may often have to select apathetic, disinterested and strongly opposed targets (Bloom and Novelli, 1981; Lamb, 1987; Rangan, Karim and Sandberg, 1996). A critical issue, therefore, is identifying and where possible, overcoming such constraints.

It is clear that all organisations cannot satisfy all the people all of the time. However, many not-for-profit organisations exist to provide services for all using resources which are even more limited than those available to commercial organisations. In many sectors, demand is rising as are the costs (healthcare, for example). In many cases, the only real alternative to pure segmentation is prioritisation and in others, a more simplified approach to segmentation is likely. Segmentation in the public sector is possible but needs to be undertaken with care. It is probably best to consider users and non-users. In the voluntary sector where the offering again can be viewed as a necessity, segmentation of the donor market is possible using psychographics because of the perceived psychological benefits that can accrue.

Marketing Research

Not-for-profit organisations in general seem to lack the information needed. Where such information does become available, it may challenge the views of members of an organisation as to what is important and may thus be unacceptable. Research appears to be used mainly to justify or block policy decisions rather than reach decisions (Mokwa, 1990).

It has been noted that it is particularly difficult to obtain reliable primary data (Rothschild, 1979; Bloom and Novelli, 1981; Blois, 1987; Fine, 1990). Not-for-profits may find it more necessary to rely on secondary information (Moyer, 1994). However, there is also poor availability of good secondary data (Rothschild, 1979; Bloom and Novelli, 1981). Despite these difficulties, it may still be possible to identify quantitative and qualitative measures specifically for not-for-profit organisations (Unterman and Davis, 1984) but there is a need to improve the quality of the intelligence system (Wood and Bhuian, 1993).

Marketing Planning

There are likely to be problems for many not-for-profit organisation in attempting the planning process due to the problem of establishing specific and consistent goals (Newman and Wallender, 1976; Fine, 1981; Blois, 1987) or difficulties in forecasting (Herbig, Milewicz and Golden, 1995). As a result, there is either an emphasis on short-term planning (Fine, 1981) or the marketing planning process being ignored altogether with communications just being emphasised (Bloom and Novelli, 1981; Cousin, 1990).

There are clearly a number of important issues that need to be addressed when attempting strategic marketing in not-for-profit organisations. However, in addition to the strategic issues of customer orientation, segmentation, research and planning, a good deal of the

literature on not-for-profit marketing tends to deal with tactical marketing mix issues such as product, price, distribution and communication:

Marketing Mix Issues: Product

Many see the products as almost exclusively service operations and social behaviours rather than physical goods (Lovelock and Weinberg, 1975; Newman and Wallender, 1976; Mokwa, 1990; Fine, 1990; Butler and Collins, 1995). Although others have a broader view of the 'product' (Rothschild, 1979; Enis, 1981; Spratlen, 1981) and have noted the differentiating features of not-for-profit 'products': vaguely defined character of product offerings and their benefits (Rothschild, 1979; Fine, 1990; Bloom and Novelli, 1981; Octon, 1983); extreme levels of involvement (Rothschild, 1979; Garland and Westbrook, 1989); limited choice of 'products' from alternative not-for-profit providers (Garland and Westbrook, 1989).

The implications of the above are that there is a need to carefully manage expectations about the 'product's' benefits. This is particularly the case for those products that are vaguely defined and those which are high involvement 'products'. Of course, involvement itself is a 'movable feast'.

Marketing Mix Issues: Price

A major issue is that in many cases, the client receives the 'product' without directly paying for it (Shapiro, 1973; Lovelock and Weinberg, 1975; Garland and Westbrook, 1989). Customer influence on price is likely to be weak as a result of local monopolies and the payment by customers may only be a secondary source of funds (Newman and Wallender, 1976). Indeed, payment/involvement is often required from people who may not be particularly interested in the issue/cause/service (Rothschild, 1979) and pricing

which relies on taxation or philanthropy is often used for income distribution, equity and efficiency (Lamb, 1987).

Some see the importance of the non-monetary aspects of pricing such as psyche (forfeit of self-esteem, pride, privacy etc.), effort, lifestyle and time (Rothschild, 1979; Fine, 1981; Octon, 1983; Fine, 1990) and some see the difficulties in actually using price in the not-for-profit context (Bloom and Novelli, 1981; Blois, 1987; Rangan et al, 1996).

Overall, pricing in the public sector is a difficult issue as assessing actual costs is difficult. In the voluntary sector, however, pricing has a different perspective in that it is the donor's contribution that is required. Pricing in this context is therefore more concerned with segmenting the market by donation potential.

Marketing Mix Issues: Distribution

There may be specific issues regarding the distribution of not-for-profit goods and services. There would seem to be a different type of distribution network (Fine 1981) and there may be specific difficulty in utilising and controlling desired intermediaries particularly where the intermediaries are likely to have more power than their commercial counterparts e.g. doctors etc. (Bloom and Novelli, 1981).

Marketing Mix Issues: Communication

Communications is often cited as a key area for not-for-profit organisations. However, according to Larson and Potter (1995), the first marketing promotion objective of not-for-profits tends to be to satisfy the needs of the organisation and then secondarily those of the customer rather than the other way round. This could be because there may be difficulty in communicating a potential benefit to the consumer as there is the problem of aiming messages at many different groups. As a result, there is a tendency towards weak

messages as finding a Unique Selling Proposition is not easy (Rothschild, 1979; Fine, 1990). There is also the need to take particular care over the organisation's image as its objectives relate to public service, not profit (Harrigan, 1992) and there are often pressures not to use certain types of appeal (Bloom and Novelli, 1981).

Communication can be a vital element in the resource attraction/ allocation relationship within voluntary organisations, particularly resource attraction (Shapiro, 1973). However, due to the lack of linkage in the not-for-profit context between resource attraction and resource allocation, there may be an over-emphasis on selling i.e. fundraising (Permut, 1980; Mokwa, 1981; Birks and Southan, 1991).

From the above, it can be seen that sensitivity is needed in terms of promotion both in terms of the message but also the medium being used. Communications need to emphasise the product benefits as the beneficiary is not always necessarily the purchaser. There are difficulties in communicating intangible services and therefore it is usually the producer rather than the product that is visible. The challenge for not-for-profit organisations is to expand marketing beyond Public Relations and Communications to produce a coherent philosophy that ensures the integration of multipublic exchange relationships. Nevertheless many not-for-profit organisations tend to exist to communicate compared to those in the commercial sector where they communicate to exist (Dabbs, 1991).

Evaluation/Monitoring and Control

An important aspect of any effective marketing is the ability to measure such effectiveness and to modify if necessary. However, there would seem to be general agreement that there is a difficulty in measuring performance as success/failure cannot be measured in strictly financial terms (Shapiro 1973; Lovelock and Weinberg, 1975; Newman and Wallender, 1976; Hatten, 1982), there are difficulties in defining alternative effectiveness measures

(Bloom and Novelli, 1981) and there is a lack of good systems for measuring performance (Rangan et al, 1996). An important characteristic is public accountability and performance, with there being greater public scrutiny than in the commercial sector (Lovelock and Weinberg 1975; Harrigan 1992).

Mokwa (1990) believes marketing evaluations are particularly useful for raising an organisation's sensitivity towards its clients and other audiences and for increasing its understanding of consumer perspectives, behaviour and contexts. Unfortunately, policy makers can also see evaluation as a threat and this particular problem has been highlighted by a number of authors (Mushkin, 1973; Abt, 1976; Lynn, 1976; Fairweather and Tornotzky, 1977; Hensel and Dubinsky, 1985).

2.4.2 Internal Organisational Differences

Some of the relevant literature specifically considers internal differences between for profit and not-for-profit organisations. In looking at strategic management specifically in not-for-profit organisations, Hatten (1982), for example, sees strategic management as:

“the process which determines and maintains a viable set of relationships between the organisation and its environment. It seeks to systemise the evaluation of organisation performance and sets directions for the organisation's long term development. It requires a determination of the business of the organisation and provides guidance for any appropriate change in the business and the organisational structure required to implement further development. It uses major resource allocation programmes to pursue the organisation's objectives, matching the capabilities of the firm with the opportunities and threats of the environment.”

(Hatten, 1982: 89)

This definition highlights a number of key issues which can be used as the basis for the categorisation of the various internal organisational differences between not-for-profit organisations and their commercial counterparts: organisational objectives; management; employees; financial resources and organisational performance.

Organisational Objectives

A common view is that not-for-profit organisations suffer from goal ambiguity or a multiplicity of goals that can be conflicting (McGill and Wooten, 1975; Newman and Wallender, 1976; Rainey, Backoff and Levine, 1976; Mason, 1979; Hofstede, 1981; Lamb, 1987; Nutt and Backoff, 1987; Hepworth, 1988; Fine, 1990; Mokwa, 1990; Dabbs, 1991; Butler and Collins, 1995). When attempting to overcome goal ambiguity, 'goal mania' can arise (Nutt and Backoff, 1987) where goal setting processes become ends in themselves. 'Goal mania' can lead to continuing the current implicit strategy and occurs when the difficulty of goal setting supercedes the development of strategic operations.

However, it may be the case that such organisations are fundamentally different from commercial organisations. They could be considered to have differences in purpose, values and objectives and make a different contribution to society (Drucker, 1973). They focus on what they are trying to do and are doing, not on explicit accomplishments (Mokwa, 1990). There also may be an increasing emphasis on accountability which may lead to what is measurable becoming a priority at the risk of overlooking other objectives.

Drucker (1973) believes that there is a need to ask "What business are we in and what should it be?" Different and sometimes conflicting definitions need to be balanced and they need to be subjected to a performance test as much as possible. Organisations, therefore, need to think through their own specific function, purpose and mission. Such organisations do need efficiency but the emphasis should be on effectiveness.

These differences clearly have implications for the marketing planning process. How can an organisation have a strategic direction when there are so many alternatives and when many are conflicting? The goals are not so directly evident as in for-profit organisations

i.e. at its best, a financial objective is 'survival'. This often simply means minimal operating performance below break-even for some of its activities in the short-run. Other goals are not so directly measurable. For example, effectively serving its consumers may be difficult to determine and the existence of various interest groups with different needs makes it difficult to determine precisely the net impact of a government, civic or charitable agency (Hatten, 1982).

Management

The difficulties regarding objectives lead to communication problems amongst the organisation strategy makers. Although in small enterprises, charismatic leaders may be able to overcome some of the problems, there are, in larger organisations, likely to be more complex structures (Mason, 1979; Unterman and Davis, 1982).

The qualifications of not-for-profit managers are different from normal business as are their motivations to work (Drucker, 1973; Mason, 1979; Unterman and Davis, 1982; Hepworth, 1988; Dabbs, 1991).

Some suggest a different type of decision making in not-for-profit organisations (Rainey et al, 1976; Mason, 1979; Hofstede, 1981) with a key characteristic being a short-term focus. This reinforces the short-term tactical focus emphasised in previous sections and has implications for the development of more long-term marketing strategies.

Employees

Employees are important organisational 'customers' and not-for-profit employees seem to have a number of distinct characteristics.

In many organisations there is an expectation of a 'lifetime career' and this is usually linked to the fact that in many organisations, it is difficult to dismiss incompetents. There are also greater constraints on reward and punishment and this has meant that it is hard to build incentives (Lovelock and Weinberg, 1975; Newman and Wallender, 1976; Rainey et al, 1976). There is therefore, a limited relationship between market success (failure) and an individual's progress and remuneration (Lovelock and Weinberg, 1975).

Despite these constraints, organisations generally adopt an open systems policy which includes a high degree of involvement and choice for the organisation's members (McGill and Wooten, 1975). This may indeed be the case in many organisations, however, situations can arise where there is a tendency towards lower work satisfaction and lower organisational commitment as strong employee commitment to professionalism or to a particular cause may conflict with the organisation's direction which may be driven by other factors such as the reduction of costs or the acquisition of additional funds.

Financial Resources

There are varied sources of revenue and this is often significantly different from that of the profit making situation. Public organisations have less market exposure than private firms because they obtain at least some of their revenue from political funding instead of directly from clients. As a result, there may be less incentive to reduce costs, improve efficiency or improve performance compared to the private sector (Lamb, 1987).

A number of authors highlight the fact that organisations can become concerned with the size of their budgets. Services are hard to measure and they may also be subsidised and therefore there is no net "bottom line". Budgets therefore become the focus and being business-like usually means little more than control of cost (Drucker, 1973; Newman and Wallender, 1976).

Organisational Performance

The difficulties in marketing evaluation, monitoring and control were highlighted in section 2.4.1. However, a number of authors highlight more general issues regarding the measurement of not-for-profit organisation performance. Although there is a need to define “measurement of performance” and a need to use such measurement as “feedback” for the organisation’s efforts, the relationship between what goes into an organisation and the product which appears, is not measurable (Drucker, 1973; Mason, 1979; Hepworth, 1988) and this can lead to a lack of consistency and predictability (Newman and Wallender, 1976). Management, therefore has difficulties in making judgements about efficiency and quality of management. Indeed, there is a need for qualitative measures of performance (McGill and Wooten, 1975; Herman, 1990; Butler and Collins, 1995; Herman and Rentz, 1999).

Rainey et al (1976) also suggest that there is likely to be greater cautiousness and rigidity. There is more frequent turnover of top leaders due to elections and political appointments and this leads to the disruption of implementation of plans.

2.5 Implications of these Differences for Marketing

A consideration of the market place and internal differences between not-for-profit organisations and their commercial counterparts clearly implies the need to consider different approaches to the application of marketing principles and practices.

In many cases, the lack of autonomy and flexibility affects the extent and speed with which such organisations can implement marketing activities - introduction and withdrawal of programmes, changing price structure or focusing attention on the most responsive segments of a market (Lamb, 1987). However, smart not-for-profit organisations have to

be just as concerned with strategy, planning and development as their commercial counterparts (Wiesendanger, 1995).

The professionalism of staff within not-for-profit organisations can be associated with a high drive for market orientation due to their commitment, identification with the profession and concern for ethics (Wood and Bhuian, 1993). However, this may not always be the case. Indeed, staff perceptions of professionalism can at times conflict with market orientation (museum curators being more interested in the collections than the visitors, for example).

With specific reference to marketing in the public sector, 'product' appeals must emphasise elements of community benefit and because the public does not always correctly identify which public agencies provide which service, there is likely to be a need to reinforce corporate image and to emphasise 'value for money'. Market research to determine satisfaction levels is also required (Butler and Collins, 1995). The increase in the number of regulators implies that redress procedures are also likely to become more important as consumerism increases.

Scrivens (1991) considers whether marketing can be applied particularly to the new privatised not-for-profit markets in the U.K. She concludes that the more comprehensive interrelationship with the general public provides both market opportunities and constraints that do not exist in the private sector. For example, individuals cannot avoid the financing of government activities and also individuals cannot avoid using many government services (Lamb, 1987). Scrivens (1991) notes that although marketing may seem to be the prerogative of providers, analysis of the market relationships suggests that there are many areas where purchasers will have to take on a marketing role, designing services to better meet the needs of consumers and referral agents. In addition, there are

many areas where the application of marketing techniques, such as market research and communications, can be of use to both purchasers and providers to improve relationships with the publics with which they deal.

There is evidence that greater linkage between the not-for-profit and for-profit sectors is taking place. Some not-for-profit organisations are turning to the for-profit sector for funding. Whether the motive behind such for-profit financial support is for commercial or philanthropic reasons will influence the types of relationships being developed (Dees, 1998).

2.6 Analysis of the Not-For-Profit Marketing Literature

This chapter has considered the marketing literature on key aspects and features of the not-for-profit sector and it is clear that academic research has grown considerably in this area. The literature was analysed in order to identify where there was potential for further useful research activity. Analysis was undertaken by topic headings from within the chapter, type of sector referred to, author/s, country of origin, whether conceptual or empirical and if empirical, the methodology applied (Table A1.1 in Appendix 1). Although the chapter clearly could not include all the literature available, it was felt that such an analysis could still highlight some useful trends.

It was found that the majority of the literature used was of a conceptual rather than empirical nature and that some sectors tended to receive more empirical study than others. The literature was analysed further (Table: A.1.2 in Appendix 1) with the following outcomes:

- There seemed to be little empirical research within the public sector.
- 23% of references involved empirical research for the general 'not for profit' sector, 3% for the public sector and 9% for the 'voluntary' sector.

- The most popular areas for empirical research were as follows:

Strategic Marketing:	Evaluation	(58% of authors in this field)
Marketing Mix:	Price	(80% of authors in this field)
Internal Organisation:	Multiple Objectives/ Management/ Organisational Performance	(each with 71% of authors)

- The most popular areas for conceptual study were as follows:

NFP Sector

Strategic Marketing:	Evaluation	(53%)
Marketing Mix:	Promotion	(87.5%)
Internal Organisation	Multiple Objectives	(66%)

Public Sector

Strategic Marketing:	Customer Focus	(50%)
Marketing Mix:	Product	(62.5%)
Internal Organisation	Multiple Objectives	(85.7%)

- Of particular note is what seems to be a relative lack of literature on the Planning aspect of the Strategic Marketing element within the Public Sector.

2.7 Chapter Summary

The literature on not-for-profit marketing discussed in this chapter seems to highlight a lack of consistency of definition with the term being used differently by authors between and within countries. A more robust definition of the sector was therefore proposed based on an analysis of this literature. The chapter went on to identify the key features of the

not-for-profit sector and indicated the main differences between marketing in this sector and its commercial counterpart. These differences can be classified as those relating to the market place and those relating to internal organisational issues. Further analysis of the literature suggested that there may be a gap in empirical research within the Public Sector and particularly in the area of strategic marketing planning.

The following chapter considers the literature on marketing within a particular segment of the public sector: the subsidised arts. There has been a growth in popularity of the subsidised arts and this has particularly been the case during the 1990s (Intel, 1998). Subsidised arts organisations do not survive on revenues from end-users alone but rely on funding from external sources such as the government (through the Arts Council and Local Authorities) and from commercial sponsorship, which has trebled between 1993 and 1999 (Thorncroft, 2000). Given that there seems to be a relative lack of literature on the Planning aspect of the Strategic Marketing element within the Public Sector and given the apparent growth in popularity of the subsidised arts on the part of both consumers and funders, there would seem to be an opportunity here for research into the marketing of organisations in this sub-sector.

CHAPTER 3: MARKETING OF THE SUBSIDISED ARTS

3.1 Introduction

Chapter 2 discussed the not-for-profit sector and reviewed the literature relating to marketing in this sector. This chapter now reviews the literature on the marketing of one segment of this sector as defined in Chapter 2. The subsidised arts exist to provide goods, services and ideas aimed at enhancing the welfare of individuals and the community. The funds used for this provision are acquired from sources other than solely the key beneficiaries and in many cases, volunteers are important for survival.

According to the Arts Council of Great Britain, (1993), the term 'the arts' includes, but is not limited to, music (instrumental and vocal), dance, drama, folk art, creative writing, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, individual design, costume and fashion designs, motion pictures, television, radio, tape and sound recording, the arts related to the presentation, performance execution and exhibition of such major art forms and the study and application of the arts to the human environment.

All arts involve a cultural experience and there would seem to be a widely shared belief that arts are essential to civilisation (Kotler, 1980) as they influence human (and thus society's) development. Therefore, as the level of education increases in society, so does the demand for, and the supply of artistic activity. However, despite this growth in modern society, costs of arts and cultural organisations have been increasing more rapidly than revenue. There is therefore, a need to find new ways to attract money from a variety of sources such as from government, corporations, foundations, art patrons and the general public, and as such, there would seem to be a role for the application of marketing principles and practices.

3.2 Nature of the Market

In the UK, the Conservative government created the Department of National Heritage in 1992 which was set up to sponsor public sector arts and heritage organisations. However, many private sector companies rely on products developed in this sector and as a result, for profit and not-for-profit organisations co-exist with the workforce e.g. actors, moving freely between the two sectors.

The annual turnover of the sector overall in the UK is £10 billion employing 496,000 which is 2.1% of the total employment population (Association of Metropolitan Authorities, 1990). The sector can generate growth in ancillary industries, stimulate tourism and urban renewal, improve the image of a region and can be a business asset to a region

The Arts Council was founded in 1946 to develop and improve the knowledge, understanding and practice of the arts, to increase the accessibility of the arts to the public throughout Britain and to advise and co-operate with government and other bodies. In 1989, much of the responsibility for funding, information and advice was devolved to ten local regional arts bodies (RAB's) and in 1994, the functions and responsibilities of the Arts Council of Great Britain (ACGB) were transferred to three bodies - the Arts Council of England, the Scottish Arts Council and the Arts Council of Wales. The Crafts Council, which is the national organisation for promoting contemporary crafts, funds individuals and organisations directly as well as funding the RAB's and the Scottish and Welsh Arts Councils. The Museum and Galleries Commission is also a grant-giving body. Generally, the award of grants is assessed on the criteria of artistic performance and standards, the strategic role of the activity/organisation and organisational effectiveness. The largest source of funding, however, is from Local Authorities who consider, in their funding decisions, quality, access, growth of the arts economy, efficiency and quality as service providers (Hill et

al.,1997). Different Authorities, however, tend to take very different views on cultural policy.

Scheff and Kotler (1996) note that in the US, a primary criterion for measuring success of the not-for-profit arts movement had been growth, with larger budgets enabling more challenging productions. Today however, such over investment in fixed expenses has led to costs exceeding revenues and the change in priorities to meet financial needs. Productivity within not-for-profit arts organisations has actually decreased as although activities take the same amount of time to produce as they did years ago, wages have increased and as many activities rely on current income, they often carry sizeable debt. In addition, the desire to fulfill the organisation's artistic mission often leads to the spending of all available money on short-term artistic pursuits. This experience seems to be mirrored in the UK.

In looking specifically at the performing arts in the USA, Scheff and Kotler (1996) note that there has been a decline in support. This has tended to be the result of recession, changing philanthropic priorities and government funding cuts. Leisure time and activities have changed (for example, people may now be more spontaneous in choosing their entertainment options and less likely to subscribe or wait so long for a performance) and there have been demographic changes. As a result, audience size has become stagnant and in some areas, has even declined.

In both the UK and the US there seems to be a cultural hierarchy producing a polarisation between 'high culture' (fine art) and 'popular culture' (mass appeal) with each having differing perspectives of the other. However, what is popular in one period of time can easily change and more recently, the influence of corporate philanthropy on what is to be performed has led to pressures to satisfy minority interests.

McLean (1994) in specifically considering museums, notes that the relationship between museums and the public has changed. Now there may be a sense of the customer being an overriding factor where choice and display of the objects is shaped by public concerns. Until recently the view has been that museums perform an educational role whereas now they have become more entertainment oriented . As a result, museums are being pushed by funding bodies to adopt marketing techniques with marketing being regarded as the answer to increasing visitor figures and generating income (Wilson, 1988).

Although some practitioners and academics believe that this changing public role should not to be regarded as the linchpin of the museum function (Jenkinson,1993), it would seem that museums are becoming much more receptive to marketing and there is an increasing number of full-time marketing posts in museums. McLean (1997), however, makes the distinction between market-led and marketing-led approaches. Being market-led means being driven by what the market wants whereas being marketing-led means being driven by principles and practices of the marketing discipline. McLean (1997) believes that although the former is impractical for museums, the latter is possible in that the purpose of the museum can be linked to its potential users. In applying Lovelock and Weinberg's (1988) fundamental concepts of marketing: exchange, market segmentation, marketing mix and competition, she considers their value for museums and notes that museums tend to have little sense of the competition (although this can be said of many not-for-profit organisations (Kotler and Andreasen, 1996)) and still have little understanding of their current visiting public, and even less of their non-visiting public (McLean,1994). To many within the museum profession, the preservation of the objects in their care supersedes any notion of public service (Morris, 1990).

3.3 Marketing the Subsidised Arts: General

Lewis (1995) claims that there are 3 general methods of marketing art and culture. Firstly, to take into account people's needs and how a product might be of benefit to them which involves sophisticated market research. Secondly, to take into account people's desires in an attempt to manipulate them for profit and finally, to ignore marketing altogether. He states that this latter approach is prevalent in the subsidised sector.

For Diggle (1994), the aim of arts marketing is to bring an appropriate number of people, drawn from the widest possible range of social background, economic conditions and age, into an appropriate form of contract with the artist and in so doing, to arrive at the best financial outcome that is compatible with the achievement of that aim. The key factor being the 'available audience'. In other words the emphasis should not just be placed on past audiences. He notes that whilst commercial marketing abhors the idea of having to deal with products that are 'out of control', those involved in marketing the arts accept that it is a risky business. Public subsidy is needed because the relationship between income and expenditure usually results in a loss.

In defining marketing specifically for museums, McLean (1994) uses Lewis (1991) who sees that marketing is the management process that confirms the mission of a museum or gallery. It is responsible for the efficient identification, anticipation and satisfaction of its users. However, she does note that 'users' is a limiting concept as it ignores other publics such as regulators, funders and internal staff.

Marketing the arts in general has its own problems. Depending on the art form concerned, there are problems in defining what the product entails (the event, the company, the performer or the evening out, the exhibition or paintings), what is meant by the customer (traditional attenders/ fans/audiences, people who need converting or occasional attenders, someone who looks or someone who buys) and also problems

with identifying the market place (televised live performances, recordings of performances or teaching and learning through the medium of performances, individuals, galleries or publications) (Hill et al, 1997).

Arts organisations share characteristics with other service organisations. 'Products' are perishable and there is therefore a continuing need to 'smooth' demand levels, there is an emphasis on experiential factors rather than tangible ones, there is inseparability of consumer and provider and thus there is a high labour and personal service component. An additional problem is the issue of traditional versus new art forms. New work can present great opportunities for marketers but at the same time, the unfamiliar can threaten core audiences. However, unlike many other markets, consumer preference cannot dictate product development and design (Searles, 1980).

Hyde and Lovelock (1980) look at how arts organisations should be categorised and attempt to identify the extent to which 'different' arts organisations share the same characteristics and then explore the marketing implications. Their findings suggest that, relative to smaller organisations, larger organisations tend to be highly visible in the community and obtain the bulk of the funds available from a relatively small number of donors. The majority of their income comes from gifts, grants and non-audience sources which produce a reasonable continuity of funding sources from year to year. These organisations offer a wide variety of different offerings which reach out to both local and national audiences and thus they provide more opportunities for patrons to enjoy their offerings more often, and to be patronised by people who return several times a year. These characteristics mean that, due to the size of audience sought, these organisations have to position themselves in a much broader context than smaller organisations. Competition is, therefore, often far more diverse. On the other hand, smaller organisations, have to expand their audience if they wish to survive and grow. Traditionally small arts organisations have not positioned themselves in the larger leisure market but in the smaller market where there is ease of entry. This market exists

for experimental activity and many such arts organisations see themselves as unique and very special. Therefore, unlike in other sectors, there is no pattern of merger or consolidation. As a result, if an arts organisation fails, it simply disappears.

Perceptions of the application of marketing to the arts are often similar to those within the not-for-profit sector generally. Many see it as a waste of money or even worse, as manipulative with market research being seen as intrusive. However, there may be some specific problems for the arts in particular. Firstly, there may be the perception of marketing leading to a 'dumbing down' (Hill et al, 1997). A second difficulty relates to what Diggle (1994) identifies as the 'Arms Length Principle'. Organisations that distribute funds remain independent of government and therefore, attempt to ensure that creativity/ artistic impression remains separate from party politics. For marketers, however, this causes the problem of ensuring quality of product as peer appraisal, although leading to high standards, may be at odds with customer wants. This issue also leads to possible conflicts between excellence and accessibility (Rentschler, 1999; Jones, 2000), and between professional and amateur arts, with the need to address issues of helping the socially disadvantaged etc.

Scheff and Kotler (1996) believe that the purpose of the not-for-profit arts organisation is to expose an artist and his/her message to the widest possible audience rather than to produce the artist and message which the largest audience demands. According to Adizes (1975) this leads to the organisation having to find a market for its offerings, it must expand its market and it must keep its audience. Scheff and Kotler (1996) propose therefore, that arts managers must both reach outward by marketing art as an integral part of peoples' lives and look inward to professionalise their management and marketing.

Copley and Robson (1997) identify a number of common themes in their empirical research into perceptions of marketing amongst subsidised arts professionals. There

seems to be agreement that marketing happens in the arts but the unique nature of the arts product means that the actual function of marketing in the arts is seen as both poor and different from that of the commercial context. There is a view from some respondents that marketing the arts is heresy and this seems to mirror other public sector views of marketing. There is general agreement that there is a lack of financial resources as well as lack of knowledge of the scope of marketing, although there is a general acceptance that audience data is necessary. There also seems to be an overemphasis on 'the product' in the minds of practitioners when considering what marketing is about.

There are, however, indications that changes may be taking place. In the USA, the focus is not on changing the product but making the product relevant to target groups. Key words such as "connection", "communication" and "contact" are being used which indicate a focus on the consumer and his/her needs and interests, on how to break down barriers and how to create attractive offerings and messages to which the target segments would respond (Scheff, 1998). Feinberg (1989) notes that in the US, there has been the development of a new breed of marketer rapidly changing the face of some prominent cultural institutions. Many are exiles from goods and financial services industries and have shown the ability to turn round sagging brands by refining theatres' direct mail programmes and designing new subscription packages such as targeting those who recently attended, adding valet parking, lunch or dinner package programmes, special deals for low demand times/days etc.

Similar developments are taking place in the UK (Lewis, 1995). Arts marketing, therefore, is seen as maintaining a relationship with attenders through making people feel part of something. This highlights the possible application of relationship marketing. Fraser (1997), in his research into the demand for theatre restoration in Dundee, also sees the role for relationship marketing. Such an approach would involve the building of long-term audiences using modern promotional and marketing

techniques usually involving data base analysis and membership schemes. He sees the importance of corporate entertainment facilities and employing volunteers in roles such as ushering to both cut costs and help integrate theatres into the community. He also recommends the incorporation of bar, cafe, restaurant and shop facilities.

Effective marketing management can be a way of overcoming the constant threat to independence and survival of subsidised arts organisations (Mokwa, Nakamoto and Enis, 1980; Gainer and Padanyi, 2002). For Mokwa, Nakamoto and Enis (1980), marketing matches the artist's creations and interpretations with an appropriate audience. They consider the exchange relationship between marketer and arts 'buyer' and distinguish between the key processes of configuration, symbolisation, facilitation and valuation. Product configuration relates to the nature of the product and the design and arrangement of its attributes. In the arts, this rests with artists and the artistic director. There is, however, more to the product than the artistic expression as the total aesthetic and social experience also requires careful consideration and configuration. Symbolisation refers to the communication of information which enhances the significance of the product in the eyes of the potential buyer. Product benefits and utilities are therefore the focus of symbolisation. Facilitation involves the marketer enhancing the exchange process by improving the buyer's access to or delivery of the product to the buyer. Valuation is the agreement between buyer and marketer concerning the worth or utility of the exchange compared to costs, the key to exchange being mutual satisfaction.

Mokwa et al. (1980) distinguish between different management philosophies based on the differing emphases of these processes. For example, the concentration of organisations on the configuration task in developing exchange, is widely prevalent in arts organisations. In other words, such organisations could be said to be product centred. Here artists are concerned with producing the ultimate product with the premise being that consumers will seek out and react to good products that are

reasonably priced. This philosophy ignores or undervalues symbolisation and facilitation. An alternative philosophy assumes that a market can be generated for any product through promotion and price: a sales orientation. This is not the case and trying to create mass appeal can lead to ineffective promotional campaigns and unrealised expectations. Mokwa et al. (1980) highlight the need for the application of the “marketing concept” which is based on the 3 principles of specifying clear organisational goals and objectives, understanding the buyer’s needs, desires and capabilities and formulating integrated strategic marketing programmes that effectively match the organisation and its market.

The authors then identify five functions of marketing management that indicate and describe the decision and decision technology of strategic marketing- seeking, matching, programming, consummating and auditing (Ennis and Mokwa, 1979). In order to effectively “seek” buyers, arts organisations should see the art experience, not only from the artistic point of view but also as the patron views it and consider the number of different motives. Matching involves the development of a selective product/market strategy that matches the objectives and competences of the organisation, expressed in product mixes, with appropriate market segments. Programming is the formulation of a mix strategy targeted for a particular segment. Consummating refers to the actual interaction. Finally, auditing refers to the control (monitoring and evaluation) function.

3.4 Specific Differences between Marketing the Arts and Marketing other Goods and Services

As with the literature on marketing the not-for-profit sector in general, the literature on marketing of the subsidised arts can be presented under similar categories: those relating to the market place and those relating to internal organisational aspects. Market place includes: customers; customer behaviour; market segmentation; marketing research; marketing planning; marketing mix issues (product, price,

distribution and communication) and relationship marketing. Internal organisational aspects include: ambiguous goals; strategy versus tactics; management and employees.

3.4.1 Those Relating to the Market Place

Customers

The arts have many types of 'customer' but in terms of the 'consumer', 'audience' would seem to be the most appropriate term to describe them. For most artists, the audience would seem to be a core element of an artistic experience and of course, the audience is also a key source of revenue. The main task of arts marketing, therefore, is to motivate people to attend activities or purchase art works or crafts and to encourage them to share in any artistic experience (Hill et al, 1997).

Defining an audience may not be simple, however. Some merely consider the audience as consisting simply of those who experience art (Lamos and Stewart, 1983) but this however, excludes intention as there seems little differentiation between current users and potential ones (Davies, 1994). Diggle (1994) distinguishes between an available and unavailable audience using the term 'available' to denote current users and 'unavailable' to denote those who do not attend at present but may be persuaded to do so in future. He proposes that artists should aim for the available audience initially but aim for the unavailable audience later. In aiming for the available audience, there is a need to consider the catchment area and consider the distances people are prepared to travel. This will help identify where and who the customers are.

In many cases, the type of art which organisations choose to present tends to define their audience and organisations need to concentrate on both attenders and intenders. However, once this is done, there is a need to consider the *potential* audience as arts marketing can have the potential for changing people's minds.

An alternative view could be that an audience can be thought of as composing all those with whom an individual or organisation has some form of communication i.e. various stakeholders. There are the primary audiences which consist of those who attend or could attend arts events, and a secondary audience where there is an exchange process which exists with other stakeholders such as funding bodies, sponsors etc. The important role for marketing, therefore would seem to involve enhancing the value of exchange. This, in effect, is audience development where there is the objective of increasing the range of audiences as well as its size. Enhancing access therefore becomes a key issue.

An important feature of not-for-profit organisations is that on many occasions, there is a division between who pays for a service (resource attraction) and those who use the service (resource allocation). Similarly, such organisations tend to have multiple publics with which to deal. McLean (1994, 1997) notes these features as they relate to museums.

Customer Behaviour

In terms of degrees of audience participation, the wide variety of arts activities makes measurement difficult. However, although attendance patterns can vary across art forms, arts audiences tend to come from particular age groups, social classes and educational backgrounds (Verwey, 1991) with people being influenced by a wide variety of social, personal and psychological factors (Hill et al, 1997). A study of opera attendance undertaken by Currie and Hobart (1994), for example, found that the majority of opera goers were more mature (45 and over) and were influenced by friendship/ reference groups. The majority of attenders were female, were of A and B social classes and used similar types of media. The vast majority of opera goers (95%) attended regularly (1-3 times a year). The study highlighted some barriers to attendance such as opera being perceived by some as alien to the average culture,

possible language problems and that opera reinforces an 'elite' image. There was also general agreement that opera was too expensive

Belk and Andreasen (1979) found that that the audience for live theatre, dance, symphony and opera performances comprises a narrow and elite proportion of the US population. Similarly, DiMaggio, Useem and Brown (1978) found that those attending such events were better educated, higher in job status and income and less likely to include minorities than the general population.

In terms of the visual arts, Bennett and Frow (1992) undertook a study comparing audiences for art galleries and those for museums. They found that art gallery visitors were different from the general population. They were usually young to low-middle age with high levels of educational attainment. They tended to be professionals or students and from households with above average income. A greater number of art gallery visitors were more affluent, tertiary educated professionals or students than were history museum visitors who tended to be older. Museums tended to appeal to homemakers and visitors with children, whereas in the minds of visitors, art galleries and children did not mix. Art galleries were regularly and intensively used by their visitors, and attendance was usually accompanied by high rates of participation in other cultural activities, especially 'high brow' pursuits such as opera and ballet. This was less so with museum visitors.

There are a number of factors that seem to influence arts attendance. Social factors incorporate cultural factors, which also include sub-cultures and reference groups, highlighting the important influence of opinion leaders. Attendance also seems to be closely related to the age at which full time education is completed. Social class seems to have an important influence with arts attenders being more likely to be AB and C1. There are, however, large differences between art form. Arts attenders tend to be in the 35-54 age band but again there are differences. For example, there is a younger

audience for contemporary dance, as there is for Asian, African and Caribbean dance. Even within an art form there are age differences. Whether there is a gender difference also depends on art form. There does seem to be a relationship with income but the type of relationship is unclear.

Reasons for involvement with the arts are wide ranging but through the process, people can be seen as satisfying a variety of needs. An arts experience can provide relief from boredom at the basic physiological level, but can satisfy the need for social interaction at a higher level. Attendance at some arts events can confer social esteem (such as going to the Opera, for example) and can offer self esteem in terms of providing education or 'new horizons'. At the highest level, an arts experience can provide self-actualisation through heightened awareness of aesthetics or beauty.

People with similar motivations can be identified and grouped together. Table 3.1 displays this for Performing Arts:

Table 3.1: Classification of those with similar motives for attending performing arts events

ENTERTAINMENT SEEKERS	Motivated by the need for amusement and the arousal of curiosity.
SELF-IMPROVERS	Driven by a need for personal development.
TRENDSETTERS	Wish to be identified with an elite intellectual minority.
STATUS SEEKERS	Wish to be identified with a socially superior minority.
LONELY ESCAPISTS	Motivated by an opportunity to be in the company of others.
INSPIRATION/ SENSATION SEEKERS	Looking for sensory and emotional stimulation.
EXTROVERTS/ PERFORMERS	Motivated by concern for self-expression
SOCIAL ATTENDERS	Anticipate that a social setting will add to their enjoyment of the arts.

Source: Hill et al. (1997): 35

In addition, people may attend because they want to celebrate, to socialise, as part of their business, to learn or to purchase.

Levy (1980) undertook an empirical study on the motives people had for consuming activities regarded as cultural or aesthetic. Based on a study by Levy and Czepiel

(1974), the study sought to learn about people's feelings, reasons and perceptions. He found that the arts were often seen as elitist, relatively feminine and intimidating. The presence of children and the possibility of improved mobility through bookmobiles, suburban theatres and recordings were seen as possible avenues to participation, as was social mobility (increasing status leading to greater participation). Thus a client oriented approach which considers the needs and wants of the user and potential user and which acknowledges the need to overcome perceived barriers to attendance is more likely to lead to large future attendance.

This client centred approach requires the identification of what problems the arts are solving for audiences, where audiences find their information, which are the most influential evaluative criteria, how easy it is for potential customers to complete the transaction and whether expectations are met and exceeded. There is also a need to identify who makes the choice: initiator, influencer, decider, buyer, or attender (Hill et al., 1997)

Rust and Williams (1994), in a survey of customers of a performing arts centre, found that both higher customer satisfaction and longer length of patronage resulted in higher intent to repurchase. Interestingly, the effect of customer satisfaction was greater for new customers. This implies that management should work harder to keep its new customers, since this increase in customer satisfaction pays off more in repeat purchase.

Belk and Andreasen (1979) undertook research to assess whether, with reasonable alterations in various features of performing arts offerings, it may be possible to attract broader, more diversified audiences. Focussing on the southern USA (which had the smallest proportion of its population attending the arts) and on symphony and theatre attendances, a number of alternative offerings were considered which involved changes to product type, the context and price. They found that there was a strong response

from non-attenders and that there were a variety of offerings which could attract non-attenders without having a negative impact on attenders. Belk and Andreasen (1979) , believe that although these changes could conflict with the 'artistic mission' and thus could conflict with the views of theatre managers, effective segmentation should make it possible to appeal to different consumer tastes without compromising or weakening the image of the organisation among other segments.

In a similar vein, McCart (1987) studied change in the marketing approach used by the Royal Festival Hall. The key was to define the current audience which was found to be aging and small in number. There also seemed to be a high level of inertia and prejudice. A lack of information about the Festival Hall seemed to be a major factor. Along with perceived insecurity about bookings, travel and costs, there were worries about being bored and being 'out of place' with music buffs wearing dinner suits. In response to these findings, it was decided to present what was varied and popular about the ambience and use a famous personality on television. As a result, the campaign attracted a new, younger and broader cross section of society.

Market Segmentation

A number of authors note the importance of target marketing and specifically segmentation as having an important role to play in effective arts marketing.

In reality, segmentation, however, if done at all, is often driven by social rather than economic objectives where there is social or even Government pressure to target specific minority groups. In contrast, there is often a tendency to create a wider appeal and thus spread resources too thinly (Davies, 1994).

Two key issues are size of segment (the group needs to be large enough to be treated separately) and accessibility (the ease with which the group can be communicated). Geographical bases (using ACORN and TGI, for example) can be used as can

psychological bases which can segment according to psychological characteristics, the most important being attitude groupings. Demographic bases can be useful, but they tend to be incomplete if used alone. Segmentation using audience behaviours is another possibility.

Diggle (1984) segments potential audiences as follows:

Positive	Attenders	Positive attitudes to the arts and whose attitudes are translated into attendance
	Intenders	Arts are believed to be a good thing. Like the idea but never got round to attending
	Indifferent	No strong opinions
Negative	Hostile	Dislike and no intention of participating

It is easier to target attenders/intenders rather than the other segments as they are already predisposed to the value of attending arts events.

Hill et al (1997) distinguish between the possibility of a concentration strategy where there is a specific mission for particular groups or a multi-segment strategy which has a general mission. Reiss (1997) believes that although in the US, the arts industry has had influence on key segments of American life over the years, some key publics have been omitted such as sports audiences, the elderly, parents, professionals etc. What is needed is a marketing action plan which will pinpoint each public's needs, its possible objections to arts participation, responses to the objections, precedents for involvement and identifying opinion leaders for each public. One such example is that given by Goulding (1997) who considers the nostalgia experience gained through

consuming 'history' at a contemporary British 'living' museum and focuses particularly on the elderly segment. She found that this group had differing nostalgia reactions according to the conception of 'self' and identity.

Marketing Research

Information systems are needed to separate audiences into discrete groups, gather information from the different groups and to use the information to produce appropriate programmes such as segmentation, targeting and positioning (McLean 1997). Today, computer systems tend to be used for this purpose. Box office systems, for example, which collate customer records, can be used to analyse booking patterns, to undertake audience profiling, to produce ad hoc research and for direct marketing purposes.

A major problem, however, is the lack of actual marketing research in this sector. This seemed to be the case in the 1980's (Yorke and Jones, 1984; Lovelock and Weinberg, 1988) and even today, there still seems to be little co-ordinated national policy on visitor surveys (Davies, 1994). There are many with negative views about undertaking market research as not-for-profit organisations generally have doubts about its value (Kotler and Andreasen 1996) and as such, views such as it being too expensive or that providers know what their customers want are prevalent within the arts (Hill et al, 1997). In addition, many arts organisations see the use of market research as communicating a populist objective which many feel they do not want to promote. Cameron and Abbey (1961) believe that a reason why museums lag behind commerce and industry in employing knowledge and research is that a number of studies are carried out without the assistance of those qualified to do so and without adequate funds and this is still the case today. They also believe that research may be perceived as being associated with persuasive marketing. Many of these issues seem to relate to the arts as a whole (Greyser, 1980).

Permut (1980) notes that very few performing artists ask audiences questions regarding their attendance and motivations. In a study of managers of subsidised performing arts organisations in the USA for example, he found that only 7% reported “formal analysis each year or two” of demographic changes and only 11% claimed formal economic analysis, although 60% did undertake formal analysis of trends in the government sector. Although 74% claimed formal analysis of competitors at least annually or biannually, competition, however, was only seen as other performing arts. Few saw a broader competition such as the television or cinema etc.

There is little doubt, however, that research can have exploratory, descriptive and causal value for many areas. In addition to research on audiences and various aspects of the marketing mix, research can also include policy research such as that used by the Arts Council.

For museums, for example, Cameron and Abbey (1961) see audience research as being necessary and perhaps unique to each institution in the characteristics of the visiting population and its interests. Research can also be undertaken to investigate more general problems such as the effectiveness of exhibits or the significance of the visiting history of individuals. In a study of marketers and Public Relations specialists at 89 US museums, Adams (1992), for example, found that there was a need for on-going evaluative research of visitors. Through the monitoring of visitors’ word of mouth and evaluating visitors’ expectations, experiences and impressions, the marketer can join others at the museum in developing marketing communications and product modification that will better serve the needs of both museums and visitors.

In more general terms, Lewis (1995) identifies three kinds of audience survey. Firstly, there is the general or focussed population survey which is based on short interviews with particular samples of the population. This is useful in identifying who do and do not attend arts venues or events. The second type is the user survey which is carried

out by venues in order to find out about their audience and finally there is qualitative research such as group discussion.

Marketing Planning

Dawson (1980) advocates the use of marketing planning built on a realistic definition of the arts product with Weinberg (1980) seeing the benefits of planning as being the co-ordination of activities, better communications, the identification of expected developments, the focussing of efforts and the maintenance of artistic integrity. Weinberg and Shachmut (1978) produce a computer model which consists of a forecasting system to predict attendance at an event, an interactive planning model by which the manager can test the impact of different choices of performing arts events on total attendance for the year, and a routine for assessing the impact of extensive promotion on different events.

Marketing Mix Issues: Product

The arts product is a service. It is intangible which means that there is higher perceived risk. As a result, prices are more difficult to set and it is important to communicate benefits. There are, however, support services such as cafes and shops which will have greater tangibility. The consumer is a participant within the service. In museums, for example, it is difficult to actually identify what is being consumed: education, entertainment, visit to a cafe or social acceptance and indeed the interaction in a museum is probably more complex than for some other services. As a result of this inseparability, the arts product is heterogeneous and as each product is unique, there is an important role for internal marketing with employees being made aware of their importance in the visitors' overall perceptions of the experience. The arts product is also perishable although in the case of galleries and museums, particularly, it is not irrevocable as it is possible to return again and again. However, perishability does lead to a problem of fluctuating demand.

The arts can be considered to have aesthetic or emotional core benefits. The central experience comprising the artistic element, the physical environment and its ambience, ease of access, delivery processes and branding. The extended experience includes ancilliary products, workshops, sponsorship, recordings, merchandising, catering etc.

Laczniak (1980) produces a typlogy of the arts product (figure:3.1)

Fig. 3.1: Typology of the ‘Arts Product’

From the seller’s standpoint	The formal product- artistic performance itself	The augmented product- all the attributes connected with the artistic performance -eg. parking, seating, comfort etc.
From the buyer’s standpoint	The core product- satisfaction consumers experience from the formal product	The peripheral product- the satisfaction consumers experience from the augmented product
	A narrow conception of the arts product	A broad conception of the arts product

Source: Laczniak (1980): 125

The above distinguishes between narrow and broad conceptions of the arts product and classifies each of these according to which standpoint (buyer’s or seller’s) is being considered. A narrow conception of the product from the point of view of the supplier would be the performance itself . The broader view, however, would also include additional features. From the buyer’s perspective, a narrow view of the product would be the satisfaction gained from the performance, whereas a broader view would also consider satisfaction from the additional features.

Lewis (1995) distinguishes between commercial culture (which comprises television, video, radio, cinema, reading, writing and popular music) and subsidised culture (which comprises performing arts such as popular theatre and dance and the visual arts such as art galleries, art in public places and photography). He proposes different approaches to each of these and thus believes it is useful to categorise different types of arts.

Laczniak (1980) in considering the performing arts specifically, believes that they are an intangible service instrumental in the development of culture and are for the most part, subsidised by public and private donations. Although the formal product is basically artist inspired and controlled, major aspects of the augmented product can be managerially adjusted and improved. He also sees the retailers of arts performances such as presenters as deciding the product mix available in a particular market.

McLean (1994) when looking at the museum product notes the importance of the 'experience' which comprises the collection which gives the museum its identity and is augmented by a variety of support services and the image of the museum building: its physical structure and facilities. Ease of access and accessibility of parking may determine visitor attendance as much if not more than the nature and quality of the museum's collection (Falk and Dierking, 1992). Flipio (1988) suggests, however, that the tangible cues have little impact. Word of mouth recommendation, therefore, will persuade an intending museum visitor to visit the old-fashioned rather intimidating museum over the new welcoming museum where the tangible factors would appear to carry less risk. However, despite this, there still seems to be a resistance to 'customer care' (Falk and Dierking, 1992). Indeed, some museums do not really know what they are (Cameron, 1971).

McLean (1994) believes that the number of ways the product can be enhanced is endless and therefore, product planning is important. However, the product is an 'experience' with both visitors and potential visitors seeking contact and interaction (Davies, 1994). This means that even though the product is created by the physical objects, it could be many things to many visitors i.e. a particular item in the collection, the cafe, or even social acceptance. The product is therefore defined by the visitor and may not simply be the experience.

Hill et al.(1997) utilise a model of communications in their description of the performing arts product. They classify different elements of the product as being those that relate to the information source (eg. writers, actors, other staff), the transmitter (eg. staging, set, venue characteristics), the channel (sound, light etc.) and the receiver, the audience and its psychological influences (eg. perception, emotion). Hill et al., (1997) also include the importance of ‘noise’ or distortion as being part of this ‘product’.The source of the communication comprises those who produce the original ideas to be communicated.

Laczniak (1980) believes that product utility (which he classifies in this context as performance utility) needs some measure of audience satisfaction and that the intrinsic nature of such utility needs to be considered. He also believes that there is a need to consider product symbolisation which in effect is the image perceived by attenders.

Hill et al. (1997) also consider audience satisfaction and attempt to classify different arts products by using production costs and audience appeal as the key criteria. Figure 3.2 presents their model in analysing a theatre season:

Fig. 3.2: Analysis of a Theatre Season

Cost of Production	High	Musical Large cast Comedy		Shakespeare
	Low	2-hander popular comedy		Modern classic (small cast)
		High		Low
		Likely Audience Appeal		

Source: Hill et al. (1997): 126

As there is the regular development of new art forms, new technology and changes in fashion trends, there is an indication that a product life cycle exists in some shape or

form for different art forms. Arts product development can include new product uses such as the linkage to education or new products can be developed as a result of studying heavy users and discovering cues about new work to which they will respond. For example, Currie and Hobart (1994) believe that by offering a greater variety of opera with more being presented in English, there is a greater chance of bringing opera to the masses.

In looking at product development and planning particularly for larger arts organisations, Hyde and Lovelock (1980) note that the product line can be broadened via more performances, performance in new sites, offering dinner with a play, through ancilliary income such as stores, restaurants, bars, etc, and through “blockbuster” activities.

Marketing Mix Issues: Price

When considering pricing for actual events, there is the difficulty of pricing something that is intangible. Even the pricing of tangibles such as beverages is different to pricing in other contexts as customers are a captive audience and thus they have no choice. A price implies a level of quality and a choice of prices can also give customers a sense of control over their purchases. Boardman (1978) identifies five influences on theatre pricing. These are the auditorium, the product on stage, the market (existing and potential customers), the box office (the human element of ticket sales) and the budget (imposed financial targets). For Lovelock and Hyde (1980), developing a pricing strategy involves decisions on how, where, and when prices are to be paid as well as how prices should be communicated to customers and who should take responsibility for actually collecting payment. They also highlight the fact that there are non-monetary costs to the customer of attendance such as the costs associated with time, place and psychic costs, some of which may be barriers to participation. Indeed, Scheff (1999) found that current patrons (whether subscribers or single ticket buyers) have little sensitivity to price changes. For those where price is significant, an approach

increasing the higher priced tickets and lowering the lower priced tickets is recommended.

Pricing needs to be considered at both strategic and tactical levels. Tactical pricing decisions include price structure relating to seat location, times of opening, unit pricing (entry price the same for all, concessions and discounts, subscriptions) and psychological pricing. Whereas at the strategic level, pricing needs to match the organisation's objectives. Financial objectives could be profit motive, the covering of costs or funding body targets and marketing objectives could relate to both core and new audiences. For core audiences there is the need to build a relationship, for new audiences there is the need to lower the financial risk. Pricing also needs to communicate the position the organisation wishes to hold in the market place with the composition of the chosen market being important. For example, there is a need to consider commercial venues, regional venues, amateur events, the educational market etc. Finally, there needs to be a consideration of the nature and strength of competition when producing a pricing strategy, although this is difficult to define for the arts.

Break-even analysis is often difficult as there is little correlation between variable revenues and variable costs. Demand based pricing, however, seems to be a more feasible option with the value customers place on the ticket being a function of reputation and expectations of the performance, artist or collection and the nature of the venue. Diggle (1994) believes that once a price/value relationship has been established in the mind of customers, any increase in price can damage the perceived value. He therefore suggests that any price increases be small but often. If different prices are offered, it is the extremes that are the most significant (the best or the cheapest seats, for example). Everyone who is motivated to buy a ticket, one way or another wants to sit in the best seats according to their own tastes and circumstances. Therefore there is a need to know what a 'best' seat is for any particular segment and let this view influence how seats are priced.

Lovelock and Hyde (1980) believe that despite increasing costs, there is downward pressure on pricing of the arts. As the service is experiential in nature and thus has the characteristics of both inseparability and perishability, there is a tendency to sell 'rush seats' at minimal prices. This causes a problem if audiences know there are such seats. There are also public expectations that the arts are to be relatively inexpensive if barriers to usage are to be overcome. For example, Currie and Hobart (1994), when looking at increasing attendances for the opera, believe that there is a need for more concessions and free concerts where possible to encourage sampling.

In terms of publicly funded arts, there is the debate regarding the charging for such services. This debate has become increasingly heated particularly in the museum sector where museum market researchers have met difficulty with notion of 'price' (Rodger, 1987; Bryant, 1988).

Some who are in favour of charging note that many things belong to the nation where some form of additional payment is accepted; roads and road tax in the UK, for example (Roper, 1990). In support of this view, Cameron and Abbey (1962) studied the result of an adult admission fee of 25 cents at all times for the Royal Ontario Museum and found no marked effect on either composition or size of audience. If the quality is sound, it would seem that people will pay (Roper, 1990).

An alternative view, however, has been put forward by Spalding (1990) who claims that when there are charges, attendances fall by 40% on average with the people who suffer being the less well off. The museum collection is inherited free therefore it should be free to all. He also sees spending on the arts as a stimulus to the economy. If people enter for free, even £1 spent on other items can bring in a great deal of revenue. He gives the example of the Burrell Collection in Glasgow where this had the effect of helping the regeneration in the city. He believes that many international

tourists come because it is free and spend money here, although Pick (1988) disagrees stating that there is little evidence of this.

In more general terms, Hyde and Lovelock (1980) believe that subsidising poorer people should be done directly through specific programmes rather than by blanket subsidy. They believe that in general, larger arts organisations should and can raise their prices.

There are a variety of other sources of revenue other than price for the arts in general. Public bodies such the Arts Council of Great Britain, the Crafts Council, Local Authority funders and the regional arts boards, for example. There are some difficulties, however, as is the case with other not-for-profit organisations, there are multiple publics, and thus such organisations are particularly subject to the influence and control of such funding bodies (McLean, 1994). In the UK, public money is spent according to the aesthetic judgements of small groups of people and such judgements are almost impossible to measure i.e. criteria of commercial success, value for money, quality or quantity of service simply to do not apply. Lewis (1995) believes that artistic value is an arbitrary aesthetic system which is based upon and inscribed within social positions. The people who benefit from public funding of art are, therefore, overwhelmingly the educated middle class. In theory, the Arts Council is catering for all but Lewis believes that in practice, money goes mostly to high art. Lewis considers that the arts should be available to all regardless of income or education. This, however, should not lead to a 'majority culture' ruled by the lowest common denominator. Shaw (1987) also puts forward the case for subsidy. He notes that the arts have always been subsidised- by church, kings and emperors etc. Apart from the church, however, early patrons were mainly concerned to provide the arts for themselves or their families. Today, the need is formally perceived as providing cultural experience for the many.

An alternative source of funds is business support which is the partnership between the public and the private sector through sponsorship, donations/gifts in kind, corporate entertainment, trusts and individuals. For example, a museum can be dependent on how well it is recognised and on professional support. Although trustees may not fund a museum, their status in society may contribute to the prestige of the museum. Similarly a Local Authority may not fund a museum but its encouragement and recognition could be essential to a museum's existence (McLean, 1994). Stockil (1998) looks at bringing creativity of arts to the workplace in business and commerce. He believes that the arts have a role to play in unlocking creative ideas in industry and in return, they can acquire cash in the form of sponsorship. Sponsorship in the arts generally, however, seems to be primarily a way of influencing people higher in social status, compared to sponsorship in sport which seems to be for the masses. If this is the case then it could be said that it is giving to those who already have. It is also subject to the whims of chief executives and managing directors. Arts sponsorship is however good for business in that it can target the right people more cheaply than advertising. Volatility however, is a drawback as sponsorship can be withdrawn by a company. A more recent development has been general collaboration between arts organisations and others (both commercial and not-for-profit). This not only helps to reduce costs but can also be helpful in building audiences (Scheff and Kotler, 1996).

Marketing Mix Issues: Distribution

As the arts are predominantly services, 'distribution' issues tend to relate to service delivery and location of such delivery. Hyde and Lovelock (1980), for example, believe that small arts organisations need to be more flexible in locating themselves. Currie and Hobart (1994), in considering how to bring opera to a larger audience, believe that there should be more performances outside London. In the context of museums, location is often a consequence of the museum's history. Many Victorian structures tend to be intimidating and uninviting with guards, security cameras etc. Techniques are being used, however, to overcome these barriers such as banners on frontage, open

door and welcome foyer (McLean, 1995). There is also an attempt to overcome this through touring exhibitions and turnaround of the permanent collection (McLean, 1994)

Some consider the role of intermediaries as an important aspect of 'place'. Hill et al (1997) see the importance of understanding the role of ticket agents and travel agents. Nevin (1980) empirically investigates the channels of distribution for the performing arts. He identifies many channels between performance artists and performance arts audiences and notes that each has a differing combination of channel members i.e. direct, personal manager, sponsor, booking agency, arts council, mass media.

Another aspect of place is the actual 'delivery' of the service. Hill et al (1997) see an important role for atmospherics which includes aspects such as furnishings, air conditioning, colours, aroma, textures, design, cleanliness, comfort, sound, demeanour of staff and lighting. There is also the important role of customer care, the temporal environment such as performing times and opening hours, and of physical access.

Marketing Mix Issues: Communication

To many people in the arts, marketing means promotion (Hyde and Lovelock, 1980; Kolb, 2000; McDonald and Harrison, 2002). Marketing activities tend to centre on stimulating awareness through advertising and publicity and on developing promotions (Lovelock and Weinberg, 1988). Diggle (1994) notes that in many cases, it is the purchase of the ticket that is important and that this is the major barrier that needs to be overcome. The box office is therefore an important area for consideration with perceived value being an important issue here.

Strang and Gutman (1980) attempt to provide a broad framework to guide promotion policy decisions for the performing arts (figure 3.3):

Fig. 3.3: Promotion Policy Proposals for the Performing Arts

Target Audience			
	Enthusiasts	Interested	Non Attenders
Objective	To inform	To persuade	To educate
Response rate	High	Moderate	Low
Promotion message	Basic information	Incentives	Descriptive
Promotion technique	Advertising (direct mail) Personal contacts (support groups)	Advertising (direct mail) Sales Promotion Publicity Personal contact (affinity groups, new subscribers)	Personal contact Publicity

Source: Strang and Gutman (1980): 238

The type of audience determines the objectives to be set for the promotion and the promotion techniques proposed depend on the type of message and response rate.

Due to the high costs involved, however, advertising may not necessarily be the most appropriate form of communication. This is particularly so for small organisations where there is a need to use a cheap creative approach to communication (Lovelock and Hyde, 1980). Museums tend to rely on free publicity in the media, leaflets and word of mouth although some use advertisements in guidebooks. However, advertising is rarely considered as part of a campaign and still less of a wider marketing strategy. Few museums develop a brand or corporate identity and rarely recognise the importance of the image (Runyard 1994). As a result, lack of awareness is one of the key reasons why people do not visit museums (McLean nee Matheson, 1992). Many arts organisations do not have budgets for full-scale advertising campaigns and therefore sponsorship is becoming increasingly important. It is therefore important to attract such funding and to influence decision makers. Word of mouth is also important for services and for museums in particular (DiMaggio, 1985).

Public relations is more likely to be effective than advertising although Diggle (1994) recommends that they should both be used together. He classes this combination as

'product publicity' whose objective is to bring as many members of the available audience as possible to the point where they want to buy tickets. Diggle (1994) also sees sales promotion as a method of adding value and of producing action on the part of the customer. In identifying a number of techniques, he recommends that seat preference should run throughout all campaigns with a greater emphasis being given to previous buyers. Price reduction methods, however, he believes, should not be used for every event and when used, should vary in detail. Vouchers, however, are tangible and are the most flexible price reduction method. Diggle states that competitions/draws should never be relied upon as the main sales promotion method.

When considering the potential audience for the arts, there is likely to be a need to change attitudes and to particularly target the young. Although this is likely to take some time, there is the importance of educational public relations via schools, teachers, television and radio campaigns.

Relationship Marketing

As the arts are about the personal encounter which involves an exchange between customer and supplier, relationship marketing may be worthy of consideration (Hyde and Lovelock, 1980; Hill et al, 1997; Rentschler, 1999 and Rentschler et al, 2002).

Christopher (1998) sees relationship marketing as a refocusing of traditional marketing with greater emphasis on the creation of customer value. Customer value is the summation of all the positive effects that a supplier has upon the customer's personal satisfaction. Creating or enhancing customer value therefore requires detailed understanding of the customer's value chain. Langeard and Eiglier (1980) explore the main areas of interaction between consumers and arts organisations. Interaction with their clients is considered as central to the marketing management of arts organisations and the production, distribution and consumption of art and culture can be seen as an interactive system. Such a system is based on the interrelation of physical support,

contact personnel and consumers in addition to the internal organisational system and the other clients of the arts organisation. This implies that if one of the peripheral services is not up to standard, it can affect the consumers' satisfaction with the service as a whole and that any marketing strategy must be 'sold' to those staff members who are to implement it before any persuasive effort is made towards the consumer. However, operations personnel are likely to have considerable power and influence in marketing management which may cause conflict and marketing problems.

Langeard and Eiglier (1980) produces the following typology (table 3.2)

Table 3.2: Potential Problems in the Marketing of Arts Organisations

Problems for the Organisation	Problems for the Client
1. Arts organisations can't maintain inventories	1. Confidence in organisation has to be permanently sustained
2. Communication with public difficult	2. Search process is usually difficult and has to be helped
3. Pricing is complex	3. Word of Mouth is leading channel of communication
4. No patent protection	4. Arts consumers tend to be emotionally involved with arts organisations or some parts of them
5. Employee/ consumer interface uneasy	
6. Physical setting and environment important to quality of service.	
7. Growth in size of audience is dependent on network facilities- selling tickets, transport etc.	
8. Process of artistic/ cultural innovation requires careful assessment of customer reactions	
9. Standardisation of arts operations has to be pursued, but avoiding negative impact on artistic work.	

Source: Langeard and Eiglier (1980): 150

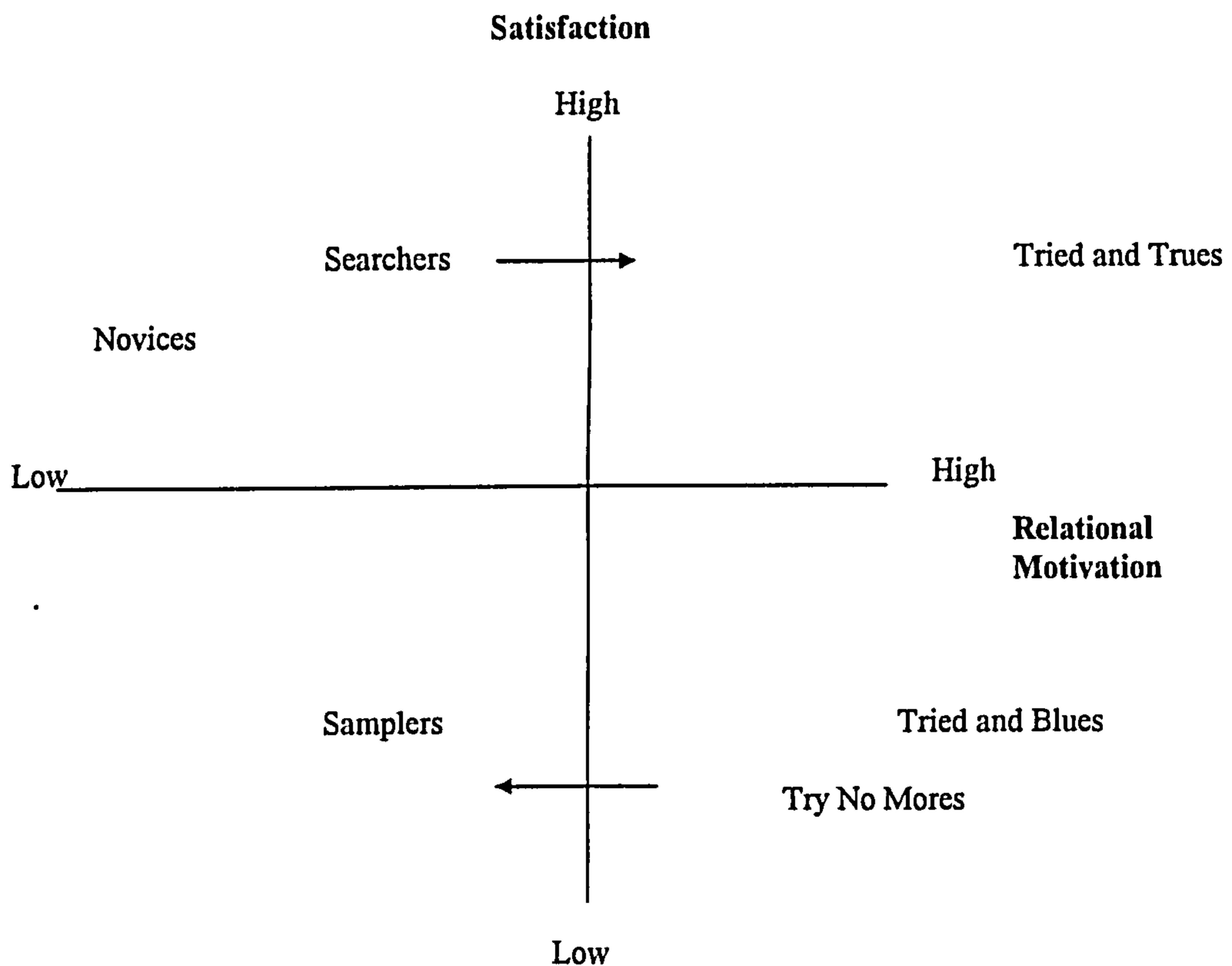
The above highlights the importance of the interactions between the arts organisation and its 'clients'. The nature of the arts experience can produce specific difficulties which can impinge on the effectiveness of the organisation and on the satisfaction experienced by the 'client'.

Voss and Voss (1997) in their study of the Playmakers Repertory Compant (PRC) which is a non-profit theatre in North Carolina, identify several distinct customer

segments which range from first time, single ticket buyers, just entering exploration phase, to long-time (ten years or more) subscribers who are completely committed to every PRC offering with others at different points along the continuum which are more or less satisfied with the current state of the exchange or relationship. These segments need different strategies to maintain current exchanges and motivate continued or deepening relational motivation.

For the five-play 1994/5 season, they identified three types of subscribers: Tried and Trues, Tried and Blues, Try No Mores and three types of single ticket buyers: Searchers, Samplers and Novices. Each grouping demonstrates particular characteristics in terms of age, affluence, education and experience. Figure 3.4 displays a mapping of the groups according to relational motivation and level of satisfaction:

Fig. 3.4: Types of Subscriber According to Relational Motivation and Satisfaction Level



* arrows indicate expected shift in relational commitment

Source: Voss and Voss (1997): 284

Johnson and Garbarino (2001) also consider relationship marketing as it relates to different audience segments and found that current subscribers have highly developed levels of trust and commitment and that their goals are more consonant with the goals of the organisation.

Bradford (1991) recognising the influence of the institutional politics in museums develops a model which, taking the curator as pivot, outlines each of the relationships the curator needs to nurture in the management of the museum. He advises curators to manage relationships with patrons i.e. funders as well as the museum itself. Similarly McLean (1993) has developed a model highlighting the importance of relationships with stakeholders.

Kotler (1980) believes that arts organisations continuously face marketing challenges such as a need for audience development, membership development and fundraising. Kotler sees these issues as all being interlinked so that there is a constant requirement for the building of involvement and relationships.

Relationships with other stakeholder types also need to be developed given the need to maintain support from regulators. For example, there is a tendency for institutional politics involving boards, trustees, central and local government. There is a need, therefore, to build relationships with such bodies (McLean, 1994).

3.4.2 Internal Organisational Aspects

Ambiguous Goals

A study of museums by Bradford (1991) identified the separation between those with whom one is trying to establish the museum's reputation (audience) and funders. Successful museums had a clear idea of what the museum was trying to achieve and

for whom they were doing it, the ability to communicate these objectives to both their staff and funders, curators being proactive and physical closeness to the visiting public.

Strategy v Tactics

A major issue regarding marketing within the arts is the fact that it is regularly perceived as being synonymous with promotion (Dibb and Simkin, 1993; Lewis, 1995). In effect, therefore, marketing is more likely to be seen as a tactical issue rather than a strategic one (Dibb and Simkin, 1993). Indeed, a good deal of the literature on arts marketing tends to be tactical (Hill et al, 1997).

McLean (1994) notes that museum literature emphasises promotion and is too often seen as a bolt-on function managed by junior members of staff who have responsibility for publicity. Permut (1980) found that marketing is predominantly sales promotion, advertising and selling with a view to increasing sales. The marketing role is predominantly seen as conflicting with artistic considerations. In terms of the use of marketing mix variables, promotion was considered as the most important, then pricing, with distribution hardly being considered at all. Most respondents saw the performance as the product with very few viewing the product in terms of social/aesthetic experience or enhanced leisure pursuits, cultural development etc. Marketing is therefore seen more narrowly than in private sector organisations.

Hirsch and Davis (1980) suggest that marketing expertise is likely to be brought in initially at the tactical level in order to improve subscriptions/ memberships, development, promotion and pricing. This is confirmed by Dibb and Simkin (1993) who found that the role of marketing in the leisure sector (including the arts) is different to other types of marketing. There was evidence that it is difficult to be revolutionary. For most marketers in leisure, the scope is oriented to fine-tuning to increase customer satisfaction, repeat visits and, if possible, to broaden at the edges, the customer base with a focus on communication of the core product. Within the

leisure sector, the marketing function has grown from a promotion or public relations focussed heritage to control all aspects of the customer and to increasingly be involved in product development. The understanding of the marketing mix is still a priority but from a narrow perspective with little involvement in organisational objectives and wider marketing strategy issues. This is compounded by an often narrow definition of competition, vague understanding of customers and misunderstanding of the potential impact from broader environmental issues.

Dibb and Simkin (1993) believe that the lack of market intelligence exaggerates the 'firefighting' tactical emphasis. Marketers, however, are aware of this problem but although their skills may not be as deficient as some believe, they have problems of resources and budget.

A study of leisure officers by Saker and Smith (1992) confirms the hypothesis that strategic marketing planning is poorly developed in leisure authorities. Market research is limited and although segmentation does take place, it appears to be oriented towards political and social policy. For strategic marketing to be effective, there needs to be control of mix elements. In many cases, however, this control is not present. Authorities seem to recognise the need to undertake marketing but do not appear to have realised the implications this type of activity has for the organisation.

Bell (1981) suggests that even where marketing planning has been developed, the process is different to that which is undertaken for goods because most production and marketing of goods takes place before the customer becomes involved whereas in services, there is less activity prior to customer involvement. Also, in services, tactical planning is often the responsibility of those delivering the service, simply because the service is usually, at least partially, designed specifically for each customer. These tactics can be modified as a service is delivered, in response to direct feedback at the time. This 'remixing' is not possible for goods.

However, some attempts, however, have been made to develop strategic insight into the museum sector (Bradford,1991; McLean,1993, 1995)

Management

Most arts administrators are not trained as managers.They tend to be artists, performers, art scholars etc. who manage by chance. Often the only business-trained person is the accountant. Lovelock and Weinberg (1988) note that not-for-profit organisations tend to be expertise-driven rather than customer-driven. Indeed, managers and board members can be so enamoured with their organisation's programmes and services, they believe these must be what the public needs and when prospective users fail to respond, this disinterest is ascribed to ignorance or inertia.

Employees

An important feature of services is the reliance on the role of those who have direct contact with customers and this is certainly the case for the arts with the commitment and zeal of individuals being an important feature (Hill et al.,1997) and the fact that marketing managers and staff members are chosen for their product knowledge or communication skills (Lovelock and Weinberg,1988).

However, there can be some potential conflicts between the views of personnel and that of the organisation as a whole. In museums, for example, visitors have little contact with museum personnel but this could be invaluable and as there is often conflict between marketing and conservation (McLean,1994). There may be a problem regarding the attitudes of museum workers and curators to visitors. Many curators see themselves as guardians of both the objects and of the minds of the public. A sense of trust and validation of the research and conservation functions need to be forged which demands strong leadership from the museum director (Bradford, 1991) and where training is an obvious response (McLean, 1995). Similarly in the performing arts, the

first task of a good marketing director is often to educate the artists to the positive definition of marketing and to build a trusting relationship (Cox, 1983).

3.5 Analysis of the Literature Sources

As in the previous chapter, the sources of the literature used in this chapter on the subsidised arts were analysed to identify particular research opportunities. Initially the literature used in this chapter was classified by topic area, art form, country of origin, author and whether the work was conceptual or empirical and if empirical, the method used. This is presented in Appendix 2, Table A.2.1. Tables were then produced (Tables A.2.2 and A.2.3 in Appendix 2) which presented the number of references for empirical or conceptual work for each art form and whether they were UK or US based for each topic area. These were further collapsed into two headings: marketing and internal organisational issues (Table A.2.4. in Appendix 2).

Of the references considered, 52% were UK based, 38% were US based and 10% were from other countries. 37% dealt generally with all art forms, 25% dealt with the performing arts, 31% with the visual arts and 7% dealt with other 'art forms' such as leisure. 50% were references dealing with empirical work and 50% were conceptual pieces.

A more detailed analysis of the literature resulted in the following findings:

- Although more UK references were considered than those from the US, there was twice as much US literature on the Performing Arts as there was from the UK. In contrast, there seemed to be far more UK work in the area of the Visual Arts.

- There seemed to be far more empirical work in the area of Strategic Marketing for the Performing Arts than any other art form. However, there seemed to be a good deal more US work than that undertaken in the UK. There was little conceptual work on the strategic marketing aspects of the Performing Arts, however, and those that did exist were all from the US, Canada and Australia.
- The majority of references to Relationship Marketing were within the Performing Arts literature but virtually all came from the US or Australia.
- Empirical work on Marketing Mix issues tended to be equally spread between the Performing and Visual Arts.
- Empirical works that related to the Performing Arts on Internal Organisational aspects were US based and dealt with Strategy versus Tactics and Management issues.

The above would seem to indicate a need for empirical work in the Performing Arts within the UK in the key areas of Strategic Marketing and Relationship Marketing. Particular emphasis should be given to the issue of Strategy versus Tactics within these organisations.

3.6 Chapter Summary

This chapter considers the literature on marketing within the arts. The work was discussed using similar headings to that used in the previous chapter, namely marketing and internal organisational issues. It was found that many of the issues highlighted in

the chapter on not-for-profit marketing in general were equally important for the subsidised arts in particular. Over-emphasis on tactical short-term considerations to the detriment of a more strategic focus was highlighted. An analysis of the literature suggests an opportunity for further empirical work based in the UK on strategic and relationship marketing in the performing arts. Such work will help to produce a conceptual body of knowledge in the area of relationship marketing for this type of art form which could in turn, lead to practical recommendations for managers of these organisations. As a result of this finding, a review of the literature on relationship marketing is necessary to inform the research study to be undertaken and to identify particular aspects of the body of knowledge on relationship marketing which are of value to empirical study of the subsidised performing arts in the UK. This review is presented in the next chapter.

CHAPTER 4: RELATIONSHIP MARKETING

4.1 Introduction

The previous chapter highlighted a number of key issues which seemed to relate to the very specific context of marketing within the arts. In addition to the seeming over-emphasis on tactical, operational issues, a number of authors identify the importance that could be attributed to the application of relationship marketing to the arts (Kotler, 1980; Hyde and Lovelock, 1984; Langeard and Eiglier, 1984; Bradford, 1991; McLean, 1993 and 1994; Hill et al., 1997; Voss and Voss, 1997; Christopher, 1998; Johnson and Garbarino, 2001; Rentschler, 1999 and Rentschler et al, 2002).

This chapter reviews the concept of relationship marketing (the development and maintenance of mutually beneficial relationships), its historical development and its key features with a view to evaluating its relevance to the subsidised arts market.

4.2 Development of the Concept

The 1990's and the early years of the twenty first century have seen the culmination of the development of a perspective which involves the production of personalised marketing in which knowledge of individual customers is used to guide highly focused marketing strategies. Enduring relationships with customers cannot be duplicated by the competition and therefore such relationships provide unique and sustained competitive advantage.

This approach sees a shift towards a market creation orientation based on incremental improvement and ongoing processes rather than one-time events (McKenna, 1991). This new marketing requires a company to master a high degree of knowledge of the technology in which it competes, its competition, its customers and its own organisation. This leads to the development of an infrastructure for suppliers, vendors, partners and users whose relationships help sustain and support the company's reputation and

technology. It also requires an emphasis on interactivity and creativity that ensures greater customer involvement with the company, creating and sustaining a relationship.

Relationship marketing has grown over the years due to a number of important changes in the market place. Markets have become increasingly fragmented with customers expecting and demanding more from suppliers combined with rapid changes in customer buying patterns. Levels of product quality have improved dramatically, forcing companies to seek competitive advantage in other ways. In addition, there has been an intensity in global competition. There has been an increasing emphasis on relational interaction, an integral element of relationship marketing, influenced by developments in the legal system, existing networks, third party organisations/ brokers, and public pressure (Waddock, 1989). Today, increasing technological knowledge is producing a need for skilled lateral relationships (Huber, 1984) in an increasingly turbulent environment. All these indicate a need for flexibility where fewer vertical organisational systems or at least vertically disaggregated firms would just be brought together when necessary (Huber, 1984).

These changes require organisational responses. Achrol (1991), for example, proposes two possible organisation types: the Marketing Exchange Company which is organised around consumers and markets and depends on the quality of its marketing information network, and the Marketing Coalition Company, which acts as a coordinator for a network of strategic alliances. Indeed, alliances are more successful in turbulent environments as they are better for gaining access to new complementary products or technologies without the risks of internal development (Bucklin and Sengupta, 1993).

There is nothing new, however, in the idea of trading through strong relationships. Owners of small businesses had often been able, through personal contact, to know and understand the needs of their customers but as the size of firms increased, it became

difficult to maintain such contacts. New technology and the development of sophisticated databases has made this possible once again.

4.3 'Relationship Marketing': A New Type of Marketing?

Relationship marketing can mean many things to many people. In its simplest form, it is after-sales service. However, many companies do this quite reactively rather than as a planned effort to increase customer retention rates. In a more pro-active approach, organisations gather information about their customers and then decide with whom they can develop a dialogue. This can be done through offers geared to specific needs or through loyalty programmes. Relationship marketing can allow buyers and sellers to work together in joint problem solving to ease the pressures on the buyer.

Some have argued that relationship marketing can emphasise a whole offering that includes a number of services as well as the product itself. Indeed some (Grönroos 1996) see it as redefining the business as a service business (incorporating both product and service elements) making the key competitive elements, part of service competition. More specifically, Grönroos sees the above together with the need to look at the organisation from a process management perspective rather than the functionalist view, as important strategic roles for relationship marketing. He believes that those companies that want to adopt relationship marketing should recognise that a significant change in business philosophy is required. Similarly, Boedeker (1997) sees relationship marketing as centring on developing a continuous relationship between buyers and sellers. These are usually long-term (Copulsky and Wolf, 1990; Bennett, 1996) and dynamic. Relationship marketing entails acquiring information about customers as individuals, this information being based on communication which should be proactive and defined in the customer's terms.

Some see relationship marketing as involving more than just relationships between buyer and seller. Gummesson (1999) defines Relationship Marketing as:

“...marketing seen as relationships, networks and interactions”

Gummesson (1999): 1

and identifies thirty relationship types all of which have the potential values of long-term collaboration, win-win, active parties and relationship and service values rather than bureaucratic-legal ones. Ford (1998) similarly highlights the importance of portfolios of relationships and the activity links, resource ties and actor bonds that arise from them. Marketing through relationships as compared to transactional marketing, means that interactions between the parties concerned are connected to both previous and future interactions and that counterparts may become interdependent over time as they continue to interact (Holmlund and Törnroos, 1997).

Boedeker (1997) believes that relationship marketing can be put to use on various levels, depending on the type and number of bonds used by the company to increase customer loyalty. The higher the level, the higher the potential payoff. At the lowest level, price incentives are used to increase the value of the customer experience, but this seldom offers long-term competitive advantage as price is the most easily imitated tool. At the second level, besides price, social bonds are sought by establishing services beyond the ordinary. This is based on learning about clients' wants and needs, customising the service and the relationships and continually reselling the benefits of the relationship. This develops to a third level, where structural bonds are created by providing clients value-adding systems which are not possible for the clients to build or use solely by themselves and are not available from other sources. Boedeker (1997) believes that this approach can be applied to various kinds of relationship such as the company network, between two individual companies, between the company and other stakeholders and internal marketing.

Shani and Chalasani (1992) analyse the relationship between relationship marketing, niche marketing, database marketing and segmentation. They consider segmentation to be the process of breaking a large market into smaller and more manageable sub-markets that are homogeneous and significantly different from each other. Niche marketing, on the other hand, is the process of carving out a small part of the market whose needs are not fulfilled so that the company can match unique needs. Database marketing is the collecting of information about past, current and potential customers in order to build a database that can improve the marketing effort and relationship marketing is the development of a continuous relationship with consumers across a range of related products and services. Relationship Marketing combines database marketing, general advertising, sales promotion, public relations and direct marketing. More formally, Shani and Chalasani (1992) consider relationship marketing as:

“an integrated effort to identify, maintain and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualised and value added contacts over a long period of time.”

Shani and Chalasani (1992): 44

In their analysis of the four types of marketing, Shani and Chalasani (1992) consider niche marketing and segmentation as involving different philosophies. Whereas segmentation is a top-down approach, niche marketing is a bottom-up approach. Table 4.1 displays the main differences between the two approaches:

Table 4.1: Two Different Philosophies: Segmentation and Niche Marketing

Segmentation	Niche
Top down	Bottom up
“Breaking up” based on differences, all segment members considered as different	Emphasis on individuals
Larger in size	Smaller in size
Emphasis on splitting to smaller manageable parts	Emphasis on fulfilling a specific need

Source: Shani and Chalasani (1992): 45

Advances in technology make it possible to carve out niches and target individual members with precision. For Shani and Chalasani (1992), the ideal niche in the future is a single customer. They believe that database marketing and relationship marketing are two strategies that can make such an ideal niche a reality and see relationship marketing as being based on the identification, building and continuously updating of a database to store relevant information about current and potential customers. These strategies also require the use of innovative media to target the customer and communicate with him/her on a one to one basis. Tracking and monitoring of the relationship with each customer over time is needed and the lifetime value for the organisation calculated. Table 4.2 displays the main differences between Relationship Marketing and Database Marketing:

Table 4.2: Differences Between Relationship Marketing and Database Marketing

Database Marketing	Relationship Marketing
Transaction driven	Relationship driven
Single addressable message	One to one communication
Short term interest in consumer	Long term interest
Keeps traditional customer information	Requires much larger information base
One way communication channel	Interactive
Emphasis on efficient reach of customers	Emphasis on making customers equal partners

Source: Shani and Chalasani (1992): 47

Shani and Chalasani (1992) produce a matrix using time period and management style as the two key dimensions with the four different types of marketing being allocated to particular cells. This is shown in Figure 4:1.

They believe that in consumer industries, there should be movement from niche marketing to database marketing and then onto relationship marketing.

Fig. 4.1: Different types of marketing based on time period and management style:

	Short Term	Long Term
Top Down	Segmentation marketing	Data base marketing
Bottom up	Niche marketing	Relationship Marketing

Source: Shani and Chalasani (1992): 48

Grönroos (1990,1991,1994) redefines marketing as follows:

“ Marketing is to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This is achieved by a mutual exchange and fulfilment of promises”.

Grönroos (1997): 13

According to Grönroos, all marketing strategies lie on a continuum ranging from transactional to relational. He sees the relational strategy as focusing on interactive marketing with the 4P's of the marketing mix in a supporting role. Rather than employing market share as a measure of marketing success, this approach uses customer retention.

Christopher, Ballantyne and Payne (1991) see Relationship Marketing as a synthesis of three complementary perspectives. Firstly, the nature of the way the companies are viewing their relationships with customers is changing with the emphasis shifting from a transactional to a relationship focus. Secondly, a broader view of the markets with which the company interacts is emerging. In addition to customer markets, there is the development and enhancement of more enduring relationships with supplier, recruitment, referral, influence and internal markets. Thirdly, there is a recognition that quality, customer service and marketing activities need to be brought together.

Christopher et al (1991) see all three being linked to customer retention. The second perspective above implies relationships with others, not just customers, and particularly internal markets. This is a very important market as there seems to be a strong linkage between employee satisfaction, employee retention and customer retention (Reichheld and Kenny,1990). The third perspective is concerned with improving service quality through the integration of quality, customer service and marketing. All these together should lead to improved customer retention.

A further definition is offered by Morgan and Hunt (1994):

“Relationship Marketing refers to all marketing activities directed toward establishing, developing and maintaining successful relational exchanges”

Morgan and Hunt (1994): 22

They identify ten forms of relational exchange which can exist within four types of partnerships: supplier partnerships, lateral partnerships, internal partnerships and buyer partnerships (figure 4.2).

Fig. 4.2: Forms of Relational Exchange

<u>Supplier Partnerships</u>	<u>Lateral Partnerships</u>	<u>Internal Partnerships</u>	<u>Buyer Partnerships</u>
Goods Suppliers Service Suppliers	Competitors Non-profit Organisations Government	Business Units Employees Functional Departments	Intermediary Customers Ultimate Customers

Source: Adapted from Morgan and Hunt (1994): 21

All the above imply a change, not only in terms of marketing practices but also in terms of the development of a new marketing theory. Möller and Halinen (2000), in a conceptual

analysis of the roots of relationship marketing thinking, however, argue that relationship marketing does not form a general theory of marketing as it involves two types of relationship theory. Firstly, one that is market based which is consumer oriented and secondly, one that is network based which is more interorganisationally oriented. They see the former as having low relational complexity and the latter as having high relational complexity. Table 4.3 displays the managerial challenges each type of relationship marketing produces:

Table 4.3: Managerial Challenges of the Two Types of Relationship Theory

Market-based	Network-based
Developing and managing portfolio of customer relationships. Issues: identifying criteria for classifying customers, measuring customer states, responses, expected revenues and costs of customer care.	How to manage the firm from perspective of nexus of resources of exchange relationships. Issues: classifying what resources to develop and govern internally, what to exchange through what kinds of relationships.
Managing marketing activities per customer group (segment). Issues: organising the integrative use of marketing activities, including personal and non-personal contact patterns.	Developing and managing a portfolio of exchange relationships. Issues: criteria for classifying relationships according to type of 'governance' or management needed in successful exchange.
Managing individual customer relationships.	Creating, maintaining and concluding networking positions.
Managing multiple contact channels in an integrated fashion.	Developing interfunctional organisational solutions for coordination of exchange relationships.
Creating interfunctional business solutions for handling the above.	Managing individual relationships
Creating advanced flexible information systems/databases	Initiating and developing strategic partnerships.
	Intentionally constructing supplier nets/ customer nets
	Traditional planning is difficult not sufficient

Source: Möller and Halinen (2000): 46/47

The implications of the above are that different approaches are required depending on the particular focus: the consumer or the organisation. However, it is unlikely that building and maintaining relationships with customers alone will be successful. Other stakeholders as has previously been noted, need to be considered. Therefore, it is more likely that the network-based relationship theory is more appropriate for all relationship marketing situations.

Relationship Marketing strategies, however, may not be appropriate to all buyer-seller relationships. The extent to which the development of ongoing relationships represents a desirable marketing strategy depends on the following:

1. The complexity of service uncertainty on the part of the buyer: The greater this is, the higher is the likelihood of customers seeking a relationship (Berry, 1983; Lovelock, 1983)
2. Where a stream of benefits is produced and consumed over time. The longer the period of time the greater the need for a relationship. Medical treatment for example.
3. Where customers seek reassurance that a relationship can bring with it some form of preferential treatment. This can save switching costs.
4. Where the market environment is turbulent (Zeithaml, 1981).

4.4 The Benefits of Relationship Marketing

Relationship marketing is based on two arguments. Firstly, that it is more expensive to win a new customer than it is to retain an existing one and secondly, the longer the association, the more profitable the relationship for the firm. Whilst it would depend on the individual, it is claimed that getting a new customer is 5-10 times more expensive than retaining one. This is not only because of the direct costs that are incurred but also the costs of unsuccessful prospecting that can be saved. Reichheld and Sasser (1990) further claim that as customers become more satisfied with the service they receive, the more they buy. As purchases increase, operating costs fall due to the advantages of the experience curve and this in turn leads to increased efficiency. Reducing customer defection rates is obviously critical for retention. As defection rates fall, the average customer relationship lifespan

increases. When customers defect they take margins from current transactions **and** future margins **and** negative word of mouth comments.

Relationship marketing's stress on loyalty, customer retention and long-term relationships is a key to profitability (Gummesson, 1998). In analysing the interaction between service providers' contact personnel and the customer and the interaction between customers, Gummesson (1998) suggests that the rationale for relationship marketing is usually presented in increased customer loyalty and retention, with customer share rather than market share being considered as more important. Increased customer retention and duration of the relationship will reduce marketing costs and therefore lead to increased marketing productivity. However, the relationship must be win-win if it is to be long-term and constructive and the initiative must come from all parties to produce equal and respectful interactions. Relationship marketing increases security which aids the marketing effort and makes outcomes more predictable. Other key benefits include long-term service customers becoming better co-producers. This helps production and delivery and thus improves quality. This also means that service providers can gradually build up knowledge about their customers. In addition, customers tend to become less price sensitive as the relationship becomes more important to them than price alone.

In addition to the use of terms such as market share and economies of scale, there is now the use of 'share of customer' and 'economies of scope'. The share of the customer refers to the percentage of an individual's lifetime purchases. Economies of scope refer to the cost savings resulting from the complementarities of products. Instead of 'brand loyalty', 'customer loyalty' is being used and this emphasises the interactive nature of the commitment of the customer to the firm and/or its employees. Brand loyalty, in contrast, suggests that the commitment is to the product.

4.5 Where is Relationship Marketing found?

Relationship Marketing is most widely practised in service markets due to the nature of inseparability of customer and provider in services. As a result, some form of relationship must exist during service provision (Palmer, 1997). It is also used in channel management and relationships between members of the marketing channel have been examined (Dwyer, Schurr and Oh 1987; Anderson and Narus 1990). Relationship marketing is also found in industrial marketing and it is in this area that a good deal of the initial thinking on Relationship Marketing occurred.

Turnbull (1987), in highlighting four types of model of industrial buying behaviour, identifies what is known as the 'interaction model', which can be regarded to be the forerunner of the relationship marketing perspective. The interaction perspective places the emphasis on processes and relationships. Buyers and sellers are seen as active participants in long-term relationships which involve complex patterns of interaction. Marketers and purchasers are more involved in supporting and maintaining relationships rather than merely buying and selling. The links between the two parties can eventually become institutionalised.

Proponents of this approach have suggested that the more traditional approach to the understanding of business relationships is largely invalid (Ford 1980, Turnbull and Cunningham 1981, Håkansson 1982, Ford 1984, Ford et al 1986, Cunningham and Homse 1986, Turnbull 1986, Ford 1989). In an international context there is a similar view. Kale and Barnes (1992) note that a key factor is interaction:

“ Conducting business across international boundaries requires interaction with people and their organisations nurtured in different cultural environments”.

Kale and Barnes (1992): 101

Håkansson (1982) gives three sets of variables to be taken into consideration when assessing the importance and influence of interaction: the environment in which the interaction takes place, the “atmosphere” surrounding the interaction, and the elements and process of the interaction itself. He hypothesises that these relationships go through two basic stages of development, the first of which he calls the ‘episodes’ stage, which consists of an exchange of products/services, information etc. between companies. Once this stage has been achieved to the mutual satisfaction of concerned parties, they progress to the next stage, termed ‘adaptations and institutionalisation’ which is largely based on the concept of developing relationships. A crucial element in both achieving and developing each stage of the relationship is the establishment of a degree of mutual trust. In one sense, these relationships are merely an extension of ‘social exchange’ but in effect they are more far reaching, binding and longer lasting and are of crucial importance in the development of interaction between the parties concerned. Over a period of time, Håkansson expects routine social exchange to lead to clear expectations about roles and responsibilities on the part of both parties. Eventually these expectations become “institutionalised” and form part of the traditional way of operating.

The Interaction Perspective looked specifically at the interaction between suppliers and purchasers and a good deal of this approach developed out of research undertaken by the IMP (International Marketing and Purchasing) Group which specifically considered such interactions in an international context.

Over a period of time, the importance of other relevant stakeholders in the interaction have been considered and the 'Network Perspective' was developed. This Network perspective can be seen to be an important influence on the development of the more generic 'relationship marketing'. The network approach deals primarily with very complex/ multifunctional relationships that are considered to be embedded in a web of interconnected relationships in a network (Håkansson and Snehota, 1995).

Jackson (1985) is often quoted as being one of the first people to apply a relationship marketing perspective in the industrial marketing context. She notes that different types of industrial customer require different types of marketing and distinguishes between two extreme types of situation. At one extreme there is the "always a share" situation where a buying organisation, by the very nature of the market it is in, can share out the business to various suppliers. In this situation, building a long-term relationship with one supplier would be inappropriate. The other extreme case is what Jackson terms the "lost for good" situation. Although the term seems to sound a negative one, this scenario is positive for a supplier if there is an ongoing relationship with a buyer. The business, however, is likely to be "lost for good" if it is lost at all.

Jackson (1985) believes that relationship marketing is valuable in the latter situation and 'transaction' marketing more appropriate in the former case. Of course, she accepts that there are intermediary types. The key to the approach is that there is a need to understand the customer's position to gain a benefit and a key issue on the part of the buyer is the possible cost of change, especially if there has been a long-term relationship.

Holmlund and Törnroos (1997) build a marketing model of relationships in a business marketing setting. Based on the literature, they view relational concepts on three

dimensions: structural, economic and social. The following figure demonstrates these dimensions and the relational concepts related to each (figure 4.3)

Fig. 4.3: Relationships in a Business Marketing Setting

	Dimension	Relational Concepts
R E L A T I O N S H I P S	STRUCTURAL	Links Ties Connections Institutional Bonds
	ECONOMIC	Investments Economic Bonds
	SOCIAL	Commitment Trust Atmosphere Attraction Social Bonds

Source: Holmlund and Törnroos (1997): 307

The structural concepts relate closely to the visual aspects of relationships and comprise activities the partners perform which are interlinked and interdependent, how partners are tied together in terms of resources, how relationships are connected to other relationships in the network and the connections to institutional actors.

On the economic dimension, investments, which are many sided and complex, are connected to value creation, profit expectations and mutual gains. They can be made in monetary, technological, market and in trust and commitment terms.

The social dimension comprises the web of actors on the individual level, and highlights how people (individuals and groups) in the different organisations in a business network are interconnected. Of particular importance is communication which is the 'glue' which brings them altogether.

Holmlund and Törnroos then distinguish between three layers. The production network, which is delineated by value chains, the resource network (financial, technological, marketing etc.) which has more actors than the production network layer, and the social network which comprises a web of actors

The classifications are then depicted in a matrix which is displayed in figure 4.4.

Fig. 4.4: A Relationship Matrix of Relational Concepts on the Three Network Layers

	Dimensions		
Network layer	Structural	Economic	Social
Production network layer	Links	Investments	Connections
	Connections	Bonds	Bonds
Resource network layer	Ties	Investments	Connections
	Connections		Bonds
Social network layer	Links	Investments	Atmosphere
	Connections		Bonds
			Trust
			Commitment

Source: Holmlund and Törnroos (1997): 308

Another sector where relationship marketing may be important is the not-for-profit sector (McCort, 1994; Conway, 1997; Gummesson, 1999; Brennan and Brady, 1999).

Using the term 'nonprofit', McCort (1994) believes that such an organisation should view its customers not as targets to be reached, but as partners in the mission of the organisation. He believes 'nonprofits' have unique characteristics that match well with a relationship marketing strategy. These congruencies stem from the dual nature of their publics- their donors and their patrons. Individual donors provide resources- time and money- and in return, they receive either personal intrinsic rewards or normative external benefits. Whatever the goods and services of the organisation, however, it acquires

intrinsic rewards from fulfilling its mission and gains possible extrinsic benefits such as favourable publicity.

Table 4.4 summarises how a relationship marketing strategy satisfies the needs of the 'nonprofit' sector:

Table 4.4: Relationship Marketing and the Nonprofit Sector

Congruence between nonprofits and RM	
Nonprofit Challenges	Relationship Marketing Benefits
1. Long term support needed	Fosters long-term committed relationship
2. Goods and services are intangible	Relationship becomes tangible benefit tying donor to the organisation
3. Giving motivation is intrinsic	Fosters sense of ownership in mission. Relationship becomes a salient attribute linking donor to the nonprofit
4. Communication can be ambiguous	Relationship builds donor confidence in the organisation
5. Marketing is incompatible with nonprofit ethos	Strategy stresses mutually beneficial relationship is greater than any single transaction
6. Fundraising	Provides a sustainable strategy capable of meeting the organisation's needs

Source: McCort (1994): 55

The 'nonprofit' organisation must continuously develop constituents that will support its mission by giving of their time and money. Relationship marketing develops partnerships and thus can increase donor loyalty. In building relationships, 'nonprofits' then can focus on how they can help donors develop within the scope of the 'nonprofit' mission and, as significant others act as an influencing force that motivates individuals to comply, this influence could be enhanced through communicating the work the donor does for the nonprofit organisation.

Brennan and Brady (1999) also believe that not-for-profit organisations are well suited to relationship marketing. They note interaction, low price elasticity, the measuring and

monitoring of customer satisfaction and internal marketing as key features of not-for-profits that fit well with the relationship marketing approach.

Gummesson (1999) sees the non-commercial relationship as one of the thirty he identifies and recommends greater collaboration between not-for-profit organisations and their various stakeholders.

Relationship marketing could perform a role in driving not-for-profit organisations towards a more strategic direction (Conway, 1997). In not-for-profit organisations, resources are generated from a contributor market and then reallocated to a largely separate beneficiary market, and because 'consumers' do not pay directly for the service, there is pressure for marketing to take on a 'selling' function in order to attract funds (Birks and Southan 1991). The allocation of these funds to the beneficiaries tends to be undertaken by people or departments not involved with marketing or with a marketing department that sees its role as that of communication, which tends to be of a tactical, short-term nature. Measurement of revenue is merely measuring the contribution from donors and is not necessarily a measure of success as there is no consideration of whether clients are being satisfied.

There is a need for a more long-term marketing perspective. Relationship marketing using tactical marketing tools merely as a support for broader interactive marketing is proposed where interactive marketing deals with the relationship that occurs during the consumption of the service process. Here the 'beneficiary' interacts with systems, physical resources and employees of the service provider (Grönroos 1982) which is a

more strategic process. In order to ensure that not-for-profit organisations have a more strategic, planning perspective, the development of long-term relationships with a variety of 'customers' becomes important.

4.6 What is Meant by a 'Relationship'?

The basis of a relationship is the existence of a substantial probability of interaction (Sheaves and Barnes, 1996). Whilst McCall (1970) sees social relationships as a form of social organisation where 'bonds' unite persons in a relationship, Duck (1991) sees relationships as providing support with 'reciprocity'. The nature of this support helps to define the degree and type of relationship.

Hinde (1979) agrees that the term relationship implies interaction but not necessarily a cooperative one as relationships can also involve conflicts and can exist between enemies. Of equal importance is the fact that interaction does not necessarily mean that there is a relationship. A relationship can be stable but not necessarily 'close' and this can have important implications for customer/producer relationships (Gupta, 1983).

Holmund and Törnroos (1997) believe that one way of grasping the nature of relationships is to outline what activities and exchanges they encompass. Relationships may be analysed from a social-psychological and/or a political perspective by focussing on individual actors. An additional way to describe relationships is to approach them from an economic viewpoint i.e. via costs and benefits. Takala and Uusitalo (1996) also see exchange as including the struggle for power balance.

4.6.1 Components of Successful Relationships

A good deal has been written on the components of successful relationships (Gupta, 1983; Jüttner and Wehrli, 1994; Dion et al, 1995; Dawar et al, 1996; Holm et al, 1996; Conway, 1996; Selnes, 1998; Ali and Birley, 1998; Lin and Germain, 1998; Gummesson, 1999) and although many factors have been identified in the literature as being of particular importance in the development of relationships, five seem to be the most commonly noted (Conway and Swift, 2000): (i) commitment, (ii) trust, (iii) seller's customer orientation/empathy, (iv) experience/satisfaction and (v) communication.

4.6.1.1 Commitment

Of central importance in developing relationships is the level of commitment a partner feels towards that relationship. Commitment is an intention to continue a course of action or activity (Hocutt, 1998). Indeed, Wilson (1995) identifies commitment as the most common dependent variable used in buyer-seller relationship studies. Morgan and Hunt (1994) see relationship commitment as a key characteristic associated with a successful marketing relationship as do Berry and Parasuraman (1991). Commitment level has been found to be the strongest predictor of voluntary decisions to remain in a relationship (Rusbult, 1983).

Rusbult and Buunk (1993) see commitment as summarising prior experiences of dependence and directing reactions to new situations and is a long-term concept. They identify two key attributes that determine the magnitude of commitment to a relationship: satisfaction level (made up of the degree to which the relationship provides valuable outcomes and a comparison level of alternatives) and level of investment.

Commitment can also be viewed as the desire to maintain a relationship (Hocutt, 1998) and this is often indicated by an ongoing 'investment' into activities which are expected to

maintain the relationship (Blois, 1998). Rusbult (1983) believes that commitment is stronger when levels of satisfaction are high (Gladstein, 1984; Kelley and Davis, 1994), when the quality of alternatives is perceived to be poor, and when investment size is large.

Gundlach, Achrol and Mentzer (1995) study the effect of the credibility and proportionality of commitment inputs in an exchange upon the development of relational social norms, opportunism and long-term commitment intentions. They believe that commitment possesses an input or instrumental component. Affirmative action taken by one party creates a self-interest stake in the relationship and demonstrates more than just a promise. It also includes an attitudinal component signifying an enduring intention to develop and maintain a relationship. Commitment embraces a temporal dimension in that it implies consistency over time. Gundlach, Achrol and Mentzer (1995) note that commitment involves a snowballing process, so that credible commitments and intentions in one period are expected to be reinforced in the next period. This credible commitment is expected to lead to the development of relational social norms which reduce opportunistic inclinations and reinforce long-term commitment. Of particular interest, is that disproportionate commitment inputs by parties may lead to less relationship commitment and relational norms.

Commitment is also likely to be influenced by social bonding. Buyers and sellers who have a strong personal relationship are more committed to maintaining the relationship than less socially bonded partners (Wilson and Mummalaneni, 1986).

Social bonding would seem to be closely connected to the concept of 'closeness'. A relationship is 'close' when it is characterised by high interdependence over a period of time. Closeness influences the size of the investment in the relationship which in turn influences commitment (Hocutt, 1998). The development and maintenance of a

relationship requires the investment of time, energy, emotion and money. Anderson and Weitz (1989) found evidence to suggest that the greater the level of investment made by a manufacturer in a relationship, the greater the increase in that manufacturer's commitment to its relationship with its distributor.

4.6.1.2 Trust

Trust is the precondition for increased commitment (Mietilla and Möller, 1990) and is a fundamental relationship model building block, being included in most relationship models (Wilson, 1995). Indeed, trust is often stated as a vital factor in successful relationships.

Cowles (1997) analyses the way the term is used and although there are many definitions, she cites in particular, Giffin (1967) who states that trusting behaviour occurs when a person relies on another, risks something of value and attempts to achieve a desired goal.

Ford (1984) sees trust as an important consideration as:

“... many aspects of relations between customers and suppliers cannot be formalised or based on legal criteria. Instead relationships have to be based on mutual trust.”

Ford (1984): 18

Promises must be kept in order to maintain relationships, with mutual trust being a main factor in long-term relationships (Takala and Uusitalo, 1996). The challenge for relationship marketing is to demonstrate commitment to a relationship and to inculcate trust in the partner. Trust is established where the perceived performance matches promised performance but trust established through interaction is also combined with

other external factors such as word of mouth opinions and media reports about the seller to form an overall perception of trust in the seller (Takala and Uusitalo,1996).

A number of authors also link trust to commitment (Rotter,1967 ; Wilson, 1995; Liljander and Strandvik, 1995; Morgan and Hunt, 1994 and Hocutt,1998). Morgan and Hunt (1994), for example, argue that both trust and commitment, are 'key' elements in a relationship as they encourage marketers to work at preserving relationship investments, by co-operating with exchange partners. Trust and commitment also aid in resisting attractive short-term alternatives, in favour of the expected long-term benefits of staying with existing partners. An environment of relationship commitment and trust produces a desire to provide excellent service. Relationship marketing requires an organisation-wide commitment to providing high quality service which is reliable and responsive and excellent service should improve profitability.

Rotter (1967) sees trust as a generalised expectancy held by an individual that the word of another can be relied upon. In economic exchanges, there is the expectation that parties will make a good faith effort to behave in accordance with any commitments, be honest in negotiations and not take advantage of the other even when the opportunity is available (Hosmer 1995). Rusbult and Buunk (1993) and Ganesan (1994) see satisfaction and experience as antecedents of trust. Ganesan (1994), for example, believes that trust reflects two components: credibility and benevolence. Credibility relates to the consistency, stability and control of the behaviour exhibited and benevolence focuses on the motives and intentions of the exchange partner.

Pearce (1974) points out that many do not distinguish between trusting behaviour and trust itself, which he sees as the subjective probability that the other will behave trustworthily. Making this distinction allows for the possibility of distinguishing between

trusting behaviour in which the person has little hope that the other will respond trustworthily and trusting behaviour in which the person has virtually complete confidence in the other's trustworthiness. Pearce's model of trust in person-to-person relationships differentiates between 'cognitive trust' which is the extent to which an individual assesses the subjective probability of trustworthiness and 'trusting behaviour'. Accordingly, it would be possible for a person to engage in trusting behaviour without having reached "a cognitive state of trust". Conversely, an individual's cognitive trust in another person does not relegate all subsequent behaviour with the other person to the category of 'trusting'.

Cowles (1997) believes that there are two determinants when considering the role of trust in customer relationships. Firstly, there is a need to know what constitutes an act of trust and secondly, when does trust explain a customer's behaviour? She believes that trust and trusting behaviour can only occur when there is expectation of the other's behaviour and that trust and trusting behaviour are linked to risk. A customer relationship therefore does not always involve trust (if there is no risk, trust is not relevant). Indeed, there may be a 'trust threshold' which varies from customer to customer, below which a relationship can exist without trust. This links to trust to customer behaviour as if there is risk, customer behaviour may be defined as 'trusting'. If there are contractual safeguards, there is no risk and therefore no trusting behaviour.

Finally, Ali and Birley (1998) identify two types of trust:

a) Characteristic Based Trust ("because of who they are"): this "... pertains only to individuals ..." and is dependent on criteria such as "...social similarity..." between individuals.

b) Process-Based Trust (“ *because of how they behave*”): this refers to the association between “...trust and long-term relationships.” This is a more rational form of trust and is based on existing performance and relationships.

The influence of trust on the development of relationships is considerable, especially at the later stages of relationship development. Furthermore, trust has the potential to influence the development of two other major variables: customer orientation/empathy and experience/satisfaction. A high level of trust is likely to engender a more positive attitude, which in turn is likely to increase the level of customer orientation/empathy. Conversely, low trust can have the opposite effect: how can you begin to empathise (identify) with someone you do not trust? Similarly, trust can be related to experience. In their model of “trusting behaviour”, Mitchell et al (1998) see experience as an important variable as it plays a role in trust by making it possible to compare the realities of the firm with preconceived expectations. Ganesan (1994) goes further, and views experience as an *antecedent* of trust. It is difficult to build trust where no (or very little) experience exists, despite subsequent positive experiences. A negative experience however, can be used to justify or confirm the low level of trust that one person has in another. Thus, low trust levels can effectively be reinforced by a negative experience - a downward cycle.

4.6.1.3 Customer Orientation/Empathy

The word “empathy”, really refers to an understanding of, or the ability to see a situation from someone else’s point of view, although many use the term synonymously with affinity and liking.

Studies have shown how “liking” by one party of the other is important in the development of close interpersonal and business relationships (Friedman et al 1988, Moorman et al, 1992). The greater the degree of empathy or “liking” between the parties

concerned, the fewer the barriers to relationship development. “Liking” a particular individual (or group of people) gives a more positive outlook towards that person; Aronson (1969) mentions “... interpersonal attraction...”, a theme that is also addressed by Adler and Graham who suggest that :

“ In addition to the bargaining strategy itself, interpersonal attraction (e.g., like/dislike, friendly/unfriendly feelings) can strongly influence current negotiation outcomes and the success of future transactions.”

Adler and Graham (1989): 523

This supports previous claims of a link between social bonding and closeness, and the balance of evidence would, therefore, appear to underline the importance of empathy or liking as a major influence in establishing relationships. Indeed, even where service delivery has failed, the ability to empathise with the customer can help build a relationship.

Customer orientation encourages trust and increases the chance of developing a long-term relationship and thus more sales. Customer orientation requires the whole firm to satisfy customer needs more successfully than the competition and this is likely to lie in the way salespeople are rewarded and how their activities are organised (Williams,1998).

4. 6.1.4 Experience/Satisfaction

Experience is another factor in successful relationships. The decision to continue in a relationship can be seen as dependent on the level of congruity between relationship expectations and performance so far (Levitt,1981; Jackson, 1985). Negative experience may, of course, hinder the relationship, or even lead to customer defection. Furthermore, the last experience is usually remembered best (the “recency effect”): thus *one* positive experience may be sufficient to alter perceptions of *more than one* preceding negative

experience, and vice versa. This suggests the importance experience can have on customer satisfaction (Rosen and Suprenant, 1998). The more satisfied the customer, the more durable the relationship (Buchanan and Gillies, 1990). Storbacka et al. (1995) believe that customer satisfaction can be experienced at both an episodic and at a more general relationship level. Relationship satisfaction is a multi-dimensional construct which has been conceptualised as a pre-requisite for relationship quality. Crosby and Stevens (1989) see relationship satisfaction as having three dimensions: satisfaction with personnel, core service and the organisation. Dissatisfaction occurs where perceived outcome fails to meet expectations and thus the reporting of complaints should also lead to increased satisfaction and retention (Rust, Subramaman and Wells, 1991).

Storbacka, Strandvik and Grönroos (1995) propose a conceptual framework which incorporates the sequence of: Service quality → customer satisfaction → relationship strength → relationship longevity → customer relationship profitability, with the links between these various stages being important for analysis. They propose that the dissatisfied customer will defect and the relationship will end. However, this may be too simplistic, in that there may be a zone of tolerance. Likewise customer satisfaction may not lead to retention as large number of customers who defect say they are satisfied (Reicheld, 1993).

Liljander and Strandvik (1994) see satisfaction as the result of an outcome which has been evaluated in terms of the value received. A customer could rate a service highly and yet not be satisfied with the experience. They distinguish this from service quality which is a cognitive judgement of a service. Whilst it is usually based on experience, it can be based on knowledge about a service provider through word of mouth or advertising.

Although the confirmation/disconfirmation approach to analysing satisfaction has been criticised (LaTour and Peat, 1979; Clemons and Woodruffe, 1992), such dissent does not detract from the importance of experience as a variable in influencing satisfaction. Indeed, Rust and Zahorik (1993) believe that customer satisfaction has no direct impact on new entrants as potential customers at this point have no experience with the competitors. Additionally, Rosen and Suprenant (1998) provide evidence that what had been satisfiers/dissatisfiers during earlier stages of the relationship appear to be only sources of dissatisfaction as they become minimum requirements for partners.

Finally, Hocutt (1998) links satisfaction with commitment and trust. Although trust directly influences commitment, the relationship between trust and commitment is mediated by both satisfaction with the service provider and relative dependence. Satisfaction, then, is an important component of relationships, both in its own right and in the way it can influence other components.

4.6.1.5 Communication

According to Schramm (1954), communication is

“...the process of establishing a commonness or oneness of thought between a sender and a receiver.”

Schramm (1954): 3

Thus communication is a vital component in the establishment of business relationships, as *all* other components are experienced through the medium of communication .

In the business sense, communication is as much concerned with receiving as it is with giving (Cherry, 1952; Osgood and Sebeok, 1965; de Lozier, 1976 and Crystal, 1978). Within the field of business communications, the communicator, (or sender of the

message) still needs to know the effect his/her message has had on the target audience; “feedback” is essential, and this is only possible if information flows two ways.

The extent to which communication is important can perhaps best be calculated by considering the many target audiences with whom a business must communicate in order to survive. Rowe (1978) suggests two main categories of communication for each organisation - internal which refers to communications within an organisation and external which refers to those communications that exist with those outside the organisation.

Effective collaboration and co-ordination depend on effective communication, and communication becomes even more important when one is trying to establish business relationships. The importance of communication as an element of relationship marketing, is commented on by Anderson and Weitz (1989), Frazier and Rody (1991) and Metcalfe et al (1992). Selnes (1998) agrees, hypothesising that not only is communication an important element in its own right, but it has the propensity to influence levels of trust between buyer and seller. Similarly, Takala and Uusitalo (1996) see communication as being essential in relationships implying dependence and commitment.

4.6.1.6 Relationships Between Components

There are a number of strong linkages between these various components of relationships. For example, as already noted, a number of authors link commitment and trust very closely (Rotter, 1967, Morgan and Hunt, 1994, Wilson, 1995 and Hocutt, 1998). The variable ‘experience’ as used in the relationship marketing literature, pertains to experience of specific commercial relationships, and many see the role of satisfaction being important (Buchanan and Gillies, 1990, Storbacka et al, 1995, Rosen and Suprenant, 1998). Indeed, some have linked all or most of the above variables

(Gladstein, 1984, Rusbult and Buunk, 1993, Ganesan, 1994, Kelley and Davis, 1994 and Hocutt, 1998).

4.6.2 Types of Relationship

McCall (1970) distinguishes between social relationships and other forms and identifies two extremes of social relationships. At one extreme is the 'role relationship' where interaction is dictated by the actors' roles which constrain the form that the interaction takes although it is still between the two individuals rather than the roles themselves. McCall calls this a formal relationship. At the other extreme is acquaintanceship which he calls a personal relationship. In reality, all social relationships are a blend of the two extremes. There is a continuum, ranging from the more formal interactions which are unlikely to be characterised by much feeling or emotion, to the much more personal relationships which resemble what psychologists refer to as close relationships. It is hypothesised that the frequency of contact leads to greater personal contact.

Clark and Mills (1979) distinguish between 'exchange' and 'communal' relationships. Exchange relationships are where there is the expectation of receiving a benefit in return, receipt of which leads to a debt or an obligation. On the other hand, communal relationships have benefits to both parties but each is concerned with the welfare of the other and so benefits are based on the needs of the other. Communal relationships are more long-term than exchange relationships.

In producing an interdependence theory of relationships, Kelley (1979) focuses on the idea that interaction between partners is the essence of all close relationships and notes three essential elements: the basic structural foundation of the relationship, the manner in which the individual's interaction is responsive to the other's outcomes and the interpersonal disposition of the two persons in the nature of their interactions.

Berscheid, Snyder and Omoto (1989) also look at 'closeness' in relationships and contend that the best way to identify close relationships is to ask one of the principals to the relationship to make the assessment. They develop a 'relationship closeness inventory' which is designed to measure the degree of closeness in a relationship based on the interdependence theory of Kelley.

4.6.3 Stages of Relationship

Some use a marriage metaphor to describe the various stages through which a relationship can develop (Levitt,1983; Dwyer et al.,1987; Kanter,1994; Grossman,1998). The marriage analogy may not be an appropriate approach, however. Tynan (1997), for example, argues that the marriage analogy may have outlived its usefulness and that its application may now be to the detriment of how relationship marketing is being conceptualised. Although some parallels may exist, the analogy does not aid in the understanding of the number, nature and willingness of the parties involved nor on timescales. The analogy also excludes parallels with dysfunctional relationships although Dwyer et al. (1987) also use a divorce metaphor within their scheme.

Duck (1991) states that building a relationship involves four key elements:

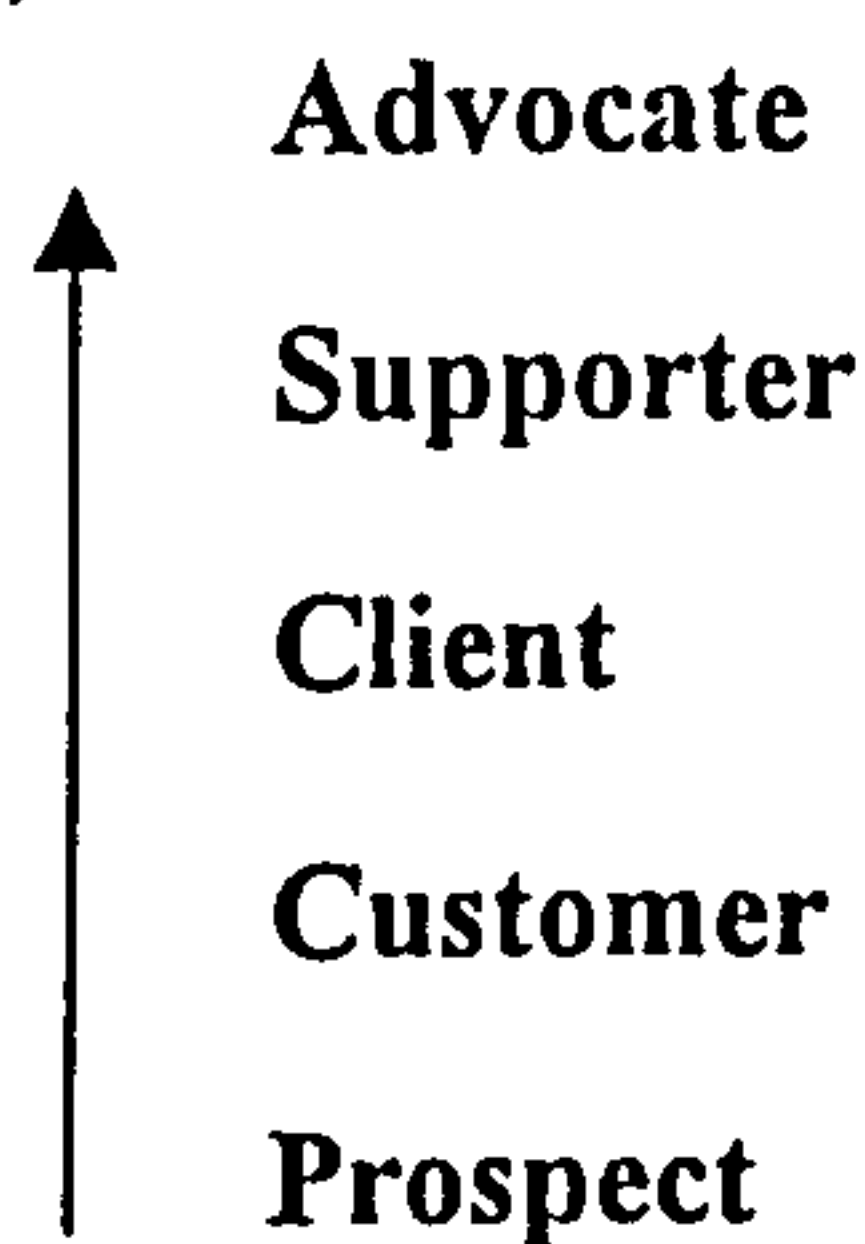
1. Recognising, selecting and making the most of opportunities for friendship.
2. Having a range of strategies and techniques for encouraging and enticing likeable persons into a relationship.
3. Possessing a strategic armoury and an adequate repertoire of knowledge about the ways in which relationships are helped to develop and grow.
4. Having a set of skills that help to maintain and repair relationships.

Relationships are maintained through trust which comprises predictability, dependability and faith (Grossman, 1998). Predictability is consistency of behaviour and stability of the social environment which is based on past experience. Dependability is one's ability to rely on someone and faith requires an individual to look beyond the available evidence and believe that future events will be consistent with past experience. A dissolution of the relationship is most likely when an individual perceives that affection is not reciprocated. In other words, there is a degree of insecurity from the partner's point of view (Grossman, 1998).

Waddock (1989) presents a model of a four-stage evolutionary process in the development of social partnerships which focuses on the inter-organisational context out of which partnerships originate. This process comprises a recognition of the need/use of partnership, initiation of the partnership, establishment and maturity. Scanzoni (1979), on the other hand, sees three stages of involvement: exploration, expansion and commitment, with purposeful action being the construct that bridges all three stages.

Christopher et al. (1991) present a different five stage model, which they term 'a ladder of customer loyalty' (figure 4.5)

Fig. 4.5: Ladder of Customer Loyalty



Source: Christopher et al (1991): 22

The role of Relationship Marketing here is to advance relationships up the ladder. Advocates are so deeply enmeshed in the organisation that they are very loyal long-term purchasers but they also influence others through positive word-of-mouth. Moving customers up the ladder, however, is not a simple task. Organisations need to know exactly what each customer is buying and as every customer is different, it needs to know how it can continue to offer additional value and satisfaction that will differentiate their offering. Essentially this is through exceeding expectations.

Similarly, Cross (1992) talks of the “Five Degrees of Customer Bonding” which are awareness, identity, relationship, community and advocacy. All of these have different levels of trust and interaction in the relationships with customers. It is the final three stages which are considered to be the key ones relating to relationship marketing as they emphasise two-way interaction.

4.7 Relationship Marketing For All?

Successful relationship marketing would seem to require a supportive culture which involves effective internal marketing. Organisational structures and rewards schemes geared to an understanding of customer expectations using a sophisticated customer database are also likely to be required. However, recent research suggests that certain variables may make a relationship marketing strategy less attractive (Sharland, 1997). These include, the costs incurred in the development and implementation of a relationship marketing strategy (Nevin, 1995) and the extent to which the relationship enhances competitive advantage (Day, 1995).

It is important to note that costs are incurred when building and maintaining relationships (Johanson and Mattsson, 1985; Blois, 1998). Relationships are a ‘market investment’ or an asset and have positive and negative aspects, their value being determined by the

relative importance of each. From the point of view of a specific customer, the balance between the positive and the negative may vary between suppliers for a whole variety of reasons.

Blois (1996) suggests that the customer's view of the desirability of entering into a relationship will be affected by perceptions of the likely size of the transaction costs involved. Similarly, Håkansson and Snehota (1995) note five negative factors or disadvantages which result from being in a relationship: (i) loss of control, (ii) indeterminedness (i.e. difficult to predict), (iii) resource demanding, (iv) preclusion from other opportunities and (v) unexpected demands. The degree to which each is a disadvantage will vary with each relationship.

4.8 Rationale for Empirical Research

The analysis of the not-for-profit literature in Chapter 2 indicated that there could be a benefit in undertaking empirical research into strategic marketing planning for not-for-profit organisations. The not-for-profit literature highlights a lack of customer orientation in not-for-profits (Klein, 1977; Andreasen, 1982; Blois, 1987; Van Der Hart, 1990; Bruce, 1995) or confusion as to who the customer^{^v^} actually is (Octon, 1983; Lovelock and Weinberg, 1990; Butler and Collins, 1995). An important feature of the not-for-profit situation is that people other than those who pay/get involved actually gain (Rothschild 1979) and therefore, there are two types of constituencies/customers: the clients for whom not-for-profits provide goods and services and the donors from whom they receive resources (Shapiro, 1973, Mason, 1979, Nutt and Backoff, 1987; Smith and Friedman, 1994). If the organisation wishes to be successful, therefore, it must satisfy both parties.

Empirical research is needed to establish whether successful not-for-profit organisations do indeed satisfy these different customer types.

Chapter 3 reviewed the literature on a particular sub-category of the not-for-profit sector: the subsidised arts. Within the subsidised arts context, the audience is a core element of an artistic experience and of course, it is the audience which is also a source of revenue. However, an audience can be thought of as composing of various stakeholders. There is the primary audience which consists of those who attend or could attend arts events, and a secondary audience which comprises other stakeholders such as funding bodies, sponsors, intermediaries etc. Therefore, the satisfying of various customer types as highlighted as necessary in not-for-profit organisations in general, is an issue of equal importance for subsidised arts. Again, as for not-for-profits in general, the analysis undertaken in Chapter 3 indicated a need to undertake empirical research into strategic marketing in the subsidised arts in the UK. In addition, the need for research into the over-emphasis on short term decision making and the application of relationship marketing were identified.

It has already been noted that the application of relationship marketing could have considerable value in the not-for-profit context (Burnett, 1992; Lindsay and Murphy, 1994; McCort, 1994; Conway, 1997; Gummesson, 1999; Brennan and Brady, 1999). Some see such organisations as having unique characteristics that match well with a relationship marketing strategy (McCort, 1994; Brennan and Brady, 1999), some propose the building of relationships specifically with donors/funders (Burnett, 1992; Lindsay and Murphy, 1994; McCort, 1994) and some recommend collaboration between not-for-profit organisations and their various stakeholders generally (McCort, 1994; Conway, 1997; Gummesson, 1999). If the literature truly reflects reality, successful organisations should be satisfying the various parties to the relationship concerned more than unsuccessful organisations.

4.9 A Stakeholder Conceptual Model

The need for the development of long-term relationships becomes important not only with resource providers but also with other 'customers'. Christopher et al (1991) identify six markets that need to be addressed within a relationship marketing perspective: customer, referral, supplier, employee (recruitment), influencers and internal markets. Morgan and Hunt (1994) identify ten relational exchanges that exist within four 'partnerships' in relationship marketing: buyer partnerships, supplier partnerships, internal partnerships and lateral partnerships.

It has previously been noted that not-for-profit organisations have five constituent groups that need to be considered: resource generators, service users, regulators, managers and staff members (Gwin, 1990). If competitors are included as another 'public' that needs consideration, these groups can be evaluated in line with Morgan and Hunt's classification.

4.9.1 Resource Generators (Buyer or Supplier Partnership?)

A large proportion of the resources available for operations is not the result of direct sales to 'customers' but comes from a number of other sources such as taxpayers, donors, third party providers and patrons. It has already been noted that this lack of direct economic link between resource attraction and resource allocation is the major cause of an overemphasis on the marketing mix. More particularly, there has been a tendency to overemphasise the 'selling' function aimed at raising funds.

There are however, indications that relationship marketing can be applied in this context. Burnett (1992), when considering the relationship between resource generators and the organisation, actually uses the term 'relationship fundraising'. Funders are presented in a hierarchy with each level representing a different funding type (donors, committed donors, big gifts, legacies). The aim of relationship fundraising is to move funders up the hierarchy where there is greater commitment and greater gift-giving value. Lindsay and Murphy (1994) note that a 'customer/donor' that becomes a committed donor, in fact performs the role of 'supplier'. They see this only taking place through effective two-way communications, and the funder having a clear understanding, agreement and commitment to the philosophy and vision of the organisation.

4.9.2 Service Users (Buyer Partnerships)

At its basic level, these are the arts organisation's audiences. A true marketing perspective would ensure that these constituents' needs were identified, anticipated and met. Lindsay and Murphy (1995) believe that there should be a movement away from being 'funding orientated' towards being 'need orientated'. In other words there is a need for a strategic response focused on resource allocation. If successful, revenue-raising activities would be subservient to the servicing of the identified beneficiary (audience) but such fundraising would emphasise a long-term commitment on the part of funders and a greater flow of information from the organisation.

McCort (1994) considers both resource generators and service users and believes that in general terms, not-for-profit organisations have unique characteristics that are congruent

with a relationship marketing strategy particularly in terms of gaining long-term support from both parties.

4.9.3 Regulators (Lateral Partnerships)

Another 'public' or 'customer' with whom relationships should be built is that grouping which has an influence on how the organisation is allowed to function. The 'regulators' can either be government bodies or advisory boards which comprise private individual volunteers empowered by law to oversee the operations of the organisation. The needs of such groups need to be identified and anticipated and where possible satisfied. Two-way channels of communication need to be utilised and common issues of mutual benefit must be identified.

4.9.4 Managers and Staff Members (Internal Partnerships)

There seems to be general acceptance that relationship marketing should also involve the development of relationships with employees or the 'internal market' (Arndt, 1983; Berry and Parasuraman, 1991; Christopher et al, 1991; Morgan and Hunt, 1994). Internal marketing involves the attraction, development and motivation of qualified employees through the philosophy of treating employees as customers. Thus managers, artists and staff members are another group with whom the arts organisation needs to develop a relationship. Successful internal marketing depends a good deal on the organisational culture. Such a culture must include a commitment to relationship marketing from the very top of the organisation and should include a commitment to employee empowerment, teamwork, rewarding good performance and effective training.

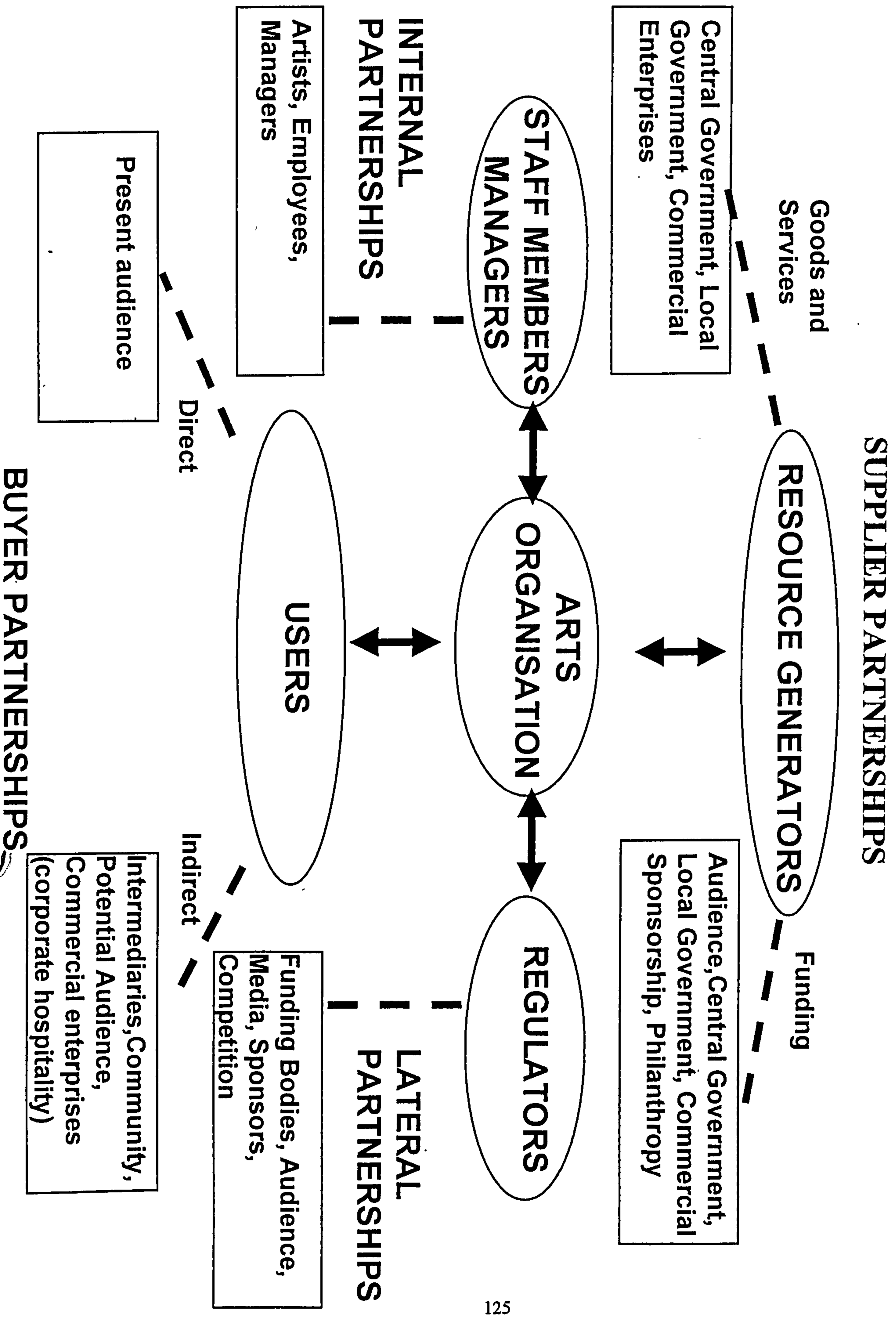
Managers are more likely to be ex-artists rather than trained as managers. Such individuals will therefore perhaps have differing motives for involvement with the organisation. Similarly staff members, are likely to have differing needs that require identification and satisfaction.

4.9.5 Competitors (Lateral Partnerships)

In some instances, it may be prudent to build relationships with other organisations in order to gain considerable advantages. Wiesendanger (1995), for example, has discovered that when an entire industry or sector falls on hard times, competitors often become collaborators.

The various parties involved in the existence of subsidised arts organisations have been incorporated into a 'stakeholder' model (figure 4.6) which identifies the 'customer' groupings, their influences and the partnership types.

Fig. 4.6: Relationship Approach to the Subsidised Arts



4.10 Chapter Summary

This chapter has presented a review of the literature dealing with the growing interest in the philosophy of relationship marketing. The chapter has considered how the approach has developed over the years, the implications of its philosophy and its benefits to the parties concerned. The application of relationship marketing can be found in a variety of contexts, particularly in service and business to business markets due to the importance of personal interaction within these areas. A case has also been put forward for its application within a not-for-profit context. The chapter also delves a little more deeply into what is meant by the term 'relationship', identifying types of relationship and the various components that a successful relationship requires. In addition, various stages in the development of a relationship have been highlighted and circumstances where relationship marketing may not be so appropriate have been noted. Finally, a rationale has been put forward for empirical research based on the literature of this chapter and on the findings of the analysis of the literature presented in Chapters 2 and 3. This suggested a need for research into successful subsidised arts organisations and particularly into their relationships with their various stakeholders. A conceptual model was proposed and this model provides the basis for research into the subsidised performing arts in the UK. The methodology for this research is presented in Chapter 5.

CHAPTER 5 : THE RESEARCH STUDY: METHODOLOGY

5.1 Introduction

This chapter describes the methodology for research undertaken into the marketing of the subsidised performing arts in the north West of England. Chapter 4 proposed that the application of a relationship marketing strategy to a not-for-profit organisation could help such an organisation become more strategically focused. This may be equally applied to the arts given their focus on the personal encounter involving an exchange between customer and supplier. Indeed, some see the consumption of art and culture as being an interactive system (Kotler, 1980; Langeard and Eiglier, 1980). Before the methodology is presented, a brief overview of the subsidised performing arts in the UK is given. More importantly, however, it is necessary to consider the issue of 'successful' versus 'unsuccessful' performing arts organisations, as the focus of this research is on the relationship between success and relationship marketing.

The subsidised arts in the provincial areas of the UK has seen growth (Tweedy, 1996; Mintel, 1998). Indeed, in England, the provincial area with the biggest growth has been the North West with a 55% increase between 1994 and 1997 (Mintel, 1998). In response, Manchester Airport has a sponsorship budget of 1% of its operating profit specifically targeted to support the arts across the North West region (Tweedy, 1996, Manchester Airport Annual Report, 1999). Greater Manchester particularly, has been developing a growing reputation over recent years. In 1994, Manchester achieved the status of 'City of Drama' and since 1996, Manchester has gained additional 4,500 theatre/concert hall seats giving it the highest density of

theatre seats per head of the population outside London which is more than any other regional city in the UK (Hemisphere, 2000).

In terms of art form, all types of art have seen an increase in attendance with theatres receiving the biggest boost rising 2.7% over the period 1992-1997 to stand at a level of 37.5% of all adults. This makes it the most popular art form in terms of attendance. Plays take the lion's share of audiences (Social Trends, 1995, Arts Council of Great Britain, 1995), with 23.5% of the adult population visiting in 1997 (TGI, 1992, 1994 and 1997). However, in terms of the commercial sector, there has been a steady decline in the theatre market. According to the Target Group Index (1999), the proportion of adults who never go to the theatre rose from 62.5% to 64.7% between 1997 and 1999. Although London's West End theatres have maintained high levels of audience attendance, the market statistics have been held back by lower admissions and revenues in the provincial theatres (Keynote, 2000). A probable cause of the difference between the subsidised and commercial sectors is that there has been a greater increase in attendance in the subsidised sector which has, to a certain extent, compensated for the fall in the commercial sector.

The subsidised arts organisation falls within the definition of a not-for-profit organisation given on page 26, and therefore in this context, there is an indication that there is a need for further research into whether 'successful' subsidised arts organisations are indeed more strategic in their focus, whether they have applied a relationship marketing approach and whether such an approach has been influential in the development of 'success'. Initially, however, there is a need to identify what is meant by, and key criteria for, 'success'.

5.1.1 Success in Not-for-Profit Organisations

It has already been noted (Blois, 1987) that there may be problems in marketing planning within not-for-profit organisations as there may be difficulties in establishing specific goals and there may be a lack of knowledge concerning linkages between inputs and outputs. Not-for-profit organisations tend to suffer from goal ambiguity (McGill and Wooten, 1975; Newman and Wallender, 1976; Rainey, Backoff and Levine, 1976; Mason, 1979; Hofstede, 1981; Nutt and Backoff, 1987; Fine, 1990; Mokwa, 1990 and Butler and Collins, 1995) with such goals being qualitative and non-financial (Lamb, 1987) and mutually incompatible (McGill and Wooten, 1975).

For not-for-profit organisations generally, a financial objective could be 'survival' and this often simply means minimal operating performance below break-even for some of its activities in the short-run (Hatten 1982). There may also be a difficulty in measuring performance as success/failure cannot be measured in strictly financial terms (Lovelock and Weinberg, 1975; Newman and Wallender, 1976; Bloom and Novelli, 1981 and Hatten, 1982). In the not-for-profit sector, measurement of revenue is merely measuring the contribution from donors and is not necessarily a measure of success as there is no consideration of whether clients are being satisfied. On the other hand, the organisation can satisfy the clients rather than the donors (Shapiro, 1973).

This funding issue is a key difference between the commercial and not-for-profit organisation. Sources of revenue are more varied and are often significantly different from that of the profit making situation. A number of authors highlight the fact that organisations can become concerned with the size of their budgets (Drucker, 1973; Newman and Wallender, 1976). Acquisition of funds may be based on past levels and thus there may be pressure to spend because of the public interest (Rainey, Backoff and Levine 1976). Related to funding, pricing is also a major issue. In many cases, the client receives the 'product' without paying for it (Garland and Westbrook, 1989;

Lovelock and Weinberg, 1975 and Shapiro, 1973) or the payment by customers may only be a secondary source of funds (Newman and Wallender, 1976) with pricing relying on taxation or philanthropy often being used for income distribution, equity and efficiency (Lamb 1987).

5.1.2 Measurement of 'Success' in the Subsidised Arts

Ambiguous goals and objectives with internal disagreement on how these are to be achieved most effectively have been noted for the subsidised arts (McLean, 1997; Ashworth and Voogd, 1994) as has the difficulty in measuring outputs (Hill et al, 1997).

Most arts administrators are not trained as managers but tend to be artists, performers, art scholars etc. who manage by chance. Many organisations tend to be expertise-driven rather than customer-driven and managers and board members can be so enthused with their organisation's programmes and services that they believe these are clearly what the public wants or needs (Lovelock and Weinberg, 1988). There is also a reliance on the commitment and zeal of individuals who have direct contact with customers (Hill et al, 1997). However, there can be some potential conflicts between the views of personnel and that of the organisation as a whole (Bradford, 1991; McLean, 1994).

In terms of revenue attraction, at the strategic level, pricing for arts organisations, needs to match the organisation's objectives, such as the covering of costs or meeting funding body targets or reaching both core and new audiences. An alternative source of funds is business support through sponsorship, donations/gifts in kind, corporate entertainment, trusts and individuals.

Subsidised arts organisations, it seems, do not see profit as the main motive for existence. Such organisations have multiple objectives and indeed, some of these may

be conflicting. The motives for existence can be very different depending on whose views are being sought: management, artists, audience, funders, regulators, sponsors etc. It would, however, seem to be possible to recognise intuitively, 'successful' subsidised arts organisations. If a number of different stakeholder types are asked to identify what they consider to be successful subsidised arts organisations, it is possible for the same organisations to be identified by many of the respondents. Whether each uses the same criteria for measuring 'success' may be another matter. In order to identify the criteria used by performing arts organisations to define 'success', initial empirical research was undertaken.

5.2 Preliminary Research to Identify Successful Theatres

5.2.1 Research Design

An initial study was undertaken which sought to examine the criteria used by senior managers for measuring success in subsidised theatres in the North West of England. An exploratory research design was considered appropriate given the lack of prior information in the area. The aim was to identify principal themes, patterns and links which could be used as a basis for a more detailed study of the relationships that exist between stakeholders in the 'successful' theatre.

This researcher believes that as science is based on many things in addition to what we can see and hear etc., there is no automatic method for deriving scientific theories from the 'facts' of experience (Chalmers, 1982). Objectivity cannot be guaranteed as the scientist's opinions and prejudices have an influence. To be objective, in the positivist view, hypotheses must be tested using methods that are independent of the way in which the facts needed to test them are collected. However, theories and facts

are interdependent and therefore objectivity is undermined and this is further reinforced by the fact that the theories themselves are unlikely to be value-free (Guba and Lincoln, 1994).

Within this ontological position, it was important to be aware of the variety of research designs available and to recognise which designs were workable (Easterby-Smith et al, 1997) so as to maintain the quality of the research study. With this in mind, the preliminary study was conducted within a phenomenological paradigm.

“Phenomenology involves the description of things as one experiences them, or of one’s experience of things”

(Hammond, Howarth and Keat, 1991: 1)

The natural and social world depends on the individual’s unique experience and biography for its construction. Phenomenology takes the actor’s perspective as the empirical point of departure (Bryman, 1984) and focuses on the ways that the lifeworld (the experiential world every person takes for granted) is produced and experienced by members (Holstein and Gubrium, 1994). Social reality is constructed in and through meanings and the phenomena that make up social life consists of the meaningful relations between persons (Hughes and Sharrock, 1997). Theatre ‘success’ means many things to many people. Thus, the aim of this preliminary study was to focus on the meaning of senior managers’ experiences of the concept of ‘success’. Such experiences contain both the external appearance and inward consciousness based on memory, image and meaning (Cresswell, 1998). It was important to utilise research findings to try and understand what was happening and to construct explanations and build theories about what was observed (Denzin and Lincoln, 1994; Gill and Johnson, 1997). Ideas that helped such an understanding,

were developed through induction of data (Seale, 1998, Easterby-Smith et al, 1997). The relevance of the inductive approach to this part of the research is apparent, in that the study aimed to identify the key issues which impacted on the perceived definition of 'success' and its achievement.

The approach implied the use of qualitative research methods in order to generate themes for consideration, rather than to measure the frequency with which a theme occurred (Easterby-Smith et al, 1997). The reason for the use of a qualitative method in the preliminary study lay in its ability to offer the reporting of individuals' perceptions, attitudes, beliefs and feelings, the meanings and interpretations they put on these and the frameworks which made sense of their experience (Hakim, 1997).

5.2.2 Research Method

The method used was a semi-structured interview. This was a flexible data collection method which permitted the explanation of questions which might have been misunderstood and allowed for elaboration of an answer (Seale, 1999). This interview method facilitated the understanding of the meanings respondents attached to issues and situations in contexts that were not structured in advance by the researcher's assumptions (Easterby-Smith et al, 1997). A questionnaire might have been chosen had the issues for discussion already been identified, but the objective of this part of the research was to generate the issues rather than to ascertain the frequency or regularity with which they occur. For similar reasons, the tightly structured interview format was rejected. A totally open-ended interview format was also considered but was rejected on the grounds that the perceptions of the interviewees regarding the time needed to complete such an activity might deter them from taking part. An open-

ended format would have been more appropriate where prior contact had been established with an interviewee and some understanding of the purpose and nature of the research explored. However, the need to concentrate on the key issues relating to theatre success predisposed the research to be of a more focused interview format. Ideally there was a need for a framework to draw out developing themes but not a rigid linkage to the framework (Jones, 1985 in Easterby-Smith et al, 1991). It was also essential to conduct the interview in a manner which enabled insights to be gained, otherwise the resultant exchange of information may have been superficial and of little value. At the end of the interview, all respondents were therefore shown the conceptual framework (page 125) and asked to comment on whether it presented a realistic description of the various parties involved with the theatre.

The growth in the subsidised arts within the North West of England has previously been noted. The choice of theatres for study, therefore, was the result of informal discussions with delegates at the National Arts Marketing Association Conference which took place in Manchester in 2000 and an identification of those that were generally considered to be 'successful' by the North West mass media. Initially, four subsidised theatres in the Greater Manchester region were chosen for the study and interviews were conducted with senior managers of each. Theatres A, B and C were based in the centre of Manchester and theatre D was based in a town just outside Manchester but was part of the Greater Manchester County.

Senior managers of each of the organisations chosen were interviewed using a semi-structured format. The interviews were held at the particular respondent's organisation and all interviews were taped and subsequently transcribed.

A key issue discussed during each interview was the meaning of 'success' and each respondent was asked to identify examples of 'successful' and 'unsuccessful' subsidised performing arts organisations in the geographical region (the North West of England). There seemed to be agreement amongst respondents from each of the four theatres that each other's organisations could be considered as 'successful'. Further, all identified Theatre X and Theatre Y as examples of 'unsuccessful' organisations. As a result, it seemed appropriate to interview senior managers in these two organisations and consider the findings from these interviews in addition. Consequently, findings will be presented from all six organisations.

The interviews assumed a conversational manner, lasting between 30 minutes and one hour. A topic guide was used as an aid to the interviewer, in the form of a check-list (Seale, 1999). The content of the topic guide was informed by the literature search and by issues that may have been relevant to the specific employment and organisational circumstances of the interviewee. The phenomenon being studied was that of theatre 'success'. Respondents' perceptions of the meaning of this concept and of the factors that could influence it, needed to be interpreted. As a result, the topics used to guide the interviews were as follows:

1. **Organisation Structure**
2. **Management Structure**
3. **General mission/aim of the organisation**
4. **Methods by which the successful achievement of the mission was measured**
5. **Criteria used for measurement of success**
6. **The beneficiary for each criterion**

7. **The organisation's key stakeholders**
8. **Example of another local theatre within the subsidised sector that was considered to be successful and why it was considered successful**
9. **An example of another local theatre within the subsidised sector that was considered to be unsuccessful and why it was considered unsuccessful**

Organisation and Management Structure were considered to be important as the size, structure and culture of an organisation could be interpreted as having an important influence on how 'success' was perceived. In addition, in one-off interviews where the people have not met before, trust is an important and difficult issue to establish (Easterby-Smith et al, 1991). Therefore to develop the relationship as quickly as possible, the interview began with general questions about the organisation they knew and understood such as title and position of respondent, main areas of responsibility etc.

The identification of an **organisation's mission or vision** would give some indication of its strategic focus, the degree of customer orientation and the degree to which a broad or narrow view of the customer was perceived as important for the organisation's strategic direction.

The **methods** by which the successful achievement of the organisation's mission was **measured**, if indeed it was at all, were considered important. If measures were used, it was of interest to ascertain which measures were used and how they were administered. The **criteria** used for such measurement of organisational success were also of importance and thus needed to be identified. Of course, if no measures, nor criteria were identified, this would be of interest in itself.

The organisation's perceived **beneficiaries** and **stakeholders** were seen to be a useful indicator of the degree to which a broader perspective of the term 'customer' was used in strategic decision making, which stakeholders were identified as being important and whether such stakeholders were considered as beneficiaries. In addition, they would be a useful indicator of whether specific criteria for the measurement of success referred to particular customer/ stakeholder groupings.

Respondents' perceptions of other **similar organisations** in the locality and whether they were considered to be successful or unsuccessful and the reasons why, were also considered to be important. It was felt that this would offer the opportunity to ensure that there was a level of consistency in the criteria used by respondents in their measurement of success.

Questions did not conform to a strict schedule, as the order of questions depended on the direction taken by the respondent. The interview tended to be generally non-directive, encouraging respondents to describe events and phenomena in their own words rather than following a strictly prescribed agenda. Interventions and semi-verbal cues were offered in order to encourage the respondent to continue speaking, and interviews were tape recorded with the consent of respondents at their place of work.

The complexity of interviewing as a data collection method is often underestimated (Easterby-Smith et al, 1997). There are issues of social interaction, trust and bias to be considered if the data obtained from the interview is to fulfil the objectives of the research. Easterby-Smith et al (1997) point out that respondents may make

judgements from their first impressions as to whether the interviewer can be trusted and whether they could be damaged in some way by the use of the data. It is important therefore, to establish trust as early as possible especially, as in this study, the respondents had not met the interviewer prior to the interview.

This problem was eased by each respondent being initially contacted by telephone with the aim of each telephone conversation being not only to arrange a meeting time and place for the interview but also to start the building of a relationship between the interviewer and respondent. In this way, it was hoped that respondents perceived the interview as the product of a structured process in which they could have some degree of confidence.

To reduce the level of interviewer bias, the use of leading probes and value laden terminology was actively avoided. However, as has been previously noted, the elimination of all traces of bias is unrealistic. As the research instrument was a topic guide there were inherent problems relating to variance in the delivery of questions and the interpretation of answers as well as potential bias in the observation of the respondent and the use of cues in eliciting responses. All interviews were conducted by the same researcher, however, to minimise such difficulties.

5.2.3 Choice of Respondents

The literature indicates that marketers in the not-for-profit sector generally and in the subsidised arts specifically, have a tendency to over-emphasise the tactical aspects of marketing rather than the more long-term strategic perspective. It therefore seemed prudent to discuss the issue of success with those who were involved in strategic

decision-making. As a result, appointments were sought and undertaken with the most senior employees within the organisations concerned as, in general terms, it is usually those in the most senior of positions that tend to perform strategic roles. Interviews were therefore conducted as follows:

Theatre A, Manchester:	Executive Director
Theatre B, Manchester:	Artistic Director/Chief Executive
Theatre C, Manchester:	General Manager
Theatre D, Greater Manchester:	Deputy Chief Executive

Subsequently two additional interviews were conducted:

Theatre X, North West England:	Temporary Chief Executive
Theatre Y, North West England:	Chief Executive

5.2.4 Data Analysis

Strauss and Corbin (1998) state that theorizing involves the construction of an explanatory scheme from data that systematically links various concepts through statements of relationship. This should enable users to explain events and should provide guides to action. Grounded theory provides a procedure for developing categories, building a 'story' that connects the categories, ending with a set of theoretical propositions (Cresswell, 1998). Jones (1987) believes that research should be used to generate grounded theory which succeeds as it is derived from the concepts and categories used by social actors themselves who interpret and organise their own world. A grounded theory approach to analysis of transcripts likely to contain differing terminology and interpretation should enable common themes and motivations to be extracted from the material generated by the interviews. The taped interviews were therefore transferred verbatim to paper and were subsequently coded

and concepts identified. Detailed results from this preliminary research are presented in Appendix 3.

5.3 The Main Research : Methodology

The preliminary research indicated that it was indeed possible to identify some common indicators of 'success' in the subsidised performing arts and there was found to be general agreement about which organisations could be considered 'successful' and 'unsuccessful' amongst the relevant professionals.

The overall aim of the research was to assess whether the conceptual model proposed in chapter 4 (page 125) provided an accurate description of the types of relationship existing between the relevant parties. In order to undertake this task, there was therefore, a need to identify the features of successful and unsuccessful organisations, analyse whether successful organisations were more strategic in focus and assess whether such a focus was a result of the application of a relationship marketing perspective.

The following were the key research questions:

What features were found in 'successful' theatres as compared to 'unsuccessful' ones?

Did 'successful' theatres have a more strategic marketing perspective than 'unsuccessful' ones?

Was a strategic marketing perspective the result of a relationship marketing approach?

5.3.1 Research Design

As with the preliminary study, the main study was conducted within a phenomenological paradigm focusing on meaning and attempting to understand what was happening. Although an aim of this research was to assess the applicability of the conceptual framework, it was important to utilise findings from this research to construct explanations and theories about what was observed (Gill and Johnson, 1997). Indeed, such findings may very well have indicated that the model should be rejected and that another explanation for theatre success may need to be found. There may have been an expectation that certain events, problems and relationships were important, yet it may have been discovered that some were in fact of little consequence (Parlett and Hamilton, 1976; Smith, 1994 in Denzin and Lincoln, 1994).

The main research used a case study approach. Case study is a research strategy which focuses on a single organisation, institution, event, decision, policy or group (or possibly a multiple set) (Baker, 1994) and is usually the preferred strategy when 'how', 'who', 'why' or 'what' questions are being asked (Burns, 2000). Similarly, Yin (1989) sees case studies as asking 'how' or 'why' questions about a contemporary set of events over which the investigator has little or no control. Therefore the reason to study a particular case is often to explain why a certain situation prevails or how an organisation or group has acted. Yin (1989) defines a case study as an empirical study that investigates a contemporary phenomenon within

its real life context, where the boundaries between the phenomenon and context are not clearly evident and in which multiple sources of evidence are used.

The case study approach uses non-probability sampling where a case is selected because it serves the real purpose and objectives of the researcher in discovering, giving insight into and understanding a particular chosen phenomenon (Lincoln and Guba, 1985; Burns, 2000). A major feature is the use of replication rather than sampling logic. Each case must be selected so that it either predicts similar results or produces contrasting results. An important step is the development of a rich, theoretical framework and if some of the cases do not work as predicted, modification must be made to the theory (Yin, 1994)

5.3.1.1 The Case Study Design

Yin (1994) sees a research design as the logic that links the data to be collected (and the conclusion to be drawn) to the initial questions of a study. Yin (1994) identifies four major types of design that are relevant for case studies. These are based on the two dimensions of single versus multiple case designs and holistic versus embedded units of analysis.

This research aimed to ascertain whether a relationship marketing approach was more likely to lead to a strategic focus and thus ensure theatre 'success'. It was therefore decided that two 'successful' theatres from the pilot study, A and B, and one 'unsuccessful' theatre, Y, would be studied in more detail. (Specific information about each particular organisation is given in Appendix 4). Theatres A and B were both considered successful by all respondents in the preliminary study and Theatre Y

was considered unsuccessful by all respondents, including the interviewee from theatre Y herself.

This 'multiple case design' was applied, as it was believed that a single case design was not appropriate. Single case study approaches tend to study unusual or rare cases. A 'critical case' or 'strategic' case study assesses the evidence for a conclusion or explanation by looking at the most favourable illustration of it or by looking at a 'deviant' case, which suggests that the exception disproves the rule (Hakim, 2000). A multiple case design is especially appropriate for topics that are too complex and involve too many actors to be addressed by interview surveys (Hakim, 2000). This was particularly so in the case of this research as organisations, roles, and interactions were the subject of inquiry. Sudman (1976) believes that confidence in the general significance and robustness of case research findings increases with the number of sites in which a survey is conducted (although the largest gain occurs when the number of sites is increased from one to two). Similarly, confidence in the generalisability of the results increases. The multiple case is therefore often considered more compelling and the overall study is therefore regarded as being more robust (Herriott and Firestone, 1983).

Stake (1994) classifies this multiple case approach as a 'collective case study' where a number of cases are studied jointly to inquire into the phenomenon, population or general condition. Such an approach was chosen because it is believed that understanding the cases will lead to better understanding and perhaps offer insights into behaviour within other organisations.

The preliminary study reinforced the importance of the various stakeholders identified in the conceptual framework (fig. 4.6). In addition, the important strategic role of a theatre's artistic director was also highlighted. Representatives of the various key stakeholder roles and their relationships with artistic directors within the three theatres were therefore the units of analysis. Thus an embedded rather than a holistic design was used (Yin, 1994).

As a result of the preliminary research findings which are presented in detail in Appendix 3, a number of themes and topics were identified and these became the key aspects to be studied in the main research. Each theatre was therefore studied with particular reference to:

1. Whether there was a narrow or broad view of 'audience development'.
2. Whether there was a narrow or broad view of the theatre's product.
3. Whether any other relevant features were revealed which appeared to differentiate between successful and unsuccessful theatres.
4. The role of marketing and the degree to which there was a strategic or tactical emphasis.
5. Whether there was a narrow or broad view of the theatre's 'customers'.
6. The types of relationships the theatre had with its various 'customer' types.

Answers to 1-3 would indicate whether there were any common features amongst the 'successful' two theatres as compared to the 'unsuccessful' one and the findings relating to 4 would indicate the degree to which there was a difference between the two types of theatre in their application of marketing. The theatres' views about their 'customers' (question 5) would allow a comparison to be made on the perceived application of relationship marketing between the three theatres. All the above information was acquired directly from the theatres themselves.

Findings on 6 would lead to comparisons of the effectiveness of each theatre's relationship marketing approach. Through an analysis of the perceived values placed on relationships by both theatres and the stakeholder types, an indication of the relative strengths of the relationships existing between the parties would be apparent.

5.3.2 Research Methods

5.3.2.1 Introduction

Case studies are typically based on two or more methods of data collection to present a more rounded and complete account of social issues and processes compared to other designs (Hakim, 2000). The use of various methods is also likely to reduce the likelihood of misinterpretation (Stake, 1994)

For qualitative work, these procedures are called 'triangulation' which is a process of using multiple perceptions to clarify and verify the repeatability of an observation or interpretation. It also serves to clarify meaning by identifying different ways the phenomenon is being seen (Flick, 1992).

Denzin (1978) distinguishes between *data triangulation* where a variety of data sources is used in a study, *investigator triangulation* where several different researchers or evaluators are used, *theory triangulation* when multiple perspectives are used to interpret a single set of data and *methodological triangulation* where multiple methods are used to study a single problem. Janesick (1994) adds *interdisciplinary triangulation* as a fifth type. This research study involved both data and methodological triangulation (interviews, secondary empirical research conducted by two of the theatres themselves and content analysis).

Yin (1994) stresses 3 goals that need to be achieved in collecting data in a case study. Firstly, multiple sources of evidence, secondly, the development of a case study database which is a separate set of materials that may include aggregated answers to survey questions, responses to specific interviews, notes from observations, case study documents and tabular materials. Thirdly there is a need to maintain a chain of evidence through which the reader of the case study should be able to track the course of the research backwards to where the researcher began and work out the logical steps in the development of the research project.

5.3.2.2 Multiple Sources of Evidence

Semi-structured Interviews

A number of data sources were used in the research. As with the preliminary study, the approach implied the use of qualitative research methods in order to offer the reporting of individuals' perceptions, attitudes, beliefs and feelings, the meanings and interpretations they placed on these and the frameworks which made sense of their experience (Hakim, 1997).

One method used was the qualitative semi-structured interview. For the same reasons given for its application in the preliminary study, this collection method was used with most of the respondents. The interviews assumed a conversational manner, lasting longer than in the initial study as a larger number of issues needed to be addressed. As with the preliminary study, a topic guide in the form of a check-list was used as an aid to the interviewer. The content of the topic guide was informed by the

literature search, by the findings of the preliminary study and by issues that were found to be relevant to the specific circumstances of the interviewee.

The preliminary study highlighted the fact that in all six theatres, it was the artistic director who provided the strategic direction for each theatre. A modified conceptual model (see fig.6.1) was therefore developed in order to demonstrate this important role. A 'wheel of relationships' was produced with the artistic director being placed at the centre of the 'wheel'. The artistic director was thus seen as the key representative of the individual theatre's strategic marketing effort. The main research, therefore, involved in-depth semi-structured interviews with the artistic directors of the three theatres chosen for the main study. Issues of organisation structure, management and strategic direction were addressed in these interviews as were issues relating to the role that marketing was perceived to have within each theatre. Of particular importance were the artistic director's perceptions and experiences of the relationships that existed with those involved in resource generation, regulation and usage and of the relationship with staff members. Relationships that are effective should be clearly of a two-way, mutually beneficial nature, and therefore interviews with artistic directors attempted to ascertain their views on the strength of relationships with these other parties.

An analysis of the different parties represented within the new conceptual model highlighted a number who performed different roles simultaneously:

Present and potential audiences:	Resource Generation, Usage and Regulation
Funding Bodies:	Resource Generation and Regulation
Commercial Enterprises:	Resource Generation, Regulation and Usage

Staff Members:

Human Resource Deployment, Regulation and Usage

In addition to the interviews with the artistic directors, therefore, in-depth semi-structured interviews were undertaken with representatives of these parties.

In terms of funding bodies, all three of the chosen theatres were funded to a large extent by the North West Arts Board (NWAB). A representative of the NWAB who had specific dealing with all three theatres was interviewed discussing the specific perceived relationship the NWAB had with each of the three theatres. In addition to being a major funder, the NWAB also performs a regulatory role and thus the interview also addressed regulation issues.

All three theatres received funding from Local Authorities. Theatres A and B received some funding from the Association of Greater Manchester Authorities (AGMA) and Theatre Y received funding from its City Council. Officers from both AGMA and Theatre Y's City Council were therefore also interviewed seeking similar information as from the NWAB representative above.

Another source of funding was via commercial sponsorship and therefore a representative from a major commercial organisation that sponsors Theatres A and B (Theatre Y did not use commercial sponsorship) was interviewed. A commercial enterprise, in addition to performing a resource generation role, also performs a regulatory role and is a 'user' through corporate hospitality. Issues relating to the perceived relationships such an organisation had with particular theatres in all these areas were discussed in the interview.

Internal partnerships are important within a relationship marketing framework. Therefore, for each theatre, interviews took place with a number of managers. Marketing Managers were interviewed as their own and their organisation's views of the role of marketing would be a helpful indicator of the degree to which there was a customer focus and the extent to which, marketing was seen as a tactical or strategic issue. In addition, those that dealt directly with the audience such as Front of House Managers were also interviewed. As well as performing the human resource deployment role, these respondents also performed a regulatory role and in many cases, were also users. Respondents' particular perceived relationships with their employing organisations on the success or otherwise of these roles were therefore discussed.

The following table displays those who were the interviewed:

Table 5.1: Interviewees

Theatre A	Theatre B	Theatre Y	External
Artistic Director	Artistic Director/ Chief Executive	Artistic Director	Representative of the Arts Council through the North West Arts Board : (NWAB)
Executive Director		Chief Executive	Representative of the Local Authority (dealing with Theatre A and Theatre B)
Theatre Manager	Customer Services Manager	Box Office Manager	Representative of the Local Authority (dealing with Theatre Y)
Marketing Director	Head of Marketing and Public Affairs	Marketing Manager	Representative of a commercial sponsor that had dealings with Theatres A and B

Secondary Research

The preliminary study confirmed that the paying audience was a central driving force for all theatres. Existing audiences perform financial resource generation and informal regulation roles in addition to performing a direct usage role. Potential audiences perform similar roles in an indirect usage capacity. The research aimed to describe and understand respondents' perceptions and meanings they gave to the relationships they had with a particular theatre and thus qualitative research techniques were likely to be more appropriate. However, given the potential size and diversity of such a grouping, the semi-structured interview was impractical. A number of other possibilities were considered. Face to face interviews with attenders within the theatre or observations of audience behaviour may only have addressed issues relating to actual attenders. Group interviews including actual and potential audiences were also considered. However, discussions with representatives of the three theatres in question clearly highlighted major problems:

1. Theatre A had recently commissioned research into the attitudes and perceptions of their Season Ticket Holders and it had also commissioned a more wide-reaching research project targeted at both regular and potential attenders, five years previously. The theatre was happy for the findings from the earlier research and the raw data from the most recent research to be used in this particular research project, but was unwilling to allow any additional research to be undertaken.

2. The Theatre B representatives felt that a study of its audiences at that time would be inappropriate. Given the age and type of audience for whom the theatre catered, it was felt that communicating with such people directly would be unhelpful and

counterproductive to the theatre's image. Consequently, they were also not prepared to allow such work to be undertaken.

3. Theatre Y had just undertaken its own research project on attitudes and perceptions of its regular and potential audiences and understandably felt that another research project targeted at the same people would be counterproductive. However, the findings of this research was offered and after careful consideration, accepted for use in this research study.

Whilst primary empirical research would have been the most appropriate method for ascertaining perceptions and attitudes of regular and potential attenders, it was felt that the use of such secondary research information that was available could still be of benefit to this research project. There were potential problems regarding the extent to which the data was up to date and whether all the data met the specific needs of the particular situation being analysed (Sekaran,2000; Chisnall, 2001). Quantitative data was likely to be less appropriate to the aims of the research as attitudes, opinions etc. were sought. Also, given the phenomenological paradigm within which this research was undertaken, the use of secondary data would compound the difficulties in understanding the meanings attributed to respondents. Not only were the questions themselves likely to be value laden, but so also were the findings that were offered. In effect, any interpretations of such findings were likely to be second hand interpretations of original researchers' interpretations. The semi-structured interviews with other stakeholders, at least were undertaken by the same researcher and therefore any researcher influence was more likely to be consistent. This would not be the case in the use of other material gleaned by others for other purposes. An initial response

to these difficulties led to a consideration of the total omission of data relating to this stakeholder grouping. A possible justification for such an omission could be that relationship marketing may not be appropriate to 'business to consumer' relationships (O'Malley and Tynan, 2000). If theatre audiences were considered as 'consumers' then this research could legitimately only address issues of a more business to business nature and deal only with other stakeholders. However, theatres provide a service that is experiential incorporating high levels of involvement and engagement. These are characteristics that lend themselves to a relationship marketing perspective (Eiglier and Langeard, 1980). It was therefore decided that despite the difficulties highlighted, such secondary data offered should be used. Further analysis of this existing data did offer the opportunity to present interpretations, conclusions or knowledge additional to, or different from those presented in the first reports (Hakim 1982). It also offered the opportunity to concentrate on analysis and interpretation of those aspects that were relevant (Robson, 1999). Using such data was technically acceptable (Bryman, 1984) and allowed for 'methodological pluralism' (Gill and Johnson, 1991) where there was the coming together of ideographic and nomothetic research methodologies (Smith, 1975) in the form of methodological triangulation. There was still the major omission, however, of the lack of information on audience attitudes and perceptions of Theatre B.

The secondary analysis distinguished where possible, between those who attended frequently and those who attended infrequently (only once or twice per year). Those who attended frequently were classified as regular attenders and those who attended infrequently as members of the potential audience. This latter group are more likely to be 'open to persuasion' as many of this group have attended arts events perhaps once

or twice and would be inclined to do so again if there was a big enough incentive. It was for this reason in addition to ease of reach, that infrequent attenders were classified as the 'potential' audience.

Theatre A's most recent research was focused on the Season Ticket Holder audience group and specifically the Season Ticket Scheme. Hence, its focus on regular attenders. The project started in September 1999 and concluded in January 2000.

The research was aimed at understanding the current sales and trends associated with the Season Ticket Scheme. It also aimed to analyse the strengths and weaknesses of the scheme being offered to the public. The raw data was made available for this research project in the form of a Microsoft Excel spreadsheet. The data was imported into the SPSS "Windows" statistical software package and was subsequently analysed. Such analysis, however, was used as the basis for interpretations of trends and themes given the nature of the research and the stated ontological position.

Theatre A's previous research was undertaken in 1995/96 and involved quantitative and qualitative research relating to attender and non-attender attitudes to the image of the theatre. The research comprised the following:

1. A postal survey using a random sample of single ticket and season ticket attenders using patron data from the box office computer to give quantitative data from current attenders. Questionnaires were mailed to 1,400 attenders producing a representative sample of season ticket holders and single ticket buyers. There were 500 responses of which:

30.8% were season ticket holders (154 respondents)

68% were non-season ticket holders (340 respondents)

1.3% gave no response to the question (6 respondents)

2. 1000 in-home interviews, sampled at random at home addresses within the theatre's catchment area. These interviews were used to quantitatively measure usage and awareness and qualitatively probe attitudes and perceptions. However, as these findings included views of non-attenders, it was decided not to use this data for this research.

3. An in-foyer survey with users of the theatre building's services and facilities. 400 interviews were conducted in the theatre foyer sampled on different days and at different times. This data was not used in this research for the same reasons given in 2) above.

4. Qualitative sessions held with selected samples from different audience segments (three groups with irregular attenders and one group with regular attenders) exploring perceptions, attitudes and motivations. These were used for qualitative testing of the 'product'.

5. An on-street survey targeted at irregular attenders, the sample size being 150. As all questions related to this part of the survey referred to tactical, short-term issues such as responses to advertising etc. and the focus of this research was specifically studying long-term strategic issues, the findings from this part of Theatre A's study were not used in this research.

Those findings deemed relevant and appropriate from this secondary research were subsequently analysed, the quantitative data via the SPSS "Windows" statistical package and the qualitative data via QSR: NUD*IST, a qualitative analysis software package.

Theatre Y's research had been undertaken in 2001. 1800 postal questionnaires were sent out with 517 being returned (response rate of 29%). There were intended to be 2 sub-samples of regular attenders (customers who had booked for 3 or more performances in the last two years) and infrequent or lapsed attenders (customers who had booked for one performance or for no performances over the past two years). Unfortunately, the limitations of the study meant that it was not possible to adequately represent each sub-sample individually. However, as with Theatre A's research data, relevant findings relating to strategic rather than tactical issues were subsequently analysed via SPSS and QSR: NUD*IST.

The Research and the Various Role Relationships

Table 5.2 displays the research and the variety of role relationships that were addressed within it.

Table 5.2: The Research And The Variety of Role Relationships Addressed Within It

Theatres A, B and Y					
		Resource Generators	Regulators	Users	Staff
Member of NWRAB	Interview	x	x	x	
Member of Local Authority	Interview	x	x	x	
Commercial Sponsor	Interview	x	x	x	
Senior Manager	Interview		x	x	x
Front of House Manager	Interview		x	x	x
Marketing Manager	Interview		x	x	x
Audience	Secondary Data	x	x	x	
Total Potential frequencies with which a particular role is addressed		10	19	19	9

Content Analysis

In addition to the use of the primary interview data and the secondary research data, content analysis of each theatre's promotional literature was undertaken as an additional data collection method. For Krippendorff (1980), content analysis is a research technique that makes replicable and valid inferences from data to their context. It is indirect rather than direct and is generally an unobtrusive measure (Robson, 1999). It is usually used as a secondary or supplementary method in a multi-method study and involves the analysis of the data through the process of category generation involving the noting of regularities and recurring ideas/themes in the setting (Burns, 2000). Theatre promotional literature was likely to be a useful indicator of the theatre's views of its relationship with its audience. A theatre's programme of events was of interest to the research, but also so was how this programme was communicated in terms of its overall physical presentation, style and presentation of text. More specifically, the content analysis involved a consideration of words and phrases, spelling, photographs and upper or lower case. A particular tone was interpreted from this information and the degree to which such a tone indicated one or two-way relationships was identified. Comparisons were made between regular and potential attenders for each theatre by analysing publications sent to regular attenders and those publications available for general consumption. Comparisons were also made between theatres and between these audience types and theatres in terms of the number and types of events publicised. All data was analysed using the QSR:NUD*IST software package.

Table 5.3 displays the publicity used for the content analysis.

Table 5.3: Content Analysis of the Promotional Material

Theatre A					
Audience targeted	Type of information	Time period covered	Quantity	No. of words	No. of text units*
Regular	Letters/ invitations	Autumn 2001- Spring / Summer 2002	9	2,494	401
Potential	Brochures	Autumn 2001- Spring / Summer 2002	2	7,575	845
Total			11	10,069	1,246
Theatre B					
Regular	Brochures	Dec. 2001- March 2002	3	8,616	1,203
Potential	Flyers	Dec. 2001- March 2002	5	1,495	182
Total			8	10,111	1,385
Theatre Y					
Regular	Letters/ invitations	Spring/ Summer 2001- Spring / Summer 2002	4	1,025	122
Potential	Brochures	Spring/ Summer 2001- Spring / Summer 2002	3	14,436	1,665
Total			7	15,461	1,787

* Text units are groupings of text (usually paragraphs) identified by the NUD*IST software for coding purposes.

5.3.3 The Development of a Case Study Database

5.3.3.1 Interviews With Artistic Directors

Through discussions with these individuals, it should have been possible to identify any features that existed amongst 'successful' theatres and to make a comparison with an 'unsuccessful' theatre. The following issues, therefore, that were addressed in the preliminary study in the interviews with senior managers were addressed once again:

Organisation structure

Management structure

Perceived role of the respondent

General mission/aim of the organisation

How successful achievement of this aim was measured

Criteria used for the measurement of success of the organisation

In addition, the preliminary study highlighted differences between the theatres in terms of **what comprised organisations' products**. This was therefore included in the interview. Also of interest, was the **perceived conflict or synergy that may have occurred between being creative and strategically managing the organisation**.

In the preliminary study, the following issues successfully highlighted the extent to which there was a broader view of the organisation's customers:

Who the perceived beneficiaries of success were

Who the organisation's key stakeholders were considered to be

The initial study also highlighted the different **meanings given to the term 'audience development'**. This became a useful check on respondents' overall perception of the 'customer' within a marketing context and therefore, this issue was included in the interview.

It was important to assess the perceived strength of relationships that each artistic director had with resource generators, regulators, users and staff. It was therefore necessary to discuss such issues within the interview. A good deal has been written on the components of successful relationships. Wilson (1995) for example, lists thirteen

relationship variables and notes that one might add or delete from the list to capture the relationship situation. Analysis of the literature, presented in Chapter 4 however, produces a smaller number of components which seem to be relatively more important in most relationships. These are experience, trust, commitment and customer orientation. Each individual interview with an artistic director, therefore, needed to address issues of the director's perceived experience, trust, commitment and customer orientation in relation to each of the partnership roles: resource generation, regulation, usage and human resource deployment.

In terms of **experience**, each respondent was asked to identify the key resource generators, regulators, users and staff with the reasons why they were considered as key. There needed to be an assessment of the degree to which each relationship was perceived as successful and how this was measured. For resource generation, the issue of who initiated the process was important, as this was a useful indicator of the degree of pro-activity on the part of the particular theatre. For regulation, issues around the type of regulation (formal or informal), the processes involved including what was actually being regulated and how it was effectively managed were important for discussion. In terms of the relationship with users, the director's perceptions of user satisfaction and how this was known in addition to the perceived benefits that accrued to regular users needed to be ascertained. Finally, the respondent's perceptions of which staff were considered to be the most important to the organisation and why, were likely to be useful in indicating the extent to which internal relationships were seen as important.

In terms of perceived trust within a relationship, there was a need to address the issue of the extent to which each relationship was believed to achieve the expected benefits for each of the partners and, just as importantly, the reasons for such a response. Similarly, in assessing perceptions of commitment to long-term partnerships with resource generators, regulators, users and staff, the methods used by the theatre to gain partner commitment and the perceived effectiveness of these methods with the reasons for the response had to be acquired.

The degree of customer orientation within relationships was a key aspect of this research. For resource generators and regulators, the artistic director's views on who the beneficiaries were perceived to be and the perceived motives for regulators and users were sought. The respondent's understanding of the key influences on attendance including the role of communication and the possible barriers, were discussed, as was his/her perceptions of the degree of the theatre's audience focus. An important consideration was the extent to which the respondent felt that the relationship with each stakeholder grouping was an important influence on the strategic direction of the particular theatre and the reasons for the response.

Table 5.4 displays the key issues that were addressed in the interviews with artistic directors. The checklist used by the interviewer is provided in appendices (A.4.1 in Appendix 4).

Table 5.4: Key Issues To Be Considered In The Empirical Research Undertaken With A Theatre's Artistic Director

Issues generally relating to a particular theatre				
Organisation structure				
Management structure				
Role of respondent				
The degree to which there is a conflict between being creative and management roles				
General mission/aim of the organisation				
How successful achievement is measured				
Criteria used for the measurement of success of the organisation				
The beneficiary for each criterion.				
Who the organisation's key stakeholders are considered to be				
Meaning of the term 'audience development'				
What is considered to be the organisation's 'product'				
Perceptions of Relationship with Particular Stakeholder Role				
	Resource Generation	Regulation	Usage	Human Resource Deployment
Key Topics				
Issues relating to the experience of the relationship	<p>Identification of the key resource generators with reasons why they are considered key</p> <p>Initiator of the process: organisation/ individuals and why this is the case</p> <p>To degree to which relationships are successful</p> <p>How this is measured</p> <p>Duration of the relationship</p>	<p>Identification of the key regulators with reasons why they are considered as key</p> <p>To degree to which relationships are successful</p> <p>How this is measured</p> <p>Type of regulation: formal/informal</p> <p>The process involved</p> <p>Aspects of the theatre's 'product' that are regulated</p> <p>The process of managing regulation</p> <p>Effectiveness of the regulation</p> <p>How this is measured</p> <p>Duration of the relationship</p>	<p>Identification of the key users</p> <p>The degree of satisfaction the audience has with the experience</p> <p>How this is known</p> <p>The key benefits for regular attenders</p> <p>The degree of success of the relationship the theatre has with its audience</p> <p>How this is measured</p>	<p>Identification of the key staff in the organisation with reasons why</p> <p>The degree to which relationships are successful</p> <p>How this is measured</p>

	Perceptions of Relationship with Particular Stakeholder Role			
	Resource Generation	Regulation	Usage	Human Resource Deployment
Key Topics				
Issues relating to the respondent's <i>trust</i> of the partnership	The extent to which the relationship/s is/are believed to achieve the expected benefits Reasons for the response	The extent to which the relationship/s is/are believed to achieve the expected benefits Reasons for the response	The extent to which there is a belief that the theatre meets expectations Reasons for the response	The extent to which the relationship/s is/are believed to achieve the expected benefits Reasons for the response
Issues relating to the respondent's <i>commitment</i> to the relationship	If the duration of the relationship/s is/are more than 3 years: the methods used by the theatre to gain commitment to the relationship/s The effectiveness of the theatre in maintaining this commitment Reason for the response	If the duration of the relationship/s is/are more than 3 years: the methods used by the theatre to gain commitment to the relationship/s The effectiveness of the theatre in maintaining this commitment Reason for the response	For regular attenders, how the theatre gains commitment How effective the theatre is in maintaining this commitment Reason for the response	For staff who have been employed for over 3 years, how the theatre gains commitment How effective the theatre is in maintaining this commitment Reason for the response
Issues relating to the respondent's perception of the theatre's <i>customer orientation</i> within the relationship	Who the beneficiaries of the relationship are The extent to which it is felt that the relationship with resource generators is an important influence on the strategic direction of the theatre Reason/s for the response	Who the beneficiaries of the relationship are Motives for regulation The extent to which it is felt that the relationship with regulators is an important influence on the strategic direction of the theatre Reason/s for the response	What are considered to be the key motives for attendance What are considered to be the major influences on attendance The degree of comfort users are thought to experience in their dealings with the theatre The extent to which the theatre's communication is believed to influence attendance The most effective type of communication and why The major barriers to attendance The extent to which the theatre attempts to overcome these barriers Degree of audience focus of the theatre What are considered to be the key indicators of this focus	The extent to which the needs of staff are thought to be considered in the organisations's strategic decision making Reason/s for the response

5.3.3.2 Research Into Perceptions of Those Involved in Resource Generation

In-depth, semi-structured interviews were undertaken with a representative of the NWAB, officers of the relevant Local Authority and a representative of a commercial sponsor (for Theatres A and B only as Theatre Y claimed to have no commercial sponsors). Each of these were asked to respond to questions that refer to their resource generation relationship with each particular theatre: A, B and Y. Another party that is an important resource generator is of course, the audience. In this respect, data from research undertaken by Theatres A and Y (with information referring to regular and potential attenders, where available) were analysed. Most research methods dealt with resource generation issues although some were not appropriate to all respondents (semi-structured interviews for audience perceptions, for example).

As the research aimed to analyse the two-way relationships between the theatres and their 'partners', many of the issues addressed in the interviews with Artistic Directors were discussed with resource generators. The relationships were then analysed via a consideration of the aspects of experience, trust, commitment and customer orientation and these were cross-checked with the artistic directors' responses in the same areas.

Firstly, however, general issues that referred to relationships with a specific theatre needed to be addressed. These included information on which theatres were concerned, the types of resources offered, the volume and value of these resources and how often they were provided. The motives for doing so were important, as were the processes involved.

In terms of the respondents' **experience** of the relationship, it was necessary to identify the initiator of the process, with the reasons why this was the case. The perceived success of the relationship and how this was measured was important as well as an indication of the duration of the relationship. There was a need to ascertain the degree of **trust** respondents had in their dealings with a theatre and their reasons for this view. For those who had a long-term relationship with a particular theatre, it was necessary to discuss perceptions of how the theatre had attempted to acquire respondents' **commitment** and the perceived effectiveness of the maintenance of this commitment. Finally, in terms of the perceptions of the degree of a theatre's **customer orientation**, the perceived beneficiaries of the relationship needed to be identified and the extent to which it was felt that either individual respondents or where appropriate, their organisation, considered it to be an important influence on a particular theatre's strategic direction.

5.3.3.3 Research Into Perceptions of Those Involved in Regulation

In addition to the interviews undertaken with representatives of the NWAB, Local Authorities and commercial sponsors and the secondary research with audiences, interviews with senior managers and 'front of house' managers for each of the three theatres were undertaken. All of these parties could be said to be involved in either formal or informal regulation. As with resource generation, the research aimed to analyse the two-way relationships between the theatres and their 'partners', and many of the issues addressed in the interviews with Artistic Directors were discussed with regulators. Relationships were analysed again via a consideration of experience, trust,

commitment and customer orientation so that they could be cross-checked with the artistic directors' responses in the same areas.

As with resource generation, most research methods dealt with regulation issues although some were not appropriate to all respondents (audience motives for regulation, for example).

Firstly, however, the issues relating to which theatres were concerned, the type of regulation (formal or informal), the aspects of the theatre's product which were being regulated, the motives for regulation and the processes involved were all discussed.

The perceived effectiveness of this regulation, how this was measured and the duration of the relationship were issues which related to respondents' experience of the relationship. Similarly, the perceived extent to which the relationship was trusted to achieve the expected benefits and the reasons given for the response should have indicated the degree of trust a respondent had with a theatre. The same issues that were identified as important in assessing commitment and customer orientation for resource generation were addressed for regulation.

5.3.3.4 Research Into Perceptions of Those Involved in Human Resource

Deployment

This particular aspect of the research looked at the perceived relationships that the theatre had with its staff and therefore this was an important element within each semi-structured interview with theatre staff. In addition, the general issues of the theatre's organisation which were discussed with the artistic director were also

considered within these interviews thus allowing for an evaluation of the degree of congruence that existed between different levels of staff within a given organisation.

In terms of a respondent's **experience**, as with all the other roles, the perceived success of the relationship with a theatre, how this was measured and the duration of the relationship were all issues worthy of consideration. Similarly, the same issues of **trust, commitment and customer orientation** applied in this context. In addition, an individual manager's view of 'audience development' was useful in offering a cross-check with the respective artistic director's view on this matter.

5.3.3.5. Research Into Perceptions of Those Involved in Usage

It was likely that that all respondents could have had a usage relationship with a particular theatre. Therefore a number of issues needed to be addressed in this area either via interview or via interpretation of the audience research depending on the type of respondent. In practice, the issue of attendance for specific interviewees tended to be addressed by simple judgements of their experiences of particular productions. Whilst this was interesting, the research also required information regarding audience perceptions of the ongoing relationship they had with theatres. This had to be interpreted via the research undertaken by the two theatres (A and Y) who offered research data. Data relating to audience perceptions of theatre B were not available (see pages 150 and 151).

Initially, details of respondent type, which of the theatres had been attended, the type/s of performance and the frequency of attendance had to be ascertained where

possible. Also of importance were the motives for attendance and the perceived major influences on attendance.

In terms of the user's **experience**, the perception of the experience needed to be explored including how comfortable the user felt in his/her dealings with the theatre. The duration of the relationship was an important issue with regular attenders highlighting the perceived benefits of the relationship and irregular attenders identifying the reasons why they attended infrequently. The user's perceived success of the relationship with a particular theatre also had to be addressed.

For the **trust, commitment and customer orientation** elements of the usage relationship, the issues that were highlighted for both resource generation and regulation had to be considered. However, additional issues relating to the perceived degree of audience focus and its key indicators, the influence of theatre communications, their effectiveness, barriers to attendance and the degree to which a theatre had attempted to overcome such barriers needed to be addressed. These were all useful aspects that could be analysed with a view to gaining an assessment of the success or otherwise of the two-way relationship between theatre and user.

Tables 5.5 and 5.6 displays relevant issues from the various research projects undertaken by Theatres A and Y with a justification for their inclusion and subsequent analysis.

Table 5.5: Issues Chosen from the Secondary Empirical Research: Theatre A

Research Project	Type of data	Relevant Issues/ questions	Justification
Recent Research on Season Ticket Holders (1999/2000)	Raw Data from postal questionnaires: 447 responses	<p>What is your history as a Season Ticket Holder: old/ new ?</p> <p>If new, how did you hear about the Season Ticket Scheme?</p> <p>If renewing, did you hold a season ticket (various time periods):</p> <p>What was the main reason you decided to purchase a Season Ticket with us this year?</p> <p>How would you rate the following aspects of the Season Ticket Scheme?</p> <p>How would you rank the benefits of the following?</p> <p>Are you associated with the Theatre A in any other way?</p> <p>Have you attended other events at the Theatre A?</p> <p>If the Season Ticket Scheme (or more generally, the Theatre), was to change two things to improve your enjoyment, what would they be?</p> <p>Gender</p> <p>Age</p> <p>Employment status</p>	<p>To identify different levels of regular attendance</p> <p>To analyse the effectiveness of different communications</p> <p>To ascertain the length of the relationship</p> <p>To identify various motives for maintaining a relationship</p> <p>To identify the key factors that influence commitment</p> <p>To identify the key factors that influence commitment</p> <p>This refers to schemes where respondents donate funds. This is a useful guide to the degree of trust and commitment</p> <p>To identify whether there is a particular type of theatre experience that is more popular than others</p> <p>Offers the opportunity to identify possible areas for improvement and highlights expectations</p> <p>Identifies whether these are factors in the type and strength of the relationship</p>

Research Project	Type of data	Relevant Issues/ questions	Justification
Research Programme on attender attitudes to Theatre A's image (1995/96)	Data previously analysed by the theatre: Qualitative 3 focus groups with infrequent attenders	What do regular attenders and potential attenders think of Theatre A against other venues? What sort of plays do regular attenders and potential attenders think Theatre A produces and presents? What has prevented you from attending in the last 12 months?	Identifies key factors considered by both sets of respondents when considering possible theatre attendance Highlights expectations held by the two types of respondents To highlight any perceived barriers to attendance
Postal survey of single ticket and season ticket attenders. (1995/96)	Data previously analysed by the theatre: 500 responses 30.8% season ticket holders 68% non-season ticket holders	Usual Reasons for Attending Satisfaction levels amongst theatre attenders with specific aspects/ services plus overall satisfaction: Gender Age	To highlight the various motives for attendance for each type of respondent and to possibly make comparisons between time periods for season ticket holders To analyse perceptions of the experience Identifies whether these are factors in the type and strength of the relationship

Table 5.6: Issues Chosen from the Secondary Empirical Research: Theatre Y

Research Project	Type of data	Relevant Issues/ questions	Justification
Research undertaken (2001)	Data previously analysed by the theatre: Postal questionnaire: 517 responses	Views of the Plays: Choice, quality of acting, value for money, overall impression Attitude to Theatre Y: Future facing? Attitude to Theatre Y: Unfriendly and inaccessible, caters for minority tastes? Does Theatre Y offer a wide range of services catering for most people? Do events exceed expectation?	To evaluate users' experiences, and expectations of the core product. Also links to levels of trust that users have about the quality of the provision To ascertain whether respondents perceive the theatre as modern and proactive (leading question in the questionnaire) To ascertain whether respondents perceive the theatre as elitist (leading question in the questionnaire) To highlight views on the wide portfolio of products on offer and whether this is a positive or negative feature To highlight the degree of satisfaction with the theatre's events. This also links to experience and expectations

Table 5.7 displays the key issues to be addressed via the various research methods employed. The checklists used by the interviewer, both in interviews and as a guide for the analysis of those theatres' empirical research that was available and relevant are given in Appendix 4 (Checklists A.4.2 to A.4.5).

Table 5.7: Key Issues To Be Considered In The Empirical Research Undertaken With The Theatre's Various Stakeholder Partners

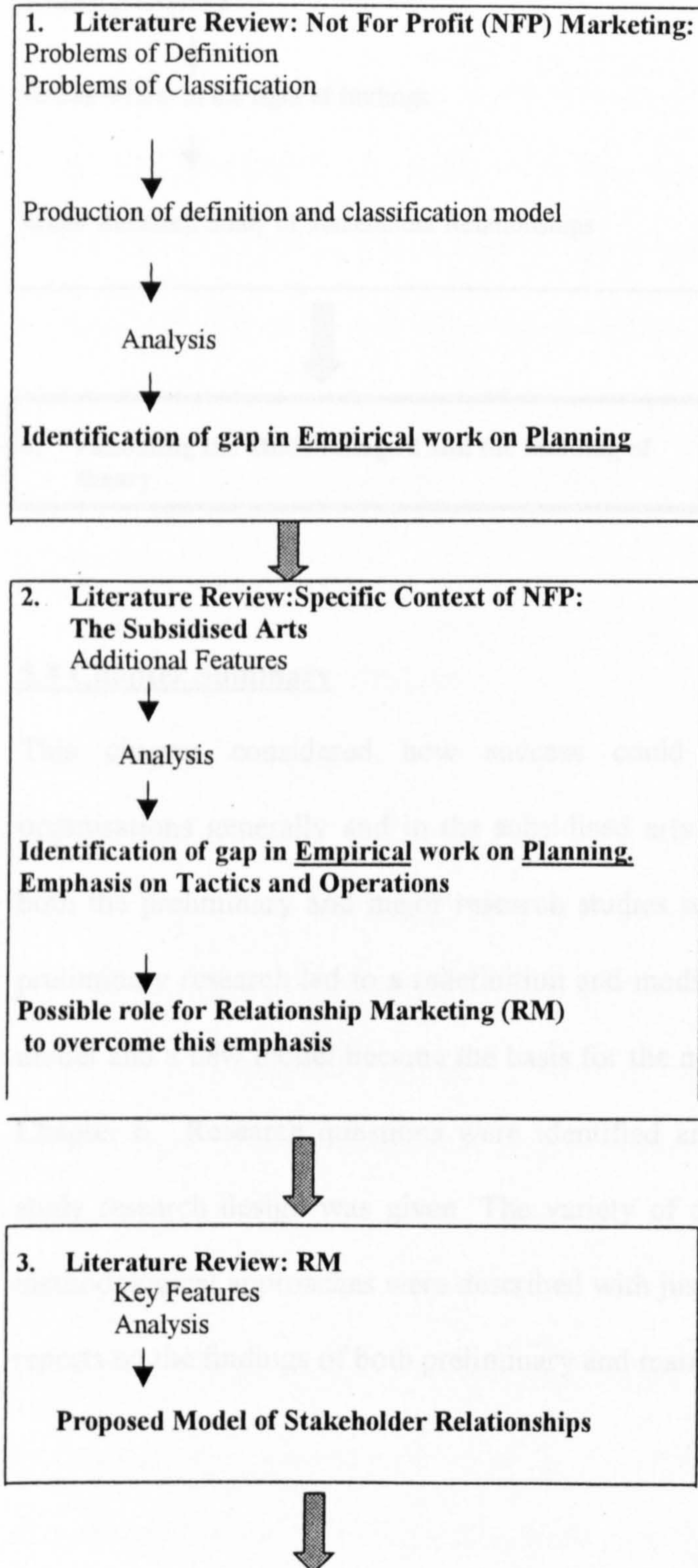
	Stakeholder Relationship Role			
	Resource Generation	Regulation	Usage	Human Resource Deployment
Research Respondent	Funder, Commercial Sponsor, Audience	Funder, Commercial Sponsor, Senior Manager, Marketing Manager, Front of House Manager, Audience	Funder, Commercial Sponsor, Senior Manager, Marketing Manager, Front of House Manager, Audience	Senior Manager, Marketing Manager, Front of House Manager
Key Topics				
General issues re: the specific relationship with the theatre	<p>Which theatres are involved</p> <p>Types of resource offered</p> <p>Quantity</p> <p>Frequency</p> <p>Motives for doing so</p> <p>The process involved</p>	<p>Which theatres are involved</p> <p>Type of regulation: Formal/informal</p> <p>The aspects of the theatre 'product' which are regulated</p> <p>Motives for the regulation</p> <p>The process involved in managing regulation</p>	<p>Details of respondent/s or respondent type</p> <p>Which of the 3 theatres had been attended</p> <p>Type of performance/s</p> <p>Frequency of attendance</p> <p>Motives for attendance</p> <p>Major influences on attendance</p> <p>The process involved</p>	<p>Organisation and management structure</p> <p>Role of respondent</p> <p>The degree to which there is a synergy between creative and satisfying audience requirements</p> <p>General mission/aim of the organisation</p> <p>How successful achievement of this is measured</p> <p>Criteria used for the measurement of success</p> <p>What is considered to be the organisation's 'product'</p>
Issues relating to respondent's experience with the relationship	<p>The initiator of the process: organisation/ individuals and why</p> <p>How successful the relationship is</p> <p>How this is measured</p> <p>Duration of the relationship</p>	<p>How effective the regulation is</p> <p>How this is measured</p> <p>Duration of the relationship</p>	<p>Degree of satisfaction with the experience and reason/s for response</p> <p>How comfortable the users are with their dealings with the theatre/s</p> <p>If a regular attender, what the key perceived benefits are</p> <p>If not a regular attender, the reason/s for not attending</p> <p>Duration of the relationship</p> <p>The degree of success of the relationship that exists with the theatre/s</p> <p>How this is measured</p>	<p>How successful the relationship is</p> <p>How this is measured</p> <p>Duration of the relationship</p>

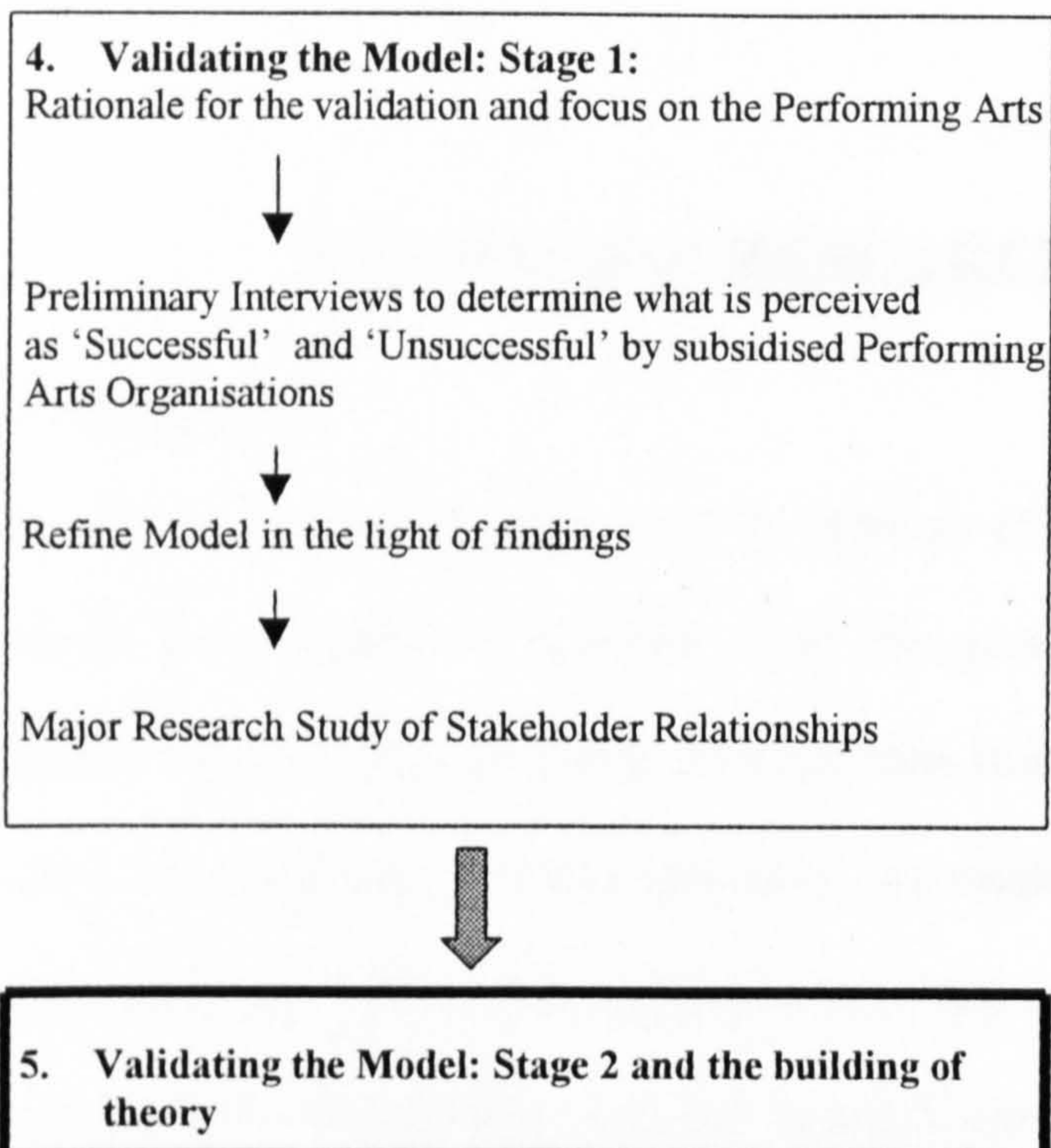
Key Issues To Be Considered In The Empirical Research Undertaken With The Theatre's Various Stakeholder Partners cont.				
	Stakeholder Relationship Role			
	Resource Generation	Regulation	Usage	Human Resource Deployment
Research Respondent	Funder, Commercial Sponsor, Audience	Funder, Commercial Sponsor, Senior Manager, Marketing Manager, Front of House Manager, Audience	Funder, Commercial Sponsor, Senior Manager, Marketing Manager, Front of House Manager, Audience	Senior Manager, Marketing Manager, Front of House Manager
Key Topics				
Issues relating to the respondent's <i>trust</i> of the partnership	The extent to which the relationship/s to are trusted to achieve the expected benefits Reasons for response	The extent to which the relationship/s to are trusted to achieve the expected benefits Reasons for response	The extent to which the particular theatre/s is/are trusted to satisfy expectations Reasons for response	The extent to which the particular theatre is trusted to satisfy expectations Reasons for response
Issues relating to the respondent's <i>commitment</i> to the relationship	If the duration of the relationship/s is/are more than 3 years; how the theatre/s gain commitment to the relationship/s The effectiveness of the theatre/s in maintaining this commitment Reason for the response	If the duration of the relationship/s is/are more than 3 years; how the theatre/s gain commitment to the relationship/s The effectiveness of the theatre/s in maintaining this commitment Reason for the response	If a regular attender, how the theatre/s gain commitment The effectiveness of the theatre/s in maintaining this commitment Reason for the response	If employed by the theatre for more than 3 years, how the theatre gains commitment to the relationship The effectiveness of the theatre in maintaining this commitment Reason for the response
Issues relating to the respondent's perception of the theatre's <i>customer orientation</i> within the relationship	Who the beneficiaries of the relationship are The extent to which it is felt that the relationship with respondent's organisation is an important influence on the strategic direction of the theatre/s Reason/s for the response	Who the beneficiaries of the relationship are The extent to which it is felt that the relationship with respondent's organisation is an important influence on the strategic direction of the theatre/s Reason/s for the response	The degree of audience focus of the theatre/s The key indicators of this focus The extent to which the theatre/s' communication influences attendance What are considered to be the most effective type of communication and why. What are considered to be the major barriers to attendance The extent to which the theatre/s attempt to overcome such barriers The extent to which it is felt that the relationship with users is an important influence on the strategic direction of the theatre/s Reason/s for the response	The criteria used to measure the 'effectiveness' of the organisation For each criterion, who the beneficiary is Who are considered to be the organisation's key stakeholders What the term 'audience development' is considered to mean The extent to which the needs of staff are thought to be considered in the organisations's strategic decision making Reason/s for the response

5.3.4 Chain of evidence

Figure 5.1 displays the course of this study.

Fig. 5.1: Development of the Study





5.4 Chapter Summary

This chapter considered how success could be measured in not-for-profit organisations generally and in the subsidised arts specifically. The methodology of both the preliminary and major research studies was described. The findings of the preliminary research led to a redefinition and modification of the original conceptual model and a new model became the basis for the major research. This is presented in Chapter 6. Research questions were identified and a justification for a multi-case study research design was given. The variety of data sources incorporating several methodological approaches were described with justifications given. The next chapter reports on the findings of both preliminary and main research studies.

CHAPTER 6: RESEARCH FINDINGS

6.1 Introduction

This chapter includes an analysis of the findings of the preliminary study (the detailed findings are presented in Appendix 3) as this gave the key parameters for the main research. The key findings arising from the main study are subsequently reported. These include responses from in-depth interviews, the results of a content analysis of publicity produced by the chosen three theatres to both their regular and potential audiences, and those aspects of secondary empirical research conducted by the theatres themselves deemed relevant to this study.

6.2 Preliminary Research Findings

The preliminary research was undertaken in order to identify the criteria used by arts organisations, particularly performing arts organisations, to define 'success'. This initial study sought to examine the criteria used by senior managers for measuring success in six subsidised theatres in the North West of England. The findings from semi-structured interviews were studied, considered and analysed with common and contrasting themes being interpreted. Such interpretations are given below.

6.2.1 Respondents

All respondents were employed in the most senior administrative positions. Their job titles, however, were sometimes different (B, X and Y used the term 'Chief Executive', A used the term 'Executive Director', D used the term 'Deputy Chief Executive' and C used

the term 'General Manager'). In all cases, although these were the most senior administrative positions, there was also the existence of an Artistic Director who was seen as performing the key strategic role within the organisation (the respondent at Theatre B performed both roles). Respondents at A, D and Y, believed that they should also have had a strategic role to play (although there were perceived difficulties in doing so). The Artistic Director, in addition to having a key strategic role, was also the creative driving force behind the organisation. Whether there was a conflict or a synergy here would be an issue that could be of interest in this research.

6.2.2 Organisation Vision/Mission

Only Theatre X lacked a clear vision for the future. Theatres B, C and D had visions that were audience focused: Theatre B was seen as a theatre for young people, C saw the importance of access/social inclusion and D saw its role as giving people what they wanted. Theatre A was product driven in that it saw its vision as producing new works and Y had a more corporate-driven vision with it being seen as a 'flagship for the arts' in the region.

Theatres A, B and D offered indicators of the successful achievement of their missions: Theatre A used the number of new productions as a measure and Theatres B and D used audience type and size respectively.

Theatres C and Y did not identify specific measures for the successful achievement of their missions. If there are indeed no measures to assess whether a theatre is moving in the right

direction, there are likely to be difficulties in producing effective long-term strategies: the organisation knows where it wants to be, but does not know whether it is getting there.

6.2.3 Organisation Structure

All respondents, apart from A, believed that a team approach was important (theatre A displayed a clear hierarchical structure). However, only C, D and Y demonstrated the application of a team approach.

In all cases except Theatre Y, marketing was seen as a middle management role. Grönroos (1980) notes that this approach is likely to lead to a more product-based, tactical orientation, in service industries. The reason for this, he claims, is that the other functional areas of the organisation tend to leave all the perceived 'marketing' tasks to this role. Marketing therefore tends to take on a tactical communication emphasis. Interestingly, although marketing was seen as an important part of Y's management 'team', it was clear from discussions with the respondent, that marketing was very much associated with publicity rather than as a strategic philosophy.

6.2.4 Audience Development

Most respondents saw this as acquiring new audiences. Theatres B and C, however, saw audience development as more than this. For C, it was looking after that proportion of the audience who regularly attended and for B, audience development referred to all aspects of the theatre's existence.

6.2.5 Audience Type

All but B and D had a wide focus. The narrow focus of B was clearly linked to its mission of catering to a young audience. For D, however, the narrow focus of targeting the core audience was more in response to its existing market (aged 60+) rather than being necessarily driven by its mission.

6.2.6 Funding

All respondents highlighted box office revenue and external funding as important. Regarding external funding, all but Theatre C received funds from a combination of the NWAB and the Local Authority. C's major external funding came from the Local Authority. Commercial sponsorship was a source of funding for X's pre- and post-production tours.

6.2.7 Customers/Beneficiaries

All respondents were aware of different stakeholders. Theatres A, B and D saw the audience as the key priority whereas X and Y saw funders as the most important customer grouping

The respondent from Theatre B highlighted the importance of collaboration with a variety of stakeholders whereas the respondent from A talked of collaboration only in the context of acquiring funding. Collaboration with opinion leaders of particular audience segments was noted by Y and collaboration with both audience *and* staff was considered important by C. The respondent from D noted the importance of collaboration with staff.

6.2.8 Organisation Product

All saw the product as being the performance and all but D saw new products as important. A, X and Y had additions to the performance as part of their product portfolio (A had a studio, X had pre- and post- tours and Y had a cinema).

6.2.9 Indicators of Success

All saw the box office and quality of work as key indicators of success. A, C and Y saw a link between quality of work and an increase in audience size. Only X and Y saw external funding as additional indicators of success

6.2.10 Examples of Successful Organisations

All saw A and B as examples of success. C and D were also considered successful (two respondents each).

6.2.11 Examples of Unsuccessful Organisations

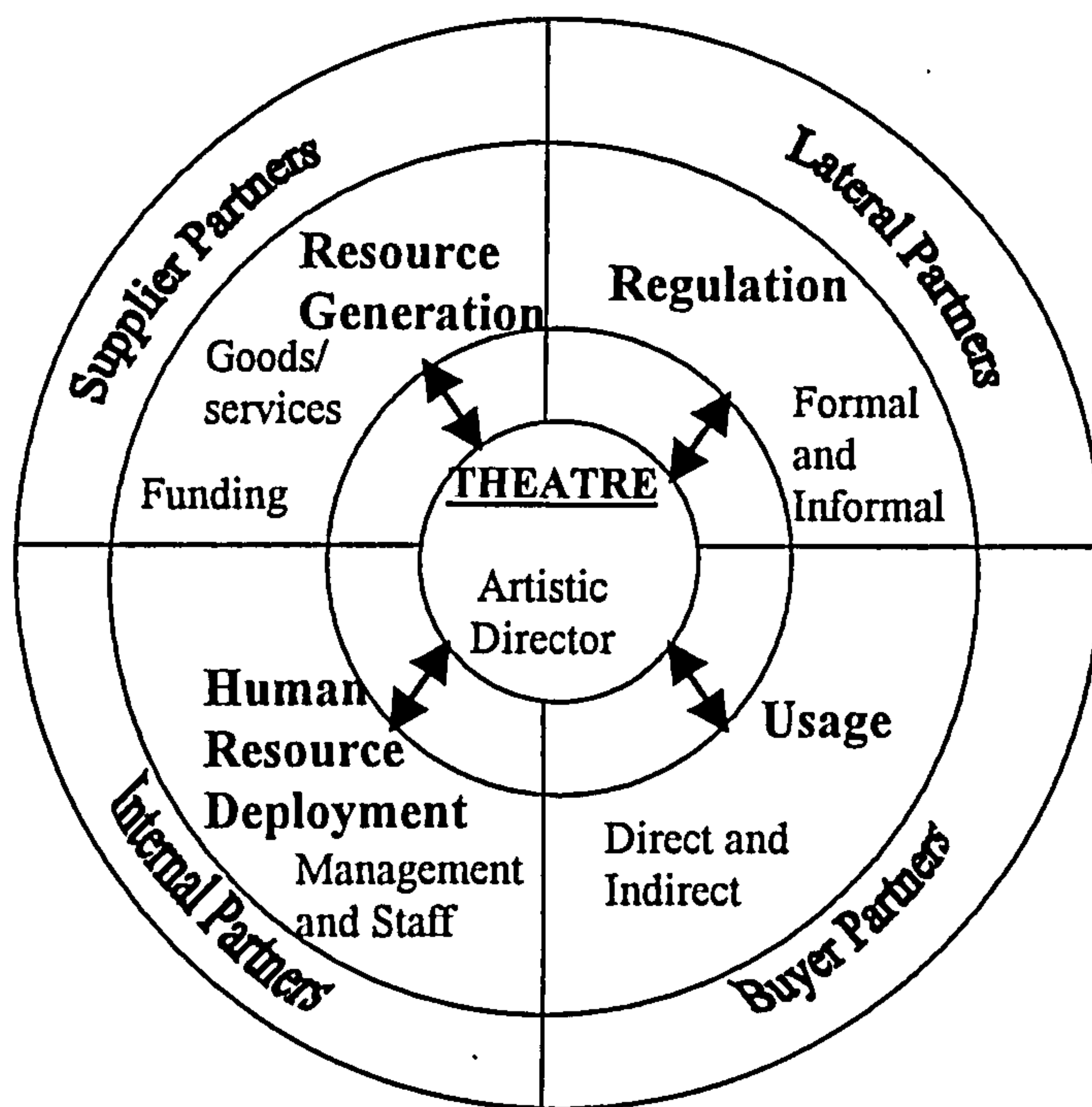
All (including the X and Y respondents) identified X and Y as examples of unsuccessful organisations.

6.3 A New Conceptual Model

The conceptual model presented in chapter 4 (page 125) identifies four major partnerships in which a subsidised performing arts organisation may be involved: buyer, supplier, lateral and internal partnerships. The organisation has relationships with specific stakeholder

types within these partnerships: users, resource generators, regulators and staff members/managers. The preliminary study seemed to confirm that these were all potentially important as each respondent referred to them to differing degrees. Of particular interest, however, was the finding that in all cases, it was the Artistic Director rather than the Chief Administrative manager who was seen to have a strategic role within each organisation. As a result, the model has been modified to incorporate this (Figure: 6.1). In addition, modification has taken place to take into account the fact that roles, rather than individual parties, are likely to be important. For example, rather than presenting a list of parties that could be considered to be resource generators, the role of 'resource generation' as a generic term may be simpler and more helpful in demonstrating the relationship between those who represent the theatre's strategic decision making and those who provide physical and financial resources. Similarly, the other stakeholder types of 'user', 'regulator' and 'staff members/managers' have been changed to 'usage', 'regulation' and 'human resource deployment'.

Figure: 6.1 Relationship Marketing Approach to the Subsidised Arts



Top Left Cell: Resource Generation/Supplier Partnerships

This displays the relationship between the artistic director who represents the theatre and those who provide its goods and services and its financial resources. A number of possible parties perform this role:

Central and Local Government that provide goods and services and funding.

Commercial Enterprises that provide goods and services and funding through sponsorship and philanthropy.

Audiences who provide direct funding through the box office.

Individuals who provide direct funding through philanthropy

Top Right Cell: Regulation/Lateral Partnerships

This displays the relationship between the artistic director and those who regulate the theatre's activities (either formally or informally). The parties that perform this function include the following:

Funding Bodies

Commercial Enterprises

Audiences

Competitors

The Media

Internal Staff

Bottom Right Cell: Usage/Buyer Partnerships

This displays the relationship between the 'theatre' and those who purchase/use its services. This relationship can be both indirect and direct. A number of possible parties perform this role:

The Audience (Direct Relationship)

Internal Staff (Direct Relationship)

Commercial Enterprises (Indirect through Corporate Hospitality)

Local Community (Indirect)

Intermediaries (Indirect)

Bottom Left Cell: Human Resource Deployment/ Internal Partnerships

This displays the relationship between the 'theatre' and those who are employed by it. A number of possible parties perform this role:

Artists

Managers

Other Employees

6.4 Findings of the Main Research

Themes and topics identified in the preliminary research findings became the key aspects for consideration in the main study. All findings refer to respondent perceptions on a range of issues relating to organisations, marketing and relationships as indicated in the following table:

Table 6.1: Issues Addressed in the Research

Organisational Issues	Issues Relating to Marketing	Issues Relating to Relationships
Organisation Structure and Culture	Product	With the Audience
Organisation Mission/Direction	Audience Development	With Funders
Success	Role of Marketing	With Regulators
	Beneficiaries	With Users
		With Employees

In addition, content analysis of each of the three theatre's promotional literature was undertaken to compare communications targeted at regular and potential attenders.

6.4.1 Findings of the Research Relating to Theatre A

6.4.1.1 Perceptions of Organisation/Culture

All internal interviewees, to differing degrees, saw Theatre A as having a hierarchical structure and that this was very much a function of the size of the organisation (Theatre A employed two hundred people permanently and two hundred part-time staff: actors, lighting, production engineers etc.). Both the Executive and Artistic Directors perceived the organisation structure as that of a team effort at the top of the hierarchy and believed that this model was successful:

“The structure works well. We see ourselves as a management team.”

(Artistic Director, Theatre A)

However, as indicated in the preliminary research, the Executive Director believed that she should have been performing more of a strategic role but had found it difficult to do so due to her previous experience in an operational capacity. The Senior Artistic Director performed a political role and was trying to step back from general strategic decision making, although he had found it difficult to do so.

The other senior managers within Theatre A had slightly different perceptions of the organisation as a whole. The Theatre Manager, clearly felt that although there was a hierarchy, there was a ‘family feel’ because a number of artistic directors had been there for many years. She saw this continuity as being vitally important for the theatre and although some of the ‘family culture’ had been lost because of the increased size of the organisation, she still felt part of something:

“Although as the theatre has grown and we have become more bureaucratic, there is still a homely, family feel to the place for both staff and audiences.”

(Theatre Manager, Theatre A)

Her role involved her in everything and it was this variety that had maintained her motivation and enthusiasm.

In contrast to some respondents, the Marketing Director saw the organisation structure as being loose and flat with a senior management team that was large. The Artistic Directors developed the artistic vision and then it was up to the Executive Director to deliver it. Below was a flat structure which included the General Manager and Financial Director and below these were the senior heads of departments- marketing, company manager, production manager etc.

External perceptions were also different:

“Theatre A’s organisation is driven by the artistic team and Board and tends to be complacent when things are going well and extremely conservative when things are going badly.”

(Representative of the NWAB)

6.4.1.2 Perceptions of Organisation Mission/Direction

Most respondents had similar views. The Artistic Director highlighted the historical influences on the theatre's direction explaining that the theatre had developed out of a rebellion against the Shakespearian norm in the 1950's:

“We want be more forward thinking and emphasise the ‘new’.”

(Artistic Director, Theatre A)

Similarly, the Executive Director, saw the mission as involving innovation and new art. Although people thought of the theatre as performing the classics well, this needed to be done differently from the competition. There was a need to keep pace with the dynamic competitive environment and therefore there was a constant review of the external environment and of the internal organisational structure:

“One possibility is buying a London Theatre to ensure that our company can attract the biggest and best performers and performances. It is becoming increasingly difficult to attract the high quality required.”

(Executive Director, Theatre A)

In a similar vein, the Marketing Director saw Theatre A as the flagship producing theatre of the North West offering quality and innovation. He also acknowledged the audience perceptions of the theatre as that of performing the ‘classics’ and believed that it was important for the press to report on ‘new’ and innovative productions more effectively:

“It is important to ensure that our new work is effectively publicised.”

(Marketing Director, Theatre A)

The Theatre Manager, however, had a different view and saw ‘accessibility’ as a major direction for the theatre:

“The theatre should be accessible to more people at every level. We have worked hard to break down elitist barriers. The building is open all day and evening (although there is still a car parking problem) and this is successful.”

(Theatre Manager, Theatre A)

The representative of the NWAB believed Theatre A had a privileged position, it had the opportunity to look forward. However, this was not necessarily happening:

“ It looks like an old-fashioned repertory company with an old fashioned repertory Board. The programme has for short periods been more ambitious and experimental but it has now returned to its old position with a traditional repertoire.”

(Representative of NWAB)

6.4.1.3 Perceptions of Success

The Executive Director reaffirmed her view noted in the preliminary research that the key criterion was the high quality of work on stage but she also saw the box office as being important. She implied that quality of work led to larger audiences. She believed that those in the industry all knew what success was but it was difficult to communicate. The Artistic Director had similar views. He believed that there were a number of criteria:

“Success requires the maintenance of consistently large audiences plus the production of a quality product in the professional sense. A successful theatre also supplies the country with high quality staff and gets distinguished actors who wish to perform at the theatre”.

(Artistic Director, Theatre A)

He believed that there was not always a clear link between quality and audience attendance but having a successful balance was crucial. He felt strongly that a theatre should not lurch from one funding opportunity to another:

“ A theatre’s direction should not be compromised to satisfy funding criteria.”

(Artistic Director, Theatre A)

For the Theatre Manager, success depended on relationships. There were a number of staff who worked at the theatre in their 80's.

“Older staff feel they 'belong to' the theatre rather than work here. They come and see the shows and feel that they are part of a bigger family.”

(Theatre Manager, Theatre A)

Success also depended on the caring image of the theatre staff that was communicated. Success was satisfying staff that in turn led to satisfying the audience. Equally, actors kept coming back because they felt they belonged and were integrated into the wider culture of the theatre.

Box office income targets were seen as important for the Marketing Director. However, he felt there was a need for involvement and consultation in setting these. Another measure of success was the maintenance of a strong season ticket holder base:

“Without a solid group of regular attenders, we would really struggle.”

(Marketing Director, Theatre A)

He also believed that the degree of staff motivation and involvement should also be considered as an indicator.

The representative of the Local Authority noted that for Local Authorities generally, reputation and impact on the community were important criteria. She felt that Theatre A

met the first criterion but not necessarily the second. She felt that certain things were necessary for success. Of particular importance was a commitment from the theatre's Board:

“Success depends on having a committed board. Theatre A should be able to recruit such people because of its high public profile.”

(Representative of AGMA)

The representative of a Commercial Sponsor believed that the building and the quality of performances were key indicators of the theatre's success. A couple of years ago, the theatre seemed to have lost its way a little but it was now improving:

“There were plays and actors I had never heard of which worried me in my position here. The theatre is now producing famous plays with famous actors again which is a relief.”

(Representative of a Commercial Sponsor)

6.4.1.4 Theatre Product

For Theatre A, it was clear that respondents saw the theatrical production as being the organisation's 'product'.

6.4.1.5 Views on Audience Development

The Executive Director noted that the theatre was funded to 'push out the envelope' and therefore saw audience development as attempting to reach a younger audience:

“Audience Development involves linking up with schools and other educational institutions.”

(Executive Director, Theatre A)

However, there was still a resistance to change on behalf of the theatre's regular audience who were more likely to be 50-60 year old professionals. The acquisition of the younger, 19-25 age group was particularly difficult. There was thus a need to 'educate' which she believed was difficult but not impossible.

The Artistic Director also saw the importance of acquiring younger audiences and believed that there was a genuine crisis:

“Older audiences are getting older and younger audiences don't see the theatre as a leisure option. This is due to a 'dumbing down' generally.”

(Artistic Director, Theatre A)

He believed that there was a need to at least get new audiences to try the theatre. A combination of a mixed repertoire, different ways of performing the classics and the right type of marketing may be the way forward:

“I never believed in marketing before. It's strange that I am now starting to use the term.”

(Artistic Director, Theatre A)

He accepted that competition was not just other theatres but leisure facilities generally. Indeed, he felt that other theatres were good for Theatre A and vice versa. On a similar note, the Theatre Manager highlighted the fact that the studio was being used for children's shows and she saw this as an important part of audience development:

“You have got to target the young. We cannot just keep the 'blue rinse brigade'.”

(Theatre Manager, Theatre A)

She was much more optimistic than other respondents and she saw the theatre as being very strong on providing access to new work. There were after-show discussions for the audience with the artistic director and the cast and she believed that this would help develop on-going relationships by showing consideration for the audience.

The Marketing Director claimed that there had been regular debate about this issue within the theatre.

“ We have talked about this regularly. My view is that audience development involves the creation and retention of audiences by looking at how people engaged with the theatre. This could involve broader issues such as outreach etc.”

(Marketing Director, Theatre A)

He saw this as part of the marketing role and it was a strategic consideration. There were changing patterns of consumption, taste and competition and therefore there was a need to broaden the audience base through specific targeting.

6.4.1.6 Perceived Role of Marketing

The Executive Director had a broad view:

“Marketing involves keeping pace with the dynamic competitive environment. We need to constantly review the external environment and the internal organisational structure.”

(Executive Director, Theatre A)

Although he was not particularly happy about its use, the Artistic Director accepted that marketing was important, particularly in a strategic context to acquire new audiences and to maintain present ones. For the Marketing Director, marketing was also seen as a strategic issue. He saw its role as raising the profile of the theatre and attracting

attendance. He acquired information about regular and potential audiences and passed this information to the Directors to help inform their decisions.

6.4.1.7 Beneficiaries

For Theatre A respondents, there was a common view:

“The key beneficiary or ‘customer’ is the audience. The theatre should have its vision, succeed in meeting this vision and this will attract the audience. Bowing to funding pressure is more likely to lead to audiences being lost.”

(Artistic Director, Theatre A)

“There is only one key beneficiary and this is the audience.”

(Marketing Director, Theatre A)

The Executive Director felt that although the most important 'customer' was the audience, with there being a partnership between audience and theatre, there was also a need for passion and commitment on the part of the staff and therefore, pay and conditions were also vital:

“ Well motivated and committed staff are also important.”

(Executive Director, Theatre A)

Although the representative of the NWAB was not aware of whom was considered by Theatre A to be the key beneficiaries, he was clear in his own mind that the theatre did not see the NWAB as a 'customer':

“It is clear to me, that we and other external funders are not treated as customers but as more of a hindrance”.

(Representative of the NWAB)

6.4.1.8 Relationships with the Audience

Theatre to Audience: Interviews

All respondents believed that they had a positive relationship with audiences. According to the Artistic Director, the theatre's vision was bringing the audience along with it. However, he accepted that there was a need to acquire new, younger audiences. Unfortunately, younger audiences did not see the theatre as a leisure option. In order for audiences to at least try the theatre, he believed that a mixed repertoire should be offered and felt that this was indeed the case in Theatre A. The Executive Director also saw the importance of acquiring younger audiences and noted the potential links with schools and other educational institutions. However, the theatre's image was still that of producing the classics and this could be a problem especially if more modern, innovative productions were offered. The Theatre Manager similarly noted the importance of acquiring a younger audience and believed that the use of the studio for children's shows was part of this audience development. She also believed that Theatre A was strong on developing new work and providing access to this new work. In addition, she felt that after-show discussions with audience, actors and cast were other key features. She believed that the theatre showed consideration for its audience without patronising them.

Theatre to Audience: Content Analysis

For Theatre A, nine letters/invitations targeted at regular audiences and two large brochures targeted at potential audiences were analysed for particular words and phrases and to ascertain the style and tone communicated to the different audience types.

In terms of the publicity Theatre A used to communicate to regular attenders, the style could be interpreted as being rather one-way, conventional and impersonal:

“hello” rather than a personalised greeting

“you and your guest are invited to” rather than *“we invite you”*

More of a rational appeal was used with price advantages of being a season ticket holder and objective information from newspaper critics being examples. Although there was some indication of a relationship:

“celebrate with you”

at times the tone could be interpreted as being terse:

'renew', 'order', 'book', 'don't forget'

When publicity to potential attenders was analysed, it was found that many glossy photographs were included (indicating a large amount of money being available). Many of these were of famous actors and this ‘name dropping’ was a particular feature used in all the brochures. This was particularly the case in the Autumn/Winter Season brochure where there were quotations from these actors about the theatre. This was less so in the Spring/Summer brochure, as performances in this season seemed to be of a lower profile. There was also information emphasising the reputations of the artistic directors, again to enhance credibility.

The tone tended to be rather self-absorbed with plenty of text ‘patting itself on the back’ for what the theatre had done over 25 years and there were plenty of quotes reinforcing

this success from high profile personalities. In a similar vein, there were many references to awards for productions, directors and artists.

There was a great deal of use of hyperbole:

“fulfil that experience in the most vivid and immediate way”

“unrivalled”

“finest actors”

An attempt had been made to be a little customer focused by publishing testimonials from previous audience members. Three were included with one extolling the virtues of a theatre workshop and two of particular productions. It was interesting that of the three quotes, one was from a 10 year old and another referred to a 12 year old. This seemed to indicate a consideration for the younger audience.

There was some attempt to gain financial support for the theatre:

“For information on how you can play your part in supporting the future of the theatre by donating to the Theatre Development Fund call...”

This tended to use a moral appeal rather than a rational or emotional one. There was an expectation that as the theatre had done such a great deal it needed to be rewarded by its patrons.

As with the communication to regular attenders, the tone seemed to be rather formal and lacking in warmth:

“Welcome”

“we were overwhelmed earlier this year by your response....”

“heartfelt praise and stirring support...”

Words and phrases were more likely to appeal to the educated:

“eclectic”
“irascible”

Price reductions were offered for regular attendance and these were highlighted in upper case:

“SEE ALL PLAYS AND SAVE 20% WITH A SEASON TICKET”

Indeed, upper case, in general, was used to gain attention, particularly to note other performances and works.

There was clear evidence of the perceived value of supporting services to the theatre with the promotion of the restaurant, bookshop, conference facilities, craft shop, costume hiring etc.

There was an Education section at the back of each brochure. This used a very factual tone and although there was an attempt to engage the reader:

“our education programme invites you to...”

given there was an attempt to target a younger audience, this was clearly aimed at an adult and professional readership:

*“Teaching and learning materials to support selected productions”,
“a partnership scheme building closer links with local schools and colleges”*

Overall, the tone of Theatre A's communications could be interpreted as being of a reserved, formal and informative nature. There seemed to be little engagement with those other than those who were older and well educated. There were few indications of wanting a relationship to be developed. The only clear one was reference to a season ticket but this was promoted on a price reduction basis rather than on any other benefits to holders.

In an attempt to ascertain in a little more depth, the degree of relationship involvement the theatre wanted to develop with the reader, an analysis of key words and phrases in the communication with the different audience types was undertaken. Table 6.2 displays this:

Table 6.2: Content analysis of key words or phrases in the communication with the different audience types:

Word/phrase	Frequency of word/phrase		% of text units frequency represents	
	Regular attenders	Potential attenders	Regular attenders	Potential attenders
'us'	4 (all are 'join us')	4	1	0.5
Own organisation name	15	44	3.7	5.2
'we'	12	16	3	1.9
'your'	22	12	5.5	1.4
'for you/r'	1	2	0.25	0.24
'with you/r'	1	0	0.25	0
'to you/r'	1	0	0.25	0
'you'	32	40	8	4.7

The word 'us' is used twice as often for regular attenders as for potential attenders (1% of text units compared to 0.5%). There seems to be more engagement with regular attenders than potential ones as indicated by the use of the words 'your' (5.5% of text units compared to 1.4%) and 'you' (8% compared to 4.7%).

Audience to Theatre: Attenders Generally

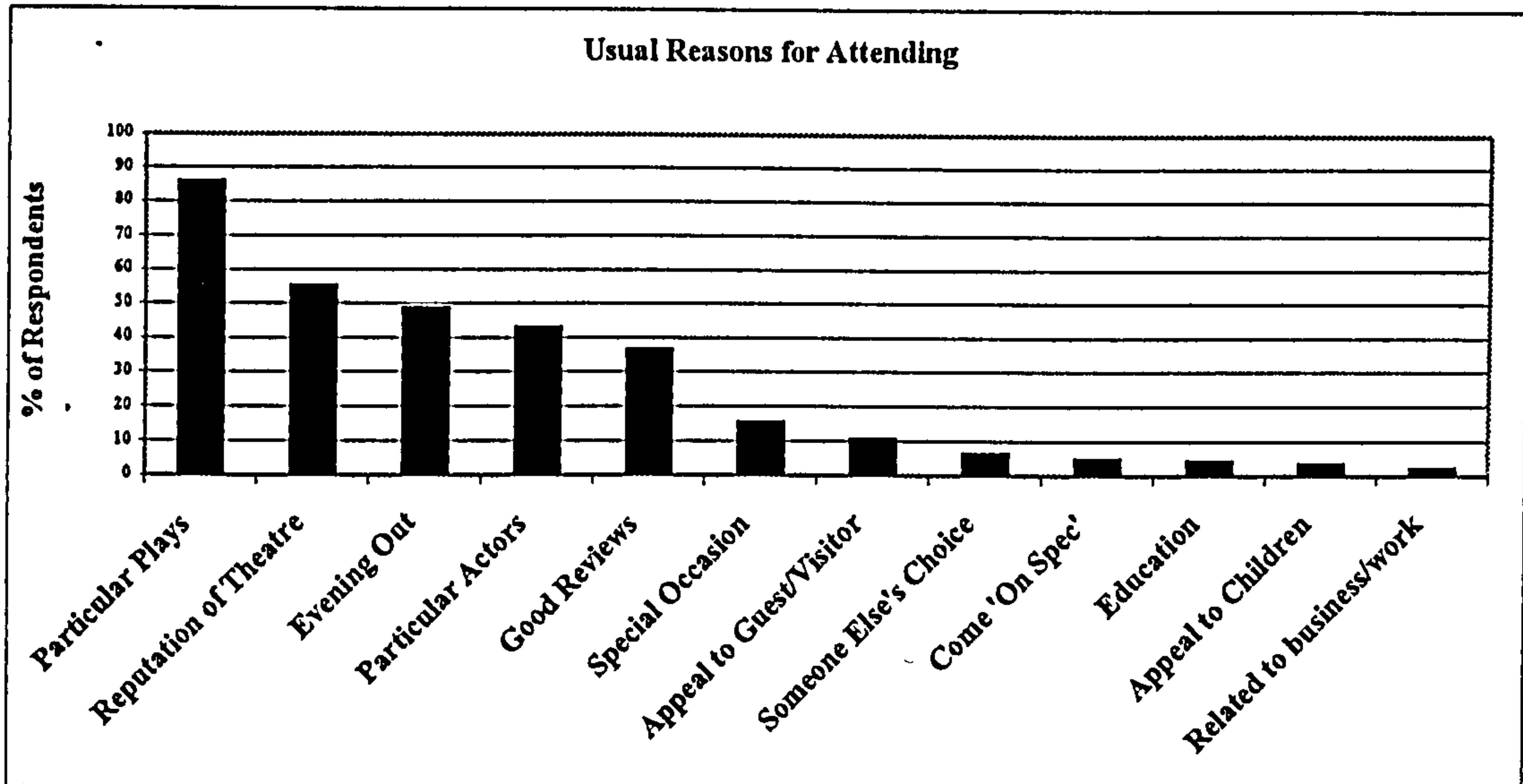
The following findings are as a result of Theatre A's Research Programme in 1995/6 which comprised a postal survey (500 responses) and four focus group sessions (three groups with irregular attenders and one with regular attenders).

In general terms the findings from this research highlighted the fact that Theatre A was considered primarily as a venue for drama. Attenders tended to think that it produced and presented Shakespearean, new and well known/ classic plays with a number of respondents seeing it as presenting controversial plays. The theatre was perceived to use well-known actors and be ahead of any other theatre in terms of quality of drama and ability of directors. However it was also perceived as being more expensive than most theatres and as more highbrow than any other theatre.

More specific findings are presented in figures 6.2 to 6.4.

Those relating to motivation

Fig. 6.2: Usual Reasons for Attending (from postal survey)

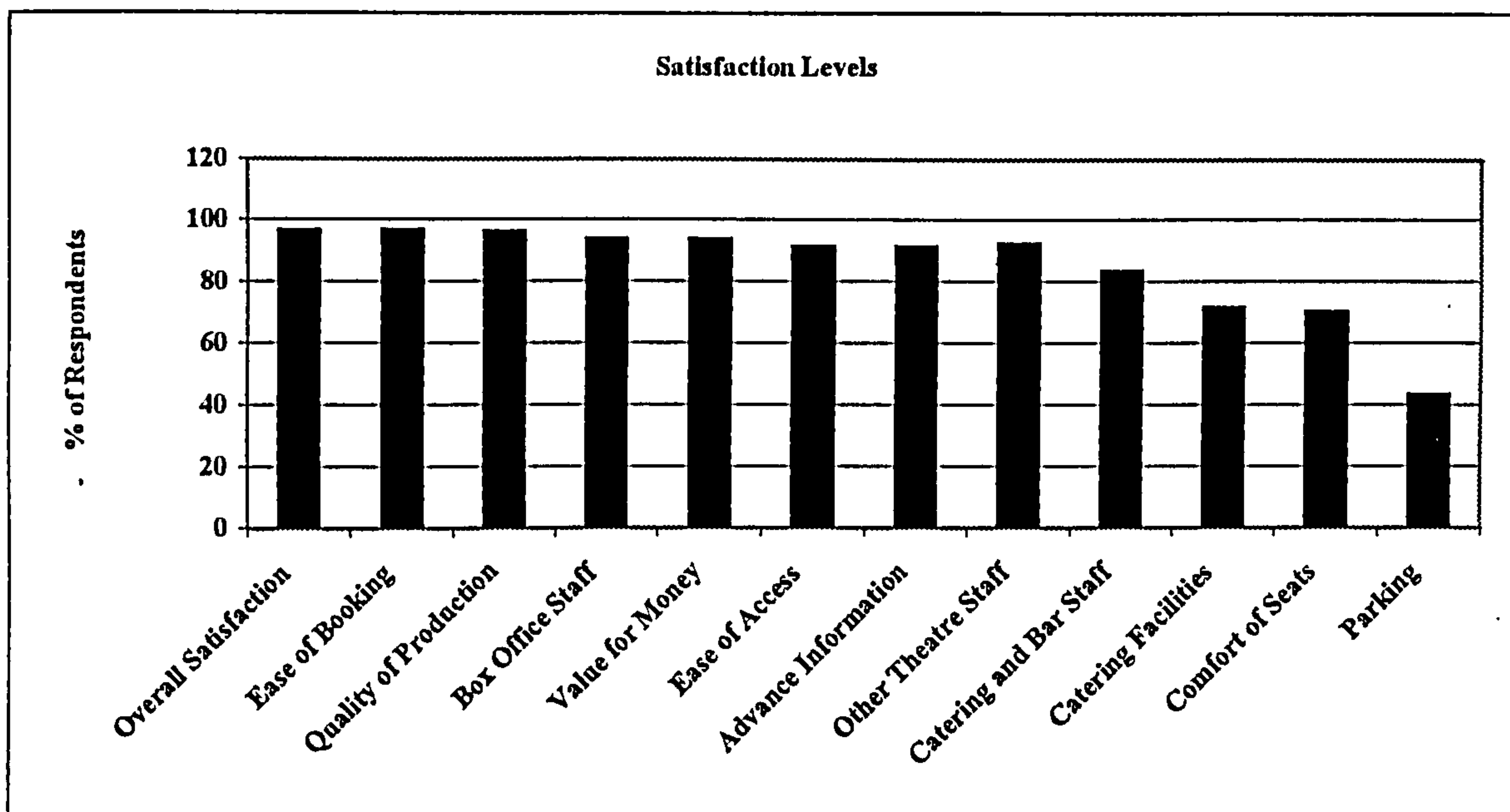


The most popular reason given was particular plays (86%) followed by reputation of the theatre (55%), evening out (48.4%), particular actors (42.9%) and good reviews (36.7%).

Other reasons given had relatively low responses.

Those relating to perceptions

Fig.6.3: Satisfaction levels amongst theatre attenders (from postal survey)



The large majority of respondents were satisfied overall (either very satisfied or satisfied) with the theatre (96.9%). Over 90% of respondents showed general satisfaction (very satisfied or satisfied) with most aspects of the theatre: Ease of booking (96.8%), Quality of Production (96%), Box Office Staff (93.6%), Value for Money (93.5%), Ease of Access (91.3%), Advance Information (91.3%) and Other Theatre Staff (92.3%). The only relatively poor score went to car parking with only 43.5% showing satisfaction with this aspect of the theatre experience.

Age of respondents

Over half the respondents for this research on general attenders were over 45 years of age (50.9%).

Audience to Theatre: Regular Attenders

The following findings are the result of Theatre A's research on Season Ticket Holders undertaken in 1999/2000 (postal questionnaires: 447 responses).

93% of the respondents had renewed and 6.6% were new Season Ticket Holders (STHs). Of these new STHs, approximately half responded to information from the brochure, a third joined as a result of word of mouth recommendation with the rest joining the scheme in response to other sources such as the box office.

Details of those respondents who were renewing are given in table 6.3.

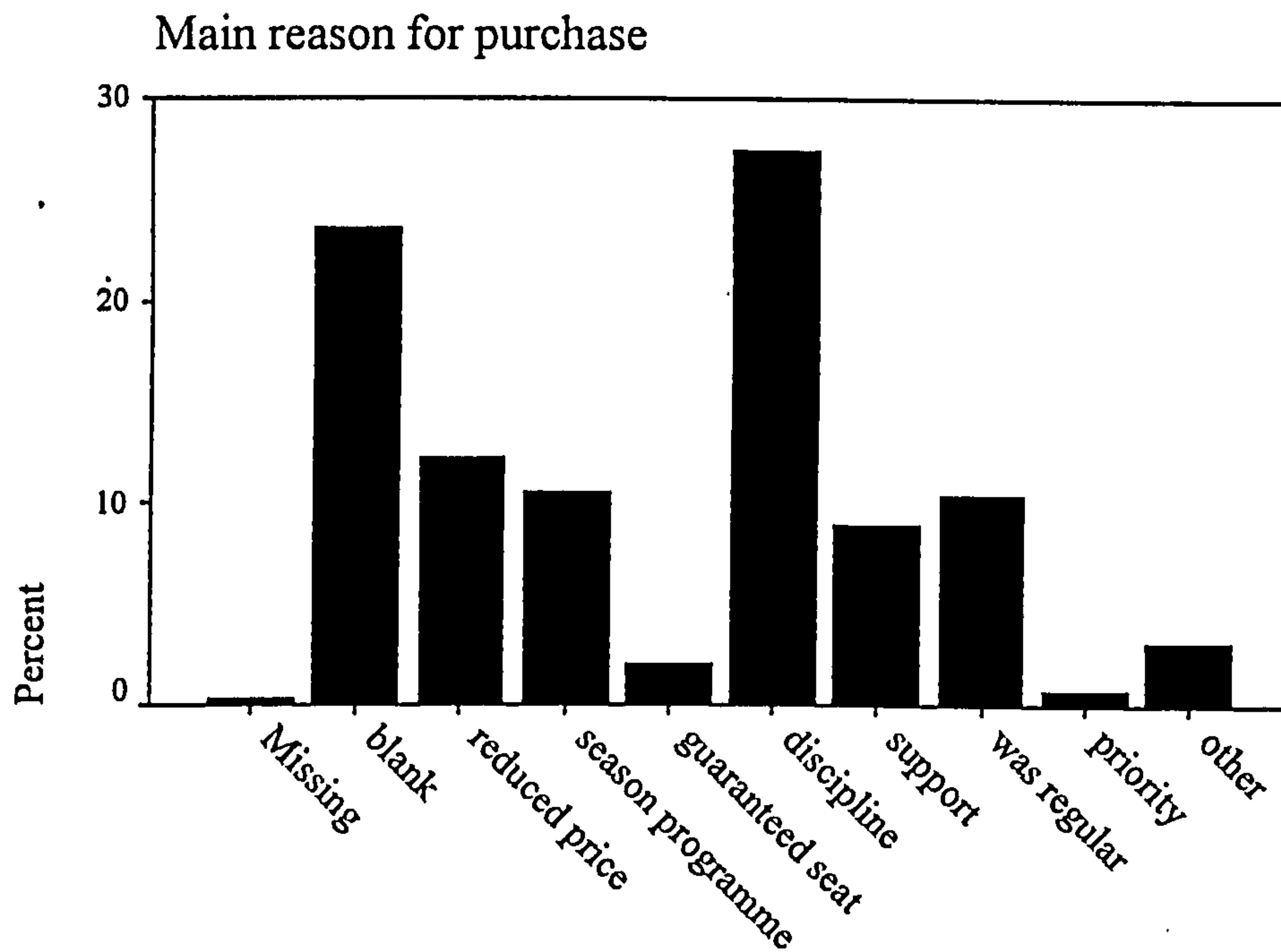
Table 6.3: Length of Relationship Respondents Renewing their Season Tickets had with the Theatre

Membership History	% of Respondents
Joined since Nov '98- Jan'00 : <i>short term relationship</i>	11.2%
Joined between July'96-April'98 : <i>medium term relationship</i>	1.1%
Membership pre-June'96: <i>long- term relationship</i>	60%
Joined pre-June'96, stopped and then returned during Nov'98-June'000	7.5%
Joined pre-June'96, stopped during refurbishment and have recently returned	13%

When asked about the main reason for purchasing a Season Ticket that year, only 76.3% responded and of these, the largest category of reason given was that it was seen as a way of ensuring the discipline to attend (27.6%). 10.5% considered themselves as regulars and attended out of habit. Only 9% saw support as a reason.

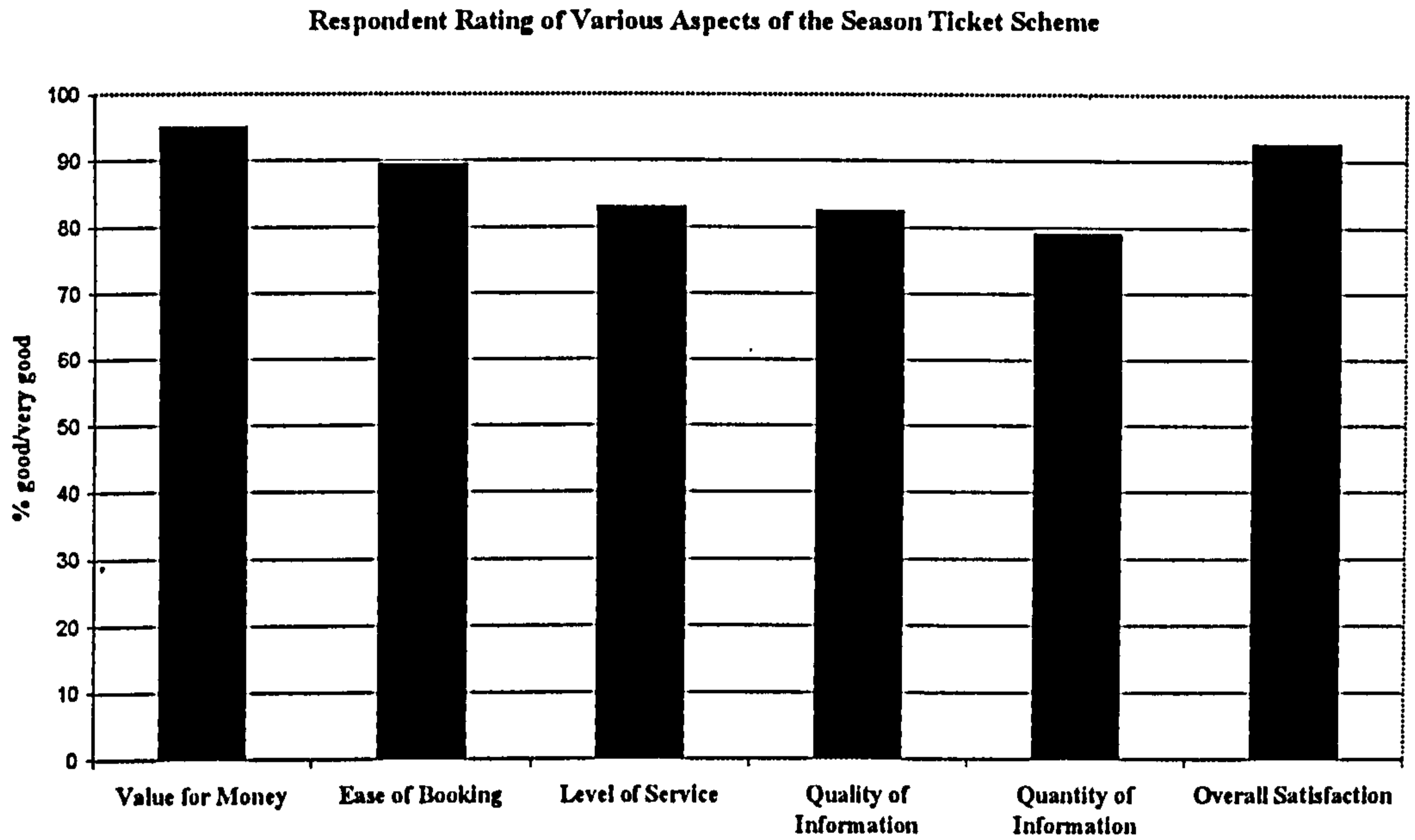
12.4% saw reduced price as a motivator and only 10.6% saw the programme as a motivator. Figure 6.4 displays these findings:

Fig. 6.4: Main Reasons for Purchase of Season Ticket



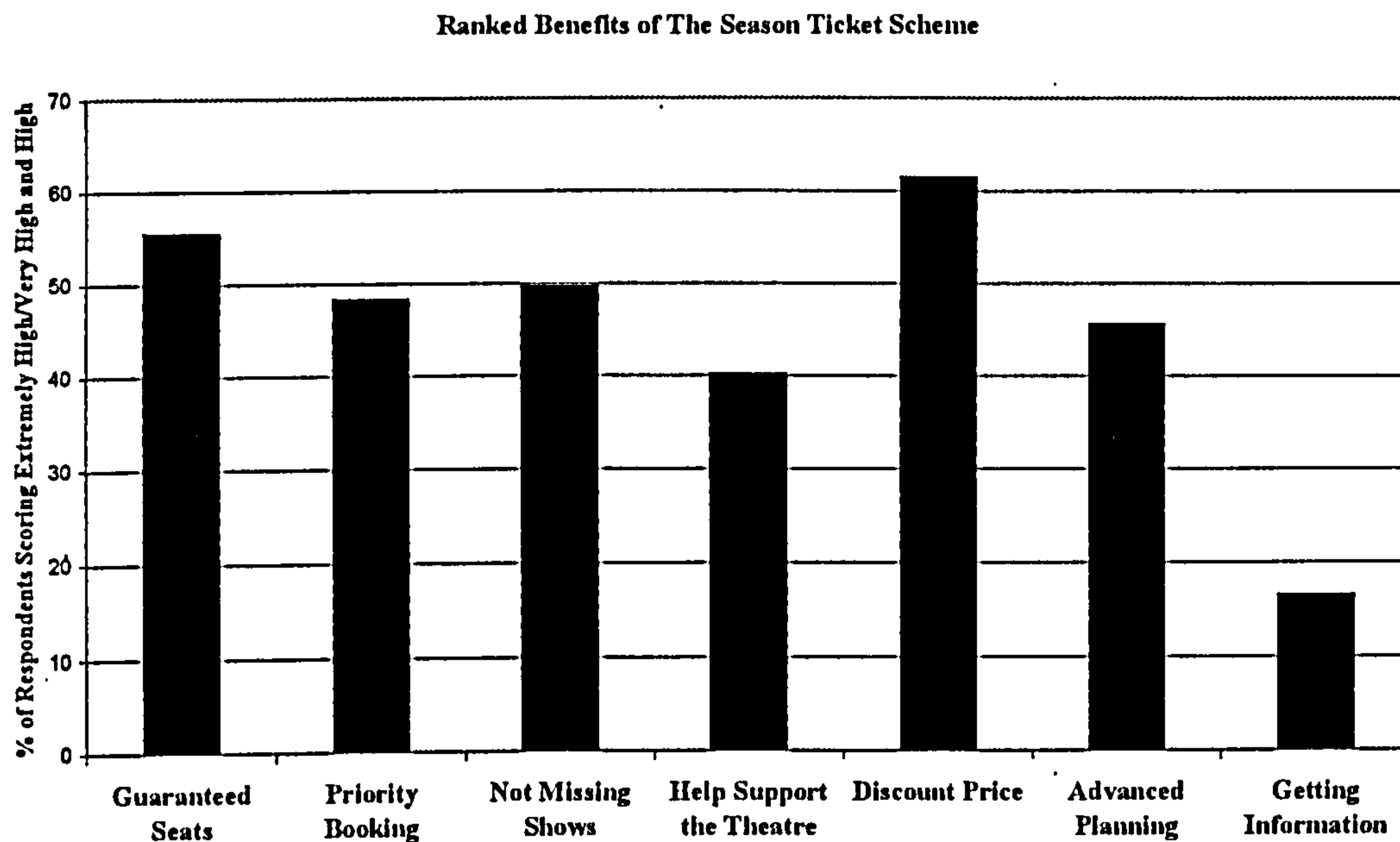
In terms of perceptions of the various aspects of the scheme, figures 6.5 and 6.6 highlight the key findings:

Fig. 6.5: How would you rate the following aspects of the Season Ticket Scheme?



A very large proportion of respondents (92.6%) were satisfied overall (gave a good/very good rating). Other high scores (those rated good/very good) were Value for Money (95.1%), Ease of Booking (89.5%), Level of Service (83.1%), Quality of Information (82.5%) and Quantity of Information (79.1%).

Fig. 6.6: How would you rank the benefits of the Season Ticket Scheme? (1 being extremely high and 7 being extremely low)



The most popular benefits that scored highly were Discount Price (61.5%), Guaranteed Seats (55.6%), Not Missing Shows (49.7%), Priority Booking (48.4%) and Encourages Advanced Planning (45.3%). Only 40.1% saw 'Supporting the Theatre' as a benefit and 'Getting Information' was not really considered as a benefit (only 16.9%).

When asked whether they had any improvements to offer on the Season Ticket Scheme, 66.2% were able to do so producing 447 responses. The most popular topic was the Actual Production itself (19% of suggestions) with the majority of these (70.6%) referring to type of play offered. The next most popular topic for suggestions related to the support activities (17%). Of these, choice and availability accounted for 20%, service delivery (25%) and quality of food/drink (20%) as areas for improvement. There were other less popular aspects discussed: The Scheme itself (13.9%) and Price (13%), for example.

In terms of respondent characteristics, 53% were female and 47% were male, 13% were aged below 44, 64.7% were between 45 and 64 and 21.9% were aged over 65 and 42.9% had retired.

6.4.1.9 Relationships with Funders/Regulators

The Executive Director noted that many of the artistic proposals for the next 3-5 years had been developed for funding purposes. She believed that funders had placed too much emphasis on collaboration and believed that collaboration should not be forced on organisations:

“A number of our projects planned for the next few years have been done so with the Arts Council in mind. The Council tends to require collaboration which we feel is not necessary or productive.”

(Executive Director, Theatre A)

The Artistic Director explained his role in negotiating with the Arts Council (NWAB) for funding and his involvement in discussions and bids. He saw the relationship as ongoing with sometimes the theatre initiating or sometimes the other way round. Given all the many changes in the funding process, relationships were constantly changing. However, it had remained a 2-way relationship. His overall view was that there had been a successful relationship but he felt that still more money was needed:

“We have had terrible rows in the past but the relationship has been good recently, although we still need more money.”

(Artistic Director, Theatre A)

The representative of the NWAB, however, did not have the same perception and believed that Theatre A saw the NWAB as more of a distraction rather than a 'customer':

“ I always feel that we are seen as a constraint rather than as an aid to the planning process. There always seems to be a battle.”

(Representative of NWAB)

As far as the Marketing Director was concerned, he had little involvement with Funders, although he occasionally had discussions with sponsors, trusts and foundations. In terms of gaining funding through sponsorship, he believed that in most cases, it was the theatre that approached the sponsor to support an event. The key, however, was still for there to be a mutually beneficial relationship.

The Representative of the Local Authority explained her organisation's role. Normally, there was a round of annual funding but if there were a crisis, the Association of Greater Manchester Authorities (AGMA) would step in. This had happened with Theatre A recently when there was a need to give some bridging funding whilst the theatre was waiting for Arts Council funding.

In terms of AGMA's relationship with Theatre A's Board, the AGMA representative on Theatre A's Board had reported that relationships were not as they should have been:

“There is a degree of arrogance and insularity. They don't seem to be interested in any sort of collaboration.”

(Representative of AGMA)

The Commercial Sponsor respondent had had a long-term relationship with Theatre A (8 years). She saw Theatre A as a Centre of Excellence that had a high profile. However,

although it was perceived as a premier theatre, members did not seem to try as hard as some of the other organisations with whom the sponsor dealt:

“they are very nice but....”

(Representative of Sponsor)

There seemed to be a degree of arrogance and complacency and an expectation of being accepted for sponsorship because of its high profile. Indeed the respondent did acknowledge that the sponsor was 'locked in' to a certain extent:

“We gain a good deal of benefit from being associated with the theatre.”

(Representative of Sponsor)

The theatre therefore, in this context, needed the sponsor less than the sponsor needed the theatre. However, Theatre A had used the funding from the sponsor as a lever to acquire funding from elsewhere. On a more positive note, she reported that the theatre had always treated the sponsor's representatives well. Overall, she believed there was a successful relationship with Theatre A that was mutually beneficial (although not necessarily equal). She did not believe that this relationship had an influence on the theatre's strategic direction. However, such relationships could be important for smaller organisations where the sponsor does give a good deal of financial aid.

6.4.1.10 Relationships with Employees

As has been previously noted, the Executive Director believed that staff were extremely important and saw employee pay and conditions as being vital. In contrast, the Artistic Director felt that the working environment was more important than pay:

“ We have supplied the country with high quality staff such as artistic directors etc. who have moved on. We also have many distinguished actors wanting to come back to perform at the theatre.”

(Artistic Director, Theatre A)

The Theatre Manager saw relationships with staff as very important and that by satisfying staff, the audience could be satisfied. She also mentioned the fact that actors kept coming back:

“They feel they belong and always say they miss us when they leave.”

(Theatre Manager, Theatre A)

She explained that the theatre organised an induction tour for new staff in which all departments were explained. The majority of staff turnover was in stage management but there was still a degree of continuity. There was low turnover on the technical side, although some used the theatre as a training- ground and moved on and did well elsewhere. There needed to be a balance as the theatre did not want people to become stale.

The Marketing Director compared his role in Theatre A to that of his previous job. His previous theatre had annual appraisals leading to career development:

“We have a similar process here but there aren’t any formal performance related schemes at all. However, I feel that the job itself is self-motivating.”

(Marketing Director, Theatre A)

6.4.2 Findings of the Research Relating to Theatre B

6.4.2.1 Perceptions of Organisation Structure/Culture

There seemed to be a general consistency of perceptions amongst interviewees regarding

Theatre B's organisation structure and culture:

“Although on paper, there is a hierarchy, all departments are expected to work closely together. Our organisation structure is also influenced by the audience, with monthly forums, open to all members of the theatre's audience, taking place. Every four months there is an open meeting with every department having to send a staff representative and each member of staff attends at least once per year. These meetings discuss issues relating to all aspects of the theatre. This leads to discussions between departments.”

(Chief Executive/ Artistic Director, Theatre B)

“I see my role as Senior Duty Manager, Building Manager and Front of House Manager. I liaise with customers and theatre visitors generally. Unlike other theatres where there are clear departments, this isn't the case here. There are some hierarchical positions, however. For example, there is the Head of Marketing and Public Affairs (who is my Head of Department) but we all work as a team”.

(Customer Services Manager, Theatre B)

“It was important that Marketing and Sales talk to each other and that Marketing and Planning have a collective approach to programming. We have monthly meetings where staff have the opportunity to propose ideas.”

(Head of Marketing and Public Affairs, Theatre B)

Perceptions externally seemed consistent with the internal view:

“Theatre B is a very good example of a theatre that has reinvented itself with various departments working well together.”

(Representative of NWAB)

He also praised the Theatre's governing body:

“I believe that it is a good Board that is clear about its responsibilities. There are healthy relationships within the Board and it is very representative of other groups (black members, youth etc.).”

(Representative of NWAB)

6.4.2.2 Perceptions of Organisation Mission/Direction

The Chief Executive/ Artistic Director at Theatre B saw the vision of the organisation as that of a young people's theatre. However, he believed that there was a need for a serious review of what this actually meant:

“A theatre’s mission being driven by the artistic director is now outdated and engagement with others (particularly the audience) needs to be considered. There needs to be a combination of bottom-up influence and inspired individuals at the top.”

(Chief Executive/ Artistic Director, Theatre B)

Similarly, others saw ‘participation’ as the main driving force:

“The aim is to give young people aged 13-30 experience of a live performance in an atmosphere where they feel comfortable. I want people to come to the theatre in the same way as they would go to the cinema by giving them as broad an interest within the organisation as possible.”

(Customer Services Manager, Theatre B)

“The theatre’s vision is about existing to work with, by and for young people and to encourage young artists. It is important to build links with touring companies and to help people build relationships with the theatre. On-going relationships lead to two-way activities. This is a new model of what a theatre can be. I believe that this is very successful here. It is also important to build good links with other theatres so that collaboration rather than competition takes place”.

(Head of Marketing and Public Affairs, Theatre B)

External perceptions seemed consistent with the internal view:

“Theatre B’s mission and direction are consistent with what the Arts Council overall want to see, producing work that is representative of a wide variety of social groups.”

(Representative of NWAB)

6.4.2.3 Perceptions of Success

For the Chief Executive/Artistic Director, survival should not be the bottom line:

“The work should be relevant. The key indicator is quality of experience of those who have contact with the theatre. Measurement of success depends on gaining feedback. We use forums for feedback and planning but more needs to be done. Informal feedback from the staff is also important. The staff are encouraged to chat with the audience. Overall, quality of work is the key indicator of success and this is closely linked to clarity of our mission. Also, quality of work leads to artists wanting to work here. The Box Office is of course an issue but it should not be the only one. Funding of course is an important factor but in our case, we are hitting all the groups that were originally highlighted by funding bodies, so funding is not a problem.”

(Chief Executive/Artistic Director, Theatre B)

The Customer Services Manager attributed Theatre B’s success to the design of the building:

“... it ‘provokes’ and is a ‘great space’. The place is more important than the event. Success is large numbers of young people walking in on a regular basis to see what is going on.”

(Customer Services Manager)

Staff were also seen as an essential part of the success:

“Staff need to exude confidence and knowledge. This is the case here because the staff are focused and committed to the theatre’s vision.”

(Customer Services Manager)

The Head of Marketing and Public Affairs had a similar view:

“Success depends on reaching audiences and target groups with people being enthusiastic about what the theatre does. The theatre has attracted 40, 000 visitors in eighteen months. This is the same number as in the last year of the old theatre although this is a very different audience. This is a success.”

(Head of Marketing and Public Affairs, Theatre B)

The representative of the Local Authority felt that Theatre B fitted well with one of the Association of Greater Manchester Authorities' (AGMA) indicators of success:

“The theatre impacts on the community through outreach and education. There is also a vibrant, committed Board for Theatre B.”

(Representative of AGMA)

She felt that in terms of the relationship she had with the theatre, it could be considered as successful:

- “They talk of collaboration and this is exactly the direction that AGMA wants. Other theatres don't like collaboration and tend to be rather insular.”

(Representative of AGMA)

6.4.2.4 Theatre Product

Theatre B's product was seen as more than just the theatrical production in that 'experience' was the key. The Head of Marketing and Public Affairs saw the theatre product as even broader including not only the theatre itself but also outreach.

6.4.2.5 Views on Audience Development

As Theatre B had been closed for three years, the Senior Manager/ Artistic Director saw all activity being classified as audience development:

“There is a perceived battle to win the young audience not just from other theatres but also from other forms of recreational activity. Relationship development and collaboration is therefore important..The theatre being closed offered the opportunity to reflect on what could be done to link with the community and to develop relationships with touring companies etc. We are now in a position to identify new and present audiences whereas originally all audiences were new. We are now getting some of the repertory audience that had existed before refurbishment and that we had intentionally ignored. However, there is still a need to improve the marketing to other organisational visitors.”

(Chief Executive/Artistic Director, Theatre B)

The Head of Marketing and Public Affairs similarly noted that initially all audiences were new but now audience maintenance was becoming increasingly important:

“ There is a value in cross-fertilizing audiences. In other words, linking the different levels of participation to develop an audience ‘journey’ through the theatre. There is also potential for the linking of music to drama and vice versa. Audience Development is all about trying to improve people's experience. We also need to get messages out to the community via street festivals, workshops etc. and build relationships with community centres and emerging artists.”

(Head of Marketing and Public Affairs, Theatre B)

6.4.2.6 Perceived Role of Marketing

For Theatre B, the common view of marketing was that of publicity. For example, the Head of Marketing and Public Affairs initially spoke of the role of marketing in terms of publicity:

“There is a conscious lack of a house style so that different messages are being used to reach different audiences. Originally we had an 'infozine' which was a cross between a fanzine and a brochure. The idea was to introduce young people to the theatre and this was very different to anything else seen before. However, it became too unwieldy and it therefore had to change. There is now a monthly brochure that also acts as a poster to inform all different people. In addition, there are individual pieces of communication targeted to specific audience types.”

(Head of Marketing and Public Affairs, Theatre B)

She then spoke of a more strategic perspective and saw marketing and planning as being very much connected:

“In the last 6 months, we have had a much more of a collective approach to programming. There are monthly meetings where all staff members attend. There is also the monthly action contact group comprising 15-20 people who have had contact with the theatre. This allows the audience to become involved in the programming process.”

(Head of Marketing and Public Affairs, Theatre B)

6.4.2.7 Beneficiaries

The Chief Executive/Artistic Director had indicated in the preliminary research that in addition to developing relationships with audiences, there was a need to develop relationships with those other people who worked with young people and new and emerging artists and companies. As a result, there were likely to be more planning meetings perhaps than would exist in a traditional theatre. In terms of which users/beneficiaries were considered to be of the highest importance, Theatre B was 'young people' focused and within this broad category, the two groupings of teenagers and young adults could be identified. He considered that finding a balance between the two was important.

According to the Head of Marketing and Public Affairs, no audience was more important than any other. However, because it was a young person's venue it was important for people to see that the theatre produced quality theatre for young people by young people. It was important to produce good links with other theatres and to see this as collaboration rather than competition.

6.4.2.8 Relationships with the Audience

Theatre to Audience: Interviews

The Chief Executive/ Artistic Director believed relationship development and collaboration were important. Many different types of people would have contact with the organisation and therefore quality of experience was important. For him, the best method of communication was word of mouth. Although there was now a mail out every month relating to specific events/projects aimed at specific targets:

“There is a need for a very different type of approach compared to that of traditional arts.”

(Chief Executive/Artistic Director, Theatre B)

The Head of Marketing and Public Affairs also spoke of the role of communication with the audience as important in developing relationships.

For the Customer Services Manager, the relationship with the audience was important to ensure 'participation' within the theatre:

“Being approached by people who are friendly and who are not seen as authority figures is important.”

(Customer Services Manager, Theatre B)

Theatre to Audience: Content Analysis

For Theatre B, three large pamphlets targeted at regular audiences and five individual flyers targeted at potential audiences were analysed for particular words and phrases and to ascertain a style and tone communicated to the different audience types.

In terms of information available to regular attenders, an interesting feature of the communication was that of 'shouting' at or 'ordering' the reader to do something:

“see it!”

“do it!”

The use of exclamation marks was prominent with the aim being to grab the reader's attention:

“we have news for you!”

A very familiar style was also communicated:

“bring your friends”

“you could find yourself..”

with the emphasis being very much on the active participation of the reader:

“experience”

“express yourself and work with...”

“look out for...”

“get involved..”

Where possible, a feeling of excitement, action and vitality were communicated:

“fast-paced”
“fun and inspirational”

There was the abundant use of question marks, once again to engage the reader:

“Interested in getting involved?”
“Fancy yourself as a bit of a poet, rapper...?”

There was also usage of upper case:

“YOU”
“...IS ALSO AVAILABLE IN LARGE PRINT & ON FLOPPY DISK FROM...”

Words and phrases that were used were colloquial and not typical of communications with strangers:

“loads more new stuff”
“get into...”
“info, movin, tryin, provin, raisin”
“if music's your thing”

'&' tended to be used rather than 'and'.

Some communication was clearly intended to ease concerns and indicated a relaxed, non-threatening environment:

“no need to book, just show up or call”
“no experience needed, we'll give you the support you need”

Similarly, there was an emphasis on the social/relationship aspect both in terms of tone:

“young people like you”
“vote for your favourite”
“...would like to collaborate...”

and the important link with the clubs that were part of the theatre.

Certain words and phrases clearly engaged the target audience: *“RnB, HipHop, cool fusion, Mcing, Djing”* and the communication targeted a variety of audience types and had consideration for these:

“Wheelchair Access”
“Induction loop for the hard of hearing”
“Guide Dogs Welcome”
“The theatre is an accessible building”

In addition, specific targets for specific events were made clear:

“Aged 13-19?”
“Drama for audiences of 14+”

Quotes from press critics were used to give credibility to some of the events.

When considering publicity for potential attenders, as with the publicity aimed at regular attenders, there was a degree of 'shouting' at or 'ordering' the reader with plenty of exclamation marks (although there was less of this than existed for regular attenders):

“get into this!”
“book today!”

Upper case aimed at grabbing attention was a feature:

“ONE NIGHT ONLY!”
“ELEVATE THE SOUL”

There seemed to be a more formal style as compared to publicity for regular attenders.

This seemed to be much more matter of fact and informative:

“Devised by Talia Theatre and internationally acclaimed director Gennadi Bogdanov”

“ACE's funky dance and music performance piece explores the massive explosion of Black British music within the 70s, 80s and 90s.”

However, an informal style was also used:

“Be it in the streets, clubs or in front of your bedroom mirror, 3 shades promises to make you wanna stand up and boogie!”

“Well, whatever you are into, get into this!”

There was some emphasis on the active participation of the reader but there was considerably less of this in the single pieces of publicity compared to the pamphlets. As with the communication to regular audiences, some of the words and phrases used were colloquial: “wanna”, “boogie” but this occurred on far fewer occasions. Similarly, there were fewer words and phrases that engaged the target with less clear targeting of a variety of audience types. There was little use of question marks to engage the reader and communication of a relaxed, non-threatening environment prevalent in the pamphlets was not in evidence. There was also less of an emphasis on the social/relationship aspect. When it did exist (*“There's lots of ways to get involved”*, for example) this was rather impersonal.

Feelings of excitement, action and vitality were communicated:

“Exciting new writing programme”

“make you wanna stand up and boogie”

“explosive, physically demanding”

As with the pamphlets, there were quotes from press critics but a key difference was the degree of hyperbole used. There was much more usage in the single items of publicity:

“dramatic tragicomic...”

“epic relationship..”

“inspirational”

As with the communication to regular attenders, there was a degree of reliance on website addresses.

In an attempt to ascertain in a little more depth, the degree of relationship involvement the theatre wanted to develop with the reader, an analysis of key words and phrases in the communication with the different audience types was undertaken. Table 6.4 displays this:

Table 6.4: Content analysis of key words or phrases in the communication with the different audience types

Word/phrase	Frequency of word/phrase		% of text units frequency represents	
	Regular attenders	Potential attenders	Regular attenders	Potential attenders
'us'	3	0	0.25	0
Own organisation name	84	11	7	6
'we'	4	1	0.3	0.55
'your'	44	5	3.6	2.7
'for you/r'	11	0	0.9	0
'with you/r'	1	1	0.08	0.5
'to you/r'	3	0	0.25	0
'you'	98	8	8	4.3

Major differences between regular and potential attenders seem to be in the use of 'you' (greater usage for regular attenders- 8% of text units compared to 4.3%).

Audience to Theatre

It was not possible to acquire the views/perceptions of the relationships experienced by Theatre B's audiences as it was felt by the theatre representatives that empirical research undertaken with their audiences would be detrimental to theatre/audience relationships. Consequently no direct evidence on audience views was available. However, it was clear that Theatre B did have a more regular, formalised system of acquiring audience feedback than did the other theatres in the study. This was despite the acknowledgement from the Theatre B's Chief Executive/Artistic Director that evaluation was difficult as there needed to be different methods for different projects. Although youth forums were used for feedback and planning, he felt that more needed to be done. There was also informal feedback from staff who were encouraged to chat with the audience. The Head of Marketing and Public Affairs also highlighted the importance of such feedback when she spoke of the monthly 'action contact group' (people who had had contact with the organisation meeting once per month with staff). She saw this as providing audience feedback and influencing future programming.

6.4.2.9 Relationships with Funders/Regulators

The Chief Executive/ Artistic Director noted that for funding bodies, the priority was hitting the 16-25 age group which was considered to be 'the lost audience for theatre' and he felt that he was responsive to this vision:

“The goal overall is to reach new audiences within the youth target. To a certain extent, this set the tone for the funders and we have become seen as good practice.”

(Chief Executive/Artistic Director, Theatre B)

The representative of the NWAB had an equally positive view. He believed that the NWAB had healthy relationships with Theatre B's Board and he saw the Board as being very representative of other groups eg. black members, youth etc:

“It is a good Board which is clear about its responsibilities which includes monitoring and assessing. This fits well with the vision of the theatre.”

(Representative of NWAB)

The Representative of the Local Authority (AGMA) noted that Theatre B's application for funding had just been received. The respondent had been heavily involved in the changes that had taken place at Theatre B but AGMA had stepped back once implementation was taking place. In terms of AGMA's relationship with Theatre B's Board, the AGMA representative on the Board seemed to be very happy and supportive of the theatre's performance:

“ Theatre B is always responsive to a variety of requests from a variety of stakeholders.”

(Representative of AGMA)

The Commercial Sponsor's representative noted that her organisation had not had a relationship with Theatre B for some time. There had been a close relationship before the theatre's refurbishment. Since refurbishment, the theatre had not submitted many bids for sponsorship. Indeed, this could be because the theatre did not quite fit with the image with which the sponsor wished to be associated:

“We have evolved over time as has Theatre B. We now both have differing needs.”

(Representative of Commercial Sponsor)

6.4.2.10 Relationships with Other Employees

The Chief Executive/Artistic Director explained that there were regular staff meetings. He felt that there was general enthusiasm for the overall organisational mission and that all understood it and were committed to it. He accepted that staff were all under a good deal of pressure and he had been trying to overcome the feeling that attendance was a measure of commitment:

“There is a problem in that I attend most of the time I am therefore not a good role model. Success of the organisation should be judged on outcomes rather than inputs.”

(Chief Executive/Artistic Director, Theatre B)

The Customer Services Manager believed that it was the environment and the other people in the organisation that motivated:

“Employees have come from a variety of backgrounds which are not necessarily theatrical. There was a ‘blank piece of paper’ and as a result, all were involved. We are less departmentalised compared to other theatres and therefore there is less demarcation.”

(Customer Services Manager, Theatre, B)

The Head of Marketing and Public Affairs believed that staff motivation was high and that this was due to enthusiasm, a strong team and open communication between departments:

“There are the lack of usual barriers with people coming from a wide range of backgrounds. This seems to have been successful as there is no ‘baggage’ from the past.”

(Head of Marketing and Public Affairs, Theatre B)

6.4.3 Findings of the Research Relating to Theatre Y

6.4.3.1 Perceptions of Organisation/Culture

Perceptions amongst interviewees regarding Theatre Y seemed to differ depending on the relationship with or the role within the organisation. Both the Chief Executive and the

Artistic Director perceived that there was a successful partnership at the top of the organisation:

“The Chief Executive worked on the financial aspects and I dealt with the art.”

(Artistic Director, Theatre Y)

Both stated that the theatre’s programme was produced predominantly between them.

The Box Office Manager explained that her job had changed in the eight years she had been at the theatre and this was due to various changes that had taken place in the organisation structure as a whole and more particularly, in the areas of Marketing and Administration:

“At one time, the theatre had removed its Marketing Department and then it was re-established. During this transition period, the Box Office undertook a number of marketing roles. Since then, it has merged with the Marketing Department. There are now regular meetings within the Marketing Department and all are involved.”

(Box Office Manager, Theatre Y)

The representative of the NWAB talked specifically about Theatre Y’s Board although he did also highlight the staff:

“Despite its problems of space which isn’t fit for purpose, it has solid staff that, on the one hand, are very experienced, and on the other, are prepared to go out and be more ambitious. The Board is a mixture of those who want to do more things for more people and others who are more conservative. I would prefer a little more representation of others on the Board and I feel that there is a need for a balance of artistic vision and an awareness of political responsibility.”

(Representative of NWAB)

The representative of the City Council also spoke of the Board:

“There have been some recent changes in the Board’s composition. There used to be political battles between the representatives of the City and of the County at Board meetings but there has been a significant change since a unitary authority

developed. In addition there have been training sessions for Board members. There has also been an influx of new members on the Board who are keen and interested.”

(Representative of the City Council)

The respondent was not convinced that the Artistic Director was the driving force behind the organisation although it was likely that the theatre would claim that this was the case:

“I really would like the Artistic Director to perform this role working in partnership with the Chief Executive. In the past, the Artistic Director was in control and then the Chief Executive would start to take control which often led to problems. Theatres generally don’t seem to see the importance of the financial side of the business. Things seem to be moving in the right direction in Theatre Y but it is more to do with the personalities rather than the organisation structure.”

(Representative of the City Council)

6.4.3.2 Perceptions of the Organisation Mission/Direction

The Chief Executive noted that the vision had changed recently:

“We now have to move towards meeting the needs of a bigger core audience for funding purposes. Education also plays an important role.”

(Chief Executive, Theatre Y)

For the Artistic Director the benchmarks were quality and diversity:

“I believe that since I arrived, there has been an improvement in quality and although it is a producing theatre first and foremost, there needs to be a diverse programme overall with travelling performers, film etc.”

(Artistic Director, Theatre Y)

From both the Box Office and Marketing Managers’ perspectives, the vision was now more customer focused than it had been in the past:

“The theatre had tended to be rather 'self- absorbed' and artistic director driven in the past but it is much more audience driven now.”

(Box Office Manager, Theatre Y)

“We have to produce what our audiences want and expect.”

(Marketing Manager, Theatre Y)

The representative of the NWAB, however, indicated some misgivings:

“There is an awareness of the need for development and the theatre knows its audience. Unfortunately, with the lack of funding for capital projects they seem to be moving two steps forward and two steps back. There are also difficulties of having too many political issues being discussed at Board level.”

(Representative of NWAB)

The representative of the City Council made similar comments regarding the Board although he felt that this had improved recently:

“At least now there is a review of what the theatre’s aim is and this has led to a more strategic view. In reality, however, the theatre’s mission is about survival.”

(Representative of the City Council)

6.4.3.3 Perceptions of Success

Audience growth and development were important indicators of success for the Chief Executive:

“Various added features which don’t cost a lot such as pre-show and post -show tours have been put in place and these have led to increased audiences. Although the theatre does not have an education department these tours are quite successful. Quality of the work is the key and good quality leads to an increase in audiences.”

(Chief Executive, Theatre Y)

For the Artistic Director, although the audience was important, it was not the only criterion:

“Quality is important criterion but ticket sales are not evidence of quality. Quality is anecdotal. The audience ‘voice’ and the ‘voice inside’ (integrity) need to be balanced. Audiences these days are more educated and discerning than they used to be and therefore have a much higher level of expectation. This Theatre is

reasonably healthy but I would like people to open the newspaper looking to see *if* something was on rather than look to see what was on.”

(Artistic Director, Theatre Y)

The Box Office Manager considered Theatre Y to be becoming successful:

“Although success is difficult to measure, it should not be based on financial success. If people enjoy the performance, more audiences would attend in the future. It is easy to be focused on finances in the short term but there is a need to have a long- term view. It is important to sell Theatre Y as a product rather than any individual performance and I believe we are starting to develop a brand name. People are now ringing and booking seats without considering what they are actually going to see.”

(Box Office Manager, Theatre Y)

For the Marketing Manager, survival was the key issue:

“If we survive, we are successful. I hate to say it, but satisfying the funding bodies is therefore a major criterion for success.”

(Marketing Manager, Theatre Y)

The representative of the City Council stated that Local Authority funding was discretionary and it was being squeezed. For him, success related to hitting target areas (outreach, for example):

“Success relates to open access for all, or at least demonstrating the attempt to do this. This would be an indication of success for the theatre although it still has to keep its present audiences. Theatre Y is moving towards this but there is still a long way to go. At the moment, the theatre doesn’t seem to be achieving open access. It should develop links with other organisations; not necessarily theatres. Changes to the Board are also likely to be helpful. In addition, educating the Board is important and this is now happening.”

(Representative of the City Council)

6.4.3.4 Theatre Product

For Theatre Y, there was a broad product portfolio which included its own productions indoors, outdoors and the cinema. The respondent explained that the problem was that

there was never going to be a full repertoire during the year and therefore there was a need for a wider portfolio:

“ The Chief Executive is starting to see the importance of the touring products so that there is now some continuity and to develop new ideas to target different audiences. There seems to be far more thought now about the product.”

(Representative of the City Council)

6.4.3.5 Views on Audience Development

As previously noted in the preliminary research, the Chief Executive believed that the theatre was now dealing with a broader audience. She saw a great potential for publicity as there was a large media presence in the locality. The Artistic Director also wanted to appeal to everyone in the area:

“Although there is a need to tell people what is happening, there is also the need to listen to audiences. We can’t rely just on our regular audience as the theatre would die. There is a need for a balance of present and new audiences.”

(Artistic Director, Theatre Y)

The Marketing Manager was particularly negative:

“I see audience development as a bureaucratic concept used by funders and feel that it isn’t really appropriate to this theatre. It has taken the two years I have been here to get to know the audience and I now feel in a position to start using this knowledge. This is ‘common sense’ rather than audience development.”

(Marketing Manager, Theatre Y)

The representative of the City Council also had views on the concept:

“I do not believe in focusing on lapsed attenders. Theatre Y is in a University city and therefore there is bound to be a transient audience. The biggest change recently was the loss of the theatre’s ties with outreach which presents a potential problem for acquiring new and younger audiences. The Youth and Community aspect is funded from elsewhere and therefore there is little synergy. The theatre is still seen as having a middle class, university- based audience and the building doesn’t help. The theatre has many different types of audience for different theatre

products with each group feeling that the others are a threat. The touring element may help this in future and there are indications that this may be working. There now seems to be a younger audience coming to the theatre which means that the theatre is moving in the right direction.”

(Representative of the City Council)

6.4.3.6 Perceived Role of Marketing

Respondents from Theatre Y tended to see marketing as linked to the information system.

For example:

“We have recently updated our box office system. The original system was good for basic information on ticket sales. It had suited our needs at the time but there was a need for a more marketing- led system. The changeover meant that the database was reduced from 28000 to 6000 as many who were on the original system were not 'live'. This improvement in our database has become our audience development strategy. Now there are between 12000- 14000 on a good quality database.”

(Box Office Manager, Theatre Y)

6.4.3.7 Beneficiaries

Although the audience was a commonly cited beneficiary, different respondents highlighted other ‘customer’ types that needed to be considered:

“Although the audience is the key beneficiary. It is important to link with other stakeholders such as the local arts community.”

(Chief Executive, Theatre Y)

“It is important to develop relationships with the local business community to try to gain support particularly for the outdoor performance.”

(Marketing Manager, Theatre Y)

“The audience and staff are the key beneficiaries”

(Box Office Manager, Theatre Y)

“The artist is very important. If the artist enjoys the work then the audience will do also.”

(Artistic Director, Theatre Y)

6.4.3.8 Relationships with the Audience

Theatre to Audience: Interviews

As stated previously, the Chief Executive believed that it was important to build relationships with different sectors each requiring different methods of communication. She saw that the major competition was other leisure time activities and other theatres with better facilities, she therefore also saw a role for building links with the local arts community.

The Artistic Director saw the importance of informing people of what was happening and there was a need to listen to audiences. He believed that there needed to be a balance of present and new audiences but was also aware that some people would not be interested in the theatre:

“What is important is to treat the audience with respect.”

(Artistic Director, Theatre Y)

For the Marketing Manager, knowing and understanding the audience meant that he could start to think about producing a strategy.

More positively, the representative of City Council believed that generally, the theatre was being received more positively by many different groups and that the perceived quality of what was being offered was high.

Theatre to Audience: Content Analysis

For Theatre Y, four letters/invitations targeted at regular audiences and three large brochures targeted at potential audiences were analysed for particular words and phrases and to ascertain a style and tone communicated to the different audience types.

In terms of information available to regular attenders, the general style could be interpreted to be very conventional and impersonal:

“invitation to” rather than *“you are invited to..”*
“please join us”

The word *'kindly'* was used a great deal.

The phrase *'Delighted to invite you and your guest'* was a little more personal but still could be interpreted as rather distant.

Information about the play used language that was more likely to appeal to an educated audience:

“contemporary”
“relevant”
“thought provoking”

There was little evidence of the communication actually engaging with the reader. It could be interpreted as rather aloof and lacking reader involvement.

Where possible, quotes from broadsheet critics were used, thus emphasising a more educated tone and where possible, references to television and radio credits were made in order to promote credibility and familiarity.

Backstage tours and interval drinks were offered but the tone once again tended to lack familiarity:

“kindly join us”
“interval refreshments”

With regard to publicity for potential attenders, season programmes were analysed for indications of style and tone.

As with the publicity to regular attenders, a very formal, conventional style could be interpreted:

“for your convenience”
“the theatre is delighted to present...”

There was some attempt at creating a two-way feel although this again could be interpreted as still being rather formal:

“thanks to everyone who took the time to complete our questionnaires..”
“all of your comments are taken seriously..” ,
“we have been greatly reassured by your support of our work”.

Introductions were presented either by the Artistic Director or by the Chief Executive.

The artistic director’s style was relatively informal and a little derogatory about marketing and why he had to write the introduction:

“our marketing people (the ones with the slightly better sweaters) asked me to write something...”

"I would use the buzz words in the salesman's armoury"
(indicating the view of marketing as being synonymous with sales).

Funding was mentioned on many occasions:

"funded by the national lottery"

"Theatre Y would like to extend our thanks for the continued support and funding from the County Council Youth and Community Service"

"the successful bid to the arts council"

There was a good deal of emphasis on price and various discounts:

"Why only £3 for under 25's?"

"available to you free of charge"

The use of hyperbole was clearly evident:

"infinitely more precise",

"dazzling duel of words and ideas"

"a potent cocktail of explosive footwork..."

In order to enhance credibility, many references to more famous venues and awards were made and where possible, television and radio credits were also given. Similarly, reference was made to famous artists and playwrights. Where possible, quotes about plays, artists etc. were given and all such quotes came from the quality press.

Of particular interest was the rather apologetic style:

"we are making small improvements- a new carpet in the foyer, comfortable furniture..."

"we are catching up as fast as we can",

and there was a particularly interesting response to a survey that had recently been administered in that there was a degree of self-deprecation:

"our survey confirmed our suspicions that most of you were not delighted with..."

“these have been cinderella areas in the past as the theatre’s priority has always been to maintain the quality of work on stage”
“NEW TOILETS FROM SUMMER 2002’,

Communication was clearly targeted at an older age group:

“If like most of us, you’re too old to qualify for the standby offer (geared to under 25’s)...” and targeted at the well educated:

“a passionate and at times angry play about love and lost and found ideals”
“songs from the last century woven together in to...”
“witty and provocative insights into life and the human condition”

Clear links to the local community were always given such as with the University, local college, local artists and the City Council.

Standard information was presented about the Youth Arts Centre and this was clearly targeted at specific age groups although the language used did not change for this younger audience. Indeed, this aspect of activity seemed to be divorced from the rest of the theatre’s activities:

“Theatre Y would like to extend our thanks for the continued support and funding from the County Council Youth and Community Service’

In an attempt to ascertain in a little more depth, the degree of relationship involvement the theatre wanted to develop with the reader, an analysis of key words and phrases in the communication with the different audience types was undertaken.

Table 6.5 displays this:

Table 6. 5: Content analysis of key words or phrases in the communication with the different audience types

Word/phrase	Frequency of word/phrase		% of text units frequency represents	
	Regular attenders	Potential attenders	Regular attenders	Potential attenders
'us'	7 (of which 6 were 'join us')	21	5.7	1.2
Own organisation name	17	93	14	5.5
'we',	3	37	2.5	2.2
'your'	4	12	3.2	0.7
'for you/r'	0	1	0	0.06
'with you/r'	0	0	0	0
'to you/r'	0	1	0	0.06
'you'	7	87	6	5

The word 'us' is used more for regular attenders than potential ones (5.7% of text units as compared to 1.2%) as is the use of the organisation's name (14% compared 5.5%) and the word 'your' (3.2% compared to 0.7%).

Audience to Theatre

Figures 6.7 and 6.8 display the key findings from Theatre Y's own research undertaken in 2001 on general attenders (postal questionnaire: 517 responses)

Fig. 6.7: Respondents' Views on Theatre Performances

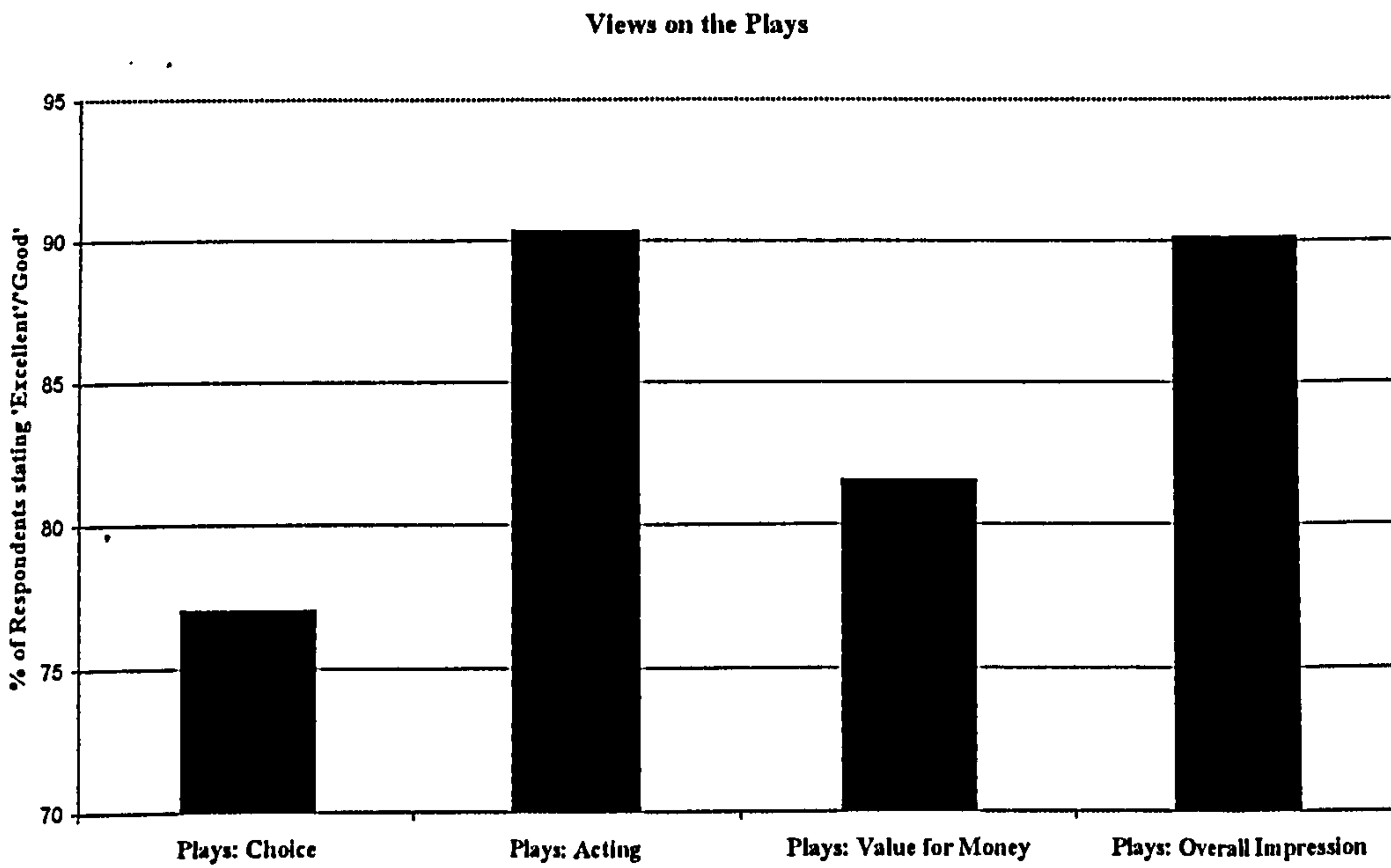
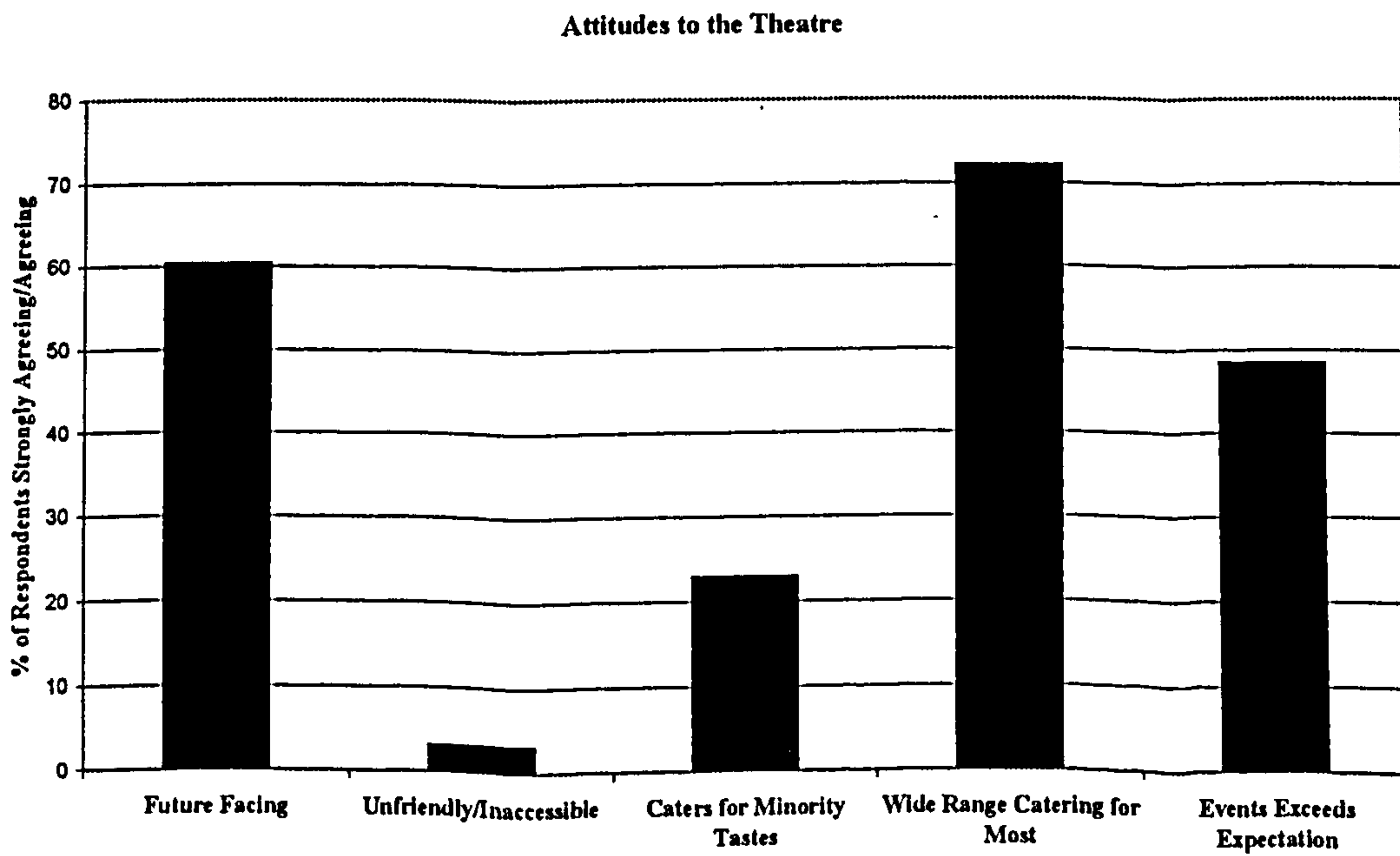


Fig. 6.8: Respondents' Attitudes to the Theatre



The most popular aspect for positive views ('excellent' or 'good') about the performances were the acting (90.36%) followed by overall impression (90.14%). Value for money saw 81.56% of respondents stating that this was 'excellent' or 'good' with choice of play receiving the lowest response (77.04%). (Figure 6.7)

In terms of respondent attitudes to the theatre, 72.15% of respondents strongly agreed/agreed with the statement that '*Theatre Y offers a wide range of activities catering for most people*'. 60.46% strongly agreed/agreed with the statement that '*the theatre is future facing*', 48.58% with the statement that '*the theatre exceeds expectations*', 23% with the statement that '*the theatre caters for minority tastes*' and only 3.22% strongly agreed/agreed with the statement that '*the theatre is unfriendly and inaccessible*'. (Figure 6.8).

Theatre Y's research programme also elicited comments from respondents. Of 193 comments, 106 (55%) were broadly favourable and 87 (45%) were broadly negative.

Table 6.6 displays these results more specifically:

Table 6.6: Comments Received Regarding Theatre Y

Topic	Count	% of total	Positive Count	% of section	Negative Count	% of section
General	61	32	59	96.7	2	3.3
Choice	42	22	9	21	33	79
Ambience	4	2	4	100	0	0
Value for money	8	4	2	33.3	6	66.6
Support services	22	11.4	0	0	22	100
Quality	16	8	13	81	3	19
Environment	15	7.7	1	7	14	93
Specific events	17	9	15	88	2	12
Information	8	4	3	37.5	5	62.5
Total	193	100	106		87	

32% of the comments referred to general aspects of the theatre and most of these (96.7%) were positive. Choice was an issue for a number of respondents (22% of comments received) and most of these comments were negative (79%). Support services and the environment (11.4% and 7.7% of comments received) also were predominantly negative (all those relating to support services and 93% of those relating to the environment).

In response to the question, 'any suggestions on what Theatre Y could do to encourage greater attendance and/or get audiences to come more often?', 297 responses were received overall. Table 6.7 displays the findings:

Table 6.7: Respondent Recommendations

Topic	Count	% of total
Range of programmed events	110	37
Improve promotion	67	22.6
Improving customer service provision	54	18.2
Price	25	8.4
Improving collaboration with schools	21	7.1
Maintain the status quo	16	5.4
(Re-)introduction of Friend's scheme	4	1.3
Total	297	100

The range of events was clearly an area that respondents felt could be improved upon (37%). Other aspects noted by a significant number of respondents were in the areas of promotion (22.6%) and customer provision overall (18.2%)

6.4.3.9 Relationships with Funders/ Regulators

The Artistic Director explained that he worked with the Chief Executive in terms of acquiring funding:

“ We both put the proposal to the relevant committee together although the Chief Executive undertook most of the paperwork. She had a good relationship with the NWAB and she is always on the lookout for various 'pots of money'. She keeps me informed but I am involved more with the art itself.”

(Artistic Director, Theatre Y)

There were difficulties in dealing with funding bodies, however:

“Funders tend to state that quality is paramount but many don't even see the work. I don't know what funders' perceptions of quality are. Perception is everything and I think perception is positive at the moment. There is pressure to produce an event in the park despite it being extremely risky given the unreliability of the weather. If it rained for three or four days, it would be a financial disaster.”

(Artistic Director, Theatre Y)

The Box Office Manager felt that the theatre was still reliant on the Arts Council (through the NWAB) for funding:

“There is a need for a balance between artistic vision, what audiences want and what the funder wants. The theatre can't pick and choose what it wants to do. I believe we are doing what the funders want.”

(Box Office Manager, Theatre Y)

The Marketing Manager explained that he did not personally have an involvement with funders although he was involved with public relations activities. He had a negative view generally:

“The Arts Council are bureaucrats but we have little choice. There is pressure for funding and thus there is a short- term fire-fighting emphasis.”

(Marketing Manager, Theatre Y)

The representative of the NWAB saw Theatre Y as having problems because of its space which was not fit for purpose, problems with its range of services and problems with its

Board. Unfortunately, due to the lack of funding for capital projects the theatre seems to be struggling to move forward.

The Representative of the City Council explained that the City Council were funding partners with the theatre along with the North West Arts Board and the County Council. He believed that there was a close relationship between the theatre and the Local Authority but this could be seen as problematic:

“Our relationship may be too close as although there has been positive responses to crises, solutions to problems may not be addressing the root causes or real issues. We have always put our hands into our pocket to solve the problem rather than questioning the real causes and this has not done the theatre any favours. To be fair, however, this is probably true of many theatres.”

(Representative of the City Council)

He noted that past Arts Council cuts in funding had meant that a significant amount of money had never been recouped over the years. The maintenance of buildings etc. had been expensive and the building had constrained theatre development:

“We have increased funding to make sure the theatre survived from one year to the next and over the years, we have invested a significant amount of money. We had a battle with the Arts Council and we were determined that Theatre Y would survive. As a result, we worked with the County Council to produce a rescue package. However, the previous cuts in Arts Council funding meant that the theatre could not take the artistic risks that it had taken previously and the region has suffered considerably. The theatre is only one of a number of organisations competing for funding and therefore there is a need for the theatre to be more proactive. This should lead to a more strategic view being considered for the theatre.”

(Representative of the City Council)

6.4.3.10 Relationships With Employees

The Artistic Director felt that motivation came from the job itself, although this was not the case in all departments:

“The pay is generally poor and actors come here because they want to. In terms of permanent staff, I would like to think it is 'one big happy family'. I respect the staff until I lose respect. If this is the case, I tell them why that is. I congratulate good work but tell people if I believe it isn't good. Everybody needs to know their contribution and an emotional commitment produces an emotional return. Unfortunately, this is not always the case.”

(Artistic Director, Theatre Y)

The Box Office Manager felt that the motivation for her and her staff was the environment rather than the pay:

“There has been a low staff turnover and in my eight years at the theatre, there have only been two rotations of staff and those who have left have had good reason rather than dissatisfaction. There is no Personnel Department as such. Although there is an in-house Human Resource Policy on equal opportunities etc., there is no formal system for ensuring motivation. Each department maintains its own staff motivation. This depends on the management of particular departments but there are regular meetings within the Marketing Department and all are involved.”

(Box Office Manager, Theatre Y)

6.5 Chapter Summary

This chapter reported on the analysis of the findings of the preliminary study and showed how these had informed the conceptual model which was revised as a result. The findings of the main study were presented in relation to the issues of organization, marketing and relationships with stakeholders for each theatre in turn. The research findings were generated by: in-depth interviews, content analysis of theatre promotional literature and empirical research undertaken by Theatres A and Y. The following chapter discusses these findings in more detail with a view to identifying linkages between a theatre's success (or lack of it) and the building and maintenance of relationships with stakeholders.

CHAPTER 7: ANALYSIS OF FINDINGS AND DISCUSSION

7.1 Introduction

The previous chapter presented an analysis of the preliminary study's findings which were used to inform the main study's development. The findings of the main research study were subsequently reported. This chapter presents an analysis of the findings of the main study with a view to identifying any differences between the three theatres in terms of perceptions of organisational issues, level of success and degree of strategic orientation. Further, it seeks to identify whether a relationship marketing approach is being followed by any of the three theatres studied in detail. A relationship audit of each theatre's relationships with its various customer groupings is undertaken for this purpose.

7.2 Perceptions of Organisational Issues

7.2.1 Perceptions of Organisation Structure/Culture

There seemed to be different perceptions of the organisation structure/culture amongst those interviewed within Theatre A. There was agreement in general terms regarding the hierarchical structure of the theatre (although the Marketing Director saw it as more of a flat structure overall). However, the perception of the effect that this hierarchy had on the organisation seemed to differ depending on the position a respondent had in the organisation. In general, the internal view was positive, although this was not the case as far as external interviewees were concerned. There tended to be a negative view of the structure on the part of the North West Arts Board (NWAB) respondent and although views were a little more positive from the

representatives of the Local Authority and commercial sponsor, there were still perceived problems.

In contrast, there seemed to be a consistent view of the organisation amongst those interviewed within Theatre B. Even though there was a clear hierarchy on paper, all respondents saw the organisation as open with collaboration existing between departments and with external bodies. All respondents believed that the audience had an important influence on the organisational structure. There was also a very positive view of the organisation structure and culture from the representatives of the NWAB and the Association of Greater Manchester Authorities (AGMA).

Theatre Y was also seen as having a hierarchical structure by all respondents. Of particular note was the important partnership between the Artistic Director and the Chief Executive at the top of the organisation with all internal respondents and the City Council representative believing that this partnership worked well for the theatre. All accepted that the theatre building was a major constraint on the organisation's structure, culture and future with the representative of the City Council citing this as a major barrier to the theatre's strategic planning process. The effectiveness of the theatre's Board was considered to be an important issue for both external respondents as were changes to the Marketing Department. These changes indicated a lack of clear direction on the part of the theatre overall.

7.2.2 Perception of Organisation Mission/Direction

Most internal interviewees considered the 'new' as an important feature of Theatre A's direction. However, not all respondents felt the same way. The Theatre Manager, for example, believed that 'accessibility' was the key. The audience perceived the

theatre as producing the classics well and the representative of the NWAB saw the theatre as retreating back to a more traditional repertoire.

In Theatre B, there was a consistent vision amongst all respondents. All saw the importance of effectively catering for a young audience. All spoke of relationships with a variety of 'customers': the audience, artists, touring companies and competitors. This 'collaboration' feature could be seen quite clearly when comparing the concept of 'access' highlighted by Theatre A's Theatre Manager with the views of Theatre B's respondents who all spoke of 'participation'. This indicated a greater degree of involvement and thus Theatre B's two-way rather than one-way relationship with the audience.

For Theatre Y, there did not seem to be a clear mission/ direction. The theatre was clearly driven by the core audience but although customer focused, there was potential conflict because the amount of funding received from external bodies, particularly the NWAB, was restricted due to the theatre's relatively traditional repertoire. There was an emphasis on funding as a major driver and there was clearly a problem of not moving forward as seen by the NWAB and City Council. This seemed to reinforce the perception that the theatre had a short-term view. However, the Chief Executive and Local Authority representative believed that additional funding could lead to a long-term focus especially if this were linked to Best Value and as there was growing competition in the locality, this long-term focus was clearly needed.

7.2.3 Perceptions of Success

Theatre A was perceived as successful by all internal respondents. All saw the quality of work and gaining committed staff (including actors, producers etc) as important indicators. The Executive Director believed that quality of work led to larger audiences although this was contradicted by the Artistic Director. The Theatre Manager also saw social inclusion as an important criterion for success. There was agreement from all internal respondents that external funding should not be the main driving force. External views were a little different. The representative of a commercial sponsor saw the theatre as successful but believed that there was a degree of complacency and arrogance. This view was reinforced by the representative from AGMA who also believed that an effective Board was an important indicator of success. It was in this regard that she and the representative of the NWAB had some reservations with regard to Theatre A.

There seemed to be a general consistency amongst internal respondents within Theatre B of what the key indicators of success were. All saw quality of work and quality of experience as important. The Chief Executive/Artistic Director believed that quality of work attracted the best artists. He also saw the importance of audience satisfaction and therefore the importance of evaluation and acquiring feedback. All understood the importance of the Box Office (the Head of Marketing and Public Affairs clearly emphasised audience numbers) but all felt that this should not be the only indicator especially in the context of this theatre, as those who just visited the theatre were equally important. All external respondents believed that Theatre B was successful in terms of what it set out to do and the representatives of the NWAB and AGMA viewed the theatre's Board as being effective in helping to achieve this.

There were different perceptions communicated with regard to Theatre Y. Quality of work was seen by most as an important indicator (with The Chief Executive believing this would lead to bigger audiences) but financial success was clearly highlighted as an important indicator by both Chief Executive and Artistic Director. Audience satisfaction with a performance and general popularity were seen as important for the Box Office and Marketing Managers and yet they also accepted that without external funding, the theatre could not survive. For external respondents, indicators of success depended upon targeting areas such as outreach, education etc. as well as having an effective Board. Both external respondents felt that there were real problems on all counts here.

7.2.4 Theatre Product

Theatre A's respondents saw its product as the various productions and the studio. In addition, the Theatre Manager also saw the theatre environment as part of the product. For Theatre B's respondents, the product was the theatre and its overall environment and for Theatre Y, the product comprised productions in the main theatre, in the studio, in the park and its cinema.

7.2.5 Audience Development

For Theatre A respondents, all saw audience development as gaining new and particularly younger audiences with the Executive Director particularly seeing a role for education. The Theatre Manager, Executive and Marketing Directors also spoke of relationships and of maintaining present audiences. There was the potential for conflict here given the reputation of the theatre for performing the 'classics' and the fact that the typical audience comprised 50-60 year-old professionals, as the

preferences of this group may not match the preferences of a newer, younger audience.

For Theatre B, all internal respondents believed that all activity was audience development and that relationship development and collaboration with audiences, staff, touring companies, competitors and funding bodies were particularly important. Theatre B, therefore, emphasised relationships and collaboration with various stakeholders. This was probably easier to do for Theatre B, as reaching the young audience also fitted well with funding body targets. All respondents believed that it was important for the whole community to become involved. As the theatre had been in existence in its present form for three years, there was now the opportunity to consider how to maintain regular attendance. There was the belief that better information on regular attenders was becoming available and therefore, Customer Relationship Management (CRM) was becoming a possibility.

For Theatre Y respondents, audience development meant an emphasis on funding issues. Marketing was seen as important but marketing was clearly considered to be synonymous with publicity aimed at acquiring new audiences and maintaining present ones. There was some indication of the need to build relationships but this was with funding bodies. The Marketing Manager, however, believed that audience development was a bureaucratic concept used by funders and that it was not really appropriate to Theatre Y.

7.2.6 Perceived Role of Marketing

Theatre A's respondents saw marketing as involving the consideration of the external, competitive and internal environments.

All Theatre B respondents noted the link between marketing and publicity and all saw the importance of discussions with the audience and staff via forums. Strategic collaborations were also noted and more specifically, marketing and planning were seen as being connected.

For Theatre Y, marketing was seen as predominantly publicity but it also played an important role in helping to acquire information through an effective database.

7.2.7 Beneficiaries

For Theatre A, all saw the audience as a key beneficiary but staff were also seen as important. Theatre respondents did not see funding bodies as beneficiaries and this was noted by the Artistic Director and confirmed by the representative of the NWAB.

Theatre B respondents all believed in the importance of building relationships with the audience and others who dealt with this audience eg. teachers, youth workers etc. They also noted important other beneficiaries with whom there was a need to build relationships such as emerging artists, companies, other theatres, funding bodies and the theatre's board.

All Theatre Y respondents saw the audience as the main beneficiary. However, different respondents also added other groupings that were considered to be

important. The Chief Executive noted the local arts community, the Artistic Director and Box Office Manager noted the importance of the artists and staff and the Marketing Manager highlighted the importance of the local business community. Overall, however, in contrast to the other theatres, there was little reference to relationships.

7.2.8. Analysis of Perceptions of Organisational Issues

Tables 7.1 to 7.8 summarise the above findings and the perceptions of those within the organisation, amongst external respondents where appropriate (Theatre Y did not use commercial sponsors, for example and internal organisational issues such as theatre product and role of marketing were only considered by internal respondents) and between both sets of respondents.

Table 7.1: Issue: Organisation Structure/Culture

Respondent	Theatre A	Theatre B	Theatre Y
Artistic Director	Hierarchical Structure: Positive perception	Hierarchical in theory but open and collaborative in practice. Audience influence on structure and culture: Positive perception	Hierarchical structure with close knit partnership between Chief Executive and Artistic Director: Positive perception
Senior Manager	Hierarchical Structure: Positive perception		Hierarchical structure with close knit partnership between Chief Executive and Artistic Director: Positive perception
Theatre/ Customer Services / Box Office Manager	Hierarchical Structure 'Family Feel': Positive perception	Hierarchical in theory but open and collaborative in practice. Audience influence on structure and culture: Positive perception	Hierarchical structure with close knit partnership between Chief Executive and Artistic Director: Positive perception
Marketing Director/Manager	Hierarchical at the top: Positive perception but with some reservations about consultation	Hierarchical in theory but open and collaborative in practice. Audience influence on structure and culture: Positive perception	Hierarchical structure with close knit partnership between Chief Executive and Artistic Director: Positive perception
NWAB Representative	Hierarchical Structure producing traditional repertoire: Negative Perception	Sees structure and culture as open: Positive perception	Theatre Board lacks direction. Clear lack of direction overall: Negative perception
Local Authority Representative	Hierarchical Structure: Isolationist and degree of arrogance: Negative Perception	Sees structure and culture as open: Positive perception	Theatre Board was a problem and building seen as a constraint: Generally positive perception but with reservations
Commercial Sponsor	Hierarchical Structure: Isolationist and degree of arrogance: Negative Perception	Has had little dealings with the theatre in recent years: Neither positive nor negative perceptions	N/A
Consistency of perceptions amongst internal respondents?	No	Yes	Yes
Consistency of perceptions amongst external respondents?	Yes	Yes	No
Consistency of perceptions overall?	No	Yes	No

Table 7.2: Issue: Organisation Mission/Direction

Respondent	Theatre A	Theatre B	Theatre Y
Artistic Director	The 'new'	Catering for a young audience collaborating with a variety of stakeholders.	Performing productions well. Balancing this with funder requirements
Senior Manager	The 'new'	'Participation'	Performing productions well. Balancing this with funder requirements
Theatre/ Customer Services / Box Office Manager	Accessibility	'Participation'	Producing popular productions. Funding constraints.
Marketing Director/Manager	The 'new'	Catering for a young audience collaborating with a variety of stakeholders. 'Participation'	Direction driven by funding
NWAB Representative	Traditional repertoire	Catering for a young audience collaborating with a variety of stakeholders.	Not forward looking
Local Authority Representative	Traditional repertoire with some new productions	Catering for a young audience	Not forward looking. Future additional funding should help to produce a long-term focus.
Commercial Sponsor	Traditional repertoire with some new productions	Catering for a young audience	N/A
Consistency of perceptions amongst internal respondents?	No	Yes	Yes
Consistency of perceptions amongst external respondents?	No	Yes	Yes
Consistency of perceptions overall?	No	Yes	No

Table 7.3: Issue: Perceptions Of / Criteria For Success

Respondent	Theatre A	Theatre B	Theatre Y
Artistic Director	Quality of work and gaining committed staff. External funding should not be an indicator. Successful.	Quality of work and quality of experience. This will attract best artists and enhance political links with regulators. Importance of audience satisfaction, evaluation and feedback. Box office but also general experience of the building as a whole.	Quality of work. Financial success. Successful on quality and improving re: financial criterion
Senior Manager	Quality of work (which leads to increased audiences) and gaining committed staff. External funding should not be an indicator. Successful.	Quality of work and quality of experience. Importance of audience satisfaction, evaluation and feedback. Box office but also general experience of the building as a whole.	Quality of work (which leads to increasing audience) Financial success Successful on quality and improving re: financial criterion
Theatre/ Customer Services / Box Office Manager	Quality of work and gaining committed staff. Social inclusion. Successful.	Quality of work and quality of experience. Importance of audience satisfaction, evaluation and feedback.	Audience satisfaction Popularity Gaining external funding. Moving in the right direction on all counts
Marketing Director/Manager	Quality of work. Box office. External funding should not be an indicator. Successful.	Importance of audience satisfaction, evaluation and feedback. Box office but also general experience of the building as a whole.	Audience satisfaction Popularity Gaining external funding Moving in the right direction on all counts
NWAB Representative	Importance of effective Board. Complacent. Unsuccessful in achieving social inclusion through outreach and education.	Importance of effective Board. Achieving social inclusion through outreach and education. Successful	Importance of effective Board. Achieving social inclusion through outreach and education. Unsuccessful
Local Authority Representative	Importance of effective Board. Successful but complacent Unsuccessful in achieving social inclusion through outreach and education.	Importance of effective Board. Achieving social inclusion through outreach and education. Successful	Importance of effective Board. Achieving social inclusion through outreach and education. Unsuccessful but moving in the right direction
Commercial Sponsor	Importance of having a high profile. Successful but complacent	Importance of having a high profile. Successful but high profile within narrow target group	
Consistency of perceptions amongst internal respondents?	No	Yes	No
Consistency of perceptions amongst external respondents?	Yes	Yes	Yes
Consistency of perceptions overall?	No	Yes	No

Table 7.4: Issue: Theatre Product

Respondent	Theatre A	Theatre B	Theatre Y
Artistic Director	Productions and studio	Theatre and overall environment	Productions (in main theatre, studio and in the park) and cinema
Senior Manager	Productions and studio		Productions (in main theatre, studio and in the park) and cinema
Theatre/ Customer Services / Box Office Manager	Productions, studio and theatre environment	Theatre and overall environment	Productions (in main theatre, studio and in the park) and cinema
Marketing Director/Manager	Productions and studio	Theatre and overall environment	Productions (in main theatre, studio and in the park) and cinema
Consistency of Perceptions?	No	Yes	Yes

Table 7.5: Issue: Perceptions of Audience Development

Respondent	Theatre A	Theatre B	Theatre Y
Artistic Director	Gaining new and younger audiences Maintaining present audiences	All activity. Relationships and collaboration with a variety of 'customer' groupings (audiences, staff, competitors, funders etc.) Involvement of the whole community Now starting to consider how to ensure maintenance of regular audience through CRM	Related to external funders' requirements. Importance of targeting specific audience types
Senior Manager	Gaining new and younger audiences. Important link with education. Maintaining present audiences through the building of relationships.		Related to external funders' requirements Importance of targeting specific audience types
Theatre/ Customer Services / Box Office Manager	Gaining new and younger audiences. Maintaining present audiences through the building of relationships.	All activity. Relationships and collaboration with a variety of 'customer' groupings (audiences, staff, competitors, funders etc.) Involvement of the whole community Now starting to consider how to ensure maintenance of regular audience through CRM	Related to external funders' requirements Importance of targeting specific audience types
Marketing Director/Manager	Gaining new and younger audiences. Maintaining present audiences through the building of relationships.	All activity. Relationships and collaboration with a variety of 'customer' groupings (audiences, staff, competitors, funders etc.) Involvement of the whole community Now starting to consider how to ensure maintenance of regular audience through CRM	Related to external funders' requirements. Bureaucratic concept not appropriate for the theatre.
Consistency of Perceptions?	Yes (although Artistic Director did not mention relationships)	Yes	No

Table 7.6: Issue: Perceptions of Marketing

Respondent	Theatre A	Theatre B	Theatre Y
Artistic Director	Consideration of external, competitive and internal environments.	Discussions with audience and staff through forums. Publicity.	Publicity
Senior Manager	Consideration of external, competitive and internal environments. Acquiring a London Theatre and developing a web site	Collaboration between departments.	Publicity
Theatre/ Customer Services / Box Office Manager	Consideration of external, competitive and internal environments.	Discussions with audience and staff through forums. Publicity. Collaboration between departments.	Publicity Acquisition of information through database
Marketing Director/Manager	Consideration of external, competitive and internal environments.	Discussions with audience and staff through forums. Publicity. Collaboration between departments.	Publicity Acquisition of information through database
Consistency of Perceptions?	Yes	Yes	Yes

Table 7.7: Issue: Theatre Beneficiaries

Respondent	Theatre A	Theatre B	Theatre Y
Artistic Director	Audience: key Staff <i>Not Funding Bodies</i>	Audience Others who dealt with the audience (teachers, youth workers etc.)	Audience Local arts community
Senior Manager	Audience: key Staff	Emerging artists Travelling companies Other theatres Funding bodies Theatre Board	Audience Artists and staff
Theatre/ Customer Services / Box Office Manager	Audience: key Staff	Audience Others who dealt with the audience (teachers, youth workers etc.) Emerging artists Travelling companies	Audience Artists and staff
Marketing Director/Manager	Audience: key Staff	Audience Others who dealt with the audience (teachers, youth workers etc.) Emerging artists Travelling companies Other theatres Funding bodies	Audience Local business community
NWAB Representative	Confirmed that Funding Bodies were not considered as customers	Confirmed this broad view	Only saw the theatre as considering the audience as a beneficiary
Local Authority Representative	Confirmed that Funding Bodies were not considered as customers	Confirmed this broad view	Only saw the theatre as considering the audience as a beneficiary
Commercial Sponsor	Confirmed that Funding Bodies were not considered as customers	Confirmed this broad view	N/A
Consistency of perceptions amongst internal respondents?	Yes	Yes	No
Consistency of perceptions amongst external respondents?	Yes	Yes	Yes
Consistency of perceptions overall?	Yes	Yes	No

Table 7.8: Issue: Consistency of Perceptions

Issue	Theatre A	Theatre B	Theatre Y
Organisation Structure/ Culture	No	Yes	No
Organisation Mission/ Direction	No	Yes	No
Perceptions of/ criteria for success	No	Yes	No
Theatre Product	No	Yes	Yes
Perceptions of Audience Development	Yes	Yes	No
Perceptions of Marketing	Yes	Yes	Yes
Theatre Beneficiaries	Yes	Yes	Yes

As can be seen from Table 7.8, there is a consistency of perceptions on all issues for Theatre B. Theatre A has a consistency of perceptions on the issues of audience development, marketing (where only internal perceptions were noted) and beneficiaries. Theatre Y has a consistency of perceptions on the issues of product and marketing (where only internal perceptions were noted) and beneficiaries. This suggests that for Theatres A and Y there are a number of issues on which there are opportunities to bridge gaps in perceptions amongst internal and/or external parties.

7.3 Measurement of Success

Many indicators of success were noted by respondents (Table 7.9) as discussed below.

Table 7.9: Indicators of Theatre Success

Criterion	Source
Quality of work	Theatres A, B and Y
Gaining committed staff	Theatres A and B
Box Office	Theatres A, B and Y
Quality of Experience	Theatre B
Audience Satisfaction	Theatres B and Y
Popularity	Theatres B and Y
Financial Success overall	Theatre Y
Gaining External Funding:	Theatre Y
Social inclusion	NWAB, Local Authorities
Effective Board	NWAB, Local Authorities
High Profile	Commercial Sponsor

Quality of Work

Findings from the research indicate that the quality of work produced by all three theatres is considered by all parties (internal and external respondents and audiences) to be of a high standard. Any negative views tend to refer to choice of production offered (Theatres A and Y) rather than the quality of the productions themselves.

Gaining Committed Staff

Theatre A would seem to have a generally positive score on this dimension. Most internal respondents see this as important and the theatre seems to be successful overall in this area. However, there is a view that there may be a lack of consultation on some issues. In addition, the lack of consistency in perceptions on a number of aspects (organisation structure/culture, mission/direction, criteria for success and product) highlighted by the research, suggests that improvements could still be made in this area.

Theatre B would seem to have a very positive score on this dimension. There is a consistency of perceptions amongst internal staff on all issues and all see this as an

important feature of the organisation. External respondents also note the commitment of Theatre B's staff.

Theatre Y would seem to have a generally negative score here. Although the Artistic Director and the Chief Executive mention the importance of staff, there is a tendency to merely pay lip service to this. There is a suggestion that it is the 'art' that motivates rather than the organisation. There is some consideration of staff in the Marketing Department but this seems to be the exception rather than the rule.

Box Office

Theatre A has a very positive score on this dimension as the box office produces over half of the theatre's overall revenue. Theatre B would also seem to have a positive score based on the interviews and this would seem to be confirmed by the growth in attendance. Indeed, attendance had reached the level that had existed before refurbishment but with a different type of audience than had attended previously. Theatre Y also has a positive score on this dimension with interviews and audience responses indicating that attendance in itself is not a problem. However, the theatre building itself is seen as a constraint on audience growth.

Quality of Experience

Theatre A has a generally positive score on this dimension. It is a high profile theatre in the City Centre, it has a wide variety of supporting services and famous actors perform at the theatre. Responses from the empirical research indicate general satisfaction with the theatre experience although there were some negative responses regarding the theatre environment (toilets and facilities for the disabled, for example).

Although there was no evidence from Theatre B's audience on this issue (an important limitation to be returned to later), comments from internal and particularly, external respondents, suggest that it is the whole experience that is important in this theatre. The theatre would seem to be perceived as being very successful in achieving a very positive experience overall.

For Theatre Y, it is clear from all respondents (internal, external and the audience) that the quality of the overall theatre experience leaves a lot to be desired. The theatre building is a constraint and facilities such as the bar are heavily criticised.

Audience Satisfaction

There seems to be general audience satisfaction amongst Theatre A's attenders overall (although there were some negative comments regarding the theatre environment: toilets, car parks etc.). It is difficult to assess Theatre B on this dimension, however, due to the lack of research on its audiences but all external respondents indicate satisfaction with what the theatre is doing. The forums were said to be well attended and working well and it is the only theatre that clearly evaluates and monitors performance. There seems to be general satisfaction with Theatre Y's productions but little else connected to the theatre.

Popularity

Due to its high profile and high box office success, Theatre A would seem to be the highest of the three theatres on this dimension. Again, it is difficult to assess Theatre B's performance on this dimension. However, audiences have increased considerably

and this suggests a degree of popularity. The popularity of the theatre Y, in contrast, could be improved upon and indeed it is now competing with another theatre in the locality and this could cause more difficulties in this area.

Financial Success Overall

In terms of this criterion, Theatre A is clearly ahead of the other theatres. Not only does it receive over 50% of its revenue from the box office, it also receives a great deal of funding from other sources such as the NWAB, AGMA, sponsorship and revenue from its support services such as the brasserie, book shop etc.

Given the growth in attendance over the last three years and the general satisfaction felt by the external funding bodies, Theatre B would also seem to have a positive score on this dimension. As a subsidised theatre, it is a financially viable organisation. Theatre Y, on the other hand, is likely to have a negative score on this dimension. It is heavily reliant on external funding and in fact, was near to closure in recent years. The City Council representative is concerned that the theatre is too reliant on the Council to 'bail the theatre out' when it is in crisis. Also, the constraints of the building itself suggest financial problems for the theatre.

Gaining External Funding

It is important to note here, that neither Theatre A nor B believe this criterion to be a measure of success and indeed, representatives from both theatres feel very strongly that this should *not* be an indicator of success. However, a number of Theatre Y representatives see this criterion as an important measurement of the success of their theatre.

Theatre A acquires far more external funding than the other theatres. It receives large amounts of financial support from the NWAB, AGMA and sponsorship. External funders are generally happy with how Theatre B is developing and consequently external funding has followed. Theatre B is seen to be reaching the target groups that external regulators wish to support.

Theatre Y has recently received more money from the NWAB than it had originally expected. It still receives a good deal of money from the City Council which is committed to the continuance of the theatre. It is interesting to note that the theatre has consciously decided not to use commercial sponsorship as an additional source of revenue.

Social Inclusion

For Theatre A, this is considered to be a problem by external regulators. Some attempts have been made by the theatre, in recent years, but there is an indication that it has returned to a more traditional repertoire targeted at its core audience. There is some linkage with education but as can be seen from the content analysis, communication regarding educational issues is not really targeted at the younger audience.

Theatre B would seem to be the most successful of the three theatres in this regard. The whole raison d'être of the theatre is social inclusion and it would seem from external regulators that it is successful in this area. The content analysis highlighting a variety of events targeted at many ethnic and social groups would seem to confirm this.

Social inclusion seems to be a real problem for Theatre Y. Its core audience is the older professional and the theatre's audience research suggests that choice of production is seen as a problem. Innovative productions targeted at other audience groups could clearly alienate this audience and the theatre may be unwilling to take such risks. The Education Department is independent of the theatre making it difficult to target a potentially younger audience and external regulators comment that a lack of social inclusion is a problem.

Effective Board

Theatre A has little difficulty in recruiting quality board members due to its high profile. However, there does seem to be a suggestion from external respondents that there may be a degree of isolationism and arrogance on the part of some board members. The board could be said to be effective in that the theatre is financially viable but external respondents are unhappy about the theatre's lack of movement forward.

Theatre B's board would seem to be the most effective of the three theatres. It seems to be a representative board and there is evidence that it regularly monitors and evaluates the theatre's activities. External regulators seem very positive on this issue.

Theatre Y's board seems to be the weakest of the three. External regulators note problems with the board. They comment that the board is being driven by political motives, not being representative and being too conservative.

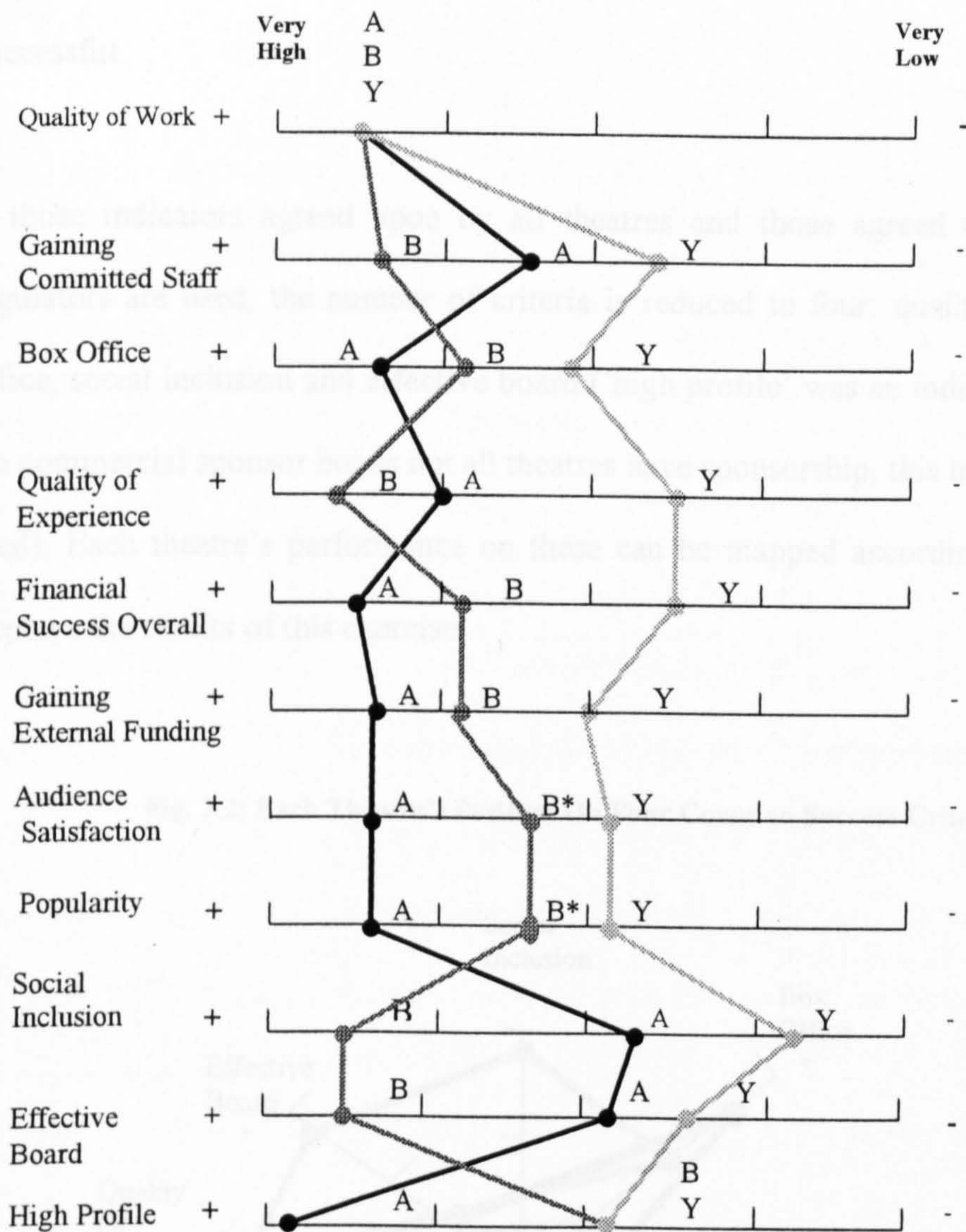
High Profile

This particular dimension was suggested by the commercial sponsor as it is clearly linked to the sponsor's needs.

Theatre A has the highest profile of the three theatres. It is located in the City Centre, high profile actors perform here and it has many additional support services. Theatres B and Y have profiles which are difficult to assess. Theatre B probably has a high profile among its target audience but this is not necessarily the case among other groups (this is why the commercial sponsor has few dealings with the theatre at present). Theatre Y seems to have a high profile among its regular attenders, but given its location in the City and the transient nature of people who visit the city (students and casual visitors), the general profile of the theatre is likely to be low.

The above qualitative judgements of each theatre's performance for each success criterion can be presented pictorially. Each criterion is presented as a continuum on which each theatre can be placed depending upon how well it is scored: from very high to very low. Figure 7.1 maps these positions:

Figure 7.1: Each Theatre's Position For Each Success Criterion



*Audience satisfaction/popularity of Theatre B is interpreted from both internal and external interviews and is based on the growth in audience attendance over the past 3 years

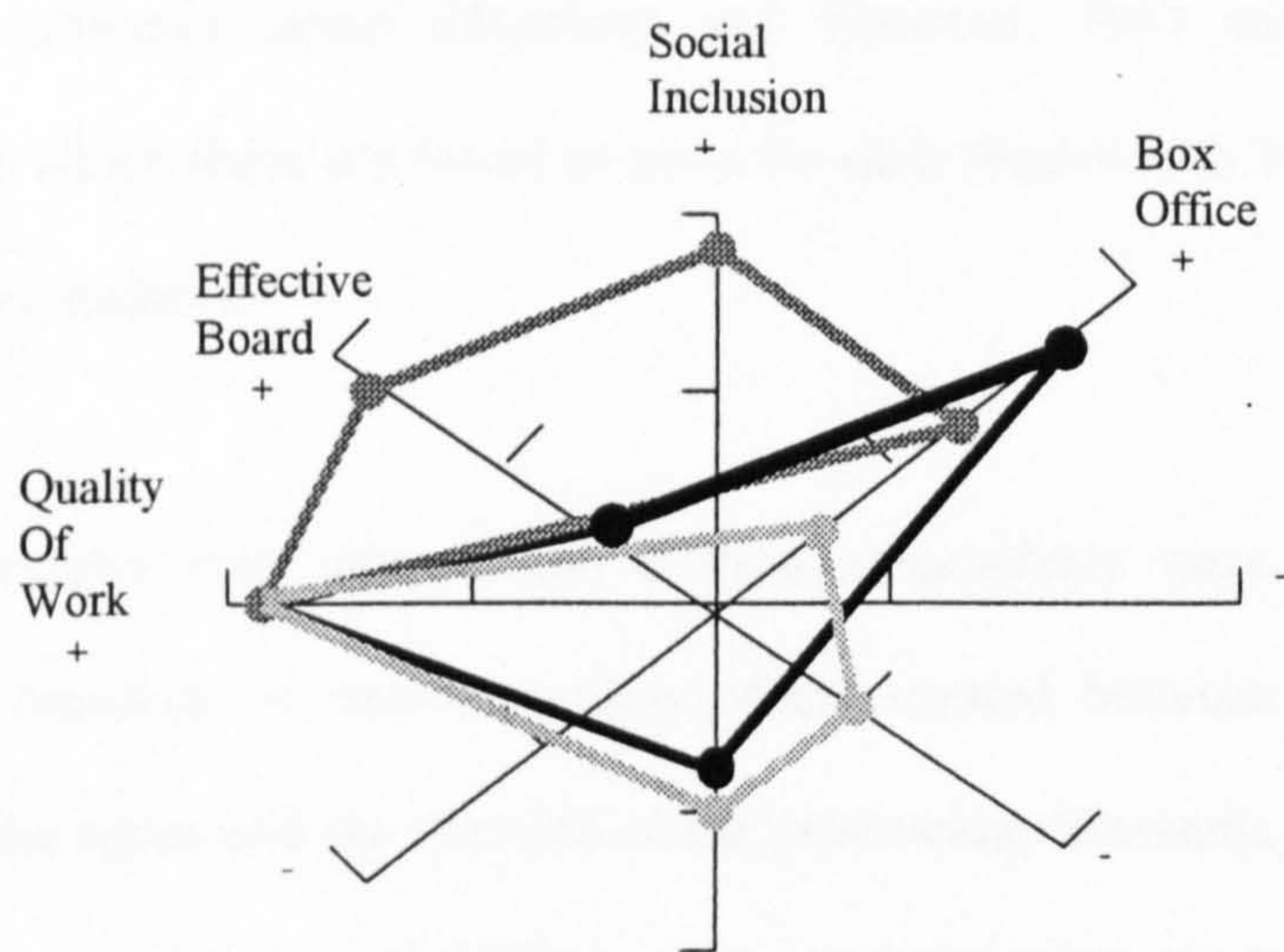
Key:

- Theatre A
- Theatre B
- Theatre Y

This pictorial representation seems to indicate that Theatre Y is less successful than the other theatres with a number of negative scores on the various continua. It is not so clear however, which of the other two theatres could be considered to be the most successful.

If those indicators agreed upon by all theatres and those agreed upon by formal regulators are used, the number of criteria is reduced to four: quality of work, box office, social inclusion and effective board ('high profile' was an indicator offered by the commercial sponsor but as not all theatres have sponsorship, this indicator was not used). Each theatre's performance on these can be mapped accordingly. Figure 7.2 displays the results of this exercise.

Fig. 7.2: Each Theatre's Position On Four Common Success Criteria



Key:	
Theatre A	—————
Theatre B
Theatre Y	—————

Although such interpretations need to be treated with caution, it can be seen that in general terms, Theatre B could be considered to be the most successful, followed by A and Y.

Based on the conceptual model proposed in Chapter 6 (page 181), Theatre B should be more strategically oriented and pursue a greater relationship marketing approach than the other two theatres. In order to assess whether this is indeed the case, the findings from the research on the relationships each theatre has with its various 'customers' need to be further analysed. Chapter 4 highlighted a number of key elements that researchers have found to exist in successful relationships: customer empathy/orientation (Palmer, 1998 and Williams, 1998), experience/ satisfaction (Rusbult and Buunk, 1993 and Ganesan, 1994), trust/ commitment (Mietilla and Moller, 1990; Morgan and Hunt, 1994 and Takala and Uusitalo, 1996) and effective two-way communication (Homlund and Törnroos, 1997 and Selnes, 1998). The degree to which these are found to exist for each theatre with its various stakeholders are now considered.

The interviews with internal and external respondents were analysed to ascertain whether one-way or two-way relationships existed between each theatre and its stakeholder types and the strength of the relationship elements (customer orientation/ empathy, experience/ satisfaction, trust and commitment) between a theatre and stakeholders were interpreted. The secondary empirical research was analysed to interpret the strength of these relationship elements for each theatre with its theatre attenders and the Content Analysis was used to assess the type of communication

(one-way or two-way) used by each theatre in its communication with regular and potential attenders.

7.4 Relationships with the Audience

7.4.1 Theatre to Audience: Interviews

It is clear from Theatre A's respondents that there is a need to acquire younger audiences. However, this can be seen to be a one-way approach (although the Theatre Manager did mention relationships) in that there is a need to target these people, but little else is mentioned. In Theatre B, however, all speak of two-way relationships and the importance of evaluation and feedback from the audience (forums and informal feedback via staff and evaluation of publicity). The general view is that the theatre should be seen as a quality theatre for young people by young people. The fact that the term '*for*' rather than '*to*' is used, reinforces the two-way perspective that is communicated.

In contrast to the other two theatres, Theatre Y respondents display a one-way perspective. There is little reference to relationships and although there is some indication of the need to understand the audience, this is merely to target them for communications rather than build relationships.

Table 7.10 summarises these findings:

Table 7.10: Summary Of The Evidence Of One or Two-way Relationships From Interviews

Theatre A	Theatre B	Theatre Y
One-way (although the Theatre Manager mentions relationships)	All speak of two-way relationships the importance of feedback and evaluation: ' <u>for</u> young people' rather than ' <u>to</u> '	One-way relationship. Indication that there is a need to understand the audience to <u>target</u> them

7.4.2 Theatre to Audience: Content Analysis

7.4.2.1 Words and phrases used

The content analysis of key words or phrases used in the communication with the different audience types seems to reinforce the above.

Each theatre uses the word 'us' to refer to itself rather than as a collective term including the reader and generally, the term is used more when communicating to regular attenders rather than potential ones. Theatre Y uses the word much more than the others with Theatre B using it the least. Table 7.11 displays the findings:

Table 7.11: Frequencies and Comparisons of Usage of the word 'us'

Theatre A	Frequency of word/phrase	% of text units frequency represents
Regular attenders	4 (all are 'join us')	1
Potential attenders	4	0.5
Theatre B		
Regular attenders	3	0.25
Potential attenders	0	0
Theatre Y		
Regular attenders	7 (of which 6 are 'join us')	5.7
Potential attenders	21	1.2

In terms of publicising the theatre name in its promotional material, there are similarities between the three theatres in terms of communicating to potential attenders. For regular attenders, Theatre Y uses its own name twice as much as Theatre B and four times as many times as does Theatre A. It is interesting that name is emphasised more frequently for potential attenders than regular attenders by Theatre A, whereas for Theatre Y it is vice versa, and about the same for the Theatre B. Table 7.12 displays these findings:

Table.7.12: Frequency and Comparison of Publicising Own Name

Theatre A	Frequency	% of text units frequency represents
Regular attenders	15	3.7
Potential attenders	44	5.2
Theatre B		
Regular attenders	84	7
Potential attenders	11	6
Theatre Y		
Regular attenders	17	14
Potential attenders	93	5.5

The word 'we' again is used to refer to the particular theatre rather than a partnership with the reader and is used far less by Theatre B than any other theatre. Table 7.13 displays this in more detail:

Table 7.13: Frequency and Comparison of the Usage of the Word 'We'

Theatre A	Frequency of word/phrase	% of text units frequency represents
Regular attenders	12	3
Potential attenders	16	1.9
Theatre B		
Regular attenders	4	0.3
Potential attenders	1	0.55
Theatre Y		
Regular attenders	3	2.5
Potential attenders	37	2.2

This coupled with the least use of the word 'us' by the Theatre B as noted in table 7.11 would suggest a less self-centred approach on Theatre B's behalf.

In analysing the use of the word 'you', there is a suggestion that the greater the usage, the greater the engagement a theatre has with its particular audience type. Although 'you' could be interpreted to mean a separation between theatre and reader, the tone and style tends to suggest that the theatre is attempting to bring the reader 'on board'. In general terms, there seems to be more engagement with regular than with potential attenders and in comparing theatres, Theatres A and B seem to engage more with

regulars than with potential attenders, whereas Theatre Y seems to engage similarly for both audience types. Table 7.14 displays the findings:

Table 7.14: Frequency and Comparison of the Usage of the Word ‘You’

Theatre A	Frequency of word/phrase	% of text units frequency represents
Regular attenders	32	8
Potential attenders	40	4.7
Theatre B		
Regular attenders	98	8
Potential attenders	8	4.3
Theatre Y		
Regular attenders	7	6
Potential attenders	87	5

Similarly, in analysing the use of the word ‘*your*’, it was found that Theatre A uses the word slightly more than the other theatres when communicating to regular attenders and Theatre B seems to use the word more for potential attenders. It uses the word twice as often as Theatre A and four times as much as Theatre Y thus suggesting greater engagement. This is displayed in table 7.15:

Table 7.15: Frequency and Comparison of the word ‘your’

Theatre A	Frequency of word/phrase	% of text units frequency represents
Regular attenders	22	5.5
Potential attenders	12	1.4
Theatre B		
Regular attenders	44	3.6
Potential attenders	5	2.7
Theatre Y		
Regular attenders	4	3.2
Potential attenders	12	0.7

When comparing the phrases, ‘*for you/r*’, ‘*with you/r*’ and ‘*to you/r*’, it was found that Theatre B uses the term ‘*for you/r*’ more than the other theatres and this could be interpreted as it being more customer focused than any other theatre. This seems to be particularly so for its regular attenders. There is little usage of the phrase ‘*with you/r*’

which could suggest a lack of explicit consideration of a relationship with the readership. Although the phrase 'to you/r' is used by all theatres, there is little pattern shown in comparison. Table 7.16 displays the comparison in the usage of 'for you/r'.

Table 7.16: Frequency and Comparison of the use of the phrase 'for you/r'

Theatre A	Frequency of word/phrase	% of text units frequency represents
Regular attenders	1	0.25
Potential attenders	2	0.24
Theatre B		
Regular attenders	11	0.9
Potential attenders	0	0
Theatre Y		
Regular attenders	0	0
Potential attenders	1	0.06

Table 7.17 summarises and compares the findings for each theatre.

Table 7.17: Comparison of the frequency of key words/phrases used by each theatre in its publicity

	Theatre A	Theatre B	Theatre Y
Key Terms/Phrases			
'us'	Used more for regular than potential attenders	Used more for regular than potential attenders	Used more for regular than potential attenders Used more than other theatres
own name	More frequently used for potential attenders Same as other theatres in terms of communicating to potential attenders For regular attenders: far less than Y (about one quarter)	Used the same for both types of attender Same as other theatres in terms of communicating to potential attenders For regular attenders: far less than Y (about one half)	More frequently used for regular attenders Same as other theatres in terms of communicating to potential attenders For regular attenders: far more than A and B
'we'	Used more than B	Used the least	Used more than B
'you'	Used more for regular than potential attenders	Used more for regular than potential attenders	Used about the same for both regular and potential attenders
'your'	Slightly more than other theatres when communicating to regular attenders. Half as much as B for potential attenders	Used less than A for regular attenders. Used twice as much as A and four times as much as Y for potential attenders	Used less than A for regular attenders. Quarter as much as B for potential attenders
'for you/r'	Used less than B.	Used more than the other theatres. Particularly for regular attenders	Used less than B

7.4.2.2 Tone and Written Style

When comparing the tone and written styles used by the three theatres in their publicity material, Theatre A in its communications with regular attenders, could be interpreted as using a rather one-way, formal approach. Communications tend to lack emotion and rational rather than emotional appeals are used to entice readers. In its communication to potential attenders, Theatre A again tends to be formal in its approach and uses a rational appeal. It also seems rather self-congratulatory. The educational nature of the theatre product is communicated via a section at the back of the brochures, but this uses a very factual tone and is clearly targeted at an adult, professional reader rather than trying to engage with a younger audience which as has already been stated, is part of the theatre's mission. Overall, there seems to be little engagement with those other than the older, educated and professional with few indications of the desire to build and maintain a relationship with the reader.

In sharp contrast, Theatre B's communication to regular attenders seems to involve a conscious effort to engage its specific target audience through the use of exclamation marks, a familiar and informal style with explicit attempts to acquire reader involvement. Specific groups of people are clearly targeted and specific messages are communicated to these people. Communication to potential attenders tends to be more formal and informative than for regular attenders (although it is still less formal than Theatre A's communication). There is less evidence of words or phrases that engage the reader than is evident for regular attenders. However, there is a clear attempt to excite the reader via words and phrases that communicate action and vitality.

Theatre Y's publicity to regular attenders could be interpreted as being formal and impersonal using non-colloquial, more formalised language. There is little evidence of communication aimed at engaging the reader. Publicity to potential attenders again is formal and relatively impersonal. There is some attempt at two-way communications by explicitly responding to audience responses to recent research undertaken by the theatre. This again, however, is rather formal in its approach. Funding is mentioned on many occasions to such an extent that it gives the impression that it influences everything the theatre does. Of particular interest is the rather apologetic and self-deprecating style used. Communication is clearly targeted at an older age group and this is reinforced in the sections referring to the Youth Arts Centre where the language used does not change to engage the younger reader. Table 7.18 summarises these findings

Table 7.18: Tone and Style Communicated by each Theatre in its Publicity

	Theatre A	Theatre B	Theatre Y
Tone and style			
<i>With Regular Attenders</i>	One-way and formal Communications lack emotion Rational appeal used	Conscious effort to engage the reader through '!' and familiar/ informal style. Explicit attempts to involve the reader. Specific groups explicitly targeted.	Formal and impersonal. Use of 'educated' language. Little evidence of attempting to engage the reader.
<i>With Potential Attenders</i>	Formal, rational Self-congratulatory Clearly targeted at an adult, professional (even education section)	More formal than for regulars but still more informal than A. Less evidence of words/phrases that engage the reader than with regular attenders. Clear attempt to excite the reader through communicating action and vitality	Formal and relatively impersonal. Some attempt at two-way communication (by referring to recent research undertaken) but still formal. Funding mentioned on numerous occasions. Apologetic and self-deprecating style. Targeted at older age group (even youth section)

Table 7.19 brings together the analysis of frequency of words and phrases and the tone/styles used.

Table 7.19: Summary of Content Analysis

	Theatre A	Theatre B	Theatre Y
Use of words and phrases	'your' is used slightly more than the other theatres for regular audiences	Uses 'for you/r' more than any other theatre	Uses 'us', own name and 'we' more than the other theatres. Uses 'your' least (particularly so for potential audiences)
Tone and style	One-way and formal. Targeted at well educated professional adults.	Attempts to engage the reader	Formal and impersonal. Some attempt at two-way communication with potential attendees (but linked to recent research undertaken). Great deal of emphasis on funding. Targeted at older educated, professional adults

7.4.2.3 Variety of 'products' publicised

The variety of products publicised by the three theatres were compared using promotional material for the same time period (Spring/Summer 2002) and table 7.20 displays the findings.

All three theatres have drama as the most common element of their product but Theatre B clearly has the widest range of events with Theatre A having the narrowest.

Table 7.20: Comparison of theatre products publicised: Spring/Summer 2002

Product type	Theatre A	Theatre B	Theatre Y
Drama	8	22	20
Dance		3	1
Music		6	
Art		4	
Audience Participation	8	14	7
Cabaret		1	
Cinema			1
TOTAL	16	50	29

7.4.3 Audience To Theatre

Sections 7.4.3.1 to 7.4.3.4 analyse the findings from the empirical research undertaken by Theatres A and Y. Each theatre's research objectives were different from those of this research and therefore only findings that had relevance to this study are included. As a result, sections 7.4.3.1 and 7.4.3.3 only deal with findings from Theatre A's research as there was neither comparable information on the factors that influenced Theatre Y attendance nor on Theatre Y's audience behaviour.

As has been previously stated, it was not possible to undertake empirical research on Theatre B's audiences and there were no available research data that could have been used in the same way as for the other two theatres. Section 7.4.3.5 uses the information acquired from other data sources (interviews and content analysis) to interpret Theatre B's audience views.

7.4.3.1 Influence on Attendance

Theatre A's research on general attenders found that the most popular reason for attending Theatre A was for particular plays (86% of respondents), reputation of the theatre was second (55%) and for an evening out and to see particular actors (48.4%

and 42.9% respectively) were third and fourth. It was interesting that only 36.7% were motivated by good reviews given the use of this in the theatre's publicity. A *lack of customer empathy on the part of the theatre* could be an interpretation here in that the theatre regularly publicised reviews which only seemed to motivate a minority grouping.

Research on Theatre A's Season Ticket Holders found that there was a very small number of new members to the scheme (6.6% of respondents) and this reinforced the concerns shown by theatre interviewees regarding the need to acquire new audiences. This was reinforced even more when an analysis of the length of relationships held by renewing season ticket holders was undertaken. The majority by far, had long-term relationships (60%) compared to medium-term (1.1%) and short term (11.2%). The maintenance of long-term relationships is a positive feature but there did seem to be difficulty in recruiting new members to the scheme. At least there seemed to have been an improvement in acquiring season ticket holders more recently, compared to the number who joined the scheme between July 1996 and April 1998. The small numbers joining the scheme between these periods was probably attributable to the temporary accommodation the theatre had been using during this period.

This reinforces the fact that the theatre is good at maintaining relationships with those who had been with the scheme for many years but poor at developing new ones.

In terms of the characteristics of respondents, season ticket holders were clearly older than general attenders. 64.7% of season ticket respondents were between the ages of 45 and 64 and 21.9% were over 65. The number of respondents who were retired was 42.9%. 37% of respondents stated that their occupation was in education. All this

clearly reinforced the assessment given by interviewees about the make-up of regular attenders: older, well-educated and professional. There were marginally more females (53%) than males (47%) in the sample which was claimed by the theatre's researchers to be representative of the whole population of the theatre's season ticket holders.

In analysing the main reason for purchasing a Season Ticket, the major reason given was as a way of ensuring discipline (27.6%). It could be interpreted that without this discipline, these people may not have been inclined to attend. Although this could merely indicate a need for people to be able to plan ahead, it could suggest that a two-way mutually beneficial relationship was not being perceived. With 10.5% of respondents suggesting attendance might be out of habit, 38% of respondents had a non-participatory relationship with the theatre. However, on a more positive note, this could be useful indicator of *commitment* and the 10.5% who attended out of habit could at least be an indication of them having a *positive experience*.

Very few saw the opportunity for providing financial support for the theatre as a motive to join the scheme. Only 9% saw providing support as a reason for joining the scheme and only 40% saw this as benefit of the scheme overall. This suggests *a lack of a perceived two-way relationship on the part of the majority of respondents and a relatively low level of commitment to the theatre*.

Only 10.6% of season ticket holders saw the programme of events as a motivator to join the scheme. This is in contrast to the findings of the research on general attenders where it was suggested that the programme itself (product) was a major factor in attracting the audience. The relatively small number of Season Ticket respondents

seeing this as a motivator to join the scheme could be interpreted as indicating a *high degree of commitment and trust*. The majority of season ticket respondents are committed to regular attendance at the theatre and would seem to trust the judgement and expertise of the theatre in its choice of productions to be offered.

Only a small number of respondents (15.4%) could be said to be motivated by utilitarian reasons (price- 12.4%, guaranteed seat- 2.1%, priority seating- 0.9%) and this could suggest that an emotional bond exists between the majority of season ticket holders and the theatre. However, discount price was the highest ranked benefit of the scheme suggesting that although price reduction is not seen as a major influence on joining the scheme, it is clearly an added benefit.

Of Theatre A's new season ticket holders, approximately half became aware of the scheme via the theatre's brochure. This indicated that the brochure was effective in acquiring such people. The content analysis of the brochures, however, seemed to highlight that the audience targeted was a more mature, well-educated, group of people, a group that the theatre wished to maintain but not a group that had the type of profile that the theatre was seeking as new attenders.

Approximately one third of new respondents had acquired information from the scheme through word of mouth. This confirms the importance of recommendation for the successful acquisition of new customers to a service.

Theatre A seemed to have high customer empathy with the older audience but this was not so for the younger audience. There seemed to be a high degree of trust and

commitment on the part of this older group. However, there was a degree of trust shown on the part of some new members who joined on the basis of word of mouth. However, this may be more of an indication of the trusting of others rather than of the theatre itself.

7.4.3.2 Audience Perceptions

An analysis of Theatre A's general attenders' perceptions yielded some interesting results.

The three most popular responses involved respondents perceiving the theatre as presenting well known plays (18.8%), Shakespearean plays (17.3%) and new plays (16.4%). There was little awareness of other events such as jazz/folk concerts etc. Given the theatre's mission of providing 'the new', this would seem to indicate *problems with effective communications of what the theatre had to offer.*

In terms of satisfaction with the various aspects of the theatre's overall 'product', overall satisfaction was high with 96.6% of respondents stating that they were either satisfied or very satisfied. When considering the various elements of the theatre experience, the only negative perceptions were in the area of parking (43.5% being satisfied or very satisfied). Therefore in general, *experiences tended to be positive with a high degree of satisfaction felt.*

When asked to rate the various aspects of the Season Ticket Scheme, respondents judged all aspects as good/very good with value for money (95%) and overall satisfaction (92.6%) scoring the highest. Although, overall, levels of satisfaction were high for most aspects, indicating *positive experience/ satisfaction*, a large majority of

proposals/recommendations referred to the plays performed with many referring to unhappiness with controversial plays. This would have been expected given that the vast majority were not new members to the scheme. Any changes could alienate this group and these comments suggest a *concern regarding trust and commitment* felt by these people.

Theatre A's single ticket buyers' most frequently stated positive perceptions were in the areas of the productions offered by the theatre with less frequent positive statements referring to customer care and cost. The most frequently stated negative perceptions referred to environmental aspects such as seating, toilets and bars.

The quality of plays ranked very highly in Theatre Y's questionnaire, especially acting. Choice of play scored relatively low compared to the other results in this section with only 25% believing the choice to be excellent. This was also confirmed by some of the negative comments on this aspect. Therefore, there would seem to be *positive experience/ satisfaction with actual performances and low trust in terms of the choice of productions offered.*

Less than half the Theatre Y respondents agreed or strongly agreed that the theatre 'exceeded expectations'. Although this could possibly indicate that the theatre was dealing with a mature market of regular users who were generally satisfied with the quality they expected from events and services, the format of the question asked of the respondents did not offer the opportunity to measure whether expectations were generally being met. All that can be said is that there was little evidence of the theatre surprising and delighting respondents.

Whilst 80% actively disputed that the TheatreY was unfriendly/inaccessible to non-traditional arts attenders, nearly one quarter felt that the theatre was a minority/alternative venue. Some comments, however, indicated that this was a positive factor. There seemed to be a division between 'traditional' theatre attenders and those more experimental, some of whom went so far as to praise the theatre for being a minority venue.

7.4.3.3 Audience Behaviour

Only 25% of respondents stated that they were associated with the Theatre A in any way other than the season ticket scheme and only 1.5% were both a 'friend of Theatre A' and a donor (7.1% were 'friends' and 16.2% were donors). Again, a *lack of commitment* could be an interpretation here.

7.4.3.4 Audience Comments

In Theatre A's research on season ticket holders, respondents were offered the opportunity to put forward proposals to improve the Season Ticket Scheme. Of the 447 responses, 19% made suggestions about the actual production of which 70.6 % believed that the types of plays on offer could be improved upon. Many comments referred to unhappiness about new and controversial plays, again reinforcing the problem of offering more innovative productions which was seen by internal interviewees as being important to Theatre A's mission and by external funders as an important criterion for funding and as a way of acquiring new, younger audiences. *Indeed, this could indicate respondents' general lack of trust of the theatre's ability to provide productions that satisfy their own needs.* This also indicates a problem of

conflict and/or confusion between the real situation and the theatre's apparent mission.

17% of recommendations referred to the improvement of support activities such as the bar and restaurant. The majority of these referred to choice, service and quality and therefore there are *indications here of negative experience/satisfaction*. Interestingly, only 13% of proposals referred to pricing issues with the majority (49%) offering ideas on the price of tickets.

By far the most popular topic for comments for Theatre Y's respondents was that of making general comments about the theatre (61 out of the total 193- just under one third- 32%) and the vast majority of these comments were complimentary. However, the second most popular topic with 42 comments referred to choice/range offered by the theatre and a large majority of these (33 representing 79%) were negative. 22 comments (11.4%) referred to support services where all comments were negative. Many of these referred to a lack of suitable catering facilities. The majority of those who commented on quality of provision tended to see the theatre in a favourable light (13 out of 16 comments). 14 out of the 15 comments that referred to the environment as an issue emphasised the negative features such as smokiness, seating, poor access for disabled etc.

Of those comments elicited specifically on the topic of Theatre Y's audience development, the most popular aspect recommended was related to range/choice (37% of the 210 comments) thus reaffirming the points previously raised. Communications also seemed to be an important issue (67 comments) and offered

future opportunities for the theatre as did improving customer service (54 comments). Of particular interest was the fact that price alone did not seem to be a major barrier (only 25 out of the 210 comments).

7.4.3.5 Audience Perceptions of Theatre B

Due to the lack of empirical data available on Theatre B's audience perceptions, it is difficult to come to any clear conclusions about the elements that make up successful relationships. Judgements on the areas of customer empathy/orientation, experience/satisfaction, trust and commitment and the effectiveness of communication can only be inferred from external (to ensure objectivity) interview respondents and factual information (eg. audience size and growth, the number of forums that take place and attendance at such forums). Theatre B's audiences have grown to the numbers that existed prior to refurbishment and this is a very different audience from that which had existed previously. Forums have been taking place monthly with more than twenty participants attending at each. Based on this information it would seem that customer empathy/ orientation is high (based on external respondent views and content analysis), audience experience is positive and satisfaction is high (based on growth in attendance and attendance at forums) and there is two-way communication between the theatre and its audience (based on content analysis and on the fact that forums do exist). Unfortunately, levels of trust and commitment are difficult to assess as information relating to frequency of attendance and relevant perceptions is not available.

7.4.4 Theatres' Relationships with Audiences Overall

Initially the aim was to analyse the relationship between each theatre and both its potential and regular attenders. The expectation was that an analysis of the relationship between a theatre and its regular attenders would indicate whether a clear relationship marketing strategy aimed at maintaining present audiences was being applied. However, the lack of empirical data on Theatre B's audience views and the inability to distinguish between the two types of audience from Theatre Y's research means that a comprehensive comparison of how individual theatres deal with these audience types cannot be made. However, interpretations can be made about the constituent elements of relationships each theatre has with its regular attenders.

Tables 7.21, 7.22 and 7.23 summarise the overall findings regarding the relationship elements for each theatre and its audience. Two main categories are used: 'Theatre to Audience' which refers to the relationship between the theatre and its audience (in all cases findings from interviews and content analysis of theatre publicity are summarised) and 'Audience to Theatre' which refers to audience perceptions of the relationship. Table 7.21 highlights the key findings for Theatre A where 'Audience to Theatre' findings are interpreted from the secondary empirical research for audiences generally, season ticket holders and single ticket buyers. Table 7.22 presents a summary of findings relating to Theatre B. In this case, 'Audience to Theatre' findings are interpreted from interviews with external respondents and factual information. Table 7.23 summarises the findings for Theatre Y where 'Audience to Theatre' findings are interpretations resulting from Theatre Y's own empirical research.

Table 7.21: Theatre A's relationship with its audience overall.

<p>Theatre to Audience</p>	<p>Interviewees indicated that there were good relationships with the audience generally. They believed that attenders had a positive experience and were satisfied with the theatre. There was also a belief that regular attenders had a high degree of trust of the theatre and were committed to it. It was more difficult to assess these elements in terms of potential/infrequent attenders. However, analysis of the interviews and of the promotional literature, indicated the following:</p> <ul style="list-style-type: none"> • Communication tended to be one-way (from interviews and confirmed by content analysis) • Formal and targeted at well educated professionals • 'Your' is used slightly more than other theatres in communication with regular attenders.
<p>Audience to Theatre: Attenders Generally</p>	<ul style="list-style-type: none"> • Lack of customer empathy in terms of understanding attender motives. • Perception of what the theatre does is unclear but generally overall satisfaction with what the theatre provides.
<p>Audience to Theatre: Season Ticket Holders</p>	<ul style="list-style-type: none"> • Not attracting many new members. • The theatre was most successful with those who had a long-term relationship. • Major motivators related to non-participatory reasons i.e. discipline, habit. This could suggest the lack of a perceived two-way mutually beneficial relationship with the theatre on the part of respondents. • There seemed to be a high degree of commitment to regular attendance (with an emotional bond) • Few saw the season ticket scheme as a way of giving support to the theatre. • Communication was viewed as effective by those who already had a relationship with the theatre. • Some new members gained information from Word of Mouth suggesting a degree of trust on their part. • Respondents were generally satisfied with the theatre but there were indications that some were concerned over the controversial nature of some of the productions. • Only a very small number were 'friends' of Theatre A/ donors. This could indicate a lack of commitment.

Table 7.22: Theatre B's relationship with its audience overall.

<p>Theatre to Audience</p>	<p>All internal interviewees speak of two-way relationships and the importance of evaluation and feedback from the audience (forums and informal feedback via staff and evaluation of publicity). The general view is that the theatre should be seen as a quality theatre for young people by young people.</p> <ul style="list-style-type: none"> • Uses 'for you/r' more than any other theatre • Tone and style clearly attempt to engage the reader.
<p>Audience to Theatre:</p>	<ul style="list-style-type: none"> • Customer empathy/ orientation is high • Audience experience is positive • Satisfaction is high • Two-way communication between the theatre and its audience • Levels of trust and commitment are difficult to assess

Table 7.23: Theatre Y's relationship with its audience overall

<p>Theatre to Audience</p>	<p>Theatre Y respondents display a one-way perspective. There is little reference to relationships and although there is some indication of the need to understand the audience, this is merely to <u>target</u> them for communications rather than build relationships.</p> <ul style="list-style-type: none"> • In its publicity, uses 'us', own name and 'we' more than the other theatres. Uses 'your' least (particularly so for potential audiences) • Formal and impersonal tone and style in its communications. Some attempt at two-way communication with potential attenders (but linked to recent research undertaken). • Great deal of emphasis on funding. • Targeted at older educated professionals
<p>Audience to Theatre</p>	<ul style="list-style-type: none"> • Plays scored highly on the questionnaire especially the quality of acting. However, the choice of play gained low scores compared to other aspects in this section and this was confirmed by the negative comments received. Positive experience/satisfaction but low trust in terms of choice of productions offered. • Less than half agreed/strongly agreed that expectations were exceeded. Impossible to say whether this meant that expectations were or were not met. Clearly a large proportion felt that expectations were not exceeded. • Most disagreed that the theatre was unfriendly/inaccessible. Nearly one quarter felt that it was a minority/alternative venue and some saw this as a positive factor. Clear division between traditional theatre attenders and those who were more experimental • In terms of general comments, the most popular topic was the theatre generally and most were complimentary. However, the second most popular topic was 'choice' with approximately 80% of these comments being negative. • Support services and the theatre environment tended to receive negative comments and productions received generally positive comments. • In terms of audience development, the most popular topic related to choice, confirming the negative view previously noted. • Communication and customer service were both seen as areas for improvement. • Very few saw price alone as a barrier.

The following table (7.24) attempts to summarise the above findings further. The three theatres are compared based on a judgement of the strength of each of the various relationship elements: Customer Empathy/Orientation, Experience/Satisfaction and Trust/Commitment. An interpretation of the predominant type of communication between each theatre and its audience is also presented.

Table 7.24: Summary of Relationship Elements for All Three Theatres

	Customer Empathy/Orientation	Experience/Satisfaction	Trust/Commitment	Communication
Theatre A	High (the theatre knows this audience well)	High (audience generally satisfied with what is produced)	Medium (high commitment to regular attendance, but low commitment in terms of support for the theatre. Concerns shown over controversial plays (i.e. low trust)	One-way
Theatre B	High (clearly identifies with its audience)	High (interpreted from external respondents and attendance)	Difficult to assess due to lack of data	Two-way
Theatre Y	Medium (knows its core audience wants but its attempt to 'educate' can alienate)	Medium (happy with productions but little else)	Low (concerns over choice of production)	One-way

7.5. Relationships with the Funders / Regulators

A particularly interesting finding was the practical difficulty in distinguishing between those who funded the theatres and those who could be considered to be regulators of the theatres' product. Formal regulators such as the Arts Council (through the NWAB) and Local Authorities were major funders and it was this funding role that enhanced their regulatory powers. It was originally thought that

commercial sponsors would also perform this regulatory role but this was clearly not the case in this context. The conceptual model used the term 'regulation' in a broader way than the formal procedural role but it was found that this merely confused respondents. Indeed, the Chief Executive/Artistic Director of Theatre B was unhappy with the use of the term in the model and preferred the term 'process of influence on the theatre's products and services on offer' particularly as he did not feel externally regulated. However, other respondents clearly felt that their theatres were regulated in the formal sense by external bodies and the original term was not considered a problem for the NWAB representative and his Local Authority counterparts.

However, distinguishing between information relating to the regulation role of external bodies and their funding role was particularly difficult. The NWAB and Local Authorities (AGMA and City Council) were major funders and it was this funding role that enhanced their regulatory powers. Commercial sponsors were funders who did not perform a regulatory role.

7.5.1 Funding Issues

The major external funding bodies for all three theatres were the Arts Council (through the NWAB) and the Local Authorities (AGMA for Theatres A and B and the City Council for Theatre Y). These external bodies were also formal regulators of the theatre product and organisation. Funders who were not formal regulators were commercial sponsors and this relationship existed more so for Theatre A rather than B. Theatre Y received no additional funding from commercial sponsorship. This was particularly surprising given Theatre Y's focus on funding in ensuring its survival.

Theatre A's relationship with the commercial sponsor was considered by both parties to be mutually beneficial. However, it did seem that the relationship was more important for the sponsor than it was for the theatre. It was a long-term relationship but was driven more by the sponsor's needs. Indeed, the sponsor's representative indicated that the theatre could do more in ensuring greater benefits for the commercial partner:

'Nice people but....'

In this case, it was unlikely that the sponsor had an influence on the theatre's strategic direction.

Theatre B had not had a relationship with this sponsor for some time, as the theatre's new mission did not really meet the sponsor's needs. The theatre has submitted a bid recently to the sponsor for specific funding but without success.

Theatre Y did not use sponsorship as a source of funding.

7.5.2 Regulation Issues

7.5.2.1 Relationship with Formal Regulators: NWAB

The representative from the NWAB stated that there had been the development of a 'lighter touch' with theatres generally, based on minimum bureaucracy and paperwork and more on trust. In the past, organisations had had financial difficulties and the Arts Board officers had often acted as surrogate managers. It was hoped that the lighter touch approach would be better for all. However, for this to happen, theatre boards needed to be effective, representative and pro-active. Theatres needed to be

aware of various stakeholders and they needed to press stakeholders for information (for evaluation purposes) and be proactive with them. In particular, long-term, two-way dialogue was needed. He also noted the need for a long-term strategic perspective on the part of theatres.

When looking specifically at the relationships between the theatres and the NWAB, Theatre A's interviewees believed that the theatre had a good relationship with the regulator and that some long-term considerations were influenced by this body, particularly for funding. This view was not mutual, however, with the representative of the NWAB believing that in Theatre A's case, not enough was being done regarding the monitoring of the work as a whole. The programme had now gone back to being a mainstream traditional repertoire and yet the theatre needed to do more on social inclusion. In addition, the theatre did not see the NWAB as a customer.

There was a view from Theatre A that there was too much pressure for collaboration and that collaboration should not be forced on organisations. This indicated a rather isolationist/independent view. Indeed, there seemed to be a lack of trust on the part of the theatre in its dealings with the NWAB indicating the view that "we know what we are doing, leave us alone"

Theatre B's Chief Executive/Artistic Director felt that it was important to agree at the outset with regulators what the organisation was to do. He believed that the theatre was meeting the needs of the groups that regulators wanted and therefore funding was forthcoming. He believed that it was important to have good relationships with the Arts Council/NWAB. There was the importance of building trust and commitment and it was important to develop personal relationships. The representative of the

NWAB agreed and particularly felt that there was a good relationship between the NWAB and Theatre B's Board. He saw it as a good board which was representative and was involved with monitoring and evaluation. This fitted well with the vision of the theatre.

Theatre Y's interviewees also believed that they had a good relationship with the NWAB. However, all internal respondents saw the theatre being driven by external funding and that this was a constraint on the theatre's activities. The representative of the NWAB believed that there was an ambivalent relationship between his organisation and the theatre. He noted that there were some political issues and therefore the theatre board was rather conservative. He believed there was a need for more representation on the board. It was not moving forward and although he accepted that the theatre building was not really fit for purpose, there was still a need for a focus which was lacking.

7.5.2.2 Relationship with Formal Regulators: Local Authority

When considering the relationships with the other regulator, the Local Authority, there was little mention of this stakeholder by any of the three theatres' interviewees. This was particularly interesting in the case of Theatre Y given its potential reliance on such a source of funding and direction.

The representative of AGMA believed that Theatre A's Relationship with AGMA was satisfactory but the theatre did not consider it as a customer as such.

The AGMA representative also believed that the relationship with Theatre B was a good one and reinforced the view of the NWAB that its Board was a good Board which was representative.

The representative of Theatre Y's City Council believed that the theatre had a good relationship with the City Council but perhaps that the theatre was too dependent on the City Council in that it was expected to 'bail out' the theatre in times of crisis.

7.5.3 Relationship with Funders/Regulators Overall

Only Theatre A had a specific relationship with the sponsor and this relationship could be interpreted as having *low customer empathy, low experience/satisfaction on the part of the sponsor, low mutual trust and commitment and one-way communication from the theatre.*

The relationship between Theatre A and its formal regulators would seem to be characterised by *low customer empathy on the part of the theatre, poor experience and low satisfaction on the part of regulators, low mutual trust/commitment and one-way communication.*

The relationship between Theatre B and formal regulators would seem to be characterised by *high customer empathy on the part of the theatre, positive experiences and high levels of satisfaction on the part of the regulators, high levels of mutual trust /commitment and two-way communications.*

Theatre Y's relationship with formal regulators could be interpreted as being characterised by *low customer empathy on the part of the theatre, poor experience and low satisfaction on the part of the regulators, low mutual trust/commitment and one-way communication.*

Table 7.25 summarises the three theatres' relationships with funders/regulators.

Table 7.25: The Three Theatres' Relationships with Funders/Regulators

	Customer Empathy	Experience/ Satisfaction	Trust/ Commitment	Communication
A's relationship with Funders/ Formal Regulators	Low	Low	Low	One-way
B's relationship with Formal Regulators (No relationship with sponsor)	High	High	High	Two-way
Y's relationship with Formal Regulators (No relationship with sponsor)	Low	Low	Low	One-way

7.6 Relationships with Employees

All Theatre A's respondents saw the importance of good relationships with staff. The Marketing Director believed that the job itself was self-motivating whereas the Theatre Manager believed that it was Theatre A's organisation that made employees feel that they were part of a family. The Theatre manager also believed that satisfied staff should lead to satisfied audiences. There was also the view on the part of the Senior Management Team that quality of work attracted good performers. All in Theatre A saw the importance of having a motivated workforce. However, there was a lack of consistency of perceptions amongst staff on a number of issues and this could be interpreted as there still being room for improvement in this area.

Theatre B views on this issue dealt more specifically with actual relationships. The Chief Executive/ Artistic Director was concerned that there was added pressure on staff with young families. He was trying to overcome the feeling that attendance at work was so important. Success bred motivation and commitment but this could also

lead to pressure on the part of staff to continue this success. All respondents noted that staff had come from a variety of backgrounds (not necessarily the arts) and therefore there was not the usual 'baggage' and less demarcation compared to other theatres. All saw the importance of a common commitment to the organisation and all mentioned that there were regular staff meetings and all staff had the opportunity to input ideas.

Theatre Y respondents also noted the importance of the job itself being a motivator. The Artistic Director believed that permanent staff were generally happy and had an emotional commitment to the theatre. He also believed that quality actors performed at Theatre Y so that they could:

“act in a ‘proper play’”

The Box Office Manager felt that each department maintained the motivation of its staff through regular meetings within her Department. All felt that they could have a say if they wished to do so. However, there seemed to be little actual two-way dialogue with staff outside of this particular department with a less than supportive view of staff coming from Senior Management. There was no evidence of an attempt to build relationships with staff and little evidence of evaluation of staff perception.

7.6.1 Theatres' Relationships with Employees Overall

The relationship between Theatre A and its employees would seem to involve *a high level of customer empathy on the part of the theatre overall, positive experience and general satisfaction on the part of the staff, high levels of mutual trust /commitment and two-way communication.*

Theatre B could be said to have a relationship with its staff which involved *a high level of customer empathy on the part of the theatre, positive experience and high levels of satisfaction on the part of staff, high levels of mutual trust /commitment and two-way communication*

In contrast, Theatre Y's relationship with its employees would seem to be characterised by *low customer empathy on the part of the theatre, poor experience and low levels of satisfaction on the part of staff, low mutual trust/commitment and one-way communication.*

Table 7.26 summarises the above findings for all three theatres.

Table 7.26: Theatres' Relationships with Employees Overall

	Customer Empathy	Experience/ Satisfaction	Trust/ Commitment	Communication
A's relationship with other employees	High	High	High	Two-way
B's relationship with other employees	High	High	High	Two-way
Y's relationship with other employees	Low	Low	Low	One-way

7.7 A Modified Conceptual Framework

The 'wheel' conceptual model (page 181) would seem to successfully pictorially represent the relationships that exist between a subsidised theatre and its stakeholders.

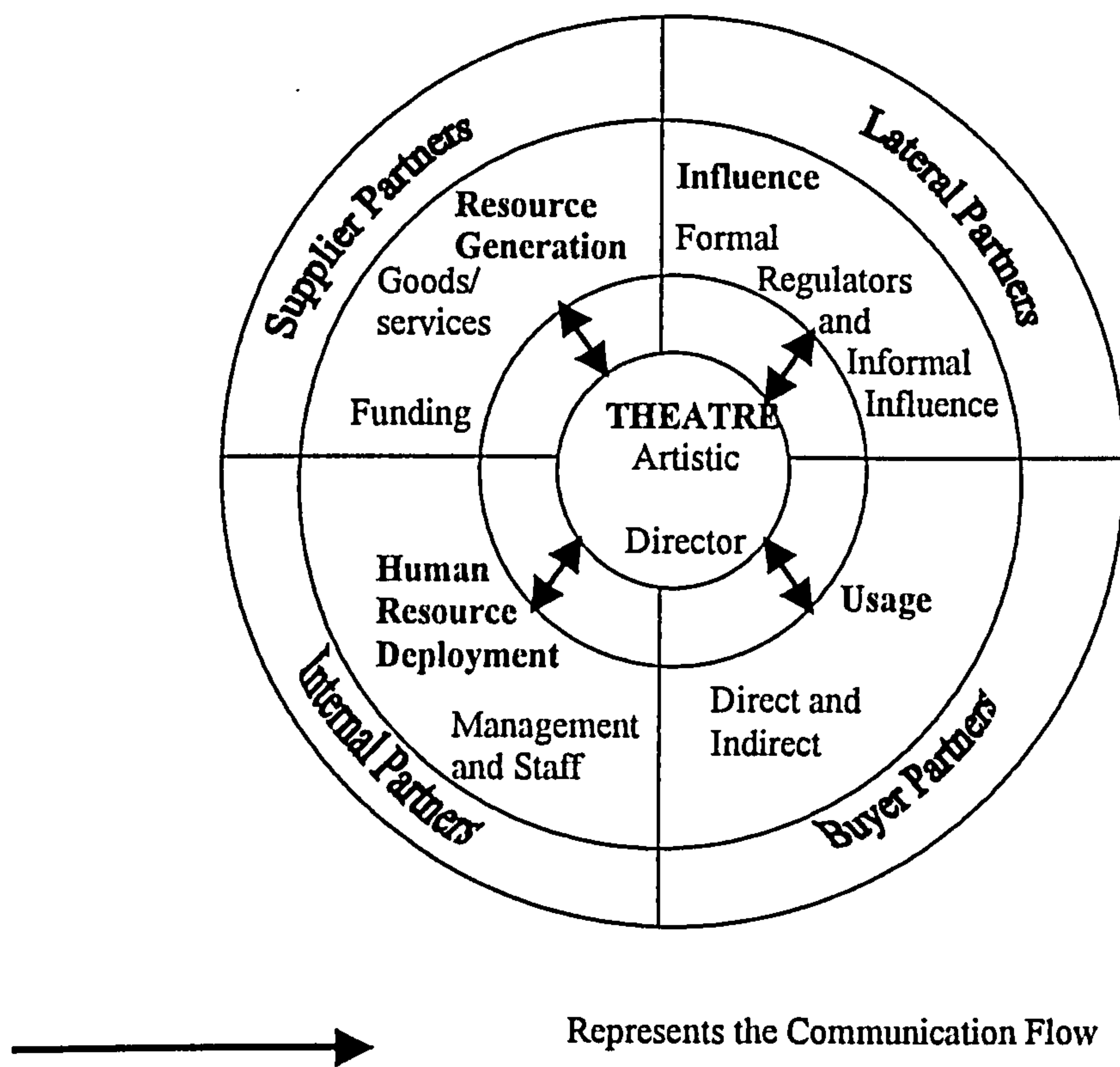
However, as a result of the findings, one change is proposed. Firstly, as indicated on pages 289, the term 'regulation' could be seen as confusing. It was initially used

in the model more broadly than formal regulation but some respondents interpreted the term to mean only external regulators such as the NWAB or the Local Authority. As a result, the model has been modified and the term 'regulation' has been replaced with the term 'influence'. This term is similar to that used by Christopher et al (1991) in their consideration of 'influencer markets' and incorporates the formal regulation process plus the more informal influence of other parties. The top right cell of the model now displays the relationship between the artistic director and those who influence the theatre's activities (either through formal regulation or informally). The parties that perform this function remain the same as in the original model, namely:

Funding Bodies (formal regulators)
Commercial Enterprises
Audiences
Competitors
The Media
Internal Staff

Figure 7.3 below presents the new modified model.

Fig. 7.3: Relationship Marketing Approach to the Subsidised Arts



7.8. Discussion

Figure 7.2 suggests that in terms of success, using a combination of indicators, Theatre B is the most successful of the three theatres, followed by Theatre A and Theatre Y. The model developed in chapter 4 (page 125) suggests that the application of a relationship marketing approach, rather than a transactional one, is more likely to lead to success. A relationship marketing approach attempts to build mutually beneficial relationships with a variety of ‘customer’ or ‘stakeholder’ types. This chapter has analysed the research data in terms of those elements that characterise

successful relationships, namely customer empathy, experience/satisfaction, trust/commitment and effective two-way communications. The following table summarises the findings for all three theatres on these elements for each of the stakeholder types and for each theatre and each stakeholder type. A judgement as to the strength of each relationship is made. A relationship with a particular stakeholder grouping is designated as 'strong' if each element (customer empathy, experience/satisfaction, trust/commitment) is high and where there is two-way communication. A relationship is weak where each element is low and where communication is one-way. The problem arises when attempting to categorise a relationship where there is a combination of high and low elements or when elements are high but there is a tendency for one-way communications.

Table 7.27: Strength of Relationship Each Theatre Has With Each Stakeholder Type

	Customer Empathy	Experience/ Satisfaction	Trust/ Commitment	Communication	Relationship
Theatre A's relationship with its audience	High	High	Medium	One-way	Medium
Theatre A's relationship with funders/ regulators	Low	Low	Low	One-way	Weak
Theatre A's relationship with other employees	High	High	High	Two-way	Strong
Theatre B's relationship with its audience	High	High	Lack of empirical data	Two-way	Medium-strong (due to lack of empirical data on trust/ commitment)
Theatre B's relationship with funders/ regulators	High	High	High	Two-way	Strong
Theatre B's relationship with other employees	High	High	High	Two-way	Strong
Theatre Y's relationship with its audience	Medium	Medium	Low	One-way	Medium-Weak
Theatre Y's relationship with funders/ regulators	Low	Low	Low	One-way	Weak
Theatre Y's relationship with other employees	Low	Low	Low	One-way	Weak

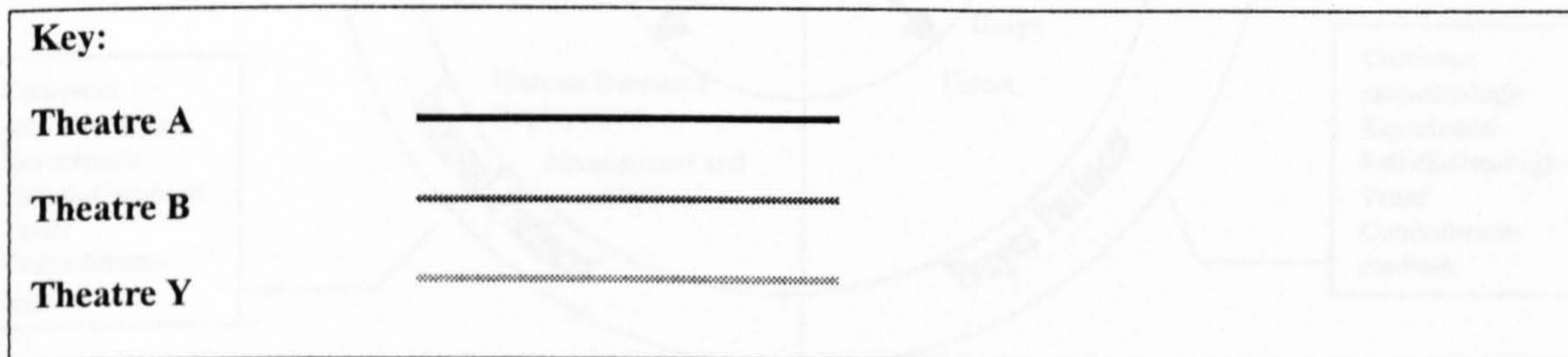
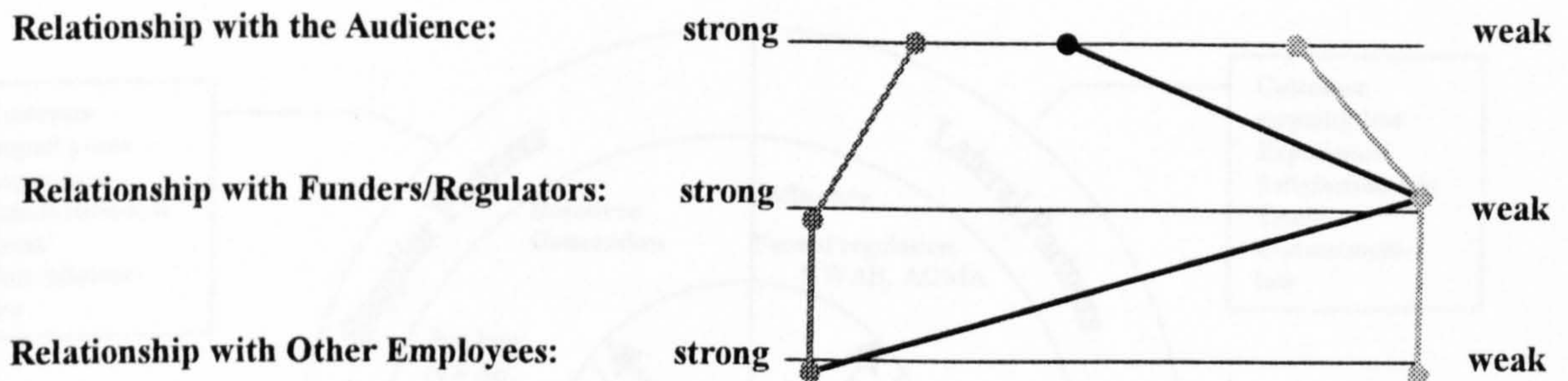
In the case of Theatre A's relationship with its audience, trust/commitment could be said to be medium as there is high commitment to regular attendance, but low commitment in terms of support for the theatre. Concerns were also shown over controversial plays being performed thus affecting audience's trust. There is also evidence from the research that one-way communication tends to be taking place. For these reasons, this relationship is placed in the 'medium' category.

Theatre B's relationship with its audience is designated as 'medium to strong' as there is a lack of evidence from any objective source regarding the audience's trust and commitment to the theatre. However, all other elements are high and communication would seem to be of a two-way nature. A judgement, therefore, has been made that the relationship overall is likely to be at the 'strong' end of the continuum.

Theatre Y's relationship with its audience is designated as at the 'medium to weak' end of the continuum as the elements of customer empathy and experience/satisfaction are in the 'medium' category and trust/commitment is low. Communication is also of a one-way nature. Customer empathy has been deemed as 'medium' because although the theatre knows its core audience's wants, its attempt to 'educate' this audience by producing controversial plays may alienate this group. Experience/satisfaction is 'medium' as audiences are happy with the quality of productions generally but are happy with little else within the theatre. Trust/commitment has been designated as low as there are concerns over the choice of productions offered.

These composite judgements as to the strength of each theatre's relationships can be mapped onto the three stakeholder dimensions (see figure 7.4)

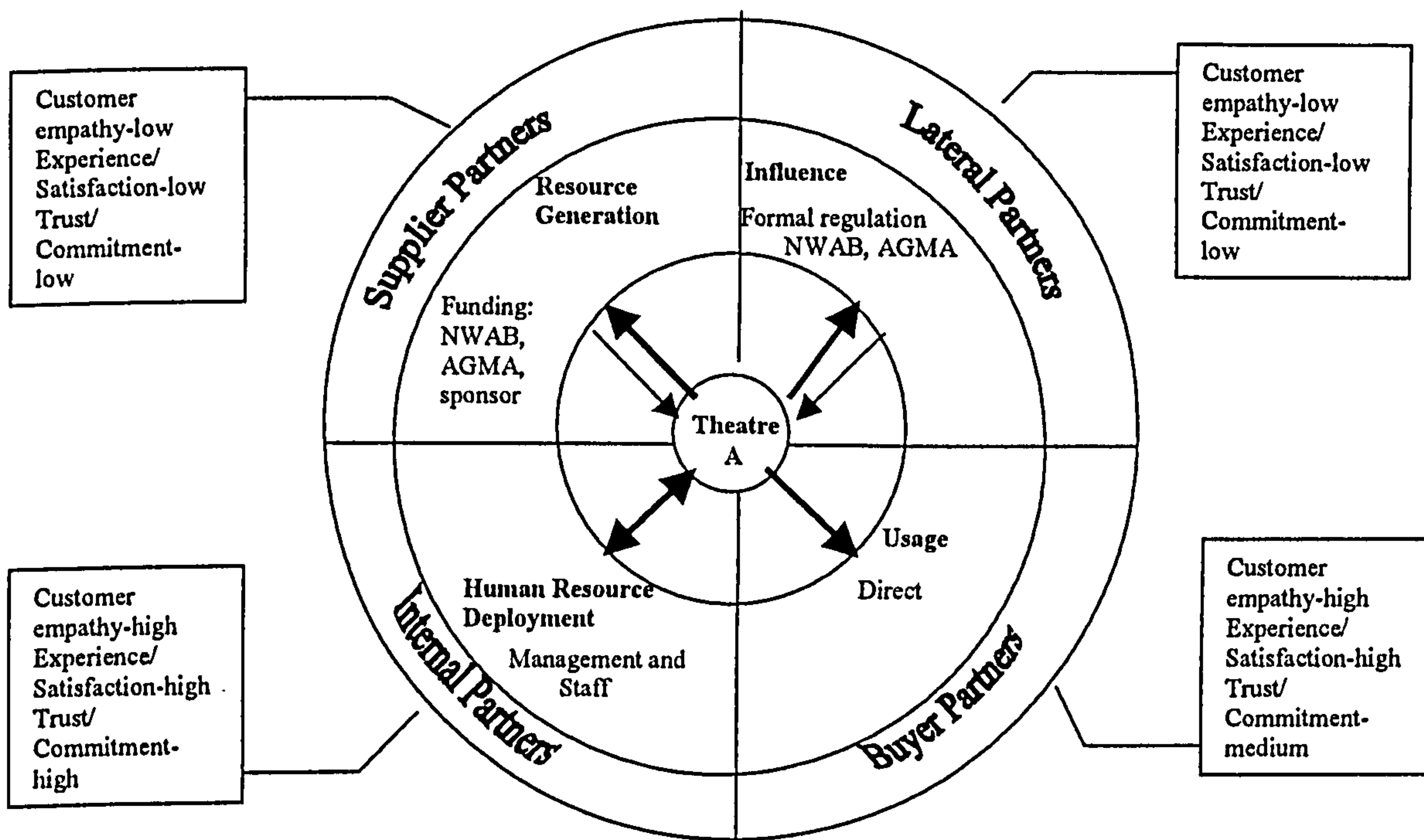
Figure 7.4: Relationships of Theatres A, B and Y with each of the key stakeholder groupings.



Theatre B overall would seem to have the strongest relationships with its stakeholders, Theatre Y has the weakest and Theatre A in-between the two. Theatre A's position is due to the poorer relationships it has with its audience and funders/regulators as compared to Theatre B.

Figures 7.5, 7.6 and 7.7 apply the model to each theatre based on the findings of the research.

Fig. 7.5: Theatre A's Relationships with its Stakeholders



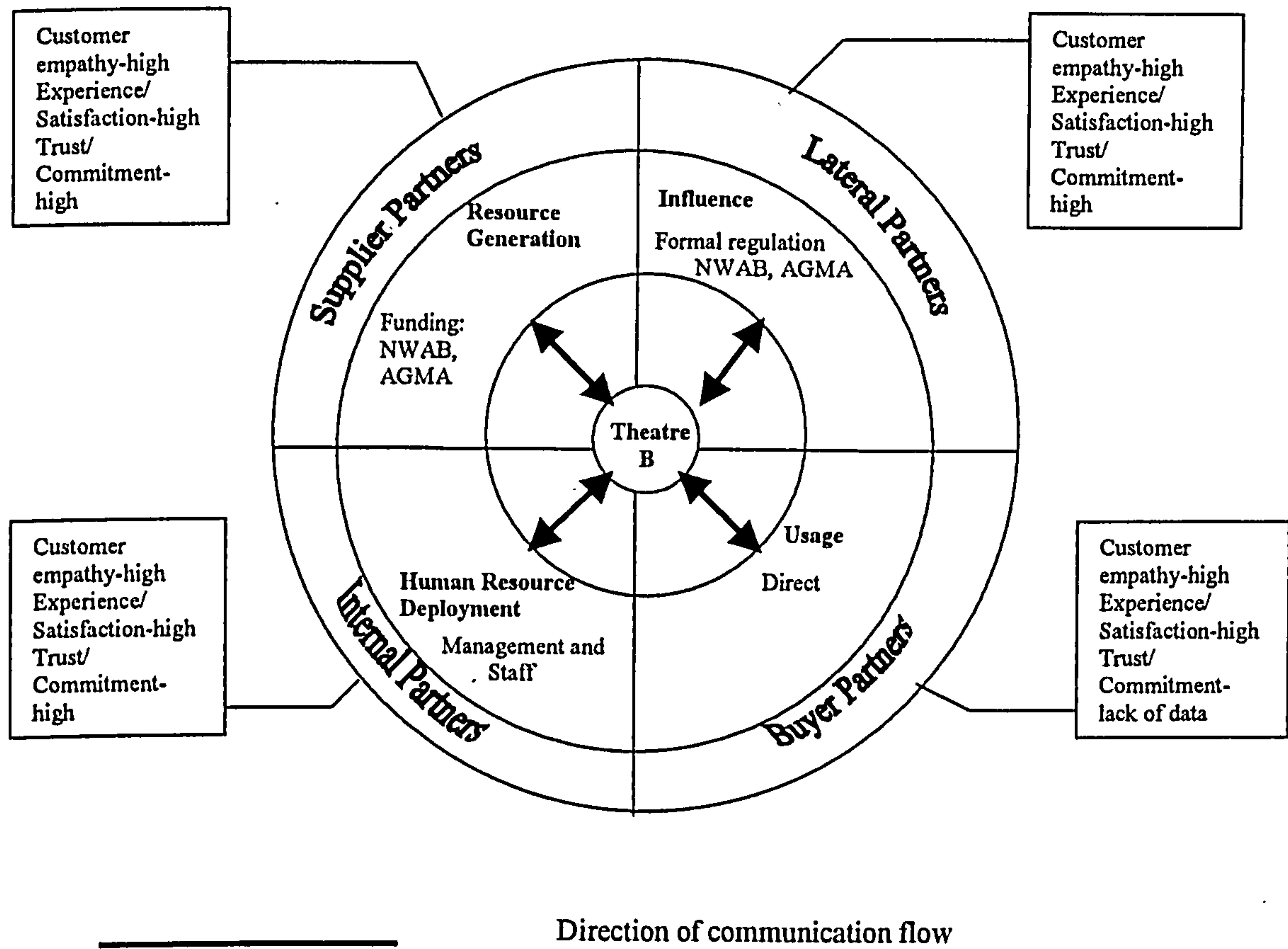
Direction and strength of communication flow

Communication with funders/regulators: one-way for each party with little dialogue between the parties

Communication with other employees: two-way with staff actively being involved

Communication with audience: one-way with little opportunity for engagement

Fig. 7.6: Theatre B's Relationships with its Stakeholders

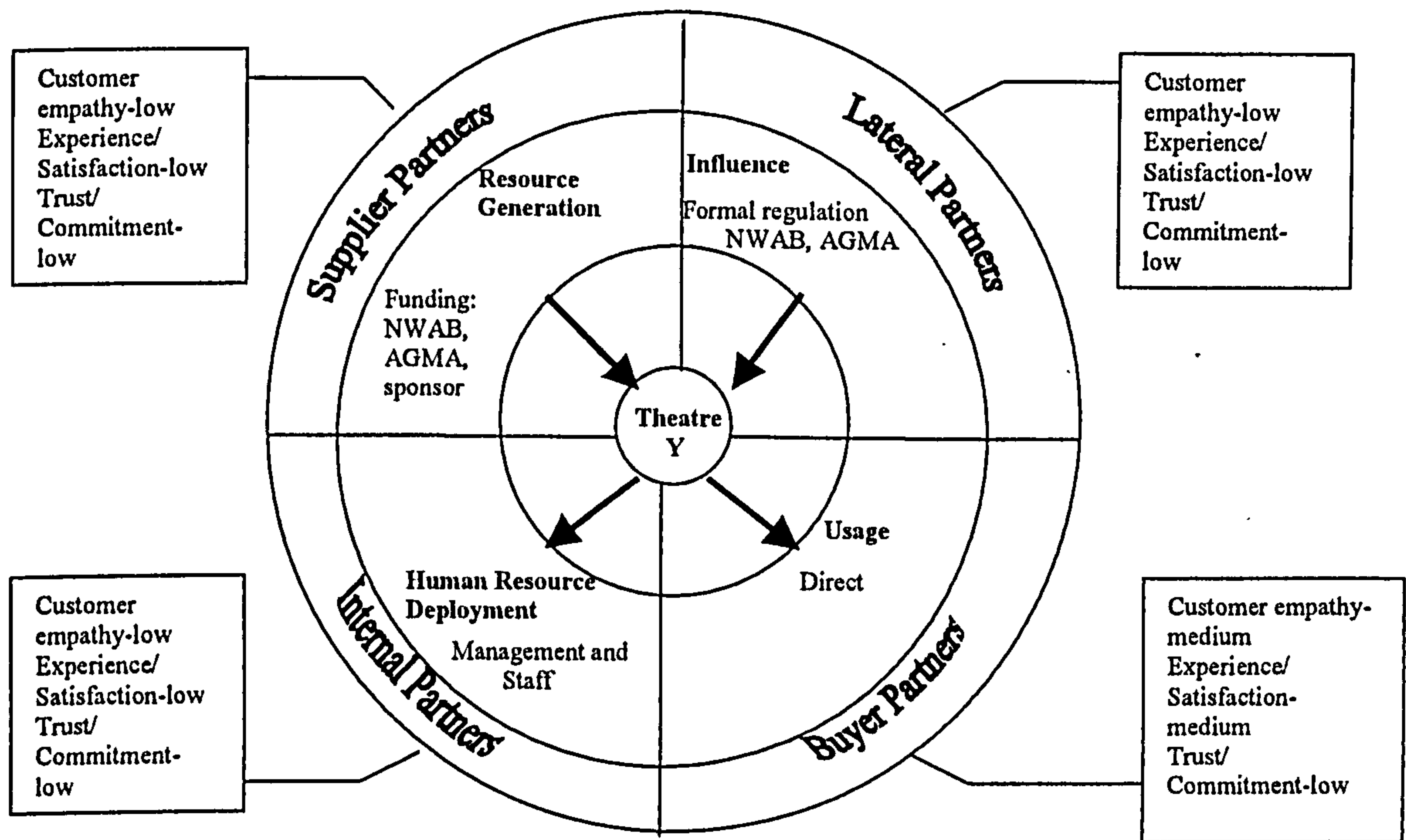


Communication with funders/regulators: two-way with regular dialogue between the parties

Communication with other employees: two-way with staff actively being involved

Communication with audience: two-way with opportunity for feedback and engagement

Fig. 7.7: Theatre Y's Relationships with its Stakeholders



Direction of communication flow

Communication with funders/regulators: one-way with the theatre being strongly influenced by external regulators

Communication with other employees: one-way with little staff involvement

Communication with audience: one-way with little feedback or engagement

The extent to which the three theatres were successful was shown in figure 7.2 where Theatre B was considered the most successful, Theatre Y the least and Theatre A somewhere in-between. The same pattern exists for theatre relationships with stakeholders. This suggests a possible link between relationship marketing and success. The application of a broader relationship marketing approach may lead to theatre success. However, it must be noted that this research does not confirm causality. The proposition for the research was that the more a relationship marketing approach is used, the greater the strategic perspective. This strategic perspective overcomes the over-emphasis on short-term tactical actions (with marketing merely being seen as publicity) and enhances theatre effectiveness. The research findings suggest that Theatre Y tends to display a short-term tactical perspective and Theatre Y has been assessed as the least successful of the three theatres on the criteria of quality of work, box office, effective board and social inclusion. In contrast, the research findings suggests that Theatre B has a strategic long-term perspective in its dealings with all of its stakeholders and has been identified as the most successful on the four criteria. Theatre A seems to be somewhere in-between. Theatre A's problem would seem to be its relatively poor relationship with its funders/regulators. The theatre does have a strategic perspective but there seems to be a great deal of pressure to satisfy its core audience. This audience tends to comprise the more mature professional who may prefer a more traditional repertoire. Given the high profile of the theatre externally and its high status perceived by its internal staff, there is a belief that there is less reliance on external bodies than is the case with other theatres. Theatre A has therefore moved away from its mission of 'the new'. Such action seems to have affected two of the indicators of success, social inclusion and effective board

which are indicators set by external stakeholders. External stakeholders' perceptions of Theatre A's performance using these criteria tend to be negative and thus these are aspects where the theatre could be considered to be under-performing. The indicators of Box Office and Quality of Work are not a problem for Theatre A at present but it still needs financial support from other agencies and failure in relation to social inclusion and effective board could lead to difficulties for the theatre in the future.

There does, therefore, seem to be a link between having a strategic perspective and theatre success. However, whether strategy leads to success or vice versa is difficult to assess. Similarly, there is a clear link between a strategic orientation and relationship marketing. This is not surprising since the application of relationship marketing must by definition be a strategic approach. Developing and maintaining long-term relationships cannot be short-term and tactical.

The analysis of findings, therefore, does suggest that the theatre that uses a relationship marketing approach is the most strategic and the most successful. The role of the Artistic Director is clearly important here. In all three cases, it is the Artistic Director that is the strategic driving force. In the case of Theatre B, there seems to be a synergy between the Artistic Director's role and the theatre's strategic direction. In the case of Theatres A and Y, it is clear that compromises have been made between what the Artistic Director wants to do and what stakeholders require. In such circumstances, theatre success may be compromised.

7.9 Chapter Summary

This chapter analysed the findings of the major research. The degree to which there was consistency of perceptions within organisations, amongst external stakeholders and between the various parties, was considered. Indicators of success were identified and each theatre was assessed on these. Relationships between each theatre and its various stakeholders were analysed and these were compared to the assessment of success for each theatre. It was found that a link between relationship marketing and theatre success does indeed seem to exist.

CHAPTER 8: CONCLUSION

8.1 Introduction

This final chapter summarises the development of the research. It charts the various stages undertaken: the literature review and findings, the preliminary and major research and the subsequent analyses. The findings of the research are summarised as are the limitations. Finally, practical implications and directions for future research are proposed.

8.2 Summary of the Process

This research evolved out of initial interest in the degree to which UK not-for-profit managers apply marketing practices to their organisations. Recent years have seen the increasing usage of business principles (Weisbrod, 1998 ; Alexander, 1999) and particularly those of marketing in this sector to improve organisational effectiveness.

A review and analysis of the academic literature on not-for-profit marketing was undertaken in Chapter 2 and it was found that there seemed to be inconsistencies in the usage of the term 'not-for-profit sector'. The literature from the UK, Europe and North America, was therefore, further analysed, common features were highlighted and the following definition of the sector was proposed:

The not-for-profit sector is that part of an economy which consists of organisations whose major purpose is that which is other than profit (although profits may be made). It includes all Government enterprises and other non-commercial organisations where there are no owners/shareholders, nor are there dividends or financial rewards to individuals. Such organisations exist to provide goods, services, or ideas aimed at enhancing the welfare of individuals and/or the community. In many cases, the funds used for this provision are acquired from sources other than solely the key beneficiaries. It also includes those organisations where volunteers are important for survival.

More detailed analysis of this literature also suggested a relative lack of empirical research into not-for-profit organisations' marketing strategy and planning processes. A good deal of the literature on these areas tended to be conceptual in nature and highlighted the tendency for not-for-profit organisations to over-emphasise tactical marketing (Bloom and Novelli, 1981; Andreasen, 1982 and Cousin, 1990). One possible reason for this is the division between resource attraction and resource allocation (Shapiro, 1973; Birks and Southan, 1991 and Conway, 1997). It was decided to study this phenomenon in a little more detail by focusing on a smaller constituent of the not-for-profit sector.

Chapter 3 considered the academic literature on the subsidised arts. Organisations in this sector did not exist to make profits and were funded by external bodies other than the paying customers. The subsidised arts, therefore, met the criteria set for an organisation to be considered as 'not-for-profit'. As with the not-for-profit sector generally, the literature on the application of marketing to the arts suggested a lack of empirical work on the strategic aspects of marketing. Conceptual work in this area once again highlighted the over-emphasis on the tactical role of marketing rather than its strategic role (Hill et al, 1997) with the focus being on marketing's promotional and sales role (Permut, 1980; Dibb and Simkin, 1993; Lewis and 1995 McLean, 1994). These authors consider this sales orientation as hindering the long-term success of such organisations. In addition, as the arts are about the personal encounter involving an exchange between customer and supplier, relationship marketing was thought to be worthy of consideration by some (Hyde and Lovelock, 1980; Hill et al, 1997) and others saw the consumption of art and culture as an interactive system (Kotler, 1980; Langeard and Eiglier, 1980). Chapter 4, therefore, looked particularly at this

Relationship Marketing (RM) perspective. Definitions of RM were considered as were the key processes and elements involved. It was confirmed that not-for-profit organisations generally, and the subsidised arts specifically, comprised characteristics that met the criteria for the potential application of a relationship marketing approach. It was proposed that the application of relationship marketing could in fact help to overcome the tactical over-emphasis and help subsidised arts organisations become more strategic in their thinking. Such an approach would be aimed at developing relationships not just with end users but also with other stakeholders such as employees, funders and regulators and a broad conceptual model displaying the various stakeholders with whom a subsidised arts organisation would have to deal, was developed (see page 125). This combined the not-for-profit organisations' stakeholders (Gwin, 1990) and the key partnerships that exist within a relationship marketing perspective (Morgan and Hunt, 1994). The model identified four major partnerships that needed to be considered by a subsidised arts organisation if an effective relationship marketing approach was to be developed: buyer, supplier, lateral and internal partnerships. Within these, the specific stakeholder types with whom an organisation needed to ensure effective relationships were identified: users, resource generators, regulators and staff members/managers.

The aim of the research was to develop a conceptual model that described the relationships that existed for subsidised arts organisations. Using such a framework, the research aimed to assess whether successful organisations compared to unsuccessful organisations, were more likely to have a strategic focus and whether such a focus involved the consideration of various stakeholder needs as part of their marketing strategies.

8.3 Summary of the Research

8.3.1 Preliminary Research

The subsidised performing arts in the North West of England were chosen as the focus of the research. This art form had undergone a resurgence in recent years and this was particular so for this geographic region (the city of Manchester particularly, had the most theatres outside London). Whether ‘successful’ subsidised performing arts organisations were indeed more strategic in their focus, whether they had applied a relationship marketing approach and whether such an approach had been influential in the development of ‘success’ was therefore the subject of the research.

Preliminary research of six subsidised theatres in the North West of England was initially undertaken and interviews were conducted with senior managers of each. Information on each theatre’s organisation and management structure was sought as was its mission or vision, the methods by which the successful achievement of the organisation’s mission was measured and the criteria used for such measurement. The linkages of such criteria to each organisation’s perceived beneficiaries and stakeholders were also identified. Respondents were also asked to identify similar organisations in the locality which they considered to be successful or unsuccessful and the reasons why.

It was found that there was general agreement on what could be considered to be a ‘successful’ and an ‘unsuccessful’ theatre. Two theatres particularly (A and B) were considered successful by all respondents and all (including the X and Y respondents) saw X and Y as unsuccessful. All respondents highlighted box office revenue, quality of work and external funding as important but those that saw external funding as an

indicator of success (X and Y) tended to be the most unsuccessful organisations. This seemed to confirm the over-emphasis on the 'tactical', short-term acquisition of funds. Although respondents held the most senior administrative positions, there was also the existence of an Artistic Director who was seen to perform the key strategic role within each organisation in addition to being the creative driving force. The respondents from 'successful' theatres highlighted the importance of collaboration with a variety of stakeholders whereas only collaboration linked specifically to audience segments was noted by unsuccessful theatres.

This initial study confirmed that those stakeholders included in the conceptual model proposed on page 125 were all potentially important as each respondent referred to them to differing degrees. However, there was a resulting need for a modification and simplification of the model and the Arts 'wheel' was produced (page 181). This new model placed the Artistic Director rather than the Senior Manager in the centre of the 'wheel' representing the strategic driving force for each theatre. The theatre, through the artistic director was involved in a number of partnerships:

Supplier Partnerships involved the relationship between the theatre and those who provided the theatre's goods and services/ financial resources. Parties that performed this role were: Central and Local Government (goods and services and funding), Commercial Enterprises (goods and services and funding through sponsorship and philanthropy), Audiences (direct funding through the box office) and Individuals (direct funding through philanthropy).

Lateral Partnerships involved the relationship between the artistic director and those who regulate the theatre's activities (either formally or informally). Parties that perform this function are: Funding Bodies, Commercial Enterprises, Audiences, Competitors, The Media and Internal Staff.

Internal Partnerships involved the relationship between the artistic director and those who are employed by the theatre. Parties that perform this role are: Artists, Managers and other Employees.

Buyer Partnerships involved the relationship between the artistic director and those who purchase/use the theatre's services. Parties that perform this role are: Present Audience (Direct Relationship), Internal Staff (Direct Relationship), Commercial Enterprises (Indirect through Corporate Hospitality), Local Community (Indirect) and Intermediaries (Indirect).

8.3.2 The Major Research Study

The analysis of the preliminary research findings indicated that it was possible to identify some common indicators of 'success' amongst the subsidised performing arts. Some of these, such as 'quality of work' were very difficult to quantify. However, the findings did confirm that there was general agreement amongst the relevant professionals as to which organisations could be considered 'successful' and 'unsuccessful'. The overall theme of the research was to attempt to assess whether successful organisations had a more strategic focus than unsuccessful organisations and if so, whether this strategic focus resulted from the application of relationship marketing. More specifically, the research aimed to describe and explain the

relationships between successful subsidised performing arts organisations and their stakeholders compared to their unsuccessful counterparts. There was, therefore, a need to identify i) whether there were any common features amongst 'successful' organisations as compared to 'unsuccessful' ones ii) whether successful organisations were more strategic in focus and iii) whether such a focus was the result of the application of a relationship marketing approach. The following research questions were therefore developed:

What features were found in 'successful' theatres as compared to 'unsuccessful' ones?

Did 'successful' theatres have a more strategic marketing perspective than 'unsuccessful' ones?

Was a strategic marketing perspective the result of a relationship marketing approach?

The study was conducted within a phenomenological paradigm focusing on meaning and attempting to understand what was actually happening. A multiple case study approach was used as 'how', 'who', 'why' and 'what' questions were being asked (Yin, 1989 and Burns, 2000). In this context, particular cases were studied to help explain why some theatres were more successful than others and how such theatres had succeeded.

Two 'successful' theatres from the preliminary study, Theatres A and B and one 'unsuccessful' theatre, Theatre Y were studied in more detail. Theatres A and B were both considered to be successful by all respondents in the preliminary study and Theatre Y was considered to be unsuccessful by all respondents including the interviewee from Theatre Y herself.

A multiple case design was deemed especially appropriate for this research as interactions were the subject of inquiry and confidence in the general significance and robustness of research findings would be likely to increase with the number of sites in which the study was conducted (Sudman, 1976 and Herriott and Firestone, 1983).

Representatives of the various key stakeholder roles identified in the model (figure 6.1) and their relationships with artistic directors within the three theatres were the units of analysis. Thus an embedded rather than a holistic design was used (Yin, 1994). Multiple sources of evidence were used to present a more rounded and complete account of issues and processes and to reduce the likelihood of misinterpretation (Stake, 1994).

Qualitative semi-structured in-depth interviews were undertaken with representatives of management for each theatre (senior manager, artistic director, marketing director and box office/theatre/customer service manager) and with representatives of external funders/regulators that had dealings with the three theatres (a representative of the North West Arts Board (NWAB), local authority representatives and a representative of a commercial sponsor). Issues of organisation structure, management and strategic direction were addressed in the interviews as were issues relating to the role that

marketing was perceived to have within each theatre. Of particular importance was the artistic director's perceptions and experiences of the relationships that existed with those involved in resource generation, regulation and usage and of the relationship with staff members. Relationships that were effective should have been of a two-way, mutually beneficial nature. The interviews with artistic directors attempted to ascertain their views on the strength of relationships with these other parties. The other interviewees were chosen as they performed a number of the roles highlighted in the conceptual model simultaneously.

An important stakeholder grouping was that of the theatre's audience (both regular and potential). Theatre promotional literature was expected to be a useful indicator of the theatre's views of its relationship with its audience. A content analysis of each theatre's promotional literature targeted at regular and potential attenders was therefore undertaken to assess the tone and style of each theatre's communications with its audience.

Given the potential size and diversity of the audience grouping, the semi-structured interview was not practical. The research aimed to study the perceived relationships members of this grouping had with a particular theatre. Unfortunately, primary empirical research was not possible as each theatre, for different reasons, did not give permission for such work to be undertaken. However, Theatre A made the findings of its own research available for this study. Research undertaken in 1995/96 on general attenders was made available as was the raw data from more recent research on season ticket holders undertaken in 1999/2000. Similarly, Theatre Y made available the findings from its research on its attenders. This research had been undertaken in

2001. Despite the methodological problems inherent in using secondary data within a phenomenological paradigm, it was felt that interpretation by the researcher of this 'secondary' data could still provide some understanding of audience relationships with theatres A and Y. This was not possible for Theatre B, however, as no data existed.

8.3.3 Major Research Findings

Interview data were analysed to assess the degree of consistency of perceptions amongst and between internal and external respondents relating to each theatre. Respondents' criteria for success were ascertained and those common to all (box office, quality of work, social inclusion and effective board) were used as the basis for an assessment for each theatre. It was found that on these criteria, Theatre B seemed to be the most successful, followed by Theatre A and then Theatre Y. This was quite surprising given Theatre A's high profile and recognition within the locality.

Based on the literature and conceptual framework, Theatre B should have been more strategically oriented, and had applied relationship marketing more, than the other two theatres. In order to assess whether this was the case, the findings from the research on the relationships each theatre had with its various stakeholders were further analysed. The degree to which each of the key elements of successful relationships: customer empathy/orientation, experience/satisfaction, trust/commitment and effective two-way communication, were found to exist for each theatre with its various stakeholders was assessed.

The overall analysis of the research data found that there seemed to be a consistency of perceptions, amongst and between all respondents, on all issues relating to organisation and marketing as far as Theatre B was concerned. However, this was not the case for Theatres A and Y. For Theatre A, there was a consistency of perceptions in the areas of audience development, marketing and theatre beneficiaries but not on organisational issues. For Theatre Y, there was a consistency of perceptions on the theatre product, marketing and beneficiaries but again not on organisational issues.

Interpretations of interviews, content analysis and research undertaken by theatres themselves (A and Y only) were analysed and as a result, Theatre B was found to have high customer empathy, high experience/satisfaction and two-way communications with all stakeholders. Trust/commitment were high for all stakeholders other than for the audience as the lack of empirical research meant that this aspect could not be ascertained. Consequently, relationships between Theatre B and its funders/regulators and with its employees were deemed to be strong and with the audience to be medium to strong (interpretations of interviews with other stakeholders, who were also attenders, were used here to make some form of judgement on this dimension).

Theatre A 's relationship with funders/regulators comprised low customer empathy on the theatre's behalf and low experience/ satisfaction and trust/commitment on the funders'/regulators' behalf. Communication with this group tended to be one-way for each party with little dialogue between them. The theatre's relationship with its audiences comprised high customer empathy on the part of the theatre, high experience/satisfaction and medium trust/commitment on the part of the audience.

There seemed to be one-way communication offering little opportunity for engagement. Its relationship with staff seemed to be more positive with all elements being high and with two-way communications in evidence. Consequently, Theatre A's relationship with funders/regulators was deemed to be weak, with employees to be strong and with its audience to be medium.

Theatre Y's relationship with funders/regulators and employees scored low on all elements with one-way communications in evidence. Its relationships with its audience comprised medium customer empathy and experience/satisfaction and low trust and commitment with again, one-way communications in evidence. Consequently, Theatre Y's relationships could be considered to be weak with funders/regulators and employees and 'medium to weak' with its audience.

Theatre B was thus considered to be the theatre using relationship marketing more than the other theatres. The theatre also clearly has a strategic focus in that it sees the building and maintaining of relationships with its various stakeholders as a long-term process necessary for the successful achievement of its mission. This would therefore suggest that using RM can overcome the tactical over-emphasis existing in subsidised theatres. The evidence that Theatre Y was assessed as the least successful theatre with weak relationships with its various stakeholders could be seen to reinforce this. Theatre Y is clearly short-term focused being driven by external funding. Theatre A seems to be somewhere between the two extremes. It is a high profile, well thought-of theatre amongst its peers and amongst the general public and yet its effectiveness in terms of the criteria chosen, indicates that there is a need to improve relationships

with external funders/regulators. There is also a need to produce a clear strategy to build relationships with the new younger audience identified in the theatre's mission.

The study gives evidence that RM and a strategic focus are likely to be found together in successful theatres. However, it is not possible to assess whether RM leads to a strategic focus or vice versa. Indeed, RM is by definition a strategic approach and therefore, although not all strategies involve RM, the application of RM must involve a strategic focus.

A related issue is the possible conflict between strategic and artistic roles experienced by an artistic director. Although there was synergy between the two roles for Theatre B's artistic director, this was clearly not the case for the other two theatres and as such compromises seem to have been made to the detriment of the theatres concerned.

Overall, there would seem to be evidence that the conceptual model presented on page 181 is a successful representation of the relationships that exist between a subsidised theatre (through its artistic director) and its key stakeholders. The research, however, led to a minor modification being made. The concept of regulation was considered as confusing by some respondents. Consequently, this term has been changed to 'influence' which comprises informal influence and formal regulation.

8.4 Limitations of the study

A major limitation of this research is the lack of primary empirical data relating to the three theatres. The study to be 'credible' and 'dependable' required interpretations of audience member perceptions of their relationships with particular theatres. The

inability to undertake primary empirical research meant that interpretations had to be made from data acquired through a research method that could be considered to be inappropriate (postal surveys), with questions set for another purpose (with the inherent bias that existed within these questions) and with others' interpretations. Although it was helpful to have the data offered by Theatres A and Y, it was dated in some cases in relation to Theatre A and information had been collected for different purposes. Therefore interpretations of data which were of relevance to this study needed to be made. Theatre A's findings on attenders generally from its research undertaken in 1995/96 were helpful but dated. The information was received in a report format with raw data already presented in tabular and graphical forms that were not always appropriate for this research. The raw data on season ticket holders was more useful. However, being secondary data, the type of questions asked and the format used were not all suitable for this particular research. Theatre Y's data, although helpful did bring with it a number problems. Firstly, it was initially hoped that the data received would distinguish between regular and lapsed attenders. Unfortunately, this was not the case (a disappointment for the theatre's researchers also). Secondly, a number of Theatre Y's survey questions tended to be leading questions and thus lacked objectivity. As a result, the validity of the answers to such questions could be doubted. However, these types of questions only occurred on two or three occasions and had little direct effect on the findings of relevance to this research study.

To compound the problem, however, there was no empirical data at all available on Theatre B's audience perceptions. Although to a degree, some perceptions could be interpreted through other sources, information on Theatre B attenders in terms of their

trust and commitment to the theatre was not available. However, after a good deal of consideration it is felt that its omission did not invalidate the work as a whole as this information was only one element of fifteen needed for the overall assessment. It must also be stated that the three theatres studied were very different. Theatres A and Y had a broad audience base and both were seeking to acquire new and younger audiences whilst not alienating their current older audiences. Theatre B, on the other hand, sought purely to meet the needs of the younger attender. It had been closed for three years and not only had it been totally refurbished before re-opening, it was also able to start with 'a blank piece of paper' in terms of the development of its mission, direction, strategy etc. Theatre A had just returned to its original building after refurbishment. Although it still had its original audience, the change offered the opportunity to consider its future direction more carefully. Theatre Y, in sharp contrast, had a degree of continuity that could be considered counterproductive. Theatre B had no 'history' or pre-conceived ideas, Theatre A had some and Theatre Y had a great deal in terms of previous conflicts within the theatre and its less than successful relationships with external bodies. A major problem, however, was clearly its building that was deemed to be not fit for purpose by virtually all respondents. It is likely that these historical factors affected the success of Theatre Y and influenced the relatively weak relationships it had with its stakeholders.

Assessment of the strength of relationships theatres had with their stakeholders was based on personal interpretation and judgements and although a range of data sources were used to try to produce a degree of consistency, conclusions need to be treated with caution.

Finally, it must be said that the use of case study methodology means that the findings from this research cannot be generalised to other cases. However, the research results are generalised to broader theory through an attempt at the validation of the conceptual model and its modification where appropriate (Yin, 1994). The approach was used to try to identify in depth how human actions, attitudes and beliefs can impact on organisational success and why this may be so. This research study has gone some way towards achieving this aim.

8.5 Implications of the Study

Despite the possible limitations, there seems to be evidence to suggest that building strong relationships with stakeholders other than end users can be advantageous to subsidised performing arts organisations. Producing a clear strategy that takes into consideration end users, funders, regulators and staff would seem to be the way forward for such organisations. Relationship marketing itself is a strategic approach and cannot be a short-term panacea as relationships need to be developed and maintained over a period of time. Seeing marketing as synonymous with promotion is likely to be short-sighted and counter-productive for performing arts organisations where marketing needs to be seen as a means of identifying with whom an organisation wishes to have a relationship and to acquire information on such groupings' needs and requirements. End users are clearly not the only group to be considered as 'customers'. Other stakeholders should also be considered, attempts made to produce long-term goals that are consistent with a variety of stakeholder types and, through effective two-way communications, relationships should be developed and maintained. It is likely that this approach could be successful for the

subsidised arts generally and indeed for all those organisations where resource attraction and resource allocation are separated.

8.6 Further Research

A number of conceptual models have been developed throughout this study, both as a result of an analysis of the literature and in response to the findings of the empirical research. These models can be used as the basis for future academic research and as such it is believed that this study contributes to the research into the marketing of the performing arts. This research suggests that the application of relationship marketing can help subsidised performing arts organisations overcome their over-emphasis on the tactical, short-term perspective. However, similar research involving relationship audits with other theatres needs to be undertaken to assess whether these findings can be generalised to other similar organisations in this sector. The initial proposition referred to not-for-profit organisations generally. This multi-case study methodology could be applied to studies of other not-for-profit organisations in order to assess the appropriateness of the model elsewhere.

REFERENCES

- Abt, C., (1976), *The Evaluation of Social Programmes*, Beverley Hills, CA, Sage.
- Achrol, R., (1991), "Evolution of the Marketing Organisation: New Forms for Turbulent Environments", *Journal of Marketing*, 55, Oct, pp 77-93.
- Adams, G.D., (1992), "Listening to the Audience" in *Marketing the Arts*, International Council of Museums, pp117-124.
- Adizes, I., (1975), "The Cost of Being an Artist", *California Management Review*, 17, 4, pp 80-84.
- Adler, N.J. and Graham, J.L., (1989), "Cross-Cultural Interaction: The International Comparison Fallacy?", *Journal of International Business Studies*, 20, 3, pp 515-537.
- Alexander, J., (1999), "The Impact of Devolution on Nonprofits: A Multiphase Study of Social Service Organisations", *Nonprofit Management and Leadership*, 10, pp 57-70.
- Ali, H. and Birley, S., (1998), "The Role of Trust in the Marketing Activities of Entrepreneurs Establishing New Ventures", *Journal of Marketing Management*, 14, 7, pp 749 – 763.

Anderson, C.J., (1983), "Strategic Management Research in the Performing Arts", *Southeastern American Institute for Decision Sciences*, 13th Annual Meeting, Williamsburg, Virginia, Feb. 9, p 30.

Anderson, E. and Narus, J.A., (1990), "A Model of Distributor Firm and Manufacturer Firm Working Partnerships", *Journal of Marketing*, 54, Jan, pp 42-58.

Anderson, J.C. and Weitz, B.A., (1989), "Determinants of Continuity in Conventional Industrial Channel Dyads", *Marketing Science*, 8, 4, pp 310 – 323.

Andreasen, A.R., (1982), "Non-profits: Check your Attention to Customers", *Harvard Business Review*, 60, 3, pp 105-110.

Arndt, J., (1983), "The Political Economy Paradigm: Foundation for Theory Building in Marketing", *Journal of Marketing*, 47, Fall, pp 44-54.

Aronson, E., (1969), "Some Antecedents of Interpersonal Attraction" in W.J.Arnold and D. LeVine (eds.) *Nebraska Symposium on Motivation*, University of Nebraska Press, Lincoln, pp. 143 – 173.

Arts Council of Great Britain, (1993), *A Creative Future: The Way Forward for the Arts, Craft and Media in England*, HMSO

Arts Council of Great Britain, (1995), 25, HMSO

Association of Metropolitan Authorities (AMA), (1990), *Arts and Cultural Policy: A Discussion Document*, London.

Baker, T.L., (1994), *Doing Social Research*, Singapore , McGraw Hill.

Belk, R.W. and Andreasen, A. R., (1979), " De Gustibus Non Est Disputandum: A Study of the Potential for Broadening the Appeal of Performing Arts" in Olsen, J. (ed), *Advances in Consumer Research*, 7, Oct, pp109-113.

Bell, M.L., (1981), "Tactical Service Marketing and the Process of Remixing" in Donnelly, J. and George, W.R. (eds), *Marketing of Services*, Chicago, American Marketing Association.

Bennett, R., (1996), "Relationship Formation and Governance in Consumer Markets: Transactional Analysis Versus the Behavioural Approach", *Journal of Marketing Management*, 12, 5, pp 417-36.

Bennet, T. and Frow, J., (1992), "Art Galleries: Who Goes?" in *Marketing the Arts*, International Council of Museums, pp 137-151.

Berry, L.L., (1983), 'Relationship Marketing' in *Emerging Perspectives of Services Marketing*, Berry, L.L. et al, (eds), Chicago, American Marketing Association.

Berry, L.L. and Parasuraman, A., (1991), *Marketing Services: Competing through Quality*, New York, The Free Press.

Berscheid, E., Snyder, M. and Omoto, A.M., (1989), "Issues in Studying Close Relationships: Conceptualizing and Measuring Closeness", in Hendrick, C. (ed.) *Close Relationships*, Newbury Park, CA, Sage.

Birks, D.F. and Southan, J.M., (1991), "The Potential of Marketing Information Systems in Charitable Organisations", *Marketing Intelligence and Planning*, 8, 4, pp 15-20.

Blois, K.J., (1987), "Nonprofit Organisations and Marketing" in Baker, M., *The Marketing Book*, Oxford, Butterworth Heinemann, pp 485-495.

Blois, K.J., (1996), "Relationship Marketing in Organisational Markets: Assessing its Costs and Benefits", *Journal of Strategic Marketing*, 4, 3, pp 181-191.

Blois, K.J., (1998), "Don't all Firms have Relationships?", *Journal of Business and Industrial Marketing*, 13, 3, pp 256- 270.

Bloom, P.N. and Novelli, W.D., (1981), "Problems and Challenges in Social Marketing", *Journal of Marketing*, 45, Spring, pp 79-88.

Boedeker, M., (1997), "Relationship Marketing and Regular Customer Cards: Daily Product Retailing in Finland", *Marketing Intelligence and Planning*, 15, 6, pp 249-257.

Bradford, H., (1991), "A New Framework for Museum Marketing" in Kavanagh, G., (ed), *The Museum Profession*, Leicester, Leicester University Press.

Brennan, L. and Brady, E., (1999), " Related to Marketing? Why Relationship Marketing Works for Not-For-Profit Organisations", *International Journal of Nonprofit and Voluntary Sector Marketing*, 4, 4, pp 327-337.

Bruce, I., (1995), "Do Not-for-Profits Value Their Customers and their Needs?", *International Marketing Review*, 12, 4, pp 77-84.

Bryant, J., (1988), *Principles of Marketing: A Guide for Museums*, Guideline No. 16, Association of Independent Museums.

Bryman, A., (1984), "The Debates About Quantitative and Qualitative Research: A Question of Method or Epistemology?", *British Journal of Sociology*, XXXV, 1, pp 75-92.

Buchanan, R.W.T. and Gillies, C.S., (1990), "Value Managed Relationships : The Key to Customer Retention and Profitability" *European Management Journal*, 8, 4, pp 523 – 526.

Bucklin, L.P. and Sengupta, S., (1993), "Organising Successful Co-marketing Alliances", *Journal of Marketing*, 57, April, pp 32-46.

Burnett, K., (1992), *Relationship Fundraising*, London, White Lion Press.

Burns, R.B., (2000), *Introduction to Research Methods*, London, Sage.

Butler, P. and Collins, N., (1995), "Marketing Public Sector Services: Concepts and Characteristics", *Journal of Marketing Management*, 11,1, pp 83-96.

Cameron, D.F., (1971), "The Museum, a Temple or the Forum", *Curator*, 14,1, pp11-24.

Cameron, D.F. and Abbey, D.S., (1961), "Museum Audience Research", *Museum News*, XL, October, pp 34-38.

Cameron, D.F. and Abbey, D.S., (1962), "Museum Audience Research: The Effect of an Admission Fee", *Museum News*, XLI, November, pp 25-28.

Chalmers, A.F., (1982), *What Is This Thing Called Science?*, 2nd Edition, Oxford, Uxford University Press.

Chapman, D. and Cowdell, T., (1998), *New Public Sector Marketing*, London, Pitman.

Charities Commission, (2002), Annual Report, 2001/2, <http://www.charity-commission.gov.uk/annual-report>.

Cherry, E.C., (1952), "The Communication of Information", *American Scientist*, 40, pp 640 – 664.

Chisnall, P., (2001), *Marketing Research*, 6th edition, London, McGraw Hill.

Christopher, M., (1998), "Relationship Marketing", *Arts Business*, 7th December, pp 9-10.

Christopher, M., Payne, A. and Ballantyne, D., (1991), *Relationship Marketing*, Oxford, Butterworth-Heinemann.

Clark, M.S. and Mills, J., (1979), "Interpersonal Attraction in Exchange and Communal Relationships", *Journal of Personality and Social Psychology*, 37,1, pp 12 – 24.

Clemons, S.C. and Woodruffe, R.B., (1992), "Broadening the View of Consumer (Dis)satisfaction: a Proposed Means-End Disconfirmation Model of CS/D", in Allen,

C.T. et al (eds), *Marketing Theory and Applications*, Chicago, IL, American Marketing Association, pp 413- 21.

Conway, A., (1996), "Relationship Marketing in Not-for-Profit Sector" in Buttle, ed. *Relationship Marketing: Theory and Practice*, London, Paul Chapman Publishers, pp170-187.

Conway, A., (1997), "Strategy versus Tactics in the Not-for-Profit Sector: A Role for Relationship Marketing?", *Journal of Non-Profit and Voluntary Sector Marketing*, 2, 1, pp 42-51.

Conway, A. and Swift, J.S., (2000), "International Relationship Marketing: The Importance of Psychic Distance", *European Journal of Marketing*, 34, 11/12, pp1391-1414.

Copley, P. and Robson, I., (1997), "Practitioner Perspectives on Arts Tourism Marketing", *Proceedings of the Academy of Marketing Annual Conference*, Manchester Metropolitan University, pp 201 -214.

Copulsky, J.R. and Wolf, M.J., (1990), "Relationship Marketing: Positioning for the Future" *The Journal of Business Strategy*, 11, 4, pp 16-20.

Cousin, L., (1990),"Marketing Planning in the Public and Non-profit Sectors", *European Journal of Marketing*, 24, 7, pp 15-30.

Cowles, D.L., (1997), "The Role of Trust in Customer Relationships: Asking the Right Questions", *Management Decision*, 35, 3-4, pp 273-283.

Cox, P., (1983), "Marketing the performing Arts: A Personal View" in Mellilo, J.V. (ed), *Marketing the Arts*, New York, Foundation for the Extension and Development of the American Professional Theatre, pp 43-51

Cresswell, J.W., (1998), *Qualitative Inquiry and Research Design: Choosing Among Five Traditions*, Thousand Oakes, Calif., Sage

Cross, R.H., (1992), "The Five Degrees of Customer Bonding", *Direct Marketing*, Oct, pp 33-58.

Crosby, L.A. and Stevens, N., (1989), "Effects of Relationship Marketing on Relationship Satisfaction, Retention, and Prices in the Life Insurance Industry", *Journal of Marketing Research*, 24, Nov, pp 404-411.

Crystal, D., (1978), *Linguistics*, Harmondsworth, Penguin Books Ltd.

Cunningham, M.T. and Homse, E., (1986), "Controlling the Marketing - Purchasing Interface: Resource Development and Organisational Implications", *Industrial Marketing and Purchasing*, 1, 2, pp 3 - 27.

Currie, G. and Hobart, C., (1994), "Can Opera be Brought to the Masses?", *Marketing Intelligence and Planning*, 12, 2, pp 13-18.

Dabbs, G., (1991), "Nonprofit Businesses in the 1990's: Models for Success", *Business Horizons*, 34, Sept/Oct, pp 68-71.

Davies, S., (1994), *By Popular Demand: A Strategic Analysis of the Market Potential for Museums and Art galleries in the UK*, London, Museums and Galleries Commission.

Dawar, N., Parker, P.M. and Price, L.J., (1996), "A Cross - Cultural Study of Interpersonal Information Exchange" *Journal of International Business Studies*, 27, 3, pp 497 – 516.

Dawson, W.M., (1980), "The Arts and Marketing", in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds) *Marketing the Arts*, New York, Praeger, pp 7-13.

Day, G., (1995), "Advantageous Alliances", *Journal of the Academy of Marketing Science*, 23, Fall, pp 297-300.

Dees, J. G., (1998), "Enterprising Non-Profits", *Harvard Business Review*, 76,1, pp 55-67

de Lozier, W., (1976), *The Marketing Communications Process*, McGraw - Hill Book Company, New York

Denzin, N.K., (1978), *The Research Act: A Theoretical Introduction to Sociological Methods*, 2nd edition, New York, McGraw Hill.

Denzin, N.K. and Lincoln, Y.S., (1994), *Handbook of Qualitative Research*, Thousand Oaks, Calif., Sage.

Dibb, S and Simkin, L., (1993), "Strategy and Tactics: Marketing Leisure Facilities", *Service Industries Journal*, 13,3, pp110-124.

Diggle, K., (1984), *Guide to Arts Marketing*, London, Rhinegold Publishing Ltd.

Diggle, K., (1994), *Arts Marketing*, London, Rhinegold Publishing Ltd.

DiMaggio, P.J., (1985), "When the 'Profit' is Quality: Cultural Institutions in the Market Place", *Museum News*, 63, 5, pp 28-35.

DiMaggio, P. and Useem, M., (1976), "Social Class and Arts Consumption: The Origins and Consequences of Class Differences in Exposure to the Arts in America", *Theory and Society*, 3, March, pp141-162.

DiMaggio, P., Useem, M. and Brown, P., (1978), *Audience Studies of the Performing Arts and Museums: A Critical Review*, Research Division Report No. 9, Washington DC, National Endowment for the Arts.

Dion, P., Easterling, D. and Miller, S.J., (1995), "What is Really Necessary in Buyer/Seller Relationships?" *Industrial Marketing Management*, 24, 1, pp 1 – 9.

Drucker, P., (1973), "Managing the Public Service Institution", *Public Interest*, 33, Fall, pp 43-60.

Duck, S., (1991), *Understanding Relationships*, New York, Guilford Press.

Dwyer, E.P. Schurr, P.H., and Oh, S., (1987), "Developing Buyer – Seller Relationships", *Journal of Marketing*, 51, 2, pp11 – 27.

Easterby-Smith, M., Thorpe, R. and Lowe, A., (1991), *Management Research: An Introduction*, London, Sage.

Easterby-Smith, M., Thorpe, R. and Lowe, A., (1997), *Management Research: An Introduction*, London, Sage.

Economic Trends, (2000), HMSO, London.

Enis, B.M. and Mokwa, M.P., (1979), *The Marketing Management Matrix: A Taxonomy for Strategic Comprehension in Conceptual and Theoretical Developments in Marketing*, Chicago, AMA.

Enis, B.M., (1981), "Governments as Marketers: Issues of Management and Public Policy" in Mokwa, M.P. and Permut, S.E., *Government and Marketing: Theory and Practice*, New York, Praeger pp 228-237

Fairweather, G.W. and Tornotzky, L.G., (1977), *Experimental Methods for Social Policy Research*, Oxford, Pergammon.

Falk, J.H. and Dierking, L.D., (1992), *The Museum Experience*, Washington DC
Whalesback Books.

Feinberg, A., (1989), "Getting' Culture", *Marketing Week*, 30, 32, pp 18-22.

Flick, U., (1992), "Triangulation Revisited: Strategy of Validation or Alternative?", *Journal for the Theory of Social Behaviour*, 22, 4, pp175-198.

Flipo, J.P., (1988), "On the Intangibility of Services", *Service Industries Journal*, 8,3,
pp 286-98.

Fine, S.H., (1981), *The Marketing of Ideas and Social Issues*, New York,

Praeger.

Fine, S.H., (1990), *Social Marketing: Promoting the Causes of Public and Nonprofit Agencies*, Boston, Allyn and Bacon.

Ford, D., (1980), "The Development of Buyer - Seller Relationships in Industrial Markets", *European Journal of Marketing*, 14, 5/6, pp 339 – 354.

Ford, D., (1984), "Buyer/Seller Relationships in International Industrial Markets", *Industrial Marketing Management*, 13, 2, pp 101 – 113.

Ford, D., (1989), "One More Time: What Buyer - Seller Relationships are all About", *Paper Presented to the 5th IMP Conference : "Research in Marketing: An International Perspective"*, Pennsylvania State University, Ohio, 5 - 7th September.

Ford, D., (1998), *Managing Business Relationships*, Chichester, Wiley and Sons Ltd.

Ford, D., Håkansson, H. and Johanson, J., (1986), "How Do Companies Interact?" *Industrial Marketing and Purchasing* ,1,1, pp 26 – 41.

Fraser, I., (1997), "To Be or Not To Be: Another Theatre in Tayside? : A Case Study in Estimating Demand", *Proceedings of the Academy of Marketing Annual Conference*, Manchester Metropolitan University, pp 369 – 383.

Frazier, G. L. and Rody, R.C., (1991), "The Use of Influence Strategies in Interfirm Relationships in Industrial Product Channels" *Journal of Marketing*, 55, 1, pp 52 – 69.

Friedman, H.S., Riggo, R.E. and Cassella, D.F., (1988), "Nonverbal Skill, Personal Charisma and Initial Attraction" *Personality and Social Psychology Bulletin*, 14, March, pp 203 – 211.

Gainer, B. and Padanyi, P., (2002), "Applying the Marketing Concept to Cultural Organisations: An Empirical Study of the Relationship Between Market Orientation and Performance", *International Journal of Nonprofit and Voluntary Sector Marketing*, 7, 2, pp 182-193.

Galbraith, J.K., (1973), *Economics and Public Purpose*, New York, Houghton Mifflin.

Ganesan, S., (1994), "Determinants of Long - Term Orientation in Buyer - Seller Relationships", *Journal of Marketing*, 58, April, pp 1 – 19.

Garland, B.C. and Westbrook, R.A., (1989), "An Exploration of Client Satisfaction in a Nonprofit Context", *Journal of the Academy of Marketing Science*, 17, 4, pp 297-303.

Giffin, K., (1969), "The Contribution of Studies of Source Credibility to a Theory of Interpersonal Trust in the Communication Process", *Psychological Bulletin*, 68, pp 104-20.

Gill, J. and Johnson, P., (1997) *Research Methods for Managers*, Second Edition, London, Paul Chapman Publishers.

Gladstein, D.L., (1984), "Groups in Context: A Model of Task Group Effectiveness", *Administrative Science Quarterly*, 29, December, pp 499-517.

Goulding, C., (1997), "Nostalgia and the Concept of 'Self': The Case of Themed 'Living' Heritage and the Elderly Consumer", *Proceedings of the Academy of Marketing Annual Conference*, Manchester Metropolitan University, pp 385-398.

Graham, P., (1994), "Marketing in the Public Sector: Inappropriate or Merely Difficult?", *Journal of Marketing Management*, 10, 5, pp 361-375.

Greyser, S.A., (1980), "Toward Bridging the Utility Gap in Marketing Research for the Arts", in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. eds. *Marketing the Arts*, New York, Praeger, pp 155-168.

Grönroos, C., (1982), "An Applied Service Marketing Theory", *European Journal of Marketing*, 16, 7, pp 30-41.

Grönroos, C., (1990), *Service Marketing and Management – Managing the Moments of Truth in Service Competition*, Toronto, Lexington.

Grönroos, C., (1991), "The Marketing Strategy Continuum: Toward a Marketing Concept for the 1990's", *Management Science*, 29,1, pp 7-13.

Grönroos, C., (1994), "From Marketing Mix to Relationship Marketing: Towards a Paradigm Shift in Marketing", *Management Decision*, 32, 2, pp 4-20.

Grönroos, C., (1996), "Relationship Marketing : Strategic and Tactical Implications" *Management Decision*, 34,3, pp 5 – 15.

Grossman, R.P., (1998), "Developing and Managing Effective Consumer Relationships", *Journal of Product and Brand Management*, 7,1, pp 27-40.

Guba, E.G. and Lincoln, Y.S., "Competing Paradigms in Qualitative Research" in Denzin, N.K. and Lincoln, Y.S. (1994), *Handbook of Qualitative Research*, Thousand Oaks, Calif., Sage, pp 105-117.

Gundlach, G.T., Achrol, R.S. and Mentzer, J.T., (1995), "The Structure of Commitment in Exchange", *Journal of Marketing*, 59, Jan, pp 78-92.

Gummesson, E., (1994), "Making Relationship Marketing Operational" *International Journal Of Service Industry Management*, 5, 5, pp 5 – 20.

Gummesson, E., (1998), "Productivity, Quality and Relationship Marketing in Service Operations", *International Journal of Contemporary Hospitality Management*, 10, 1, pp 4-15.

Gummesson, E., (1999), *Total Relationship Marketing: From 4Ps to 30Rs*, Oxford, Butterworth-Heinemann.

Gupta, M., (1983), "A Basis For Friendly Dyadic Interpersonal Relationships" *Small Group Behaviour*, 14, 1, pp 15 – 33.

Gwin, J.M., (1990), "Constituent Analysis: A Paradigm for Marketing Effectiveness in the Not-for-profit Organisation", *European Journal of Marketing*, 24, 7, pp 43-48.

Håkansson, H. (ed.), (1982), *International Marketing and Purchasing of Industrial Goods*, Chichester, John Wiley & Sons.

Håkansson, H. and Snehota, I., (1995), "The Burden of Relationships or Who's Next?", *Proceedings of the IMP 11th International Conference (Manchester)*, pp 522-36.

Hakim, C., (1982), *Secondary Analysis in Social Research: a Guide to Data Sources and Methods with Examples*, London, Allen and Unwin.

Hakim, C., (1997), *Research Design, Strategies and Choices in the Design of Social Research*, London, Routledge.

Hakim, C., (2000), *Research Design: Successful Designs for Social and Economic Research*, New York, Routledge.

Hammond, M., Howarth, J. and Keat, R., (1991), *Understanding Phenomenology*, Oxford, Basil Blackwell Ltd.

Hansmann, H., (1980), "The Role of Nonprofit Enterprises" *The Yale Law Journal*, 89, April, pp 835-901.

Harrigan, T.J., (1992), *Marketing for the Non-Profit Sector*, London, MacMillan.

Hatten, M.L., (1982), "Strategic Management in Not-for-profit Organisations", *Strategic Management Journal*, 3, April/June, pp 89-104.

Hensel, P.J. and Dubinsky, A.J., (1985), "Identification and Classification of Problems Associated with Evaluating Social Marketing Efforts", *Journal of the Academy of Marketing Science*, 13,1, pp 75-90.

Hemisphere (2000), "Welcome to Manchester", Manchester, Hemisphere Design and Marketing Consultants.

Hepworth, N.P., (1988), "Measuring Performance in Non-Market Organisations", *International Journal of Public Sector Management*, 1,1, pp 16-26.

Herbig, P.A., Milewicz, J. and Golden, J.E., (1995), "Forecasting Behavioural Differences between For-Profit Firms and Non-Profit Organisations", *Journal of Nonprofit and Public Sector Marketing*, 3,1, pp 3-15.

Herman, R.D., (1990), "Methodological Issues in Studying the Effectiveness of Nongovernmental and Nonprofit Organisations", *Nonprofit and Voluntary Sector Quarterly*, 19, 3, pp 293-307

Herman, R.D., and Rentz, D.O., (1999), "Theses on Nonprofit Organisational Effectiveness", *Nonprofit and Voluntary Sector Quarterly*, 28, 2, pp 107-126

Herriott, R.E. and Firestone, W.A., (1983), "Multisite Qualitative Policy Research: Optimizing Description and Generalizability", *Educational Researcher*, 12, 2, pp14-19.

Hill, E., O'Sullivan, C. and O'Sullivan, T., (1997), *Creative Arts Marketing*, Oxford, Butterworth Heinemann.

Hinde, R.A., (1979), *Towards Understanding Relationships*, London, Academic Press.

Hirsch, P.M. and Davis, H.L., (1980), "Are Arts Administrators Really Serious About Marketing?" in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds) *Marketing the Arts*, New York, Praeger, pp 59-64.

Hocutt, M.A., (1998), "Relationship Dissolution Model: Antecedents of Relationship Commitment and the Likelihood of Dissolving a Relationship", *International Journal of Service Industry Management*, 9, 2, pp 189- 200.

Hofstede, G., (1981), "Management Control of Public and Non-for-profit Activities", *Accounting, Organisations and Society*, 6, 3, pp 193-211.

Holm, D. B., Eriksson, K. and Johanson, J., (1996), "Business Networks and Cooperation in International Business Relationships" *Journal of International Business Studies*, 27, 5, pp 1033 – 1052.

Holmlund, M. and Törnroos, J-A., (1997), "What Are Relationships in Business Networks?", *Management Decision*, 35, 4, pp 304 – 309.

Holstein, J.A. and Gubrium, J.F., (1994), "Phenomenology, Ethnomethodology and Interpretive Practice" in Denzin, N.K. and Lincoln, Y.S. (1994), *Handbook of Qualitative Research*, Thousand Oaks, Calif., Sage, pp 262-272.

Hosmer, L.T., (1995), "Trust : The Connecting Link Between Organisational Philosophical Ethics", *Academy of Management Review*, 20, 2, pp 379 – 403.

Huber, G.P., (1984), "Nature and Design of Post-Industrial Organisations", *Management Science*, 30, Aug., pp 928-51.

Hughes, J. and Sharrock, W., (1997), *The Philosophy of Social Research*, Harlow, Essex, Longman.

Hyde, P. and Lovelock, C., (1980), "Organisational Size and its Implications for Marketing Strategy in the Arts", in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds), *Marketing the Arts*, New York, Praeger, pp 75-100.

Jackson, B.B., (1985), *Winning and Keeping International Customers*, Lexington, Massachusetts, Lexington Books.

Janesick, V.J., (1994), "The Dance of Qualitative Research Design: Metaphor, Methodolatry and Meaning" in Denzin, N.K. and Lincoln, Y.S. (1994), *Handbook of Qualitative Research*, Thousand Oaks, Calif., Sage, pp 209-219.

Jenkinson, P., (1993), "Museum Futures", *Museum Journal*, 7, 3, pp 22-23

Johanson, J. and Mattsson, L-G., (1985), "Marketing Investments and Market Investments in Industrial Networks", *International Journal of Research in Marketing*, 2, 4, pp 185- 195.

Johnson, M.S. and Garbarino, E., (2001), " Customers of Performing Arts Organisations: Are Subscribers Different from Non-Subscribers?", *International Journal of Nonprofit and Voluntary Sector Marketing*, 6, 1, pp 61-77.

Jones, L., (2000), " Market Orientation: A Case Study of Three UK Opera Companies", *International Journal of Nonprofit and Voluntary Sector Marketing*, 5, 4, pp 348-364.

Jones, S., (1985), "Depth Interviews" in Walker, R. *Applied Qualitative Research*, Aldershot, Gower.

Jones, S., (1987), "Choosing Action Research: A Rationale" in Mangham, I.L. (ed), *Organisation Analysis and Development*, Chichester, Wiley.

Jüttner, U. and Wehrli, H.P., (1994), "Relationship Marketing From a Value System Perspective" *International Journal of Service Industry Management*, 5, 5, pp 54 – 73.

Kale, S.H. and Barnes, J.W., (1992), "Understanding the Domain of Cross-National Buyer-Seller Interactions", *Journal of International Business Studies*, 23, 1, pp 101-132.

Kanter, R.M. and Corn, R.I., (1994), "Do Cultural Differences Make a Business Difference? Contextual Factors Affecting Cross - Cultural Relationship Success" *Journal of Management Development*, 13, 2, pp 5 – 23.

Kelley, H.H., (1979), *Personal Relationships: Their Structures and Processes*, Hillsdale, NJ, Lawrence Erlbaum Associates.

Kelley, S.W. and Davis, M.A., (1994), "Antecedents to Customer Expectations for Service Recovery", *Journal of the Academy of Marketing Science*, 22, 1, pp 52-61.

Keynote (2000), *The Arts*.

Klein, R., (1977), "The Conflict between Professionals, Consumers and Bureaucrats", *Journal of Irish College of Physicians and Surgeons*, 6, 3, pp 88-91.

Kolb, B.M., (2000), *Marketing Cultural Organisations*, Cork, Ireland, Oak Tree Press.

Kotler, P., (1972), "A Generic Concept of Marketing", *Journal of Marketing*, 36, April, pp 46-54.

Kotler, P., (1975), *Marketing in Nonprofit Organisations*, Englewood Cliffs, N.J., Prentice Hall.

Kotler, P., (1979), "Strategies for Introducing Marketing into Non-Profit Organisations", *Journal of Marketing*, 43, Jan, pp 37-44.

Kotler, P., (1980), "Foreword" in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds), *Marketing the Arts*, New York, Praeger, pp xiii-xv.

Kotler, P., (1982), *Marketing for Nonprofit Organisations*, Englewood Cliffs, N.J. Prentice Hall.

Kotler, P., (1986), *Principles of Marketing*, 3rd Edition, Englewood Cliffs, NJ Prentice Hall.

Kotler, P. and Andreasen, A., (1991), *Strategic Marketing for Nonprofit Organisations*, 4th Edition, Englewood Cliffs, N.J., Prentice Hall.

Kotler, P. and Andreasen, A., (1996), *Strategic Marketing for Nonprofit Organisations*, 5th Edition, Englewood Cliffs, N.J., Prentice Hall.

Kotler, P. and Levy, S. J., (1967), "Broadening the Concept of Marketing", *Journal of Marketing*, 33, 1, pp 10-15.

Krippendorff, K., (1980), *Content Analysis: An Introduction to its Methodology*, London, Sage.

Laczniak, G.R., (1980), "Product Management and the Performing Arts" in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds) *Marketing the Arts*, New York, Praeger pp 124-138.

Lamb, C.W. Jr., (1987), "Public Sector Marketing is Different", *Business Horizons*, July/August, pp 56-60.

Lamos, M. and Stewart, S., (1983), "Theatre: The Vital Relationship" in *Market the Arts*, Mellilo, J.V., (ed) Foundation for the Extension and Development of the American Professional Theatre, pp 17-21.

Langeard, E. and Eiglier, P., (1980), "Interactive Behaviors of Arts Consumers and Arts Organisations" in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds), *Marketing the Arts*, New York, Praeger, pp 139-150.

Larson, T. and Potter, J., (1995), "Integrated Marketing Communication Management: An Applied Hierarchy of Effects Model for Evaluating Not-For-Profit Organisations", *Journal of Nonprofit and Public Sector Marketing*, 3, 2, pp 23-36.

LaTour, S.A. and Peat, N.C., (1979), "Conceptual and Methodological Issues in Consumer Satisfaction Research" in Wilkie, W.L. (ed), *Advances in Consumer Research*, Association for Consumer Research, MI, Ann Arbor, pp. 335-338.

Lazer, W. and Kelley, E.J., (1973), *Social Marketing: Perspectives and Viewpoints*, Illinois, Richard D. Irwin.

Lewis, J., (1995), *Art, Culture and Enterprise*, London, Routledge.

Lewis, P., (1991), "The Role of Marketing: Its Fundamental Planning Function: Devising a Strategy" in Ambrose, T. and Runyard, S., (eds), *Forward Planning*, Museums and Galleries Commission, London, Routledge, pp 26-29.

Levitt, T., (1981), "Marketing Intangible Products and Product Intangibles" *Harvard Business Review*, 59, 3, pp 94 – 102.

Levitt, T., (1983), "After the Sale is Over" *Harvard Business Review*, 61, 5, pp 87 – 93.

Levy, S.J., (1980), "Arts Consumers and Aesthetic Attributes" in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds), *Marketing the Arts*, New York, Praeger, pp 29-45.

Levy, S.J. and Czepiel, J.A., (1974), "Marketing and Aesthetics", Combined Proceedings , Curhan, R.C., (ed), Chicago, A.M.A.

Liljander, V. and Strandvik, T., (1994), "The Relation Between Service Quality, Satisfaction and Intentions" in P. Kunst and J Lemmink (eds.) *Quality Management in Services* ,Vol. 2, Assen/Maastricht, Van Gorcum, pp 77-96.

Liljander, V. and Strandvik, T., (1995), "The Nature of Customer Relationships in Services" in Swartz, T.A., Bowen, D.E. and Brown, S.W. (eds), *Advances in Services Marketing and Management*, Vol. 4, London, JAI Press, pp 141-167.

Lin and Germain, (1998), "Sustaining Satisfactory Joint Venture Relationships: The Role of Conflict Resolution Strategy", *Journal of International Business Studies*, 29,1, pp179 – 196.

Lindsay, G. and Murphy, A., (1994), "NSPCC: Marketing the 'Solution' not the Problem", *Proceedings of the Marketing Education Group Annual Conference*, University of Ulster, Coleraine, p 583.

Lindsay, G. and Murphy, A., (1995), "A Systematic Approach to the Application of Marketing Theory for Charitable Organisations", *Proceedings of the Marketing Education Group Annual Conference*, University of Bradford, Bradford, pp 443-452.

Lovelock, C. and Hyde, P., (1980), "Pricing Policies for Arts Organisations" in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds), *Marketing the Arts*, New York, Praeger, pp 240-262.

Lovelock, C.H., (1983), 'Classifying Services to Gain Strategic Marketing Insight', *Journal of Marketing*, 47, Summer, pp 9-20.

Lovelock, C.H. and Weinberg, C.B., (1975), "Contrasting Private and Public Sector Marketing" in *Readings in Public and Nonprofit Marketing*, Mass., Scientific Press, pp 27-31.

Lovelock, C.H. and Weinberg, C.B., (1984), *Marketing for Public and Nonprofit Managers*, New York, John Wiley and Sons.

Lovelock, C.H. and Weinberg, C.B., (1988), *Public and Nonprofit Marketing*, 2nd Edition, Mass, Scientific Press.

Lovelock, C.H. and Weinberg, C.B., (1990), *Public and Nonprofit Marketing: Readings and Cases*, San Francisco, Scientific Press.

Lynn, L.E., (1976), "A Federal Evaluation Office", *Evaluation*, 4, 1/2, pp 56 – 92.

McCall, C.J., (1970), "The Social Organisation of Relationships" in G.J. McCall, N.K. Danzin, G.D. Suttles and S.B. Kurth (eds.) *Social Relationships*, Chicago, Aldine Publishing, pp 3 – 34.

McCart, M., (1987), "Researching the Arts", *Survey*, Autumn, pp 2-6.

McCort, D.J., (1994), " A Framework for Evaluating the Relational Extent of a Relationship Marketing Strategy: The Case of Nonprofit Organisations", *Journal of Direct Marketing*, 8, 2, pp 53-65.

McDonald, H. and Harrison, P., (2002), " The Marketing and Public Relations Practices of Australian Performing Arts Presenters", *International Journal of Nonprofit and Voluntary Sector Marketing*, 7, 2, pp 105-117.

McGill, M.E. and Wooton, L., (1975), "Managing in the Third Sector", *Public Administrative Review*, 35, Sept/Oct, pp 444-455.

McKenna, R., (1991), "Marketing is Everything", *Harvard Business Review*, 69, 1, pp 65-79.

McLean, F. (Nee Matheson, F), (1992), *Museum Policy and Marketing Strategies*, PhD thesis, University of Northumbria at Newcastle.

McLean, F., (1993), "Marketing in Museums: A Contextual Analysis", *Museum Management and Curatorship*, 12,1, pp 11-27.

McLean, F., (1994), "Services Marketing: The Case of Museums", *Services Industries Journal*, 14, 2, pp190-203.

McLean, F., (1995), "A Marketing Revolution in Museums?", *Journal of Marketing Management*, 11, 6, pp 601-616.

McLean, F., (1997), *Marketing the Museum*, London, Routledge.

Manchester Airport, (1999), *Annual Accounts and Report*.

Mason, D.E., (1979), "Distinctive Nature of Voluntary Organisation Management", *Voluntary Action Leadership*, 2, Spring, pp 40-42.

Marson, R.O. and Mitroff, I.I., (1981), *Challenging Strategic Planning Assumptions*, New York, Wiley-Interscience.

Metcalf, L.E., Frear, C.I., and Krishnan, R., (1992), "Buyer - Seller Relationships : An Application of the IMP Interaction Model." *European Journal of Marketing*, 26, 2, pp 27 - 46.

Miettinen, A. and Möller, K., (1990), "Interaction Perspective into Professional Business Services: A Conceptual Analysis" in Fiocca, R and Snehota, I. (eds), *Research*

Developments in International Industrial Marketing and Purchasing, Proceedings of the 6th IMP Conference, University of Bocconi, Milan, Italy.

Mintel, (1998), *Special Report on Sponsorship*, London, Mintel.

Mitchell, P., Reast, J. and Lynch, J., (1998), "Exploring the Foundation of Trust"

Journal of Marketing Management, 14, 1, pp 159 – 172.

Mokwa, M.P., Nakamoto, K. and Enis, B.M., (1980), "Marketing Management and the Arts", in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds) *Marketing the Arts*, New York, Praeger, pp 14 –28.

Mokwa, M.P., (1981), "Government Marketing- an Inquiry into Theory, Process and Perspective" in *Government Marketing: Theory and Practice*, (eds), Mokwa, M.P. and Permut, S.E., New York, Praeger, pp 173-177.

Mokwa, M.P., (1990), "The Policy Characteristics and Organisational Dynamics of Social Marketing" in Fine, S. (1990), *Social Marketing: Promoting the Cause of Public and Nonprofit Agencies*, Boston, Allyn and Bacon, pp 43-55.

Möller, K. and Halinen, A., (2000), Relationship Marketing Theory: Its Roots and Directions", *Journal of Marketing Management.*, 16, 1-3, pp 29-54.

Moorman, C., Zaltman, G., and Deshpande, R., (1992), "Relationships Between Providers and Users of Market Research : the Dynamics of Trust Within and Between Organizations." *Journal of Marketing Research*, 29, 3, pp 314 – 328.

Morgan, R.M. and Hunt, S.D., (1994), "The Commitment-Trust Theory of Relationship Marketing", *Journal of Marketing*, 58, July, pp 43-48.

Morris, B., (1990), "Introduction", *Museums and Galleries Commission Annual Report 1989-90*, London, Museums and Galleries Commission.

Moyer, M.S., (1994), "Marketing for Nonprofit Managers" in Herman, R.D. (ed), *Jossey-Bass Handbook of Nonprofit Leadership and Management*, San Francisco, Jossey-Bass, pp 249-278

Mushkin, S.J., (1973), "Evaluations: Use with Caution", *Evaluation*, 1, 2, pp 30-35.

Nevin, J.R., (1980), "An Empirical Analysis of the Marketing Channels for the Performing Arts" in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds), *Marketing the Arts*, New York, Praeger, pp 201-220.

Nevin, J.R., (1995), "Relationship Marketing and Distribution Channels: Exploring Fundamental Issues", *Journal of the Academy of Marketing Science*, 23, 4, pp 327-34.

Newman, W.H. and Wallender, H.W. III., (1976), "Managing Not-for-Profit Enterprises", *Academy of Management Review*, 1, January, pp 24-31.

Nutt, P.C. and Backoff, R.W., (1987) "Strategic Management Process for Public Sector and Third Sector Organisations", *A.P.A. Journal*, Winter, pp 44-57.

Octon, C.M., (1983), "A Re-examination of Marketing for British Non-profit Organisations", *European Journal of Marketing*, 17, 5, pp 33-43.

O'Malley, L. and Tynan, C., (2000), "Relationship Marketing in Consumer Markets: Rhetoric or Reality"" *European Journal of Marketing*, 34, 7, pp 797-815

Osgood , C. and Sebeok, T.A., (1965), *Psycholinguistics: A Survey of Theory and Research Problems*, Bloomington, Indiana University Press.

Palmer, A., (1997), "Defining Relationship Marketing : An International Perspective." *Management Decision*, 35, 3/4, pp 319 - 322.

Parlett, M. and Hamilton, D., (1976), "Evaluation as Illumination: A New Approach to the Study of Innovative Programmes" in Glass, G.V. (ed), *Evaluation Studies Review Annual*, Vol. 1, Beverley Hills, CA. Sage.

Pearce, W.B., (1974), "Trust in Interpersonal Relationships", *Speech Monographs*, Vol 41, 3, pp. 236-44.

Permut, S.E., (1980), "A Survey of Marketing Perspectives of Performing Arts Administrators" in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds), *Marketing the Arts*, New York, Praeger, pp 47-58.

Pick, J., (1988), *The Arts in a State*, Bristol, Bristol Classical Press.

Rados, D.L., (1981), *Marketing for Non-Profit Organisations*, Dover, Mass., Auburn House Publishing.

Rainey, H.G., Backoff, R.W. and Levine, C.H., (1976), "Comparing Public and Private Organisations", *Public Administration Review*, 36, March/April, pp 233-244.

Rangan, V.K., Karim, S. and Sandberg, S.K., (1996), "Do Better at Doing Good", *Harvard Business Review*, 74, May/June, pp 42-54.

Reichheld, F.F., (1993), "Loyalty Based Management", *Harvard Business Review*, 71, 2, pp 64-73.

Reichheld, F.F. and Kenny, D.W., (1990), "The Hidden Advantages of Customer Retention", *Journal of Retail Banking*, 13, 4, pp 19-23.

Reichheld, F.F. and Sasser, W.E. jr., (1990), "Zero Defections: Quality Comes to Services", *Harvard Business Review*, 68, 5, pp 105-11.

Reiss, A.H., (1997), "Arts Need National Marketing Plan to Engender Interest and Support", *Fund Raising Management*, 28, 6, pp 32-34.

Rentschler, R., (1999), (ed), *Innovative Arts Marketing*, St. Leonard, New South Wales, Allen and Unwin.

Rentschler, R., Radbourne, J., Carr, R. and Rickard, J., (2002), " Relationship Marketing, Audience Retention and Performing Arts Viability", *International Journal of Nonprofit and Voluntary Sector Marketing*, 7, 2, pp 118-130.

Roberto, E.L., (1991), "Applying a Marketing Model in the Public Sector" in O'Farchellaigh, C., Graham, P. and Warburton, J.S., *Service Delivery and Public Sector Marketing*, London, Macmillan.

Robson, C., (1999), *Real World Research*, Malden, Mass., Blackwell.

Rodger, L. W., (1987), *Marketing the Visual Arts: Challenge and Response*, Edinburgh, Scottish Arts Council.

Roper, P., (1990), "Museum Charges", *Leisure Management*, 10, 3, pp 36-37.

Rosen, D.E. and Suprenant, C., (1998), "Evaluating Relationships: Are Satisfaction and Quality Enough?", *International Journal of Service Industry Management*, 9,2, pp 103- 125.

Rosenbaum, N., (1984), "The Competitive Market Model: Emerging Strategy for Nonprofits", *The Nonprofit Executive*, July, pp 4-5.

Rothschild, M.L., (1979), "Marketing Communication in Nonbusiness Situations or Why Its So Hard to Sell Brotherhood Like Soap", *Journal of Marketing*, 43, Spring, pp 11-20.

Rotter, J.B., (1967), "A New Scale For the Measurement of Interpersonal Trust." *Journal of Personality* ,35, 4, pp 651 – 665.

Rowe, K.L., (1978), *Communications in Marketing (2nd Edition)*, New York, McGraw Hill Book Company.

Runyard, S., (1994), *The Museum Marketing Handbook*, Museums and Galleries Commission, London, HMSO.

Rusbult, C.E., (1983), "A Longitudinal Test of the Investment Model: The Development (and Deteroration) of Satisfaction and Commitment in Heterosexual Involvements", *Journal of Personality and Social Psychology*, 45, July, pp101-117.

Rusbult, C.E.and Buunk, B.P., (1993), "Commitment Processes in Close Relationships : An Interdependence Analysis", *Journal of Social and Personal Relationships*, 10, 2, pp 175 – 204.

Rust, R.T., Subramaman, B. and Wells, M., (1991), " Making Complaints a Management Tool", *Marketing Management*, 1, 3, pp 41-45.

Rust, R.T. and Zahorik, A.J., (1993), "Customer Satisfaction, Customer Retention, and Market Share", *Journal of Retailing*, 69, 2, pp 193- 215.

Rust, R.T. and Williams, D.C., (1994), "How Length of Patronage Affects the Impact of Customer Satisfaction on Repurchase Intention", *Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behaviour*, 7, pp 107-111.

Saker, J. and Smith, G., (1992), "Marketing Strategy in Local Authority Leisure Services", *Proceedings of the Marketing Education Group Annual Conference*, University of Salford, pp 609-619.

Scanzoni, J., (1979), "Social Exchange and Behavioral Independence." in Burgess, R.L. and Hudson, T.L., (eds), *Social Exchange in Developing Relationships*, New York, Academic Press, pp. 61-99.

Scheff, J., (1998), "Developing Dance Audiences: Lessons from America", *Arts Business*, 23rd Nov., pp 5-6.

Scheff, J., (1999), " Factors Influencing Subscription and Single- Ticket Purchases at Performing Arts Organisations", *International Journal of Arts Management*, 1, 2, pp 16-27.

Scheff, J. and Kotler, P., (1996), "Crisis in the Arts: The Marketing Response", *California Management Review*, 39,1, pp 28-53.

Scheff, J. and Kotler, P., (1996), "How the Arts Can Prosper Through Strategic Collaborations", *Harvard Business Review*, 74, 1, pp 52-60.

Schlegelmilch, B.B., (1988), "Targeting of Fund-Raising Appeals - How to Identify Donors", *European Journal of Marketing*, 22, 1, pp 31-38.

Schramm, W., (1954), "How Communication Works" in W. Schramm (ed.) *The Process and Effects of Mass Communication*, Urbana, Illinois, University of Illinois Press, pp 3 - 26.

Scrivens, E., (1991), "Is There A Role for Marketing in the Public Sector?", *Public Money and Management*, 11, Summer, pp 17-23.

Seale, C., (1998), *Researching Society and Culture*, London, Sage.

Seale, C., (1999), *The Quality of Qualitative Research*, London, Sage.

Searles, P.D., (1980), "Marketing Principles in the Arts", in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds), *Marketing the Arts*, New York, Praeger, pp 65-69.

Sekaran, U., (2000), *Research Methods for Business: A Skill Building Approach*, New York, John Wiley and Sons.

Selnes, F., (1998), "Antecedents and Consequences of Trust and Satisfaction in Buyer - Seller Relationships", *European Journal of Marketing*, 32, 3/4, pp 305 – 322.

Shani, D. and Chalasani, S., (1992), "Exploiting Niches Using Relationship Marketing", *Journal of Services Marketing*, 6, 4, pp 43-52.

Shapiro, B.P., (1973), "Marketing for Non-profit Organisations", *Harvard Business Review*, 51, Sept/Oct, pp 123-132.

Sharland, A., (1997), "Sourcing Strategy: The Impact of Costs on Relationship Outcomes", *International Journal of Physical Distribution and Logistics Management*, 27,7, pp 395- 409.

Shaw, R., (1987), *The Arts and People*, London, Jonathan Cape.

Sheaves, D.E. and Barnes, J.G., (1996), "The Fundamentals of Relationships: An Exploration of the Concept to Guide Marketing Implementation" in Swartz, T.A., Bowen, D.E. and Brown, S.W. (eds), *Advances in Services Marketing and Management: Research and Practice*, Vol 5, Greenwich, JAI Press.

Sirgy, M.J. and Lee, D-J., (1996), "Setting Socially Responsible Marketing Objectives: A Quality-of-Life Approach", *European Journal of Marketing*, 30, 5 pp 20-35.

Smith, G., (1988), "Applying Marketing to the Public Sector: The Case of Local Authority Leisure Centres", *International Journal of Public Sector Management*, 1, 1, pp 36-45.

Smith, H.W., (1975), *Strategies of Social Research: The Methodological Imagination*, London, Prentice Hall International.

Smith, L.M., (1994), "Biographical Method " in Denzin, N.K. and Lincoln, Y.S. (1994), *Handbook of Qualitative Research*, Thousand Oaks, Calif., Sage, pp 286-305.

Smith, B.L.R. and Rosenbaum, N., (1981), "The Fiscal Capacity of the Voluntary Sector", Paper prepared for the delivery at the *Brookings Institution National Issues Seminar on " The Response of the Private Sector to Government Retrenchment"*, December, Washington D.C.

Smith, L.J. and Friedman, M.L., (1994), "Measuring Satisfaction with Services when the Customer is not the Consumer: The Child Care Service Example", *Journal of Non Profit and Public Sector Marketing*, 2,1, pp 9-28.

Spalding, J., (1990), "Museum Charges", *Leisure Management*, 10, 3, pp36-37.

Spratlen, T.H., (1981), "Government Goods and Services: Characteristics and Concepts for Marketing Analysis" in Mokwa, M.P. and Permut, S.E., *Government Marketing: Theory and Practice*, New York, Praeger, pp 36-51.

Stake, R., (1994), " Case Studies " in Denzin, N.K. and Lincoln, Y.S. (1994), *Handbook of Qualitative Research*, Thousand Oaks, Calif., Sage, pp 236-247.

Stockil, T., (1998), "Unlocking Business Creativity", *Arts Business*, Oct. 26th, pp5-7.

Storback, Strandvik, and Grönroos, C., (1995), "Managing Customer Relationships for Profit" in A. Payne (ed.) *Advances in Relationship Marketing*, London, Kogan Page, pp 145-166.

Strang, R.A. and Gutman, J., (1980), "Promotion Policy Making in the Arts: A Conceptual Framework" in Mokwa, M.P., Dawson, W.M, and Prieve, E.A. (eds), *Marketing the Arts*, New York, Praeger, pp 225-239.

Sudman, S., (1976), *Applied Sampling*, New York, Academic Press.

Takala, T. and Uusitalo, O., (1996), "An Alternative View of Relationship Marketing: A Framework for Ethical Analysis", *European Journal of Marketing*, 30, 2, pp 45-60.

Target Group Index, (1992), BRMB International Ltd.

Target Group Index, (1994), BRMB International Ltd.

Target Group Index, (1997), BRMB International Ltd.

Target Group Index, (1999), BRMB International Ltd.

Theodossin, E., (1986), *In Search of the Responsive College*, Bristol F.E. Staff College.

Thomas, M.J., (1983), "Social Marketing, Social Cause Marketing and the Pitfalls Beyond", *Quarterly Review of Marketing*, 9, Autumn, pp 1-5.

Thorncroft, A., (2000), "Commerce and the arts swap skills for their mutual benefit", *Financial Times Survey: Business and the Arts*, 17th February.

Titman, L., (1995), *Marketing in the New Public Sector*, London, Pitman.

Turnbull, P.W., (1986), "Tri - Partite Interaction: The Role of Sales Subsidiaries in International Marketing" in P.W. Turnbull and S.J. Paliwoda (eds.) *Research in International Marketing*, Beckenham, Croom Helm, pp 193 – 211.

Turnbull, P.W., (1987), "Interaction and International Marketing : an Investment Process." *International Marketing Review*, 4, 4, pp 7 – 9.

Turnbull, P.W. and Cunningham, M.T. (eds.), (1981), *International Marketing and Purchasing: A Survey Among Marketing and Purchasing Executives in Five European Countries*, London, Macmillan Press Ltd.

Tweedy, C., (1996), 'Is there a Crisis in Arts Sponsorship?', *Journal of Nonprofit and Voluntary Sector Marketing*, 1,2, pp 121-126.

Tynan, C., (1997), " A Review of the Marriage Analogy in Relationship Marketing", *Journal of Marketing Management*, 13, 7, pp 695-703.

Unterman, I. And Davis, R.H., (1982), "The Strategy Gap in Not-For-Profits", *Harvard Business Review*, 60, May/June, p 30.

Unterman, I. And Davis, R.H., (1984), *Strategic Management of Not-For-Profit Organisations*, New York, Praeger.

Van der Hart, H. W. C., (1990), "Government Organisations and their Customers in the Netherlands: Strategy, Tactics and Operations", *European Journal of Marketing*, 24, 7, pp 31-42.

Verwey, P., (1991), "Ever Increasing Circles", *The Insider*, 10, Spring.

Voss, G.B. and Voss, Z.G., (1997), "Implementing a Relationship Marketing Programme: A Case Study and Managerial Implications", *Journal of Services Marketing*, 11, 4, pp 278-298.

Waddock, S.A., (1989), "Understanding Social Partnerships: An Evolutionary Model of Partner Organisations", *Administration and Society*, 21, 1, pp 78-100.

Walsh, K., (1994), "Marketing and Public Sector Management", *European Journal of Marketing*, 28,3, pp 63-71.

Webster, F. E., (1975), "Social Marketing: What Makes the Difference?", *Management Decision*, 13, 1, pp 70-77.

Weidenbaum, M.C., (1969), *The Modern Public Sector: New Ways of Doing the Government's Business*, New York, Basic Books.

Weinberg, C.B., (1980), "Marketing Planning for the Art Organisation" in Mokwa, M.P., Dawson, W.M. and Prieve, E.A.(eds), *Marketing The Arts*, New York, Praeger, pp 101-123.

Weinberg, C.B. and Shachmut, K.M., (1978), "Arts Plan: A Model Based System for Use in Planning a Performing Arts Series", *Management Science*, 24, Feb, pp 654-64.

Weisbrod, B.A., (1998), "Guest Editor's Introduction: The Nonprofit Mission and its Financing", *Journal of Policy Analysis and Management*, Vol. 17, 2, pp. 167-174.

Wensley, R., (1990), "The Voice of the Consumer?: Speculations on the Limits to the Marketing Analogy", *European Journal of Marketing*, 24, 7, pp 49-60.

Wiesendanger, B.,(1995), "Profitable Pointers from Non-Profits", *Journal of Business Strategy*, 15,4, pp 33-39.

Williams, M.R., (1998), "The Influence of Salesperson's Customer Orientations on Buyer-Seller Relationship Development", *Journal of Business and Industrial Marketing*, 13, 3, pp 271-287.

Wilson, D.T., (1995), "An Integrated Model of Buyer-Seller Relationships", *Journal of the Academy of Marketing Science*, 23, 4, pp 335-45.

Wilson, D.T. and Mummalaneni, V., (1986), "Bonding and Commitment in Supplier Relationship: A Preliminary Conceptualization", *Industrial Marketing and Purchasing*, 1, 3, pp 44-58.

Wilson, G., (1988), "Marketing and Self-promotion in Museums", *Museums Journal*, 88, 2, pp 97-100.

Wood, V.R. and Bhuian, S.N., (1993), "Market Orientation and Nonprofit Organisations: Performance Associations and Research Propositions", *Journal of Nonprofit and Public Sector Marketing*, 1, 1, pp 7-32.

Wortman, Jr., M.S., (1979), "Strategic Management: Not-for-profit Organisations" in *Strategic Management*, Schendel, D.E. and Hofer, C.W., (eds), Boston, Mass., Little, Brown Publishers, pp 354.

Yin, R. K., (1989), *Case Study Research, Design and Methods*, Newbury Park, Calif. Sage.

Yin, R. K., (1994), *Case Study Research, Design and Methods*, London, Sage.

Yorke, D.A. and Jones, R.R., (1984), "Marketing and Non-profit Making Organisations", *European Journal of Marketing*, 18,2, pp17-22.

Zeithaml, V.A., (1981), 'How Consumers Evaluation Processes Differ Between Goods and Services' in Donnelly, J.H. and George, W.R., (eds), *Marketing of Services* Chicago, AMA, pp186-190.

APPENDIX 1

TABLE A.1.1: ANALYSIS OF LITERATURE, BY SECTOR, COUNTRY AND TYPE

AREA OF CONSIDERATION: GENERAL				
Sector	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	US	Kotler, 1972	Conceptual	
Nonprofit	US	Kotler and Andreasen, 1991 Rosenbaum, 1984	Conceptual Conceptual	
Nonprofit	UK	Harrigan, 1992	Conceptual	
Public Sector	UK Netherlands	Butler and Collins, 1995 Walsh, 1994 Van der Hart, 1990	Conceptual Conceptual Conceptual	
Charities	UK	Schlegelmilch 1988	Empirical	Survey
Social Marketing	US US UK/US	Lazer and Kelley, 1973 Kotler, 1986 Thomas, 1983	Conceptual Conceptual Conceptual	
AREA OF CONSIDERATION: CUSTOMER ORIENTATION				
Nonprofit	US	Andreasen, 1982 Moyer, 1994 Hatten, 1982	Conceptual Conceptual Empirical	Survey
Nonprofit	UK	Blois, 1987	Conceptual	
Not-for-profit	UK	Bruce, 1990	Conceptual	
Public Sector	Netherlands UK Australia	Van der Hart, 1990 Butler and Collins, 1995 Graham, 1994	Conceptual Conceptual Conceptual	
Social Marketing	US	Rangan et al., 1996	Empirical	Case Study

AREA OF CONSIDERATION: MULTIPLE PUBLICS				
Sector	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
Nonprofit (public and voluntary)	US	Shapiro, 1973 Moyer, 1994	Conceptual Conceptual	
Nonprofit and Public Institutions	US	Smith and Friedman, 1994	Empirical	Survey
Not-for-profit	US	Lovelock and Weinberg, 1975 Rothschild, 1979 Mason, 1979	Conceptual Conceptual Empirical	 Survey
Public Sector	UK	Octon, 1983	Conceptual	
Public and Third Sector	US	Nutt and Backoff, 1987 Mason and Mitroff, 1981	Empirical Conceptual	Case Study
Non-Business	US	Lovelock and Weinberg, 1990	Conceptual	
Charities	UK	Birks and Southan, 1991	Empirical	Survey
Social Marketing	US	Sirgy and Lee, 1996	Conceptual	
AREA OF CONSIDERATION: SEGMENTATION				
Nonprofit (public and voluntary)	US	Shapiro, 1973 Moyer, 1994	Conceptual Conceptual	
Not-for-profit	US	Rothschild, 1979 Lovelock and Weinberg, 1975	Conceptual Conceptual	
Public Sector	US	Lamb, 1987	Conceptual	
Social Marketing	US	Bloom and Novelli, 1981 Rangan et al, 1996	Conceptual Empirical	Case Study

AREA OF CONSIDERATION: RESEARCH				
Sector	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
Not-for-profit	US	Rothschild, 1979	Conceptual	
Nonprofit	UK US	Blois, 1987 Wood and Bhuian, 1993 Moyer, 1994 Unterman and Davis, 1984	Conceptual Conceptual Conceptual Empirical	Survey
Public Sector	US	Mokwa, 1990	Conceptual	
Social Marketing	US	Bloom and Novelli, 1981	Conceptual	
Social Sector	US	Fine, 1990	Conceptual	
AREA OF CONSIDERATION: PLANNING				
Nonprofit	UK US	Blois, 1987 Cousin, 1990 Herbig et al, 1995	Conceptual Conceptual Empirical	Survey
Not-for-profit	US	Newman and Wallender, 1976	Empirical	Survey
Social Marketing	US	Bloom and Novelli, 1981	Conceptual	
Social Sector	US	Fine, 1981	Conceptual	

AREA OF CONSIDERATION: MARKETING MIX: PRODUCT				
Sector	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
Not-for-profit	US	Newman and Wallender, 1976	Empirical	Survey
		Lovelock and Weinberg, 1975	Conceptual	
Nonprofit (public and voluntary)	US	Shapiro, 1973	Conceptual	
Nonprofit	US	Garland and Westbrook, 1989	Empirical	Survey
Non-business	US	Rothschild, 1979	Conceptual	
Public Sector	US	Mokwa, 1990	Conceptual	
		Enis, 1981	Conceptual	
		Spratlen, 1981	Conceptual	
	UK	Butler and Collins, 1995	Conceptual	
		Octon, 1983	Conceptual	
US	Bloom and Novelli, 1981	Conceptual		
Social Marketing	US	Bloom and Novelli, 1981	Conceptual	
Social Sector	US	Fine, 1990	Conceptual	

AREA OF CONSIDERATION: MARKETING MIX: PRICE				
Sector	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
Not-for-profit	US	Newman and Wallender, 1976	Empirical	Survey
Nonprofit (public and voluntary)	US	Shapiro, 1973	Conceptual	
Nonprofit	US	Garland and Westbrook, 1989	Empirical	Survey
		Blois, 1987	Conceptual	
Public Sector	US	Lovelock and Weinberg, 1975	Conceptual	
		Lamb, 1987	Conceptual	
	UK	Octon, 1983	Conceptual	
Social Sector	US	Fine, 1981, 1990	Conceptual	
Non-business	US	Rothschild, 1979	Conceptual	
Social Marketing	US	Bloom and Novelli, 1981	Conceptual	
		Rangan et al, 1996	Empirical	Case Study

AREA OF CONSIDERATION: MARKETING MIX: DISTRIBUTION				
Nonprofit (public and voluntary)	US	Shapiro, 1973	Conceptual	
Social Marketing	US	Bloom and Novelli, 1981	Conceptual	
Social Sector	US	Fine, 1981	Conceptual	

AREA OF CONSIDERATION: MARKETING MIX: COMMUNICATION				
Sector	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
Nonprofit	US UK	Dabbs, 1991 Harrigan, 1992 Blois, 1987	Conceptual Conceptual Conceptual	
Nonprofit (public and voluntary)	US	Shapiro, 1973 Moyer, 1994 Larson and Potter, 1995	Conceptual Conceptual Empirical	Survey
Non-business	US	Rothschild, 1979	Conceptual	
Public Sector	US	Mokwa, 1981	Conceptual	
Social Sector	US	Fine, 1990	Conceptual	
Social Marketing	US	Rangan et al, 1996 Bloom and Novelli, 1981	Empirical Conceptual	Case Study
Charities	UK	Birks and Southan, 1991	Empirical	Survey

AREA OF CONSIDERATION: EVALUATION				
Sector	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
Nonprofit (public and voluntary)	US	Shapiro, 1973	Conceptual	
Nonprofit	UK	Harrigan, 1992	Conceptual	
	US	Hatten, 1982	Empirical	Survey
Not-for-profit	US	Newman and Wallender, 1976	Empirical	Survey
		Lovelock and Weinberg, 1975	Conceptual	
Nonprofit and Public Institutions	US	Smith and Friedman, 1994	Empirical	Survey
Public Sector	US	Mokwa, 1981	Conceptual	
	Netherlands	Van der Hart, 1990	Conceptual	
Social Marketing	US	Rangan et al, 1996	Empirical	Case Study
		Bloom and Novelli, 1981	Conceptual	
		Lazer and Kelley, 1973	Conceptual	
		Rossi and Williams, 1972	Conceptual	
		Abt, 1976	Conceptual	
		Mushkin, 1973	Empirical	Case Study
		Lynn, 1976'	Empirical	Case Study
		Fairweather and Tornotzky, 1977	Conceptual	
Hensel and Dubinsky, 1985	Empirical	Case Study		

AREA OF CONSIDERATION: OBJECTIVES				
Sector	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
Nonprofit	US	Dabbs, 1991 Hatten, 1982	Conceptual Empirical	Survey
Not-for-profit	US	Newman and Wallender, 1976 Lovelock and Weinberg, 1975 Mason, 1979	Empirical Conceptual Empirical	Survey Survey Survey
Service Institutions	US	Drucker, 1973	Conceptual	
Public Sector	US UK	Rainey et al, 1976 Mokwa, 1990 Lamb, 1987 Butler and Collins, 1995	Conceptual Conceptual Conceptual Conceptual	
Public and Third Sector	US	Nutt and Backoff, 1987	Empirical	Case Study
Public and Nonprofit	US	McGill and Wooten, 1975 Hofstede, 1981	Empirical Conceptual	Surveys
Social Sector	US	Fine, 1990	Conceptual	
Social Marketing	US	Lazer and Kelley, 1973	Conceptual	
Non-Market	UK	Hepworth, 1988	Conceptual	
AREA OF CONSIDERATION: MANAGEMENT				
Nonprofit	US	Dabbs, 1991 Hatten, 1982	Conceptual Empirical	Survey
Not-for-profit	US	Newman and Wallender, 1976 Mason, 1979 Unterman and Davis, 1982	Empirical Empirical Empirical	Survey Survey Survey
Public Sector	US	Mokwa, 1990 Rainey et al, 1976	Conceptual Conceptual	
Public and Nonprofit	US	McGill and Wooten, 1975 Hofstede, 1981	Empirical Conceptual	Surveys
Service Institutions	US	Drucker, 1973	Conceptual	
Non-Market	UK	Hepworth, 1988	Conceptual	
Social Marketing	US	Bloom and Novelli, 1981	Conceptual	

AREA OF CONSIDERATION: EMPLOYEES				
Sector	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
Not-for-profit	US	Lovelock and Weinberg, 1975	Conceptual	Survey
		Newman and Wallender, 1976	Empirical	
Public Sector	US	Rainey et al, 1976	Conceptual	
Public and Nonprofit	US	McGill and Wooten, 1975	Empirical	Surveys
AREA OF CONSIDERATION: FINANCIAL RESOURCES				
Not-for-profit	US	Newman and Wallender, 1976	Empirical	Survey
Service Institutions	US	Drucker, 1973	Conceptual	
Public Sector	US	Lamb, 1987	Conceptual	
Public and Nonprofit	US	Hofstede, 1981	Conceptual	
AREA OF CONSIDERATION: ORGANISATIONAL PERFORMANCE				
Not-for-profit	US	Newman and Wallender, 1976	Empirical	Survey
		Mason, 1979	Empirical	Survey
Public Sector	US	Lamb, 1987 Rainey et al, 1976	Conceptual Conceptual	
	UK	Butler and Collins, 1995	Conceptual	
Public and Nonprofit	US	Herman, 1990	Conceptual	Surveys Case Study
		McGill and Wooten, 1975	Empirical	
		Herman and Rentz, 1999	Empirical	
Service Institutions	US	Drucker, 1973	Conceptual	
Non-Market	UK	Hepworth, 1988	Conceptual	

TABLE A.1. 2: ANALYSIS OF LITERATURE BY THE THREE SECTORS

NFP SECTOR: STRATEGIC MARKETING: EMPIRICAL								
Author	Country	Method	Customer Focus	Multiple Publics	Segmentation	Research	Planning	Evaluation
Rangan et al, 1996		Case Study	*		*			*
Smith and Friedman 1994		Survey		*				*
Mason, 1979		Survey		*				
Nutt and Backoff, 1987		Case Study		*				
Newman and Wallender 1976		Survey					*	*
Mushkin, 1976		Case Study						*
Lynn, 1976		Case Study						*
Hensel and Dubinsky, 1985		Case Study						*

NFP SECTOR: STRATEGIC MARKETING: CONCEPTUAL							
Author	Country	Customer Focus	Multiple Publics	Segmentation	Research	Planning	Evaluation
Blois, 1987		*					
Bruce, 1990		*			*	*	
Cousin, 1990						*	
Harrigan, 1992							*
Shapiro, 1973	US		*	*			*
Lovelock and Weinberg, 1975			*	*			*
Lovelock and Weinberg, 1990			*	*			*
Fine, 1981						*	
Fine, 1990					*		
Rothschild 1979			*	*	*		
Mason and Mitroff, 1981			*				
Sirgy and Lee, 1996			*				
Lazer and Kelley, 1973							*
Rossi and Williams, 1972							*
Abt, 1976							*
Fair-weather and Tornotzky, 1977							*
Bloom and Novelli, 1981				*	*	*	*
Moyer, 1994		*		*	*		

NFP SECTOR: MARKETING MIX: EMPIRICAL						
Author	Country	Method	Product	Price	Distribution	Communication
Newman and Wallender	US	Survey	*	*		
Rungan et al, 1996		Cases		*		*
Larson and Potter, 1995		Survey				*

NFP SECTOR: MARKETING MIX: CONCEPTUAL						
Author	Country	Product	Price	Distribution	Communication	
Blois, 1987	UK		*			*
Harrigan, 1992						*
Lovelock and Weinberg, 1975	US	*				
Fine, 1981			*	*		
Fine, 1990		*	*			*
Shapiro, 1973		*	*	*		*
Rothschild, 1979		*				*
Bloom and Novelli		*	*	*		*
Moyer, 1994						*

NFP SECTOR: INTERNAL ORGANISATION: EMPIRICAL							
Author	Country	Method	Objectives	Management	Employees	Financial Resources	Organisation performance
Newman and Wallender 1976	US	Survey	*	*	*	*	*
Mason, 1979		Survey	*	*			*
Nutt and Backoff, 1987		Case Study	*				
McGill and Wooten, 1975		Survey	*	*	*	*	*
Unterman and Davis, 1982		Survey		*			
Herman and Rentz, 1999		Case Study					*

NFP SECTOR: INTERNAL ORGANISATION: CONCEPTUAL						
Author	Country	Objectives	Management	Employees	Financial Resources	Organisation Performance
Lovelock and Weinberg, 1975	US	*		*		
Lazer and Kelley, 1973		*				
Fine, 1990		*				
Hofstede, 1981		*	*		*	
Bloom and Novelli, 1981			*			
Herman, 1990						*

PUBLIC SECTOR: STRATEGIC MARKETING: CONCEPTUAL							
Author	Country	Customer Focus	Multiple Publics	Segmentation	Research	Planning	Evaluation
Butler and Collins, 1995	UK	*					
Octon, 1983			*				
Van Der Hart, 1990	Netherlands	*					
Graham, 1994	Australia	*					
Lamb, 1987	US			*			
Mokwa, 1981							*
Mokwa, 1990					*		
Moyer, 1994		*		*	*		

PUBLIC SECTOR: MARKETING MIX: CONCEPTUAL						
Author	Country	Product	Price	Distribution	Communication	
Butler and Collins, 1995	UK	*				
Octon, 1983		*	*			
Mokwa, 1990	US	*				
Enis, 1981		*				
Spratlen, 1981		*				
Lovelock and Weinberg, 1975			*			
Lamb, 1987			*			
Mokwa, 1981					*	

PUBLIC SECTOR: INTERNAL ORGANISATION: EMPIRICAL							
Author	Country	Method	Objectives	Management	Employees	Financial Resources	Organisation Performance
Herman and Rentz, 1999	US	Case Study					*

PUBLIC SECTOR: INTERNAL ORGANISATION: CONCEPTUAL							
Author	Country	Objectives	Management	Employees	Financial Resources	Organisation Performance	
Butler and Collins, 1995	UK	*					*
Hepworth, 1988		*	*				*
Drucker, 1973	US	*	*		*		*
Rainey et al, 1976		*	*	*			*
Mokwa, 1990		*	*				
Lamb, 1987		*			*		*

VOLUNTARY SECTOR: STRATEGIC MARKETING: EMPIRICAL								
Author	Country	Method	Customer Focus	Multiple Publics	Segmentation	Research	Planning	Evaluation
Hatten, 1982	US	Survey	*					*
Unterman and Davis, 1984		Survey				*		
Herbig et al, 1995		Survey					*	
Birks and Southan, 1991	UK	Survey		*				

VOLUNTARY SECTOR: STRATEGIC MARKETING: CONCEPTUAL								
Author	Country	Customer Focus	Multiple Publics	Segmentation	Research	Planning	Evaluation	
Andreasen 1982	US	*						
Wood and Bhuian, 1993					*			

VOLUNTARY SECTOR: MARKETING MIX: EMPIRICAL						
Author	Country	Method	Product	Price	Distribution	Communication
Garland and Westbrook, 1989	US	Survey	*	*		
Birks and Southan, 1991	UK	Survey				*

VOLUNTARY SECTOR: MARKETING MIX: CONCEPTUAL					
Author	Country	Product	Price	Place	Promotion
Dabbs, 1991					*

VOLUNTARY SECTOR: INTERNAL ORGANISATION: EMPIRICAL							
Author	Country	Method	Objectives	Management	Employees	Financial Resources	Organisation Performance
Hatten, 1982	US	Survey	*	*			

VOLUNTARY SECTOR: INTERNAL ORGANISATION: CONCEPTUAL						
Author	Country	Objectives	Management	Employees	Financial Resources	Organisation Performance
Dabbs, 1991	US	*	*			

APPENDIX 2

TABLE A.2.1: CLASSIFICATION OF ARTS MARKETING LITERATURE

AREA OF CONSIDERATION: NATURE OF MARKET				
Art Form	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	UK	AMA, 1990	Empirical	Survey
	UK	Hill et al, 1997	Conceptual	
	US	Lovelock and Weinberg, 1988	Conceptual	
	US	Kotler, 1980	Conceptual	
	US	Kotler and Andreasen, 1996	Conceptual	
AREA OF CONSIDERATION: MARKETING ARTS GENERAL				
All	UK	Jones, 2000	Empirical	Survey
	US	Enis and Mokwa, 1979	Conceptual	
	US	Kotler, 1980	Conceptual	
	US	Mokwa, Nakomoto and Enis, 1980	Conceptual	
	US	Kotler and Andreasen, 1996	Conceptual	
	Australia	Rentschler et al, 1999	Empirical	Case Study
	Canada	Gainer and Padanyi, 2002	Empirical	Survey

AREA OF CONSIDERATION: CUSTOMERS				
Art Form	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	US	Levy and Czepiel, 1974	Empirical	Survey
	US	Kotler, 1980	Conceptual	
	US	Hyde and Lovelock, 1980	Empirical	Survey
	US	Lovelock and Weinberg, 1988	Conceptual	
	UK	Adizes, 1975	Conceptual	
	UK	Diggle, 1994	Conceptual	
	UK	Hill et al, 1997	Conceptual	
Performing	US	DiMaggio, Useem and Brown, 1978	Empirical	Survey
	US	Belk and Andreasen, 1979	Empirical	Survey
	US	Permut, 1980	Empirical	Survey
	US	Scheff, 1998	Empirical	Case Study
	US	Scheff, 1999	Empirical	Survey
	US	Lamos and Stewart, 1983	Conceptual	
	UK	McCart, 1987	Empirical	Case Study
	UK	Currie and Hobart, 1994	Empirical	Case Study
	UK	Jones, 2000	Empirical	Case Study
	UK	Fraser, 1997	Empirical	Case Study
Visual	UK	Lewis, 1991	Conceptual	
	UK	Bennet and Frow, 1992	Empirical	Survey
	UK	Davies, 1994	Conceptual	
	UK	McLean, 1994	Empirical	Survey
	UK	Lewis, 1995	Conceptual	
	UK	Goulding, 1997	Empirical	Survey

AREA OF CONSIDERATION: CUSTOMER BEHAVIOUR				
All	US	Levy and Czepiel, 1974	Empirical	Survey
	US	Levy, 1980	Empirical	Survey
	US	Hyde and Lovelock, 1980	Empirical	Survey
	US	Searles, 1980	Conceptual	
	US	Lovelock and Weinberg, 1988	Conceptual	
	UK	Adizes, 1975	Conceptual	
	UK	Verwey, 1991	Conceptual	
	UK	Diggle, 1994	Conceptual	
	UK	Hill et al, 1997	Conceptual	
Performing	US	DiMaggio, Useem and Brown, 1978	Empirical	Survey
	US	Rust and Williams, 1994	Empirical	Survey
	US	Scheff and Kotler, 1996	Conceptual	
	US	Scheff, 1998	Empirical	Case Study
	US	Scheff, 1999	Empirical	Survey
	UK	McCart, 1987	Empirical	Case Study
	UK	Currie and Hobart, 1994	Empirical	Case Study
Visual	UK	Flipo, 1988	Empirical	Survey
	UK	Wilson, 1988	Conceptual	
	UK	Lewis, 1991	Conceptual	
	UK	Bennet and Frow, 1992	Empirical	Survey
	UK	McLean, 1994	Empirical	Survey
	UK	McLean, 1997	Conceptual	
	UK	Goulding, 1997	Empirical	Survey

AREA OF CONSIDERATION: SEGMENTATION				
All	UK	Adizes , 1975	Conceptual	
	UK	Diggle, 1994	Conceptual	
	UK	Hill et al, 1997	Conceptual	
	US	Levy and Czepiel, 1974	Empirical	Survey
	US	Enis and Mokwa , 1979	Conceptual	
	US	Mokwa, Nakomoto and Enis, 1980	Conceptual	
	US	Hyde and Lovelock, 1980	Empirical	Survey
	US	Lovelock and Weinberg, 1988	Conceptual	
	US	Reiss (1997)	Conceptual	
Performing	US	DiMaggio, Useem and Brown, 1978	Empirical	Survey
	US	Belk and Andreasen, 1979	Empirical	Survey
	US	Lamos and Stewart, 1983	Conceptual	
	US	Feinberg, 1989	Empirical	Case Study
	US	Scheff, 1998	Empirical	Case Study
	UK	McCart, 1987	Empirical	Case Study
	UK	Currie and Hobart, 1994	Empirical	Case Study
	UK	Fraser, 1997	Empirical	Case Study
Visual	UK	Lewis, 1991	Conceptual	
	UK	Bennet and Frow, 1992	Empirical	Survey
	UK	Davies, 1994	Conceptual	
	UK	McLean, 1994	Empirical	Survey
	UK	Lewis, 1995	Conceptual	
	UK	McLean, 1997	Conceptual	
	UK	Goulding, 1997	Empirical	Survey

AREA OF CONSIDERATION: RESEARCH				
Art Form	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	US	Greyser, 1980	Conceptual	
	US	Lovelock and Weinberg, 1988	Conceptual	
	US	Kotler and Andreasen, 1996	Conceptual	
	UK	Yorke and Jones, 1984	Empirical	Survey
	UK	Hill et al, 1997	Conceptual	
Performing	US	Permut, 1980	Empirical	Survey
Visual	UK	Adams, 1992	Empirical	Survey
	UK	Davies, 1994	Conceptual	
	UK	Lewis, 1995	Conceptual	
	UK	McLean, 1997	Conceptual	
	Canada	Cameron and Abbey, 1961	Conceptual	

AREA OF CONSIDERATION: PLANNING				
All	US	Weinberg and Shachmut, 1978	Conceptual	
	US	Enis and Mokwa, 1979	Conceptual	
	US	Dawson, 1980	Conceptual	
	US	Mokwa, Nakomoto and Enis, 1980	Conceptual	
	US	Hyde and Lovelock, 1980	Empirical	Survey
	US	Weinberg, 1980	Conceptual	
	US	Kotler and Andreasen, 1996	Conceptual	
	UK	Diggle, 1994	Conceptual	
Performing	UK	Fraser, 1997	Empirical	Case Study
	US	Belk and Andreasen, 1979	Empirical	Survey
	US	Feinberg, 1989	Empirical	Case Study
	US	Scheff, 1998	Empirical	Case Study
Visual	UK	Lewis, 1991	Conceptual	
	UK	Jenkinson, 1993	Conceptual	
	UK	McLean, 1994	Empirical	Survey
	UK	Lewis, 1995	Conceptual	
	UK	McLean, 1997	Conceptual	

AREA OF CONSIDERATION: MARKETING MIX: PRODUCT				
Art Form	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	US	Searles, 1980	Conceptual	
	US	Hyde and Lovelock, 1980	Empirical	Survey
	UK	Diggle, 1994	Conceptual	
	UK	Hill et al, 1997	Conceptual	
Performing	US	Belk and Andreasen, 1979	Empirical	Survey
	US	Laczniak, 1980	Conceptual	
	US	Permut, 1980	Empirical	Survey
	US	Feinberg, 1989	Empirical	Case Study
	US	Scheff, 1998	Empirical	Case Study
	UK	Currie and Hobart, 1994	Empirical	Case Study
Visual	UK	Flipo, 1988	Empirical	Survey
	UK	Morris, 1990	Empirical	Survey
	UK	Falk and Dierking, 1992	Empirical	Survey
	UK	Davies, 1994	Conceptual	
	UK	McLean, 1994	Empirical	Survey
	UK	Lewis, 1995	Conceptual	
	Canada	Cameron, 1971	Conceptual	

AREA OF CONSIDERATION: MARKETING MIX: PRICE				
Art Form	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	US	Kotler, 1980	Conceptual	
	US	Hyde and Lovelock, 1980	Empirical	Survey
	UK	Shaw, 1987	Conceptual	
	UK	Pick, 1988	Empirical	Survey
	UK	AMA, 1990	Empirical	Survey
	UK	Diggle, 1994	Conceptual	
Performing	UK	Boardman, 1978	Conceptual	
	UK	Currie and Hobart, 1994	Empirical	Case Study
	UK	Stockil, 1998	Empirical	Case Study
	US	Scheff and Kotler, 1996	Conceptual	
	US	Scheff, 1999	Empirical	Survey
Visual	UK	Rodger, 1987	Conceptual	
	UK	Wilson, 1988	Conceptual	
	UK	Bryant, 1988	Conceptual	
	UK	Roper, 1990	Conceptual	
	UK	Spalding, 1990	Empirical	Case Study
	UK	Jenkinson, 1993	Conceptual	
	UK	McLean, 1994	Empirical	Survey
	UK	Lewis, 1995	Conceptual	
	Canada	Cameron and Abbey, 1962	Empirical	Survey

AREA OF CONSIDERATION: MARKETING MIX: DISTRIBUTION				
All	UK	Hill et al, 1997	Conceptual	
	US	Nevin, 1980	Empirical	Survey
	US	Hyde and Lovelock, 1980	Empirical	Survey
Performing	US	Laczniak, 1980	Conceptual	
	UK	Currie and Hobart, 1994	Empirical	Case Study
Visual	UK	McLean, 1994	Empirical	Survey
	UK	McLean, 1995	Empirical	Survey

AREA OF CONSIDERATION: MARKETING MIX: COMMUNICATION				
Art Form	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	US	Hyde and Lovelock, 1980	Empirical	Survey
	US	Kotler and Andreasen, 1996	Conceptual	
	UK	Diggle, 1994	Conceptual	
	UK	Kolb, 2000	Conceptual	
Performing	UK	Fraser, 1997	Empirical	Case Study
	US	Strang and Gutman, 1980	Conceptual	
	US	Feinberg, 1989	Empirical	Case Study
	US	Scheff and Kotler, 1996	Conceptual	
	US	Scheff, 1998	Empirical	Case Study
	Australia	McDonald and Harrison, 2002	Empirical	Survey
Visual	US	DiMaggio, 1985	Empirical	Survey
	UK	Runyard, 1984	Empirical	Survey
	UK	Wilson, 1988	Conceptual	
	UK	McLean (Nee Matheson), 1992	Empirical	Survey
	UK	Jenkinson, 1993	Conceptual	
	UK	McLean, 1994	Empirical	Survey
	UK	Lewis, 1995	Conceptual	

AREA OF CONSIDERATION: RELATIONSHIP MARKETING				
Art Form	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	UK	Hill et al, 1997	Conceptual	
	UK	Christopher, 1998	Conceptual	
	US	Kotler, 1980	Conceptual	
	US	Searles (1980)	Conceptual	
	Europe	Langeard and Eiglier, 1980	Conceptual	
	Australia	Rentschler, 1999	Empirical	Case Study
Performing	US	Feinberg, 1989	Empirical	Case Study
	US	Rust and Williams, 1994	Empirical	Survey
	US	Voss and Voss, 1997	Empirical	Case Study
	US	Johnson and Gabarino, 2001	Empirical	Survey
	UK	Fraser, 1997	Empirical	Case Study
	Australia	Rentschler et al, 2002	Conceptual	
Visual	UK	Bradford, 1991	Empirical	Case Study
	UK	McLean, 1993	Conceptual	
	UK	McLean, 1994	Empirical	Survey
	UK	Lewis, 1995	Conceptual	

AREA OF CONSIDERATION: STRATEGY V TACTICS				
Art Form	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	UK	AMA, 1990	Empirical	Survey
	UK	Hill et al, 1997	Conceptual	
	US	Hirsch and Davis, 1980	Conceptual	
	US	Lovelock and Weinberg, 1988	Conceptual	
	US	Bell, 1981	Conceptual	
Performing	US	Permut, 1980	Empirical	Survey
Visual	UK	Bradford, 1991	Empirical	Case Study
	UK	McLean, 1993	Conceptual	
	UK	McLean, 1994	Empirical	Survey
	UK	McLean, 1995	Empirical	Survey
	UK	Lewis, 1995	Conceptual	
	UK	McLean, 1997	Conceptual	
Leisure	UK	Dibb and Simkin, 1993	Empirical	Survey
	UK	Saker and Smith (1992)	Empirical	Survey

AREA OF CONSIDERATION: OBJECTIVES				
All	US	Lovelock and Weinberg, 1988	Conceptual	
	UK	Hill et al, 1997	Conceptual	

AREA OF CONSIDERATION: MANAGEMENT				
Art Form	Country	Author/s	Approach (Conceptual/ Empirical)	Methodology
All	UK	AMA, 1990	Empirical	Survey
	UK	Diggle, 1994	Conceptual	
	US	Lovelock and Weinberg, 1988	Conceptual	
Performing	US	Belk and Andreasen, 1979	Empirical	Survey
	US	Scheff and Kotler, 1996	Conceptual	
Visual	UK	Bradford, 1991	Empirical	Case Study
	UK	Lewis, 1991	Conceptual	
	UK	Falk and Dierking, 1992	Empirical	Survey

AREA OF CONSIDERATION: EMPLOYEES				
All	UK	Diggle 1994	Conceptual	
	UK	Hill et al, 1997	Conceptual	
Performing	US	Cox, 1983	Empirical	Case Study
Visual	UK	Bradford, 1991	Empirical	Survey
	UK	McLean, 1994	Empirical	Survey
	UK	McLean, 1995	Empirical	Survey
	UK	McLean, 1997	Conceptual	

**TABLE A.2.2: ANALYSIS OF ARTS MARKETING LITERATURE:
EMPIRICAL/CONCEPTUAL BY COUNTRY OF ORIGIN, ART FORM AND TOPIC AREA**

ALL ART FORMS: STRATEGIC MARKETING: EMPIRICAL								
Author	Country	Method	Nature of Market	Customers	Segmentation	Research	Planning	RM
AMA, 1990	UK	Survey	*					
Levy and Czepiel, 1974	US	Survey		*	*			
Hyde and Lovelock, 1980	US	Survey		*	*		*	
Levy, 1980	US	Survey		*				
Yorke and Jones, 1984	UK	Survey				*		
Rentschler, 1999	Australia	Case Study	*					*

ALL ART FORMS: STRATEGIC MARKETING: CONCEPTUAL							
Author	Country	Nature of Market	Customers	Segmentation	Research	Planning	RM
Adizes, 1975	UK		*	*			
Verwey, 1991	UK		*				
Diggle, 1994	UK		*	*		*	
Hill et al, 1997	UK	*	*	*	*		*
Christopher 1998	UK						*
Weinberg and Shachmut, 1978	US					*	
Enis and Mokwa, 1979	US	*		*		*	
Dawson, 1980	US					*	
Mokwa, Nakomoto and Enis, 1980	US	*		*		*	
Greyser, 1980	US				*		
Weinberg, 1980	US					*	
Searles, 1980	US		*				*
Lovelock and Weinberg, 1988	US	*	*	*	*		
Kotler, 1980	US	*	*				*
Kotler and Andreasen 1996	US	*			*	*	
Reiss, 1997	US			*			
Langeard and Eiglier, 1980	Europe						*

ALL ART FORMS: MARKETING MIX: EMPIRICAL						
Author	Country	Method	Product	Price	Distribution	Communication
Hyde and Lovelock, 1980	US	Survey	*	*	*	*
Nevin, 1980	US	Survey			*	
Pick, 1988	UK	Survey		*		
AMA, 1990	UK	Survey		*		

ALL ART FORMS: MARKETING MIX: CONCEPTUAL					
Author	Country	Product	Price	Distribution	Communication
Kotler, 1980	US		*		
Scarles, 1980	US	*			
Kotler and Andreasen, 1996	US				*
Shaw, 1987	UK		*		
Diggle, 1994	UK	*	*		*
Hill et al, 1997	UK	*		*	
Kolb, 2000	UK				*

ALL ART FORMS: INTERNAL ORGANISATION: EMPIRICAL						
Author	Country	Method	Strategy v Tactics	Objectives	Management	Employees
AMA, 1990	UK	Survey	*		*	

ALL ART FORMS: INTERNAL ORGANISATION: CONCEPTUAL					
Author	Country	Strategy v Tactics	Objectives	Management	Employees
Hirsch and Davis, 1980	US	*			
Bell, 1981	US	*			
Lovelock and Weinberg, 1988	US	*	*	*	
Diggle, 1994	UK			*	*
Hill et al, 1997	UK	*	*		*

PERFORMING ARTS: STRATEGIC MARKETING: EMPIRICAL								
Author	Country	Method	Nature of Market	Customers	Segmentation	Research	Planning	RM
DiMaggio Useem and Brown, 1978	US	Survey		*	*			
Belk and Andreasen, 1979	US	Survey		*	*		*	
Permut, 1980	US	Survey		*		*		
Feinberg, 1989	US	Case Study			*		*	*
Rust and Williams, 1994	US	Survey		*				*
Voss and Voss, 1997	US	Cas Study						*
Scheff, 1998	US	Case Study		*	*		*	
Scheff, 1999	US	Survey		*				
Johnson and Gabarino, 2001	US	Survey						*
McCart, 1987	UK	Case Study		*	*			
Currie and Hobart, 1994	UK	Case Study		*	*			
Fraser, 1997	UK	Case Study		*	*		*	*
Jones, 2000	UK	Case Study		*				
Gainer and Padanyi, 2002	Australia	Survey	*					

PERFORMING ARTS: STRATEGIC MARKETING: CONCEPTUAL							
Author	Country	Nature of Market	Customers	Segmentation	Research	Planning	RM
Lamos and Stewart, 1983	US		*				
Scheff and Kotler, 1996	US		*				
Rentschler et al, 2002	Australia						*

PERFORMING ARTS: MARKETING MIX: EMPIRICAL						
Author	Country	Method	Product	Price	Distribution	Communication
Belk and Andreasen, 1979	US	Survey	*			
Permut, 1980	US	Survey	*			
Feinberg, 1989	US	Case Study	*			*
Scheff, 1998	US	Case	*			*
Scheff, 1999	US	Survey		*		
Currie and Hobart, 1994	UK	Case Study	*	*	*	
Fraser, 1997	UK	Case Study				*
Stockil, 1998	UK	Case Study		*		
McDonald and Harrison, 2002	Australia	Survey				*

PERFORMING ARTS: MARKETING MIX: CONCEPTUAL					
Author	Country	Product	Price	Distribution	Communication
Laczniak, 1980	US	*		*	
Strang and Gutman, 1980	US				*
Scheff and Kotler, 1996	US		*		*
Boardman, 1978	UK		*		

PERFORMING ARTS: INTERNAL ORGANISATION: EMPIRICAL						
Author	Country	Method	Strategy v Tactics	Objectives	Management	Employees
Belk and Andreasen 1979	US	Survey			*	
Permut, 1980	US	Survey	*			

PERFORMING ARTS: INTERNAL ORGANISATION: CONCEPTUAL					
Author	Country	Strategy v Tactics	Objectives	Management	Employees
Cox, 1983	US				*
Scheff and Kotler, 1996	US			*	

VISUAL ARTS: STRATEGIC MARKETING: EMPIRICAL								
Author	Country	Method	Nature of Market	Customers	Segmentation	Research	Planning	RM
Flipo, 1988	UK	Survey		*				
Bennett and Frow, 1992	UK	Survey		*	*			
Bradford, 1991	UK	Survey						*
Adams, 1992	UK	Survey				*		
McLean, 1994	UK	Survey		*	*		*	*
Goulding, 1997	UK	Survey		*	*			

VISUAL ARTS: STRATEGIC MARKETING: CONCEPTUAL							
Author	Country	Nature of Market	Customers	Segmentation	Research	Planning	RM
Wilson, 1988	UK		*				
Lewis, 1991	UK		*	*		*	
Jenkinson, 1993	UK					*	
McLean, 1993	UK						*
Davies, 1994	UK		*	*	*		
Lewis, 1995	UK		*	*	*	*	*
McLean, 1997	UK		*	*	*	*	
Cameron and Abbey, 1961	Canada				*		

VISUAL ARTS: MARKETING MIX: EMPIRICAL						
Author	Country	Method	Product	Price	Distribution	Communication
Runyard, 1984	UK	Survey				*
Flipo, 1988	UK	Survey	*			
Spalding, 1990	UK			*		
Falk and Dierking, 1992	UK	Survey	*			
McLean nee Matheson, 1992	UK	Survey				*
McLean, 1994	UK	Survey	*	*	*	*
McLean, 1995	UK	Survey			*	
Cameron and Abbey, 1962	Canada	Survey		*		
DiMaggio, 1985	US	Survey				*

VISUAL ARTS: MARKETING MIX: CONCEPTUAL					
Author	Country	Product	Price	Distribution	Communication
Rodger, 1981	UK		*		
Wilson, 1988	UK		*		*
Bryant, 1988	UK		*		
Roper, 1990	UK		*		
Morris, 1990	UK	*			
Jenkinson, 1993	UK		*		*
Davies, 1994	UK	*			
Lewis, 1995	UK	*	*		*
Cameron, 1971	Canada	*			

VISUAL ARTS: INTERNAL ORGANISATION: EMPIRICAL						
Author	Country	Method	Strategy v Tactics	Objectives	Management	Employees
Bradford, 1991	UK	Case Study	*		*	*
Falk and Dierking, 1992	UK	Survey			*	
McLean, 1994	UK	Survey	*			*
McLean, 1995	UK	Survey	*			*

VISUAL ARTS: INTERNAL ORGANISATION: CONCEPTUAL					
Author	Country	Strategy v Tactics	Objectives	Management	Employees
McLean, 1993	UK	*			
Lewis, 1991	UK			*	
Lewis, 1995	UK	*			
McLean, 1997	UK	*			*

LEISURE: INTERNAL ORGANISATION: EMPIRICAL						
Author	Country	Method	Strategy v Tactics	Objectives	Management.	Employees
Dibb and Simkin, 1993	UK	Survey	*			
Smith and Şaker, 1992	UK	Survey	*			

TABLE A.2.3: ANALYSIS OF ARTS MARKETING LITERATURE: NUMBER OF REFERENCES BY COUNTRY, EMPIRICAL/CONCEPTUAL, ART FORM AND TOPIC AREA

STRATEGIC MARKETING: EMPIRICAL											
Art Form	Area of concern										
	Customers		Segmentation		Research		Planning		R.M.		Total
	UK	US	UK	US	UK	US	UK	US	UK	US	
All		3		2	1			1			7
Perf.	4	6	3	4		1	1	3	1	4	27
Vis.	4		3		1		1		2		11
Total	8	9	6	6	2	1	2	4	3	4	45

STRATEGIC MARKETING: EMPIRICAL cont.											
Art Form	Area of concern										
	Nature of the Market										Total
	Australia		Canada								
All	1										1
Perf.			1								1
Total	1		1								2

STRATEGIC MARKETING: CONCEPTUAL											
Art Form	Area of concern										
	Customers		Segmentation		Research		Planning		R.M.		Total
	UK	US	UK	US	UK	US	UK	US	UK	US	
All	4	3	3	4	1	3	1	6	2	2	29
Perf.		2									2
									Australia- 1		1
Vis.	5		4		3		4		2		18
Total	9	5	7	4	4	3	5	6	4	2	50

MARKETING MIX: EMPIRICAL											
Art Form	Area of concern										
	Product		Price		Distribution		Communication		Total		
	UK	US	UK	US	UK	US	UK	US			
All		1	2	1		2		1		7	
Perf.	1	4	2	1	1		1	2		12	
								Australia- 1		1	
Visual	3		1		2		3	1		10	
Total	4	5	5	2	3	2	4	4		30	

MARKETING MIX: CONCEPTUAL											
Art Form	Area of concern										
	Product		Price		Distribution		Communication		Total		
	UK	US	UK	US	UK	US	UK	US			
All	2	1	2	1	1		2	1		10	
Perf.		1	1	1		1		2		6	
Visual	3		6				3			12	
Total	5	2	9	2	1	1	4	3		28	

INTERNAL ORGANISATION: EMPIRICAL									
Art Form	Area of concern								
	Strategy v Tactics		Objectives		Management		Employees		Total
	UK	US	UK	US	UK	US	UK	US	
All	1				1				2
Perf.		1				1			2
Visual	3				2		3		8
Total	4	1	-	-	3	1	3	-	12

INTERNAL ORGANISATION: CONCEPTUAL									
Art Form	Area of concern								
	Strategy v Tactics		Objectives		Management		Employees		Total
	UK	US	UK	US	UK	US	UK	US	
All	3	2	1	1	1	1	2		11
Perf.						1		1	2
Visual	3				1		1		5
Total	6	2	1	1	1	2	3	1	17

TABLE A.2.4: ANALYSIS OF THE ARTS MARKETING LITERATURE: EMPIRICAL WORK BY MARKETING OR INTERNAL ORGANISATIONAL ISSUES

Art Form	Author	Country	Research Method	Area of Consideration	
				Marketing	Internal Organisation
All	Yorke and Jones, 1984	UK	Survey	*	
	Pick, 1988	UK	Survey	*	
	AMA, 1990	UK	Survey	*	*
	Jones, 2000	UK	Case Study	*	
	Levy and Czepiel, 1974	US	Survey	*	
	Hyde and Lovelock, 1980	US	Survey	*	
	Levy, 1980	US	Survey	*	
	Nevin, 1980	US	Survey	*	
	Gainer and Padanyi, 2002	Canada	Survey	*	
	Rentschler, 1999	Australia	Case Study	*	
Performing	DiMaggio, Useem and Brown, 1978	US	Survey	*	
	Belk and Andreasen, 1979	US	Survey	*	*
	Permut, 1980	US	Survey	*	*
	Feinberg, 1989	US	Case Study		
	Rust and Williams, 1994	US	Survey	*	
	Voss and Voss, 1997	US	Case Study	*	
	Scheff, 1998	US	Case Study	*	
	Scheff, 1999	US	Survey	*	
	Johnson and Gabarino, 2001	US	Survey	*	
	McDonald and Harrison, 2002	Australia	Survey	*	
	McCart, 1987	UK	Case Study	*	
	Currie and Hobart, 1994	UK	Case Study	*	
	Fraser, 1997	UK	Case	*	
Stockil, 1998	UK	Cases	*		

TABLE A.2.4: CONT.

Art Form	Author	Country	Research Method	Area of Consideration	
				Marketing	Internal Organisation
Visual	Cameron and Abbey, 1962	Canada	Survey	*	
	Runyard, 1984	UK	Survey	*	
	Flipo, 1988	UK	Survey	*	
	Spalding, 1990	UK	Case Study	*	
	Bradford, 1991	UK	Case Study	*	*
	McLean (Nee Matheson), 1992	UK	Survey	*	
	Falk and Dierking, 1992	UK	Survey	*	*
	Bennett and Frow, 1992	UK	Survey	*	
	Adams, 1992	UK	Survey	*	
	McLean, 1994	UK	Survey	*	*
	McLean, 1995	UK	Survey	*	*
	Goulding, 1997	UK	Survey	*	
	DiMaggio, 1985	US	Survey	*	
Leisure	Dibb and Simkin, 1993	UK	Survey		*
	Saker and Smith, 1992	UK	Survey		*

TABLE A.2.5: ANALYSIS OF THE ARTS MARKETING LITERATURE: CONCEPTUAL WORK BY MARKETING OR INTERNAL ORGANISATIONAL ISSUES

Art Form	Author	Country	Area of Consideration	
			Marketing	Internal Organisation
All	Weinberg and Shachmut, 1978	US	*	
	Enis and Mokwa, 1979	US	*	
	Dawson, 1980	US	*	
	Mokwa, Nakomoto and Enis, 1980	US	*	
	Kotler, 1980	US	*	
	Greyser, 1980	US	*	
	Laczniak, 1980	US	*	
	Searles, 1980	US	*	
	Bell, 1981	US		*
	Hirsch and Davis, 1980	US		*
	Lovelock and Weinberg, 1988	US	*	*
	Kotler and Andreasen, 1996	US	*	
	Reiss, 1997	US	*	
	Adizes, 1975	UK	*	
	Shaw, 1987	UK	*	
	Verwey, 1991	UK	*	
	Diggle, 1994	UK	*	*
	Hill et al, 1997	UK	*	*
	Christopher, 1998	UK	*	
	Kolb, 2000	UK	*	
Langeard and Eiglier, 1980	Europe	*		
Performing	Strang and Gutman, 1980	US	*	
	Lamos and Stewart, 1983	US	*	
	Scheff and Kotler, 1996	US	*	*
	Cox, 1983	US		*
	Boardman, 1978	UK	*	
	Rentschler, 2002	Australia	*	

TABLE A. 2.5: CONT.				
Art Form	Author	Country	Area of Consideration	
			Marketing	Internal Organisation
Visual	Rodger, 1987	UK	*	
	Wilson, 1988	UK	*	
	Bryant, 1988	UK	*	
	Roper, 1990	UK	*	
	Morris, 1990	UK	*	
	Lewis, 1991	UK	*	*
	McLean, 1993	UK	*	*
	Jenkinson, 1993	UK	*	
	Davies, 1994	UK	*	
	Lewis, 1995	UK	*	*
	McLean, 1997	UK	*	*
	Cameron and Abbey, 1961	Canada	*	
	Cameron, 1971	Canada	*	

APPENDIX 3

A.3 Findings from the Preliminary Study

The following were the findings from the preliminary study of the 6 organisations originally identified.

A.3.1. Respondents' Role

The Executive Director was interviewed at Theatre A. She had been in post for approximately one year and although she believed that a strategic role should be being performed, she had found it difficult to do so:

“ I see my new role as much more strategic than my previous job as Deputy. Unfortunately, I am still ‘bogged down’ with operational issues especially now whilst we are getting to grips with settling into our new refurbished home.”

(Executive Director, Theatre A)

At Theatre B, the Chief Executive (who was also the Artistic Director) was interviewed. He considered both roles to be strategic in nature:

“Other theatres tend to have two separate senior managers: Chief Executive and Artistic Director. I see both roles as strategic and believe that being both is an advantage.”

(Chief Executive/Artistic Director, Theatre B)

In contrast, the General Manager at Theatre C believed his role to be predominantly operational with the Artistic Director playing a more strategic role:

“It’s my job to get on with the day to day running of the place. The Artistic Director produces the strategy although I and other managers are consulted”

(General Manager, Theatre C)

There was a similar situation at Theatre D. Here, The Deputy Chief Executive was interviewed. Although in theory, both the respondent and the Artistic Director were involved with strategy, it was felt that there was a need for someone to look strategically at funding. The situation in existence at the time tended to lead to a more

tactical focus with the organisation being reactive rather than proactive. This respondent believed that strategy was very closely intertwined with funding:

“Funding is the key to our existence. This is the key focus of the Artistic Director.”

(Deputy Chief Executive, Theatre D)

At Theatre X, the Temporary Chief Executive was interviewed. He had been appointed to oversee changes in the organisation as a result of perceived failure in a number of areas. He represented the Board and his job was to streamline the organisation, developing a coherent, lean and effective organisation for the future:

“I have been brought in to review the organisation structure and propose long-term plans for its future.”

(Temporary Chief Executive, Theatre X)

At Theatre Y, the Chief Executive was interviewed. She saw her role as working with the Artistic Director in the production of the theatre's programme. She saw her role as both strategic and tactical in nature:

“We work as a team. I work with the Artistic Director on the business side of strategy and he is involved with the artistic side. I am also responsible for the day to day operations of the theatre.”

(Chief Executive, Theatre Y)

A.3.2 Organisation Structure

A's Theatre Company was governed by a Board that included Local Authority Councillors and Professionals. The Executive Director (the interviewee) along with four artistic directors reported to this Board. Reporting to this group were the General Manager who dealt with the day-to-day operations and the Financial Director. Below these in the hierarchy were the Heads of Building, Catering and Marketing Departments, the Company Manager, the IT Manager and Production Manager. The

theatre employed two hundred people permanently and two hundred part-time staff in the areas of acting, lighting, production engineering etc.

At Theatre B, the Executive Producer (the chief administrative position in the organisation) reported to the Artistic Director/Chief Executive (the interviewee). Reporting to the Executive Producer were various other departments such as the Projects Department (which ran the many youth projects and education initiatives), the Production Department, the Finance and Administration Department and the Marketing and Public Affairs Department. Departments were expected to work closely together. For example, work on audience development was seen as the remit of both Marketing and Projects Departments.

Theatre C was part of the Libraries and Theatres Department of the Local Authority. It was co-headed by the Artistic Director and the General Manager (the interviewee). There was a small Management Team that comprised Finance, Theatre Reception, Art Director and Associate Director. The Marketing Team comprised the Marketing Manager and the Co-Production Manager. A small team produced the programme and there was a general team approach.

Theatre D was headed by a Chief Executive who had overall responsibility. He was technically the Artistic Director, however, and was therefore not involved in the day-to-day operations of the Theatre. It was the Deputy Chief Executive (the interviewee) who was involved in the day-to-day operations. Reporting to these were the Marketing Director and the Technical Director and these four individuals generally ran the organisation.

The structure of Theatre X could not be described as there was still some way to go before the final structure was agreed.

Theatre Y was a charity run by a Board which consisted of representatives of the City and County Council and other professionals. In recent years, a structure had developed where the Senior Management Team comprised the Chief Executive, the Artistic Director, and the Production and Marketing Manager.

A.3.3 Organisation Vision/Mission

Five out of the six organisations visited had clear visions. It was difficult, however, to clearly identify theatre X's vision for the future as it was to cease being a producing theatre and any future success would depend on it being a venue for travelling companies.

Theatre A's mission involved innovation and new art:

“We are here to ‘push out the envelope’. I suppose our overall vision is ‘the new’.”

(Executive Director, Theatre A)

This overall focus on the ‘new’ was believed to link well with government directives.

However, the general public's image of the theatre seemed to be that of performing the ‘classics’ well:

“The problem we have is that most people see us as performing classic productions and many are afraid of trying new productions.”

(Executive Director, Theatre A)

The vision of theatre B was that of a ‘young people's theatre’. For Theatre C, access/social inclusion was seen as important:

“ We see this as a theatre where people feel they have ‘a right to be’.”

(General Manager, Theatre C)

For theatre D, the vision was seen as giving people what they wanted. The vision therefore, was to maintain core audiences (its audience had an average age of over 60):

“We have to give our audiences what they want. In the past, we have tried to perform new and innovative works and it was a disaster. Hardly anyone came.”

(Deputy Chief Executive, Theatre D)

Theatre Y saw its vision as that of the ‘flagship for the arts in the region’. There was a vibrant arts community in the region and the theatre was seen to be a vehicle for bringing these together. This vision had changed towards meeting the needs of a bigger core audience as there was a need for a bigger audience for funding purposes.

Education was also seen to have an important role:

“We have to give our audiences what they want but we simply cannot rely on our regular audiences. We need to educate the young. Through education we can make the unknown familiar.”

(Chief Executive, Theatre Y)

In terms of how successful achievement of such stated missions were measured, if at all, Theatre B used the type of audience attending as a measure:

“ We are successfully acquiring young audiences who are seeking the type of experience we are providing. This is a very different audience from that which attended previously.”

(Chief Executive/Artistic Director, Theatre B)

and D specifically used audience size as a measure:

“We must be giving people what they want as we now have full houses”

(Deputy Chief Executive, Theatre D)

Theatre A used the number of new productions as an indicator of successful achievement of its mission:

“The theatre had produced at least fifty new plays and aims to produce at least one new play per season.”

(Executive Director, Theatre A)

Respondents from Theatres C and Y were less forthcoming about measuring success of achieving their missions. This was probably due to the more philosophical nature of their respective theatre’s visions: ‘where people feel they have a right to be’ (Theatre C) and ‘flagship for the arts in the region’ (Theatre Y)

A.3.4 Funding

Nearly all the organisations within the preliminary study were funded by a combination of box office revenue, local authority monies and funding through the North West Arts Board (NWAB). Some organisations also gained funds via commercial sponsorship.

Theatre B received the largest source of its finance from the NWAB. In addition, the Association of Greater Manchester Authorities (AGMA) and Manchester City Council provided funds for specific types of work. There was also some support from a local university (cash and in kind). The priority for the funding bodies was targeting the 16-25 age group as this was considered to be ‘the lost audience for theatre’. Similarly, Theatre D was funded by the NWAB, the Local Authority and AGMA. The

revenue from the box office was considerably less than external funding as ticket prices needed to remain competitive. D was perceived by funding bodies as not meeting their targets in terms of outreach and education. As a result, it was seen as failing to increase access for other groups. However, if it did meet such targets, there was a belief by the core management that audience figures would decline:

“We have a problem. If we do what the funding bodies want us to do, we will have no audience!”

(Deputy Chief Executive, Theatre D)

Both Theatres X and Y were predominantly funded by their respective Local Authorities with some funding being received from NWAB. It was mainly due to the funding requirements of NWAB that changes to Theatre X were taking place. X had also received a good deal of commercial sponsorship particularly for educational activities.

The funding of A and C were rather different in that, for historical reasons, an agreement was made that the Arts Council would fund A and the City Council would fund C. Theatre A was, therefore, predominantly funded by the Arts Council, although other funding was received from AGMA. The rest of the money was received from box office receipts, catering and sponsorship. As a result, 60% of revenue was earned income with 40% coming from various subsidies.

Theatre A had a studio for the first time but its financing was yet to be agreed. Many of the proposals developed artistically for the forthcoming 3-5 years had been done so for funding purposes.

All staff employed by Theatre C were Local Government Officers. Funding was a problem, as the theatre did not gain income from business/catering. Indeed, the

overall environment for catering was considered poor and the theatre had no control over the pricing /organisation of this facility:

“Look at this place! Would you come and have a coffee here during the interval?”

(General Manager, Theatre C)

Another difficulty was that income was generated from the Local Authority budget and any revenues were recharged to pay for other authority services. Funding of the theatre was £800,000, plus the generation of £600,000 from the box office which was the result of an average attendance of 70%. The theatre was running with a modest deficit and therefore there was a perception of it performing well financially as it was common to have bigger deficits in some organisations. Another source of funds for the theatre during recent years had been commercial sponsorship for some events particularly those being held during the Christmas period. At the time of this study, the theatre was exploring new sources of sponsorship. However, there were no real corporate hospitality facilities.

A.3.5 Customers/Beneficiaries

A.3.5.1. The Paying Public

The most common response to the identification of the organisations' customers/beneficiaries was that of the theatre's paying audience:

“Without the audience, we would not exist”

(Deputy Chief Executive, Theatre D)

“There are lots of beneficiaries, but the audience is key”

(Chief Executive, Theatre Y)

Sometimes this was divided into specific segments. Theatre A, for example, distinguished between its 'typical' customers (who were more likely to be 40-60 year old professionals) and the younger 19-25 age group which was particularly difficult to attract. There was a perceived need to 'educate' the regular customer but this could cause conflict when trying to satisfy season ticket holders:

"We have had to offer the facility for people to 'opt out' from attending new material. There is resistance to change but we need to 'educate' and build links with schools and other educational institutions."

(Executive Director, Theatre A)

Theatre B was specifically 'young people' focussed and within this broad category, there were two customer groupings that could be identified - teenagers and young adults. Finding a balance between the two was important:

"People assume young people are the same. This is not the case. There are big differences between teenagers and young adults and we have to satisfy the needs of both groups."

(Chief Executive, Theatre B)

Theatre C was continuously researching its customers' views and although the major problems related to the poor facilities, there did seem to be general satisfaction with performances:

"Considering our poor facilities, audiences seem happy with what we produce."

(General Manager, Theatre C)

A.3.5.2. Internal Staff

Some respondents highlighted the importance of the staff to the theatre. At A, it was believed there was a need for passion and commitment on the part of the staff and therefore pay and conditions were considered vital:

“We need to ensure that staff are rewarded for all their efforts. Happy staff ensures a happy audience”.

(Executive Director, Theatre A)

Similarly, at D, staff were considered to be an important group of customers. Staff turnover was generally low and there was a good deal of high morale. Many of the ‘front of house’ staff were volunteers and were there because they loved the theatre:

“Many of our staff love it here. They have been with us for years”

(Deputy Chief Executive, Theatre D)

A.3.5.3. Other Beneficiaries

Some respondents briefly noted other beneficiaries such as the Local Authority, the North West Community (Theatres B and C) and the Tourism Community (Theatre C).

A.3.5.4. Importance of Building Relationships with Beneficiaries

Some respondents talked of ‘building relationships’ with beneficiaries. For Y, there was the importance of building relationships with its various audience types with different sectors each requiring different methods of communication:

“We need to build relationships with different audience segments. Each type needs a different method of contact.”

(Chief Executive, Theatre Y)

For C, the key relationships were with the audience and its staff. There was a belief that the theatre had a good reputation in building relationships with these groupings in that it was seen to have technical and administrative expertise:

“ We have a good reputation for looking after both our audience and staff.”

(General Manager, Theatre C)

It was Theatre B that seemed to have a broader view of ‘customers’ and the importance of building relationships with the many different types. In addition to developing relationships with audiences, B’s respondent believed that there was a

need to develop relationships with those other people who worked with young people such as teachers, youth workers etc. There was also a need to offer opportunities for new and emerging artists and companies. Due to the vast array of activities, the building of relationships and increasing collaboration were considered vital:

“We need to build relationships with a variety of customer types: audiences, artists, staff, funding bodies. It is only through collaboration with these that we can achieve what we have set out to do.”

(Chief Executive, Theatre B)

A.3.6 Success

A.3.6.1. Quality of the Work

All respondents except from D identified the quality of the work on stage as the key criterion for success. There was a belief that those in the industry all knew what success was but found it difficult to communicate to others. Although it was accepted that there was a problem in measuring the quality of work, a number of respondents believed that the high quality of work should automatically lead to a high level of audience attendance:

“A has a strong record of consistently good quality. Twenty five years after its establishment, attendance is still averaging 67%.”

(Executive Director, Theatre A)

“...if the work is good, customers will come.”

(General Manager, Theatre C)

“Quality of the work is the key. Good quality will lead to increase in audiences.”

(Chief Executive, Theatre Y)

A good standard of work was also likely to attract the best staff in the future. For example, Theatre A believed it still attracted the best that came out of London in terms of technical and permanent staff:

“Our reputation means that we can recruit quality people.”

(Executive Director, Theatre A)

A number of respondents saw the importance of maintaining a dialogue with audiences:

“Overall, to measure success there is a need to listen to the audience.”

(Executive Director, Theatre A)

“Success can also be measured by asking audiences and of course audiences vote with their feet.”

(General Manager, Theatre C)

“There are a limited number of ways of gaining feedback from the audience. Youth forums are used for feedback and planning. However, although, audience involvement is important, more needs to be done. There is also informal feedback from staff who are encouraged to chat with the audience.”

(Chief Executive, Theatre B)

A.3.6.2. Financial Measurement

For theatres A, D and X, box office revenue was an important indicator of success. For X and Y, particularly, the degree of external funding was also seen as an important criterion of success:

“Getting external funding shows how successful you are.”

(Temporary Chief Executive, Theatre X)

“The key to success is getting funding from sources other than the audience, it’s a pity but that is how things are.”

(Chief Executive, Theatre Y)

Other respondents were clear that the degree of external funding should *not* be seen as a major criterion for success:

“There is too much pressure to satisfy funders.”

(Executive Director, Theatre A)

“Seeing success as merely getting external funding is too narrow a view.”

(Chief Executive, Theatre B)

This emphasis on funding as an indicator of success by X and Y theatres was interesting in that these were the theatres that were considered to be ‘unsuccessful’ by the other respondents. Indeed, X and Y respondents also considered their own organisations to be unsuccessful:

“ I suppose at the moment, there is a good deal of room for improvement.”

(Chief Executive, Theatre Y)

Another possible measure of success noted was having no deficit:

“The theatre has been ‘careful’. It has used ‘through casting’ where the same cast is employed to perform more than one play. The theatre cannot afford to take too many risks. Finance is still an important issue.”

(Deputy Chief Executive, Theatre D),

Others disagreed:

“Survival should not be the bottom line. The work should be relevant.”

(Chief Executive, Theatre B)

A.3.6.3. Other Indicators

Having a high profile in terms of publicity was noted as a useful indicator by Theatre X. A more general approach to indicators of success was put forward by the respondent from Theatre B. Many different types of people would have contact with the organisation and therefore quality of experience was important. The theatre needed to be seen as a vibrant place with a perceived high quality of presentation.

“Producing exceptional work and ensuring a quality experience indicates success”

(Chief Executive, Theatre B)

He did accept, however, that evaluation, was difficult as there were different methods for different projects.

A.3.6.4. Examples of Successful Organisations in the Geographical Region

When asked to identify what he considered to be other successful/unsuccessful organisations, the respondent from theatre B felt it was difficult to do so as he was fairly new to the region. However, he tended to make judgements on the basis of quality of provision. He believed that there was a problem in that many organisations were becoming too worried about 'their patch'. He believed that there may have been an 'over-catering to a particular population':

"There are so many organisations that have similar missions that we have a glut in some areas."

(Chief Executive, Theatre B)

The following were considered as successful by the other respondents.

Theatre A

Theatre A was considered to be successful by respondents from C, D, X and Y. Some saw this success artistically and in terms of quality of its staff:

"Although it is being subsidised it is doing a good job with a good mixture of quality new material and classics."

(Deputy Chief Executive, Theatre D)

Others saw its acquisition of funding as part of its success:

"A is successful particularly in getting funding."

(Chief Executive, Theatre Y)

In contrast, others saw it as being over-funded:

"Theatre has it easy. How can you fail with so much money?"

(General Manager, Theatre C)

The respondent from X also identified A as successful as it had a high public profile.

Theatre B

B was considered to be successful by all other respondents particularly in reaching its target audience:

“...impressive refurbishment and it seems to be successfully hitting the target audience i.e. the younger age group.”

(Executive Director, Theatre A)

“B seems to be producing ‘a buzz’ among its target.”

(General Manager, Theatre C).

“B seems to be fulfilling its criteria.”

(Deputy Chief Executive, Theatre D)

Theatre C

C was highlighted as successful by A and D:

“ The theatre has grown in leaps and bounds particularly in the area of new plays.”

(Executive Director, Theatre A).

“C is successful in that it fills the middle ground well”.

(Deputy Chief Executive, Theatre D)

Theatre D

D was considered to be successful by respondents from Theatres A and C:

“This theatre is successfully hitting its age group. It certainly knows its audience.”

(Executive Director, Theatre A)

“D seems to be successful as it knows what its audiences want. However, its audience is ageing and the theatre needs refurbishment.”

(General Manager, Theatre C)

A.3.6.5. Examples of Unsuccessful Organisations in the Geographical Region

All respondents who were able to give examples, identified X and Y as 'unsuccessful', including the respondents of these two theatres themselves.

All but Y seemed to indicate that the lack of success was in terms of both lack of financial resource and poor quality of provision. The respondent from Y emphasised the lack of funds as the key indicator of its failure and was generally happy about the quality of the work:

“We are producing good quality work but we are constrained by lack of funds.”

(Chief Executive, Theatre Y)

The other respondents, however, saw a link between lack of funds and poor quality.

For example:

“Both theatres are struggling in terms of both quality of provision and finances. There tends to be a spiral; if revenue falls, there is a tendency to offer safer programmes but this may not necessarily lead to success.”

(Executive Director, Theatre A)

A.3.7 Additional Issues

Two additional issues arose from these preliminary interviews. All respondents discussed their portfolios of artistic products and all highlighted the importance of 'audience development' (to differing degrees). 'Audience development' seemed to be an important issue at the time of the interviews as this was a key focus for funding bodies. It was considered that both the range of offerings provided and the perceptions of what was meant by the term 'audience development' could be important factors in the degree of success or otherwise experienced by the theatres and thus findings relating to these issues were also included.

A.3.7.1 The Organisations' Product/s

For all organisations, the 'product' was the performance on stage. Theatre A presented productions for fifty weeks of the year. There were nine performances per week in the main house and the theatre aimed to produce between four and six of its own productions per year in addition to bringing in visiting companies, special events, concerts, stand up comedy etc.

Theatre C aimed to produce at least six works of its own per year in addition to touring material and education work. Most performances were full with capacity being a serious problem. Ticket prices had increased and, therefore, income had risen to a certain extent. In fact, price itself was not a barrier but the physical environment was, as it was a public building. Another important feature of C's product was its 'intimate drama space'. The theatre had received many nominations for awards with three productions having been awarded 'best production of the year'. Theatre D's product was similarly its productions. These tended to be mainstream productions for the older audience and an annual pantomime. Theatre Y presented five of its own productions in its building and one production in the local park that was site specific. This was seen as an important tourist attraction and this was being developed through specific commissioning.

Some theatres tended to have a portfolio of products. X for example, also offered pre- and post-production events that were sponsored by high profile commercial organisations. Y had a cinema that was also seen as a key element of its product portfolio. This cinema 'product' included world cinema and second screenings. There

was a view that the cinema could help develop links with educational establishments such as including cinema as part of the GCSE media course.

Theatre B had a very broad view of its product which not only included its productions within the theatre but all aspects of the potential and actual experience from which young people could gain by using the theatre's facilities:

“Everything is our product. It is the total experience.”

(Chief Executive, Theatre B)

A.3.7.2 What was Meant by Audience Development?

In most cases, audience development was seen as the acquisition of new audiences:

“ Audience development means acquiring new audiences for new productions.”

(Executive Director, Theatre A)

“Adding one or two new productions to try and bring in a younger audience as our existing audience is generally ageing.”

(Deputy Chief Executive, Theatre D)

Similarly, theatre X saw it as mainly acquiring new audiences with Y also seeing the importance of increasing audience size. There was a view that Y performed poorly in the previous season due to poor marketing (marketing perceived as publicity in this context). In the locality, there was a huge media presence that had not been used effectively. In this context, audience development was seen as a more operational rather than strategic issue. Theatre C seemed to have a different view:

“As 80% of the business tends to come from 20% of the customers, audience development is looking after this 20%.”

(General Manager, Theatre C)

Yet another perspective was that offered by Theatre B. Here, all activity was classified as audience development although this was probably due to the fact that the theatre had been closed for three years and had only recently re-opened. There was a battle to win young audiences not just from other theatres but also from other forms of recreational activity:

“Everything is audience development. Relationship development and collaboration with other organisations so that the whole community can become involved are important aspects of this”.

(Chief Executive, Theatre B)

APPENDIX 4

A4: THE THREE THEATRES

Theatre A

Theatre A was originally established in 1968 as one of three live theatres in Manchester. During the early 1970's the Theatre A Company staged numerous productions at a variety of temporary locations until 1976 when a permanent theatre was officially opened. Over the next twenty five years, Theatre A established itself as one of the most important regional theatres in the UK. It has produced over 200 productions in Manchester, with many being transferred to London. The theatre also presents touring productions throughout the UK in its mobile theatre.

The theatre has a commitment to new writing and producing world premieres. In 1998 it opened a studio as a space for experiment, training and innovation for writers, directors, actors and designers. An Education Department also co-ordinates a year-round programme of workshops, projects and learning resources for all ages.

Theatre A's mission involves innovation and new art although the general public's image of the theatre seems to be that of performing the 'classics' well.

Theatre A is predominantly funded by the Arts Council, although other funding is received from the Association of Greater Manchester Authorities (AGMA). Other revenue comes from box office receipts, catering and sponsorship. As a result, 60% of revenue is earned income with 40% coming from various subsidies.

The Theatre re-opened in 1998 after a two and a half year rebuilding project during which the theatre was housed in temporary accommodation.

Theatre B

Situated just outside Manchester City Centre, Theatre B was originally a University Theatre predominantly funded and controlled by the local university. As a result of an overall review, the theatre was totally refurbished and re-opened in 1998 with a different mission and governance structure.

The vision of the new theatre is that of a 'young people's theatre' (target ages being 13 to 30). Its programme combines a mix of productions and touring projects ranging from theatre, dance, participatory projects, education initiatives, music and clubs.

Theatre B receives the largest source of its finance from the North West Arts Board. In addition, the Association of Greater Manchester Authorities (A.G.M.A.) and Manchester City Council provide funds for specific types of work. There is still, however, some support from the local university (cash and in kind).

Theatre Y

Based in the centre of a University City in the North West of England, Theatre Y is a theatre which offers repertory and outdoor specific site work. It is also a regional film theatre.

Theatre Y was originally a University Theatre but over time, although there are still some links with the University, the theatre is now a charity run by a Board which

consists of representatives of the City and County Council and other professionals. During the last two decades, the theatre has struggled financially and has had its share of management problems with various artistic directors and senior managers leaving. Since 1998, a structure has developed where there is now a stable Senior Management Team comprising the Chief Executive, the Artistic Director, and the Production and Marketing Manager.

Theatre Y sees its vision as that of the 'flagship for the arts in the region'. There is a vibrant arts community in the region and the theatre is considered to be a vehicle for bringing these together.

Theatre Y is predominantly funded by the Local Authority with some funding being received from the NWAB.

Interview Checklist: A.4.1

Artistic Directors

Organisation Structure

Management Structure

Role of the respondent

The degree to which there is a conflict between creative and management roles?

General mission/aim of the organisation

How is successful achievement of this measured?

What criteria are used for the measurement of success of the organisation?

For each criterion, who is the beneficiary?

Who are considered to be the organisation's key stakeholders?

What do you consider the term 'audience development' to mean?

What do you consider to be the organisation's 'product'?

Relationship with Resource Generators

Who are considered as the key resource generators?

How successful are relationships with these?

How is this measured?

Duration of the relationship/s? If over 3 years, how did the theatre gain commitment to the relationship/s?

How effective is the theatre in maintaining this commitment?

Who are the beneficiaries of the relationship/s?

To what extent do you believe the relationship/s achieve the expected benefits?

Why?

To what extent do you feel that the relationship with resource generators is an important influence on the strategic direction of the theatre/s?

Reason/s for the response

Relationship with Regulators

Who are considered as the key regulators?

How successful are relationships with these?

How is this measured?

Type of regulation?- formal/informal?

What aspects of the theatre 'product' are regulated?

How is the process of regulation managed?

How effective is the regulation?

How is this measured?

Who are the beneficiaries of the relationship?

Motives for the regulation?

What is the process involved?

Duration of the relationship? If over 3 years, how did the theatre gain commitment to the relationship/s?

How effective is the theatre in maintaining this commitment?

To what extent does the relationship/s achieve the expected benefits?

Why?

To what extent do you feel that the relationship with regulators is an important influence on the strategic direction of the theatre?

Reason/s for the response

Relationship with Users

What do you consider are the key motives for attendance?

What do you consider are the major influences on attendance

How comfortable do you think users are in their dealings with your theatre ?

To what extent do you believe the theatre's communication influences attendance?

What do you consider to be the most effective type of communication? Why?

What do you consider to be the major barriers to attendance?

To what extent does the theatre attempt to overcome such barriers?

To what extent do you believe that your theatre meets expectations?

Why?

The degree of audience focus of your theatre?

What do you consider to be the key indicators of this focus?

What is the degree of satisfaction with the experience/s?

How do you know?

What are the key benefits for regular attenders?

The degree of success of the relationship the theatre has with the audience?

How is this measured?

Relationship with regular attenders

How does the theatre gain the commitment?

How effective is the theatre in maintaining commitment ?

Reason/s for the response?

Relationship with staff

To what extent do you think that the needs of staff are considered in the organisation's strategic decision making?

Reason/s for the response

Interview Checklist: A.4.2

Those involved in Resource Generation

Which of the theatres are involved?

Type of resources offered?

Quantity?

Frequency?

Motives for doing so?

What is the process involved?

Who initiated the process?- which organisation?

which individuals? why?

The degree of success of the relationship?

How is this measured?

Duration of the relationship? If over 3 years, how did the theatre/s gain your commitment to the relationship/s?

How effective is/are the theatre/s in maintaining this commitment?

Who are the beneficiaries of the relationship/s?

To what extent do you trust the relationship/s to achieve the expected benefits?

Why?

To what extent do you feel that the relationship with you/your organisation is an important influence on the strategic direction of the theatre/s?

Reason/s for the response

Interview Checklist: A.4.3

Those involved with Regulation

Which of the theatres are involved?

Type of regulation?- formal/informal?

What aspects of the theatre 'product' are regulated?

How is the process of regulation managed?

How effective is the regulation?

How is this measured?

Who are the beneficiaries of the relationship?

Motives for the regulation?

What is the process involved?

Duration of the relationship? If over 3 years, how did the theatre/s gain your commitment to the relationship/s?

How effective is/are the theatre/s in maintaining this commitment?

To what extent do you trust the relationship/s to achieve the expected benefits?

Why?

To what extent do you feel that the relationship with your organisation is an important influence on the strategic direction of the theatre/s?

Reason/s for the response

Interview Checklist: A.4.4

Those involved in Human Resource Deployment

Organisation Structure

Management Structure

Role of the respondent

The degree to which there is a synergy between being creative and satisfying audience requirements?

General mission/aim of the organisation

How is successful achievement of this measured?

What criteria are used for measurement of success?

What criteria are used to measure 'effectiveness' of the organisation?

For each criterion, who is the beneficiary?

Who are considered to be the organisation's key stakeholders?

What do you consider the term 'audience development' to mean?

What do you consider to be the organisation's 'product'?

How long have you worked in the organisation?

How successful is the relationship you have with your employers?

How have you measured this?

Does your employer meet expectations?

If employed by the theatre for longer than 3 years, how does the employer gain your commitment to the organisation?

How effective is the theatre in maintaining this commitment?

Reasons for your answer?

To what extent do you think that the needs of staff are considered in the organisation's strategic decision making?

Reason/s for the response

Checklist and Topic Guide for Secondary Analysis: A.4.5

Those involved in Usage

Details of respondent

Which of the 3 theatres attended?

Type of performance/s?

Frequency of attendance?

Motives for attendance?

Major influence on attendance?

What is the process involved?

Comfort felt in dealings with the theatre/s ?

The extent to which the theatre/s' communication influences attendance?

What are considered to be the most effective type of communication? Why?

What are considered to be the major barriers to attendance?

To what extent does/do the theatre/s attempt to overcome such barriers?

To what extent is the particular theatre/s trusted to satisfy expectations?

Why?

The degree of audience focus of the theatre/s?

The key indicators of this focus?

Degree of satisfaction with the experience/s?

Why?

Whether a regular attender?

If so? What are the key benefits?

If not a regular attender, why not?

The degree of success of the relationship had with the theatre/s?

How is this measured?

To what extent is it felt that the relationship with users is an important influence on the strategic direction of the theatre/s?

If a regular attender:

How did the theatre/s gain commitment?

How effective is/are the theatres in maintaining commitment ?

Reason/s for the response?

Duration of the relationship/s?