

# *Minding Your Marketing P's*

## This Chapter . . .

- Shows how being mindful of the marketing “P’s” (product, place, price, people and promotion) can help arts organizations attract new audiences; and
- Offers examples of arts organizations who have used product, place and price innovations to attract new audiences.

# Minding Your Marketing P's

Reaching a new audience may involve making adjustments to existing product(s), place or mode of delivery and price, or the development of new approaches to any or all of these issues.

## Part I: Marketing is More Than Promotion

Now that we've identified who we want to target, we just go ahead and start communicating with them, right? Wrong! Even experienced marketers and major corporations sometimes confuse a new marketing strategy with a new ad campaign.

A good example of this is McDonald's. For years, the fast food giant focused on price promotions as competitors moved in with better, higher quality, comparably priced food. They finally retrenched and started focusing on the food (product), customer service (place) and positioning through an equity campaign "Did Somebody say McDonald's?"

When faced with an empty house or sales shortfall, promotion is the natural place for arts organizations to turn. Under these circumstances, arts managers are faced with intense pressure to "just do something" to raise awareness or sell tickets. They may mistakenly believe that if more people just know about their offerings, they'd come. But which people? What are they looking for? What will they pay? When?

Faced with this pressure, arts groups may embark on ill-considered ad campaigns or poorly targeted mailing programs and wonder "why didn't it work?" But promotion (advertising, PR, direct mail, special events, telemarketing, community outreach) should really be the last step in a larger strategic process that begins with a thorough review of product, price, place, positioning and people. All these elements need to be in alignment for promotion to deliver its needed punch.

## How Minding Your P's Leads to Success

Some of the most exciting arts marketing success stories have been the result of strategic use of the marketing P's, springing from innovations in the product itself, the location or medium of delivery, customer service and other important aspects of the arts experience. Why do P-driven strategies work for these organizations? Because they usually represent a response to significant economic, cultural, technological and social trends; a real product differentiation spurred by competition; unique solutions to unmet marketplace needs; an understanding of a particular audience segment's needs; or tapping into a unique, meaningful and compelling position in the mind of the target segment.

## RECAP OF THE MARKETING P's

### PRODUCT

What kinds of products or activities are we offering? When and where do we offer them? Are there other products we could be offering, based on our strengths and gaps in the marketplace? Which would most improve our financial picture? Are you using consumer language, not “artsy speak,” to describe your product’s benefits.

### PLACE

Is our location attractive and comfortable for our public? Does the signage make the most of our identity? Is it easy or difficult to reach? Could we bring the product to the public in some other way?

### PRICE

How much does it cost to participate (time and money) from the time the customers leave home until they get home? How easy is parking, dining, other amenities? How is our ticketing and customer service? How does our cost compare to competing arts and non-arts options?

### PEOPLE

Who is our customer? Who could be our customer? Are we making the best use of internal publics (board members, management, staff)? Do we need more volunteers? Do frontline staff convey a hospitable, quality image?

### POSITIONING/BRANDING

How have we defined ourselves to your target customer relative to the competition? Is our position truly unique and meaningful to the public? How could we position ourselves for new customers?

### PROMOTION

What are we saying about ourselves? What communications tactics are we currently using? Which have worked best/least? What other messages and media could we be using? Are we budgeting enough for marketing to be effective? Are we capturing the data to know what’s working and what’s not?

# Minding Your Marketing P's

Until recently, the arts have been the only product that expects its customers to come to us. Most products are delivered to customers in a way that maximizes access, convenience and service.

## “PLACE” IN THE ARTS

- Convenience, mode or location of delivery
- Ease of access
- Ease of ticket purchase or exchange
- Travel time
- Customer service
- Can be used to add or subtract from perceived quality or value of an arts experience

## Part II: Place Innovations in the Arts

Social scientists work with a concept called “the third place.” Behind it is the idea that everyone needs three places to be—home, work and a third place. While that third place used to be church or civic groups, they have been losing their popularity over the past two or three decades.

Consequently, people are searching for a place to belong. For many people, that can be your arts organization. But that place has to be friendly, inviting, familial, accommodating...all customer service issues. In fact, for most arts organizations, the marketing issue of place boils down to two things: visibility and customer service. Companies such as Starbucks have done an excellent job of creating a new “third space” for consumers to gather in.

And, the arts have an added burden in that it's one of the only products where we expect the consumer to come to the source to make the purchase. For example, if you want cereal for breakfast, you don't have to drive to Battle Creek, Michigan and visit the headquarters of Kellogg's to pick up a box. You go to a grocery store where a variety of foods are conveniently located. Yet in the arts, we expect people to come to us. Therefore, their experience, in terms of creature comforts, has to exceed their expectations.

Increasingly, Americans are having their entertainment options served up to them in different places—their local malls and community centers, as well as at home via cable TV, DVR, video and the Internet. Also increasingly, we expect to have all our needs met where, when and how we desire.

Many of the barriers uncovered in NAMP's research, along with other studies, point to Place issues as key barriers to increased arts attendance by light and mid-level users. They include:

- Can't plan that far ahead
- Harder to coordinate than dinner and a movie
- Don't know where to go or what to do in my area
- Unknown product—Is this worth getting dressed up for and paying a sitter?
- Don't know how to act...afraid I'll be embarrassed

## Customer Service as a Feature of “Place”

Guiding the customer through the process as painlessly as possible is the goal. Inasmuch as artistic quality, or lack of it, will keep audiences from coming back, so will customer service-related place issues. For example:

Several years ago, a theatre suffered an unexpected loss in season ticket holders. They did all kinds of research and finally found the answer while standing in the ladies’ room line at intermission. It seemed it was a two-seater, and one toilet had been broken for more than a year (spanning two seasons). They rehabbed the bathrooms, adding seating and fixing leaking pipes, sent a letter to former season ticket holders informing them of the rehab and offering a three-ticket package for the end of the season. They retained 90% of the lapsed subscribers.

People in the arts are often surprised to find how important but simple things like comfortable seats can be to customers. Customer service surveys have shown repeatedly that in addition to restroom-related issues, the comfort of seats, size of lobby and related issues are top priorities for audiences.

## Building a Customer-Service-Oriented Environment

So how do you build a customer-oriented environment? First, develop a customer service policy and empower those who interact with the public the most to make crucial decisions regarding customer satisfaction. Where do most customers come in contact first with most arts organizations? For performing arts groups, it’s the box office, and for visual arts groups, it’s either the ticket seller, the security guard or someone on an information phone line.

So, who has the least amount of power and respect within your organization? Let’s hope it’s not the box office staff, the telephone operators or the security guards, which is why you need to develop a strong customer service policy.

The Old Town School of Folk Music of Chicago has placed a high priority on customer services—so much so that they met as a staff on a Sunday to work together to develop their philosophy toward customers. To the left is the criteria they followed and below is an outline of the process they used. The finished product is on the next page.

## OTHER PLACE STRATEGIES

### 1. Enhance the experience:

- Bundling pre-dinner, post-discussion
- Advance reading or other preparation
- Advance information on parking, restaurants, etc.

### 2. Improve communication:

- Extensive website
- New listing formats
- Alternative media
- Centralization
- Depth of information
- Better press coverage

### 3 Simplify ticketing:

- Distribution system
- Reservation/exchange policies
- Pricing levels
- Advance purchase

## **A GOOD CUSTOMER SERVICE POLICY**

- creates relationships between the customer and the organization;
- provides the highest quality product sales;
- instills a sense of community;
- instills confidence about the quality of the experience;
- creates a sense of respect and appreciation for the customer;
- provides a positive experience;
- provides the proper time and environment to treat the customer well; and
- enables the customer to get excited about the organization.

—Old Town School of Folk Music, Chicago

## **OLD TOWN SCHOOL OF FOLK MUSIC**

### Sample Customer Service Retreat Agenda

**2 Hours & 15 Minutes**

- 1 . Discussion of the goals of the retreat. (5 minutes)
- 2 . Define good/bad customer service. Provide examples of both. (15 minutes)
- 3 . Develop an organizational customer service philosophy. (1 hour)
  - A) Brainstorm ideas
  - B) Discuss and prioritize ideas
  - C) Write a 1-2 paragraph summary of the organizational philosophy
  - D) Distill the above into 3-4 sentences
- 4 . Break (15 minutes)
- 5 . Role playing (30 minutes)
- 6 . Conclusion; Next Steps

## **OLD TOWN SCHOOL OF FOLK MUSIC**

### Customer Service Statement/Philosophy

We, the customer service staff, strive to welcome our patrons into the bustling musical community that makes up the Old Town School of Folk Music. Our goal is the creation of an ongoing community based on the premise that music is a participatory art.

We will achieve our objectives by:

- **Listening to our patrons' goals and concerns;**
- **Providing our customers with information that is accessible, understandable and exciting;**
- **Working with customers to choose classes, concerts, instruments and accessories they feel confident in; and**
- **Advocating for our customers and providing quick solutions when there are problems.**

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## RECOMMENDED READING ON PLACE

*Talking With Your Customers,*  
Michael J. Wing, Dearborn  
Publishing Group, Chicago,  
1993.

*Delivering Knock Your Socks  
Off Service,* 3rd Edition. Ron  
Zemke, Performance Research  
Associates, AMACOM Books,  
American Management  
Association, New York, 2003.

• A second tool for improved customer service is a list of **Frequently Asked Questions**, combined with the organization's policy toward answering those questions.  
• Provide it to every employee to ensure that policies are fully integrated into the organization, and empowers those "front line people" to handle problems and satisfy customers.

## Visibility...and professionalism

• Visibility is the second most common Place issue. While we as an industry often take what we can get when it comes to real estate, then wisely plow all our funds into the artistic product, there comes a time when you have to pay attention to the building's edifice.

### **Victory Gardens Theater Finds Its "Place" in the Community**

Victory Gardens (VG) originally sought to acquire new audiences by luring loyal theater goers from other large theatres, then came to realize through a target audience study that people in their target were actually located in their surrounding neighborhood.

They opened up the front of the theater by replacing plywood with glass, creating a more inviting environment, and added the stand-out marquee so neighbors and last-minute decision makers could easily see what was playing. At a street fair a few months later, customer after customer dropped by the VG booth to comment on how happy they were to finally have a theater in their own neighborhood. VG has been operating in that location for more than 20 years.

• **VISIBILITY EXAMPLE 2:** Associated Artists of Pittsburgh (AAP) operated for years as a co-op for visual artists. The organization itself had very little contact with the public. When a downtown revitalization project made a large building available for AAP to use as a home, it had plenty of space for artists work spaces and galleries, with room left to spare. The organization decided to make its shop and café visible through the large glass windows close to the front door. It began inviting neighborhood groups to have their meetings in the AAP space and developed bold signage for the outside of the building. Now the organization has up to 30 casual visitors a day (up from zero visitors) and its gallery openings are packed with hundreds of people (up from an average of 50).



**VISIBILITY EXAMPLE 3:** The New York Chinese Cultural Center (NYCCC) in New York City houses a world famous Chinese Dance Company and provides lessons in Chinese dance, music, language, and culture. NYCCC wanted to target more Chinese families with children, (including 2nd and 3rd generation immigrants), as well as American families that have adopted Chinese children. The organization realized that its dull gray building facade was not kid-friendly. So NYCCC added colorful displays in a window box outside the Center, painted the exterior doorframe and added brightly colored murals to the indoor studios to make the Center more appealing to children and their parents.

### **Part III: When the Price is Right**

What is the price of arts participation? A \$40 or \$50 ticket, of course. But what else do marketers think of when they talk about the price P? In fact, price is construed as any cost associated with the total experience of a product.

Price has been defined as “The sum of all negative outcomes” by Philip Kotler and Joanne Scheff, who give the following example of a non-ticket-price-related costs impacting an arts organization’s attendance.

#### **Sales Sink in the Mud for Greensboro Symphony**

In 1993, The Greensboro Symphony Orchestra in North Carolina moved to a new, 2,400-seat performing center, located in a special event complex that also housed another performance hall and a 25,000-seat coliseum. Some events were scheduled simultaneously in the three facilities at the complex, meaning that many thousands of cars could be entering and leaving the parking lot at the same time. Furthermore, when the season began, the complex’s huge parking lot was still under construction, creating physical barriers and persistent mud. This was more than some of the Greensboro Symphony’s patrons were willing to tolerate, and as a result, the symphony lost 200 of its 2,100 subscribers. Attempts were made to remedy the situation by providing shuttle buses to and from another lot, but the benefit was too little and offered too late to recover the lost customers.

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**If the perceived value of an experience to a given audience is high, even a relatively high cost (both ticket price and intangible costs) can be overcome.**

In addition to parking headaches, other price issues that can affect attendance include:

- travel, dinner, babysitters—the total cash outlay for the evening;
- negatives associated with the location, transportation or timing of the event;
- other intangible costs associated with an experience, including many of the place and customer service issues addressed in the previous section.

While arts managers focus a lot of attention on the ticket or admission price, rarely in research is ticket price, per se, mentioned as a primary reason for non-attendance. Rather, the decision may turn on the “perceived cost” (which, like beauty, it is in the eye of the beholder) and can vary from audience segment to segment.

There are basically two ways to address perceived cost:

- 1) Reducing barriers**—for example, reducing intangible costs, such as time to plan, logistical obstacles, the energy or knowledge needed to appreciate the performance, etc.
- 2) Increasing the “perceived value” of the experience**—for example, increasing enjoyment, educational or spiritual benefits; offering opportunities for socializing; making participants feel they are at “the cutting edge”; providing a total evening with one phone call.

Developing a price strategy often includes a little of each of these. However, the potential return to an arts organization of reducing a barrier may not always justify the cost—in other words, the cost of paving your parking lot may not increase income enough to justify the expense. The arts manager should do a cost-benefit analysis to determine whether a barrier reduction strategy has potential merit, and which barriers can most cost-effectively be addressed. For instance, Chicago’s Court Theater found that the cost of transporting patrons to their location (perceived as a difficult-to-find, high-crime area) as part of a dinner/theater package would easily generate sufficient return in ticket sales to justify the investment of time and resources.

Sometimes the best investment an organization can make is increasing the perceived value of an artistic product to the target audience. In fact, if the perceived value of an experience is high enough, people are more willing to overlook barriers and costs. With this in mind, a number of arts organizations have experimented with different strategies for adding value to the arts product, including creating special packages, offering exposure to artists through curtain talks, developing tie-ins with nightclubs and restaurants, and similar ways to extend and enhance the experience.

### **Raising Prices**

Because of the rising costs of producing and marketing the arts, most arts organizations operate at a deficit and must appeal to private funders (individuals, corporations and foundations) to make up the difference. Yet, when we work with clients, we find most of them charge too little and are reluctant to raise ticket price for a variety of reasons. Some feel it is their mission to keep prices low so more people can participate. Others feel that keeping prices low helps them attract wider audiences by undercutting the competition. And some fear that they will lose a loyal core following that is accustomed to paying a certain price. Other arts organizations simply don't consider earned income as a primary means of meeting their costs.

Despite these concerns, we often encourage arts groups to consider raising their ticket prices, at least for some audience segments. Why? From a marketing perspective, a higher ticket price can signal a more selective, and therefore more valuable experience. Rightly or wrongly, certain arts goes—particularly older, more affluent groups—may believe higher quality is reflected in a higher price.

Does this mean everyone should start raising their prices, regardless of the situation? Definitely not! It all depends on your objective and the price sensitivity of the target audience (which can be unearthed through good market research). You wouldn't want a price increase to reduce the size of the audience so drastically that you also lose the support of important funders.

### **RECOMMENDED READING ON PRICE**

*STANDING ROOM ONLY: STRATEGIES FOR MARKETING THE ARTS*, BY KOTLER & SCHEFF, HARVARD BUSINESS PRESS, 1997, PP 219-236.

*HOW DO YOU KNOW WHEN THE PRICE IS RIGHT?* BY ROBERT J. DOLAN, HARVARD BUSINESS REVIEW, SEPT—OCT 1995, PP. 6-11.

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## **RAISE PRICES TO:**

- INDICATE SELECTIVITY;
- INCREASE PERCEIVED VALUE;
- OFFSET COST OF ADD-ONS; AND
- AT TRACT OLDER, AFFLUENT AUDIENCE SEGMENTS.

## **LOWER PRICES TO:**

- ATTRACT LIGHT USERS;
- INCREASE ACCESS;
- INTRODUCE A NEW PRODUCT;
- CATER TO STUDENTS, SENIORS, LOW-INCOME SEGMENTS;
- ATTRACT FAMILIES WITH CHILDREN; AND
- REWARD LOYAL CUSTOMERS.
- INCLUDES DISCOUNTS, DEALS, REBATES AND SUBSCRIPTION RATES.

## **Lowering Prices and Discounting**

Clients invariably ask us if they should use discounts and free performances to build new audiences. After all, they reason, if the goal is to reduce barriers to increase audiences, why not eliminate price as a barrier altogether? But, as we said earlier, for most people, ticket price itself is rarely the critical issue. For them, a far bigger obstacle is having to pre-plan the whole evening, or drive to a strange new location, or sit through a potentially unsatisfying evening. However, there are times when occasional discounts, price offers and free tickets can be very helpful. For example, to encourage lighter arts users to come more frequently; to increase access to young or less affluent audiences (such as students, seniors or lower-income groups); to introduce a new or untried product in the marketplace; to attract families with children; or to reward loyal customers or major donors.

## **Cautions About Discounts and “Freebies”**

Although we've said discounts and free tickets can be useful promotional tools, we caution arts organizations about using them as a primary audience development strategy. Research shows that they rarely work for reaching a mass audience which would reject the activity on the basis of interest anyway. Plus, it can send a negative message about the perceived value of the experience, i.e. that the performance is non-professional or the group is in low demand. One fairly recent study by the American Conservatory Theatre in San Francisco even showed that subscriber discounts

### **AN URBAN LEGEND ON PRICE**

The great and eccentric theater producer David Merrick was producing a show that he thought had great popular appeal. So he loudly trumpeted though advertising that the last few rows of the balcony seats would be available for the affordable price of \$5. He was shocked when the seats didn't sell and, after hanging out at the box office and listening to some conversations, realized that ticket buyers perceived the seats as cheap and therefore preferred to buy the more expensive balcony seat priced at \$15. As the story goes, he raised the price of the \$5 seats to \$15 and they immediately began selling out.

may subsidize the very people who would have paid full price. Survey participants reported that the main reason for buying a subscription series was not the savings, but to make sure they went to the theater more often and were assured of a good seat. Fewer than 25% of respondents even indicate discount as a valued benefit. [For more information, see Kotler and Scheff, p. 227]

**RIVER NORTH DANCE GAINS FROM TIERED PRICING**

River North Dance Company instituted a two-tiered price system, going to \$25 and \$20 pricing for main-floor and balcony-front seating, respectively. They did this because they were about to move to performing downtown, and wanted to gradually bring ticket prices up. The Chicago Dance Festival was held later than usual in the fall and bumped into a lot of holiday programming, thus attendance was down. However, because of the two-tiered system, River North made the same amount of money as in the previous year. Had they not created the system, they would have lost as much as 25%—35%.

Rather than raising or lowering their prices for everyone, many arts groups are coming up with tiered pricing systems that take into account the different value placed upon the product by different audiences, as well as their needs and “use” of the product. Some are assigning higher prices for priority seating or popular nights; discounting tickets for early birds or offering half-price tickets for last-minute purchasers.

Finally, whenever you’re talking about ticket prices or perceived costs, it’s all a question of your audience’s values. Ultimately, price strategies should be determined by your marketing strategy—especially, what position you want to hold in the customer’s mind!

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*“Nonprofits are facing a multi-faceted and diverse set of competitors for the very first time. Competition cannot be ignored. It will not go away just through lack of attention. Effective competitive positioning through new products or services can be valuable in maintaining or improving one’s position.”*

—*Managing New Products: The Power of Innovation*  
Thomas D. Kuczmariski  
1992.

*“A new pro-business zeitgeist has made for-profit initiatives more acceptable in the non-profit world.”*

— J. Gregory Dees  
*“Enterprising Nonprofits,”*  
Harvard Business Review  
Jan—Feb 1998, p. 56

## Part IV: Delivering a Better Product

“Product” is probably the most important (and controversial) of the marketing P’s for arts organizations because the artistic product is so deeply intertwined with mission. Very often, the ability of an organization to meet its growth objectives, or reach out to an underserved public, or simply differentiate itself from competing groups depends on the ability to connect with an audience’s “felt” need. Very often, the product, along with how it is defined and discussed, is a key issue.

Product change can range from making subtle changes in current programming to meet the interests of specific audience segments, to launching new services by leveraging your organization’s strengths in a new way. For instance, McColl Center for Visual Art, an urban artists’ residency program in Charlotte, NC, developed a lucrative Innovation Institute for corporate executives to make new use of its stunning facility and leverage its expertise in nurturing creativity and innovation. Another example is the Old Town School of Folk Music, which expanded its offerings (and self-definition) beyond American “folk” to encompass world music appealing to other audiences.

As the lines between commercial and nonprofit have become blurred, a hybrid has emerged that is neither “purely philanthropic” nor “purely commercial.” This is the result of groups diversifying their activities to offset competition for charitable funding by building their earned-income resources. Each arts organization must determine for itself where on this spectrum it wishes to fall, depending on comfort level and capacity to meet the challenges that “enterprising” can bring.

<b>THE SOCIAL ENTERPRISE SPECTRUM</b>			
		Purely Philanthropic ←	→ Purely Commercial
<b>Motives, Methods and Goals</b>		Appeal to goodwill Mission driven Social value	Mixed Motives Mission and markets driven Social and economic value
	Beneficiaries	Pay nothing	Subsidized rates, or mix of full payers and those who pay nothing
<b>Key Stakeholders</b>	Capital	Donations and grants	Below-market capital, or mix of donations and market-rate capital
	Workforces	Volunteers	Below-market wages, or mix of volunteers and fully paid staff
	Suppliers	Make in-kind donations	Special discounts, or mix of in-kind and full-price donations
		Appeal to self-interest Market driven Economic value	

## New Product Development

“New product development” can sound like a complicated, overwhelming process to resource-strapped arts groups, but it doesn’t have to be. You don’t have to come up with something that’s never been tried before or “new to the world.” Here are some sources for new products:

**ACQUISITIONS & MERGERS** Purchasing (an acquisition) or Joining with (a merger) another organization in order to acquire its Market strength. In the Dallas/Ft. Worth, Texas area, Stage West Theatre and Shakespeare in the Park merged to become Allied Theatre Group. The Merger gave the new group the ability to produce plays year round, and to do both classic and new plays.

**JOINT VENTURES** Using the Strengths of two or more partners to create a short-lived entity. In Chicago, Illinois, Chocolate Chips Children’s Theater has produced children’s shows specifically for the John G. Shedd Aquarium. Chocolate Chips is paid for its creative work and receives wider exposure, and the Shedd Aquarium gains access to theater skills it does not have on staff. In Chicago, Illinois, when three theatres – Court Theatre, TimeLine Theatre and Remy Bumppo Theatre – realized that they were all producing plays by Athol Fugard in the first six months of 2010, they forged a promotional partnership called “Fugard Chicago 2010”, which includes a collaborative web site (<http://www.fugardchicago2010.org>), 3-play passes and ticket discounts, as well as a shared advertising and PR campaign to elevate the awareness for all three productions more than would have been possible individually.**EXISTING PRODUCT EXPANSION** Taking the current product and expanding its usage. For example: A children’s theater was running at capacity at its home location at a community college, so it developed local touring casts that did month-long runs at other local community colleges.

**LINE EXTENSIONS** Taking the existing product and developing related products (for consumer products, this usually means introducing new flavors.) Line extensions are common in dance companies which often will open dance schools as a source of earned revenue.

**INNOVATION** New, never before-seen products. Think in the same vein as: the Cubist movement in Visual Art, or Martha Graham in Dance, or projected scenery in Theatre to name a few examples.

## SOURCES OF NEW PRODUCTS

1. Acquisitions
2. Joint ventures
3. Existing product expansion
4. Line extensions
5. New to the company or world
6. New markets or channels (new targets or places)
7. Licensing

## NEW PRODUCT DEVELOPMENT PROCESS

1. Strategic role determination
2. Customer needs/wants
3. Idea generation
4. Concept development & screening
5. Customer feedback and priority setting
6. Development and final testing
7. Roll out to customers
8. Attrition/retention measuring

—Thomas Kuczmariski  
& Associates

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• **NEW MARKETS OR CHANNELS** New targets or places. The DanceAfrica festival began over twenty years ago as a single production in New York City. Today, Dance Africa appears annually in a number of other cities, including Chicago and Miami. Each city maintains the qualities of the original product while customizing to the needs of the Target markets in each city.

• **LICENSING** Lending your organization's name, logo and other related images either to new products, or licensing a production for re-production. This is most common in local productions of Broadway-based theater shows but licensing is possible for any organization presenting new works.

• **Think creatively and you may find possibilities for new products.**

• **Consider these options:**

• **MARKETING PARTNERSHIPS:** Two or more organizations function as a group to share individual strengths--and to benefit from strength in numbers. For an example go to the ArtsMarketing.org Case Study by Holly Ingram entitled: *"An Urban Spring" Collaboration Pays Off*

• **LICENSING ARRANGEMENTS:** Children's Television Workshop licenses the trademarked name "Sesame Street" for use in toys, games, etc.

• **EARNED-INCOME SPIN-OFF:** You could consider a marketing partnership (such as, "Share Our Strength"), licensing arrangements (such as Children's Television Workshop and Sesame Street), or an earned-income spin-off (such as "Save the Children" line of neckwear). Think creatively and you may find many new possibilities.

• Where do you start? First look inside your own organization to see what strengths or unique skills you have to build on. Then consider the needs and interests of your target audience, and look for new ways to bring them together. To get from idea to execution is a many-step process that should include market research, customer feedback and "test" marketing (if at all possible) before launching in the marketplace.

• Innovation of any kind is an inherently risky business. But if you follow the old adage, "try, try again," you'll have a better chance for success. In fact, according to some experts, organizations that experience more new product failures are ultimately more successful because they are able to incorporate more learnings!

• **Use Worksheet 5.1 to help brainstorm new audience development strategies using the marketing P's .**



## Choosing Among Strategic Options

You may come up with many wonderful ways to use the marketing P's to build new audiences. But you can't and shouldn't do all of them. How do you decide which ones are worthy of your time and effort? Consider the following criteria:

- Cost-effective to execute (high benefit/cost ratio) Is it cost-effective to execute? (Is there a high cost/benefit ratio?) If your organization anticipates spending less and making more on the same customers in following years, the lowest ratio you should expect is a 1:1 ratio, or in other words, you should make \$1 for every \$1 spent.
- Resources available to complete (staff, funds, creative resources)
- Impact is measurable and trackable
- The organization can withstand a testing phase that allows the bugs to be worked out
- There is someone in the organization who can champion the strategy and ensure that it gets sufficient time and resources to become successful

**Use Worksheet 5.2 to help select among your strategic options.**

**Worksheet 5.1**  
**NEW CUSTOMER STRATEGIES USING THE MARKETING Ps**

Marketing Ps	Strength/Weakness (refer to SECTION 1)	Customer Need (Refer to SECTION 2)	Possible Strategy
<b>PRODUCT</b>			
Uses Consumer (not artistic) Language			
New Product Development			
<b>PRICE</b>			
Too High?			
Too low?			
Tiered pricing			
Value add-on			
<b>PLACE</b>			
Customer service			
Visibility			
Accessibility			
<b>PEOPLE</b>			
Staff resources			
Volunteer resources			
<b>BRAND (POSITION)</b> (Refer to SECTION 3)			
Is brand meaningful to Target Customer?			
Is brand truly unique?			
<b>PROMOTION</b> (Refer to SECTION 5)			
What is the Message			
When is it delivered			
What are the Media options			

# CHOOSING AMONG STRATEGIC OPTIONS

To decide if a strategy is worthy of your time and effort answer the following questions: (Fill out a separate worksheet for each strategy under consideration).

1. Is it cost-effective to execute? Explain why. (Is there a high cost/benefit ratio?) If your organization anticipates spending less and making more on the same customers in following years, the lowest ratio you should expect is a 1:1 ratio, or in other words, you should make \$1 for every \$1 spent.
2. Does your organization have Resources (staff, funds, creative support) available to complete it?
3. Can you measure its impact? Can you track the progress of its impact?
4. Can your organization withstand a testing phase that allows the bugs to be worked out?
5. Is there is someone in your organization a project leaderó a project leaderó who can champion the strategy and ensure that it gets sufficient time and resources to become successful?

1. Cost Effective? (Why?)	2. Resources Available? (What?)	3. Impact Measurable? Trackable? (How?)	4. Testing Period? Time to work out problems/bugs in plan? (When?)	5. Project Leader? (Who?)
<p><b>Strategy:</b></p>				