

BOXING CLEVER

Getting the most

A Manual on how to develop

out of the

the Box Office beyond

Box Office

ticketing and use Box Office

data for marketing

Roger Tomlinson



**BOXING
CLEVER**

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Author's foreword

This Manual is the product of a sustained period of research and development work funded by the Arts Council of Great Britain. That work has depended for its success on a great many people, especially the co-operation and help of computerised Box Office system suppliers, marketing staff, and not least the Box Office staff themselves.

Special thanks must go to Peter Verwey at the Arts Council who inspired the work and has been a patient mentor. Stephen Cashman, Kieran Cooper, Chris Grady, Anna Hasson, Jonathan Hyams, Steve Jefferys, Paul Kaynes, Stephen Loasby, Heather Maitland, Duncan May, Danny Moar, Lesley Price, Paul Steeples, Christopher Travers, Peter Walshe, and Sue Wilshere have been especially helpful.

By the nature of this kind of work, it can only be a description of the 'state of the art' up to going to press. And the development of the Box Office function and the use of the data gathered on customers continues apace. New ways of looking at data and using it in marketing seem to emerge daily.

So this is therefore very much a first edition of the Manual, representing the situation in October 1993. It is intended to revise it regularly to ensure that it is an up to date guide to how to get the best out of the Box Office for marketing. Comments and contributions are welcome.

Roger Tomlinson

October 1993



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Introduction

This Manual is intended to help all those who want to get more out of the Box Office, both more from the staff who work there and more from the data which should be available from their computerised systems.

The function of the Box Office has changed enormously in the last thirty years.

In the early 1960's, tickets were sold by staff using paper plans, communicating with customers through grills, dealing mainly with personal callers over the counter, taking a few "reservations" over the telephone, and handling many postal bookings. It was common to manage the pattern of booking, specifying for each event the opening date and period for postal booking, followed by over the counter booking, and then telephone booking. Payment was by cash or cheque, most customers using cash. Very little information about customers was recorded, unless there was a mailing list, usually to be paid for, or a season ticket scheme, or a membership arrangement.

In the 1970's the adoption of marketing techniques and the introduction of credit cards revolutionised the operation of the Box Office. Now the majority of customers could book and pay for their tickets by telephone. To generate this telephone business required more information in the hands of potential customers, usually through posting brochures and leaflets to them, so more customers were recruited to mailing lists, now usually free. The increase in these cashless transactions meant many venues, especially

new ones, could dispense with grills and security glass and offer their customers open counters. Season ticket schemes were replaced by sophisticated subscription schemes. And in the early 1980's the first computerised ticket selling systems arrived in larger venues.

To help their marketing, some venues wanted to find out more about their customers. Some used self-completion audience surveys to understand their marketplace, the catchment area achieved, and the character of their customers. Some asked the Box Office staff to carry out 'origination surveys', asking all the customers where they lived. Some kept the names and addresses of all the customers who booked for particular events to develop specialist mailing lists.

Yet in many venues, for many customers, the Box Office would hardly seem to have changed.

In the late 1980's, computerised Box Office systems were introduced which were designed to combine marketing facilities and ticketing functions, offering fully developed integral customer databases, list management facilities, and the capability to record more information about customers and their purchasing habits. This transformed the function of the Box Office; and transformed the marketing capabilities and the relationship between the customer and the Box Office. This manual is about managing that change, and getting the best out of it.

Twenty Reasons for using Box Office Data

- Comparing venue audiences
- Defining the catchment area
- Evaluating responses to marketing
- Finding group or party bookers
- Focussing fund-raising efforts
- Identifying sales prospects
- Increasing ticket yield
- Measuring market penetration
- Monitoring campaigns
- Predicting sales
- Profiling audiences
- Reporting frequency of attendance
- Researching purchasing patterns
- Reviewing sales performance
- Seeking sponsorship contacts
- Selecting customers for direct mail
- Tailoring direct marketing packages
- Targeting potential customers
- Telemarketing campaigns
- Tracking customer purchases

How to Use this Manual

Each Section of the Manual is divided into Chapters. At the end of each Chapter is a Review Agenda and recommended Action Plan. The Review Agenda lists the key areas arising for consideration from each Chapter. The Action Plan then identifies the main points recommended for implementation.

Users of the Manual are expected to consult each Chapter as they need, though the Chapters are arranged in logical sequence so it could be read as a book:

If you want to develop the application of Box Office data in marketing:

First read Section Four. Chapter 8 covers the profiling of the catchment area and audience; Chapter 9 covers direct marketing and Chapters 10 & 11 cover diagnostic techniques to help marketing campaigns and increase sales. Then refer to earlier chapters as necessary.

If you want to develop the effectiveness of the Box Office staff:

Read Section One and concentrate on Chapter 2 which covers the management of the Box office and Chapter 3 which covers how staff can relate to customers.

If you want to build up customer records in the Box Office:

First read Section Two. Chapter 4 covers the information which can be compiled in customer records and Chapter 5 covers the data protection implications. Then refer to other chapters as necessary.

If you want to expand the data on customers and analyse your information:

If you have not already done so, read Chapter 4 on the information which can be compiled in customer records. Then read Section Three. Chapter 6 covers the expansion of the records and the addition of profiling, mapping and other proprietary systems. Chapter 7 delves into statistical analysis and the different ways of presenting the data for interpretation purposes.

The key to success?

Getting the most out of the Box Office will involve changes in management structures and practices, as well as on developing Box Office skills, sorting out the right software and finding out how to use it. The place of marketing and sales in the functioning of the organisation, the position of marketing in the management hierarchy, will have a major effect on the motivation of staff and the effectiveness of marketing thinking, and consequently on its contribution to the success and sales of the venue.

Without the right structure and relationship between marketing and the Box Office, the information only accessible through the Box Office will remain locked inside it.

Section ONE

Creating the Potential

Creating the Potential

Key Questions:

<i>Why is the Box Office part of marketing?</i>	16
<i>Why capture customers names and addresses?</i>	17
<i>How will Box Office data help our marketing strategy?</i>	21
<i>Why bring marketing and sales together?</i>	25
<i>How do we get what we want from the staff?</i>	28
<i>Aren't staff too busy to collect more information?</i>	31
<i>How can staff relate to customers to collect more data?</i>	43

1. The heart of marketing

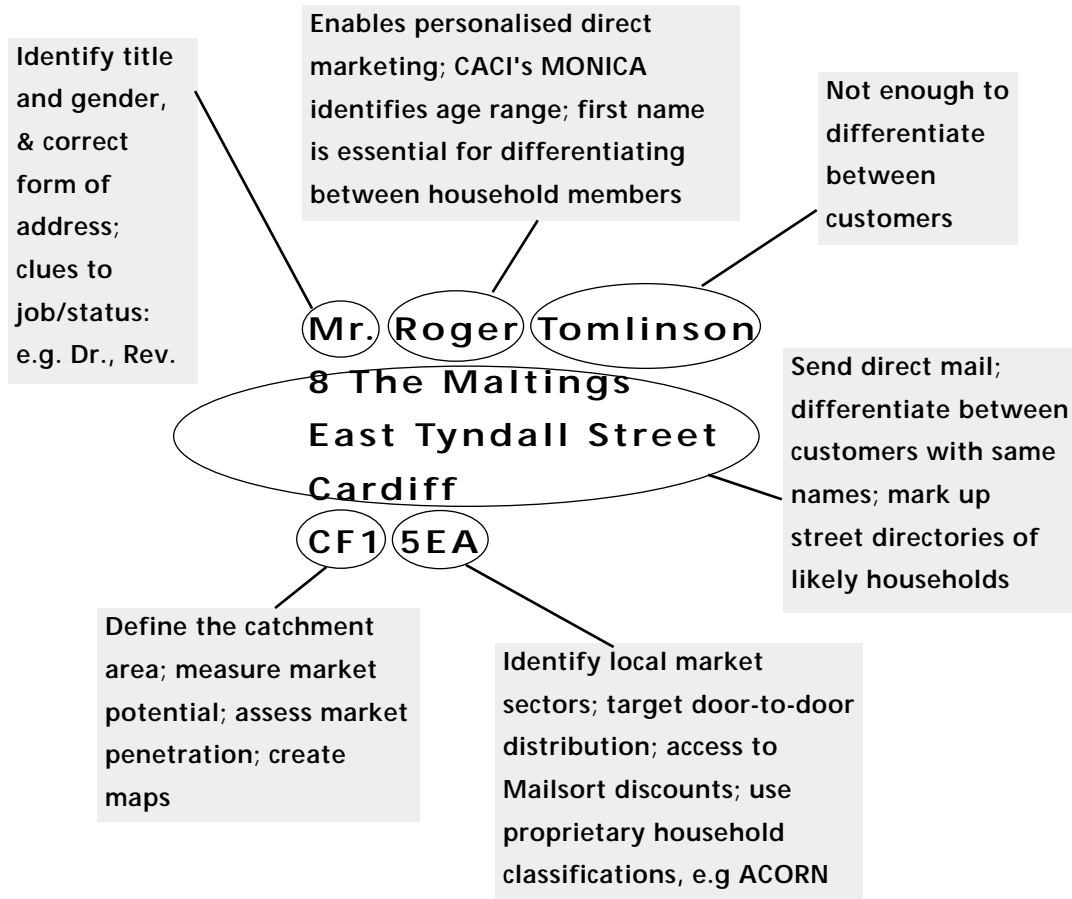
1.0 The Box Office is at the heart of marketing. Someone in every group of people attending an event has to contact the Box Office, directly or indirectly, to purchase the tickets. Whether they telephone, turn up in person, write a letter, fill in a booking form or contact a ticket agent, there is an opportunity to collect some information about the customer. The booking methods which involve dialogue with the customers provide the opportunity to find out most.

- *"Good information is a facilitator of successful marketing, and indeed, seen in this light, marketing management becomes first and foremost an information processing activity"*

*M. Christopher, and others, **Introducing Marketing**,
Pan London, 1980*

1.1 The information will not just be about the person booking the tickets, but also about the make up of the group, especially if there are different reductions for different categories of people or tickets. The transaction between the customer and the Box Office staff, at the point of sale, provides the major *intimate* opportunity to capture information about actual customers, to find out who they are and how they have found out about events. The name and address and payment details are not enough. The staff can ask questions of the customer, or simply record observed information if they see the customer(s) face-to-face.

1.2 But even the name and address is a powerful starting point:



Because the Box Office staff can capture data on all the customers who ever purchase tickets, marketing can be aimed at the whole potential audience, and not just those motivated enough to put their names on a mailing list.

- 1.3 Experience with systems which build a "masterfile" of customers from transaction data demonstrates that traditional mailing lists often represent less than 20% of actual purchasing customers (and actual customer purchasing patterns are different from what they fill in on mailing list preference questionnaires)⁽¹⁾. People often express an interest in artforms which they in fact attend very rarely. People like to be on the mailing lists of venues they may visit less than once a year.
- 1.4 Audience survey analysis ⁽²⁾ has demonstrated that on average 25% of current attenders say they found out what was on from a mailing through the post; a further 22% say they were "told by someone" (most often by someone who received a mailing through the post). It follows that more comprehensive lists will lead to more effective marketing.
- 1.5 Detailed knowledge of the current attenders enables better understanding of the potential attenders, so that marketing techniques can be tailored to each market segment. Analysis of research into potential attenders ⁽³⁾ shows that, for example, opera attenders are affected by different factors according to their frequency of attendance. This points to the need for different marketing messages to be targeted at different market segments. The information to divide the potential attenders into different marketing segments is only available from Box Office records.

- 1.6 Analysis of who attends specific events now, from Box Office data, can enable the identification of people similar to the current attenders who could then be persuaded to attend. They might be missing out simply because publicity information is not reaching them. They may need a special marketing approach and only the information from Box Office records can guide this. The Box Office data makes them prospects for the future.
- 1.7 Analysis of the current attenders with customer profiling systems such as CACI's ACORN (A Classification of Residential Neighbourhoods)⁽⁴⁾ can identify the general characteristics of current attenders and point to people similar to them in the community. This can give access to the purchase of names and addresses of people who are not known to attend at present so that introductory offers can be targeted to potential new customers.
- 1.8 Information compiled from data captured at the point of sale in the Box Office will be drawn from virtually 100% of the ticket buyers. Audience surveys, and other research methods used to obtain information about attenders, draw conclusions only from samples. While for the performing arts in Britain the audience survey has been developed to collect a wide range of information with a reliable methodology, it can only present information from samples or sub-sets of the attenders. Audience surveys can be used to expand on Box Office records, and, with data aggregated together, provide a detailed overview⁽²⁾. Mailing list preference questionnaires, however, are less reliable and are only completed by a small proportion of the total attenders⁽¹⁾. The Box Office is the heart of the information needs about customers, and can pump out data when requested.

1.9 Something as simple as the postcode is the key to access to mapping, market penetration analysis and comparison with market potential, customer profiling, and the use of national statistics. 'Postcode Geography'⁽⁵⁾ is now the basis for most geo-demographic analysis systems, including the census, and the postcode is therefore a powerful tool for gaining access to huge volumes of data. If the Box Office has collected the postcode, the marketing key can be turned.

Strategic and Tactical Questions

1.10 This puts it at the heart of relations with customers and central to marketing. The information which can be compiled in the Box Office is of direct practical use to marketing people, who need reliable information and a detailed understanding of their actual customers to help them plan. Analysis of Box Office data can provide the information to help answer both strategic and tactical questions. Marketing people need clear answers if marketing action is to deliver the right results.

The urgent tactical questions are often:

- how do we know in advance whether an event is under-selling against anticipated attendances and income?
- what action do we take, aimed at whom, to increase attendances for a poorly selling event?

- what discounts or special offers, if any, should we offer to whom, to trigger a response?

But good marketing managers will know the right strategic questions to ask and must know:

Who	<ul style="list-style-type: none">- are our customers?- should our customers be?- are we not attracting now?
What	<ul style="list-style-type: none">- market segments should be targeted?
Where	<ul style="list-style-type: none">- should we develop?- are our customers?- are we not attracting customers from now?- should we target
Why	<ul style="list-style-type: none">- do our customers attend now?- do some potential customers choose not to attend?- do we remain in existing markets?

1.11 Do you know the answers?

The key strategic questions involved in planning any marketing campaign should be:

- who to target as potential customers, in order to expand?
- how to reach and persuade potential customers?
- how to monitor the response to marketing action?
- what to charge for tickets to maximise income and attendances, and to open up new market segments?

In practice, relatively straightforward analysis of Box Office information will provide detailed knowledge to enable these questions to be answered.

- 1.12 Given Christian's argument that "Marketing management becomes first and foremost an information processing activity", it is clear that Marketing staff and Box Office staff ought to be indivisible, naturally on the same team. This is dealt with next.

Review

- 1 What information is available at present, and where from, to answer the questions highlighted on page 21 and the strategic and tactical questions in 1.10 and 1.11.

Action Plan

- 2 Prioritise the key information gaps with sources known to you.

2. The Human Equation

Management and Motivation

- 2.0 The management of the Box Office staff, and their relationship with marketing people, is crucial in creating the right working environment and atmosphere. Box Office staff must be motivated to collect and record comprehensive information about customers in a friendly, but reliable, way.
- 2.1 The Box Office is a busy place, usually with the minimum staff necessary, in a small space, dealing with a flow of customers on the telephone, in person, or by mail and fax. The pressure is on the staff to complete as many transactions as possible, while maintaining good customer care and collecting the information necessary to process the booking (a considerable amount for a customer paying by credit card).
- 2.2 Managers, whether from Marketing or from Administration, have traditionally been reluctant to risk prolonging sales by extending the data collected or the questions asked of the customer. Some manual Box Offices find it difficult to add the capturing of any further data to transactions. However, many do, and compile effective mailing lists for use in targeted mailings, or carry out simple information gathering surveys into the character of the audience or how they found out about an event.
- 2.3 Computerised Box Office systems extend these opportunities by simplifying the

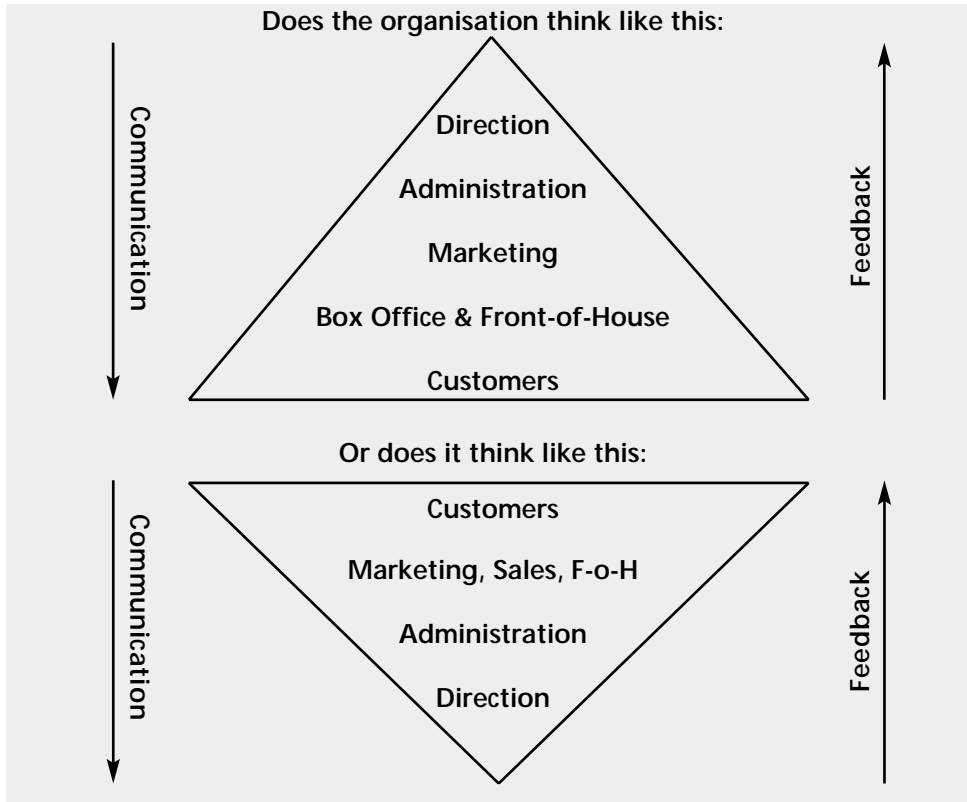
transaction and allowing the logging into the system of some customer details, so it is easier to collect more information. But the information will never be collected and recorded if the staff are not motivated to do this and made aware of the importance of this operation.

- 2.4 Analyses of Box Office records show many staff not recording names or addresses and especially postcodes properly - failure to collect proper title and details of first name and initials can make sending personalised direct mail letters impossible. If postcodes are incomplete or inaccurate, then desk research is necessary to complete them correctly to enable the records to be sorted to gain access to Post Office discounts. Without complete postcodes, many analyses of current attenders will not run. Box office staff need to understand these processes so that they know why it is important to gather full and accurate information.

Management Responsibility

- 2.5 In an ideal world, the responsibility for planning the marketing, sales, customer care and front-of-house management strategies of a venue would be held by one person: the marketing manager. In practice it is usually the responsibility of a chief executive, who carries the ultimate responsibility anyway, who delegates this to two or more staff, so that the marketing manager is not in this co-ordinating position. This is a major disadvantage. One person, with a team of people to help them, should be responsible for recruiting the attenders, managing the sales, and handling the customers when they attend. Research has shown that *flatter*, less hierarchical, organisations function more

effectively. Organisations committed to satisfying customers turn their hierarchies upside down to enable more effective feedback from customers and those in contact with them:



Ultimate responsibility for marketing rests at direction level, where inputs from marketing, finance, and artistic direction should be part of decisions on policy and strategy. But mechanisms for listening to customers (and staff), and for co-ordinating sales and customer service are essential. A combined Marketing and Sales Department, incorporating publicity, press, distribution, Box Office and sales is ideal; the best solution adds the Front-of -House functions.

The Marketing and Sales Team

- 2.6 However, on a day to day basis, if the Marketing Manager is closely involved with the Box Office and Front-of-House operations, it is possible to bring them together, though in practice each may be operated as a separate function. The danger is that personalities and hierarchies can create divisions which get in the way of effective operation. Ideally, the Box Office staff should be part of one marketing *team*.
- 2.7 There is always a need to unite the Box Office sales staff behind the policy and marketing strategy of a venue. Staff working in the Box Office should feel they are fundamentally sharing marketing responsibilities and duties. They must be directly involved in collecting information about customers, and should be involved in developing mailing lists, preparing or reading drafts of brochures, leaflets and direct mail letters, and most certainly in final proof reading of copy.
- 2.8 Box Office staff have a vested interest in compiling accurate customer databases and ensuring accurate marketing information is issued - it makes transactions easier and

quicker. This gives them a direct involvement in collecting customer details, generating business and serving the customer. Fundamentally Box Office staff are sales staff - customers buy things from them, payment is involved - and this should be reflected in job titles, pay and conditions. But the best conditions with good pay and the right title are not enough unless people are motivated and involved.

Motivation and Involvement

2.9 The key to the motivation and involvement of the staff usually lies in their working relationship with their immediate colleagues. Their feelings about their part in the success of the venue and how well they are kept informed and consulted, are the feelings which determine whether they will handle customers in a sincerely friendly way to collect information and deliver good customer care. Major improvements are achieved by the introduction of regular briefing meetings, in order to:

- keep people informed
- provide an opportunity for dialogue
- consult with people about implementation
- collect feedback
- 'brainstorm' ideas for marketing and sales.

Briefing Meetings

2.10 It is recommend that all the members of the marketing and Box Office sales team should be assembled, outside normal opening hours but in paid time, about once every

3 to 4 weeks and never longer than six weeks. One approach is to open the Box Office for sales later on one day a week, or the first Monday in each month, to create time for staff training and for Briefing Meetings. High Street chain stores claim the public have been found to be impressed by organisations which demonstrate their commitment to training and improving customer service.

- 2.11 Briefing Meetings should concentrate on explaining to the staff the forthcoming events and the associated marketing campaigns. The meeting must look at the forward programme and focus on how to market the events to the public, using the team as a 'think-tank' with special knowledge from their direct contact with customers. The meetings can also be used for solving operational problems, role plays of difficult customer situations, and in-service training. It is essential that they are used as an opportunity to praise past achievements and successes, collect feedback from the public, and to discuss the setting of goals and targets. Briefing Meetings are the time when the collection and compilation of customer information is planned, the methods decided, and the targets set for data capture. The setting of goals and targets is crucial in placing the work of the Box Office in context and having a real sense of "success" and what it is necessary to achieve - clear targets for collecting customer information enable results to be monitored.
- 2.12 Experience has shown that the motivational effect of these meetings is increased if they are attended by the most senior executives of the venue. The meetings ought to be attended as often as possible by the people responsible for artistic decisions and programme planning. In producing theatres and concert halls as well as mixed

programme venues, there is a need for the staff to relate closely to the directors and programmers to keep abreast of information which will help marketing and sales. At venues which host visiting companies and artists, the marketing staff of the touring companies and artists should be invited to Briefing Meetings.

- 2.13 It is essential to give insights into the thinking behind the programming, especially the *Why?* as well as how events will be attractive to different segments of the market. The marketing strategy for campaigns must be understood if staff are to cooperate wholeheartedly with data collection. Through these oral briefings the Box Office staff learn enough to be able to talk to customers to describe events to them.

Effective and Regular Communication

- 2.14 It is vital to establish effective communication if the staff are not to feel at a disadvantage when talking to the customers. Strong motivation is needed for staff to keep smiling while feeling in ignorance and having difficulty answering a customer's questions. There must be a two-way process based on dialogue in which the staff feel consulted, involved, and participating in decision taking. Staff need to feel empowered to seek their own solutions to help the marketing and sales effort.
- 2.15 Short oral briefings can be effective in enabling staff to "tune in and tune up" before sessions handling customers; ideally there are also "wind down" sessions at the end of shifts. Five minutes in a huddle at the start and end of a shift can give opportunities for praise and thanks, as well as focusing on standards, current operational issues and

bringing people up to date on progress. A regular reminder about the need to collect particular data and a report on the success rate will keep the point to the forefront and people aware of results.

- 2.16 To supplement briefings, a 'Read Me' In-Tray and File with a staff list and signature box on each document is a good drill for updating information and making sure everyone has had access to the same information in writing. Every item in the In-Tray must be read and initialled by every member of staff when coming on duty, and is then filed in the 'Read Me' File. Details and drills agreed in Briefing Meetings should be recorded in writing and circulated through this process.

Staff Attendance at Events

- 2.17 Involvement can also be stimulated by bringing all the staff nearer to events. It must be recognised as a fundamental part of the staff duties that they have seen the full range of events in the venue (not just those for which they have a personal preference), so that they can describe them better to the public and talk about the "atmosphere, mood and pleasure". This could be formalised by treating attendance in a professional capacity as paid time. This helps increase the sense of ownership the staff feel for events promoted in the venue. It also helps them develop their understanding of the different kinds of customers for their venue.

Staffing Levels

- 2.18 The major problem causing difficulty for the Box Office staff in collecting information

from the public is the pressure from the volume of transactions. The fundamental requirement to be met by the staffing levels, shift patterns and rotas is that enough staff, fresh to serve the customers, are on duty. Marketing is about stimulating demand and making sales. It is essential to provide enough staff on duty at the time people want to book to take the business the marketing has generated. Engaged telephones lose business.

- 2.19 In too many Box Offices there are times of pressure when not enough staff are on duty, or staff are so busy that breaks are eroded and long hours are worked continuously on shift.. Opening hours may not be meeting customer demand, and there are no clear drills and procedures for handling conflicts between the need to deal with the telephone and personal callers. This is when mistakes are made and there are gaps in the customer information collected.
- 2.20 It is recommended that staff serving customers intensively should have a change of duties every 45/60 minutes, so that, in sequence, they either concentrate on work which could be done 'behind the scenes' (marketing activities, list management, desk research, etc) or at the counter, or answering the telephone. In an ideal world, the Box Office has a large team of fully trained staff, working less than full-time hours, usually only on shift for 4 hours at a time, combining duties in the Box Office with marketing activities - on the basis that a change is as good as a rest. Though staff know what is convenient to them and the hours they prefer, it is necessary to look at what is best for the customer. Customers need enough staff on duty who are alert and have not been working for long hours on one task without a break. Venues need enough staff on

duty to handle transactions in the way which collects the information they require to support future marketing efforts.

Analysing Times of Pressure

2.21 The volume of transactions is not even across the year or days of the week, though there may be regular patterns. The times of pressure can be identified from a simple assessment such as asking staff, without consulting each other, to indicate the busiest periods on a time chart of the week. Alternatively, an analysis of the computer transaction log will reveal the pattern of pressure through the week, hour by hour, and point to the appropriate level of staffing for each part of each day. Staffing levels need to vary over the year in response to marketing activity and consequent demand.

2.22 How many extra tickets per hour does a member of staff have to sell to cover the cost of their hourly wage? Most venues find extra hours are usually self-financing from extra matured sales. The availability of trained part-time staff, who could be called in for say, one four hour shift at a time, will help to meet demand according to the pressure of sales. Part-time staff must be willing to work short hours flexibly, perhaps employed on the basis of a guaranteed minimum number of hours per week.

Extending Hours

2.23 Some Box Offices have found that they can ease the overall pressure by extending the hours of opening, especially for telephone bookings. The traditional British pattern of opening Box Offices at 10am seems to have more to do with banking hours than

serving customers. Many venues quote telephone traffic at high volumes in the mornings before 10am. There are strong arguments in Britain for moving to supermarket hours - 8am to 9pm - for telephone bookings. The use of an answerphone to ease pressure on the telephone is effective if all calls are followed up quickly. Fundamentally, however, if marketing has attracted customers who want to book, then venues should be geared up to cope with sales.

Collecting Information

- 2.24 Once Box Office staff see themselves as part of the marketing function and understand the importance of building up the volume of information, they usually find ways to add to data collection without impeding transactions. In practice there are marked differences in the approach to customers of different kinds of venues, perhaps determined by the size of their potential marketplace and chosen marketing methods. Yet in practice every venue stands to gain from collecting information on customers. The relationship with the customer to enable the collection of data is dealt with next.

Review

- 1 Analyse the present management structure and identify the relationships within it in relation to marketing and the Box Office.
- 2 Obtain job descriptions and relate them to current practice and future needs.
- 3 Assess the possibilities for shared duties and responsibilities between marketing personnel and Box Office staff.
- 4 Review current communication practices and opportunities to brief and involve staff.
- 5 Monitor staffing levels and the times of pressure from transactions, in relation to shift patterns and rotas, opening hours, and staffing levels.

Action Plan

- 6 Agree the hierarchy and structure and lines of management and communication, and brief staff on them accordingly.
- 7 agree and introduce any changes to job descriptions and duties and provide appropriate training.
- 8 Agree and introduce a communication strategy, with regular drills for briefings.
- 9 Revise hours worked, shift patterns and rotas, opening hours and staffing levels to optimise the operation.
- 10 Explain the marketing strategy and the role of sales and the importance to marketing of collecting information on customers.

3. Human Contact

- 3.0 Every time a member of the public approaches a Box Office counter or rings in on the telephone there is a 'moment of truth'. Customers are in a hurry and want to be served quickly and efficiently. A transaction could seem like an interrogation, in order to collect all the information necessary. The way customers are dealt with could change their impression of the organisation:

You only ever get one chance to make a first impression.

- 3.1 Whether staff are behind the counter in a theatre, leisure centre, concert hall, film theatre, civic hall or arts centre, every member of the public is a customer, and the staff are the most important people in putting across the image, personality and policy of the organisation. The customers want a consistent approach and similar drills should be followed by all the staff. This is also vital to achieve reliable data collection.
- 3.2 Some staff think that what they do behind the counter just comes naturally. But staff choose what they do. And it makes an enormous difference when they choose to behave in a way the customers see as friendly and helpful. Customers know how they want to be served. If staff don't think about what they are doing they could be upsetting them, without realising it is their fault. Staff need motivation. They need to feel friendly to be sincerely friendly. To sell confidently to customers, to recruit them to be loyal to the venue, to collect information from customers to help marketing, needs

commitment, the right attitude and the right circumstances, equipment and training.

Point of Sale

- 3.3 When customers walk up to the counter what they see will give them 'messages' about the organisation and how staff are thinking and feeling about them. The clothes staff wear, the way staff do their hair, project their own personality. Now staff have to project the personality of the venue too. Customers expect them to be tidy and clean. Qualitative research in customer focus groups has found both staff and customers will feel better if staff are dressed in a slightly formal, business-like way.

Expression

- 3.4 All customers prefer a warm friendly smile, eye contact, and undivided attention: the look on the face of the staff will tell them the truth. Are they ready to concentrate on them, to listen to what they have to say? Do staff feel they want to help them and make them happy by satisfying their needs? One smile will put customers in a more receptive mood to hear what staff have to say. And customers can hear a smile on the telephone too. A smile is physiological, relaxes the throat and facial muscles, and so affects the timbre and tone of voice.

Posture

- 3.5 Sitting upright, leaning forward, staff are alert and in a position to be attentive (and actually they are more comfortable because their back is straight and they can breathe

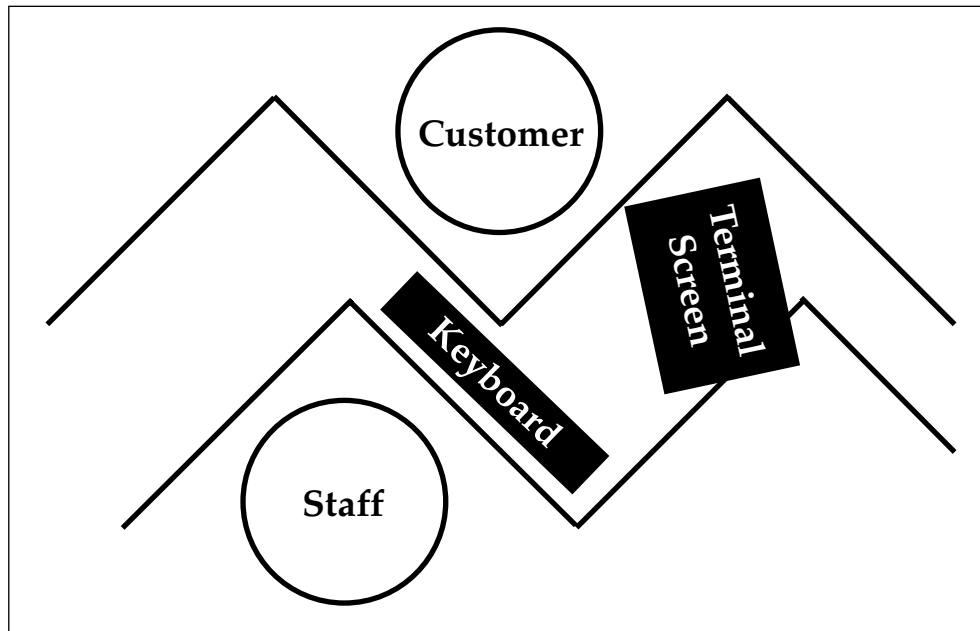
easily). On the telephone, posture affects breathing, so customers hear whether staff are unstressed and comfortable to serve them. Slumped in their seat, leaning back, staff convey indifference and inattentiveness. Fold their arms, cross their legs, and they convey that they are not ready to help customers at all. Even open hands help.

Names

- 3.6 A badge or a plaque on the counter turns a member of staff into a real person, instead of an anonymous assistant. If customers read their name it tells them the staff are willing to be identified and to stand by the service they offer. It reassures customers that they now know a real person in the venue who can help them and deal with them. Some venues find it improves relations with customers on the telephone if staff volunteer names during transactions. The degree of human contact between people who have identified each other properly makes a significant difference in the ability to collect full information from customers.
- 3.7 Staff should be given the choice of the form of name they use - first name only, first name with surname, title and surname, title and first name with surname - and whether it is a badge or plaque. Pre-printed or typed is always better than handwritten. The lettering on badges needs to be large enough to be read from the other side of the counter. Most staff choose first names only, because it is most friendly, and customers don't need the surname.

Surroundings

- 3.8 A clean and tidy workplace is not just clean and tidy, it is business-like. It gives the impression that everything is under control (even if it may not be). Everything should be in its place, with proper containers for everything - tubs for pens and paperclips, trays for mail, folders for papers. There should be a clear workspace with a notepad and pen 'at the ready'. And everything the customer or staff can see should be clean, presentable and up-to-date: old memos, out of date posters, untidiness, dirt and grime, food and drink, even a full waste paper bin, create a bad impression.
- 3.9 Most counters are designed for staff to look at the customers face to face and eye to eye: 'built in situational conflict' the experts say. It is better for staff to be at right angles to the customer, and customers feel more confident if they can look down at staff. Computer screens are usually sited where the customers cannot see them: yet customers feel better if they can see the screen, find that they cannot interpret it, and are therefore encouraged to feel confident in the ability of staff to serve them. Other services where 'over the counter service' is usual have radically changed their physical relationship with customers. Glass barriers are inappropriate, and major inhibitors to customer care. In Britain some banks and especially some travel agents, where the use of computer terminals in transactions is now essential, have completely changed their counters. The seated customer at the "saw-tooth" style counter seems an effective layout (see over leaf). One ticketing system offers a separate terminal for viewing by the customer; others offer a "graphic" seating plan illustrating the auditorium on their terminals to help customers appreciate the seat location.



Behaviour

- 3.10 How staff behave behind the counter or on the telephone determines the customers' relationship with them, which then makes a great difference to the customers' cooperation and willingness to supply information.

Attention

- 3.11 Customers want undivided attention. They will be disappointed if staff are not looking

forward at them, if staff are talking amongst themselves, particularly if the conversation looks to be gossip. And it is vitally important that staff are not eating, drinking or smoking - these are 'rest' activities, incompatible with being ready to serve. Staff must take regular rest breaks, away from their work station, out of sight of the customers - it is good for staff and good for the customers: it helps keep staff fresh, and it reduces the build up of pressure and frustration if they are very busy.

- 3.12 Staff need to look at customers properly, especially if some of the data collection is based on observation. The customers like smiles and eye contact, from the very start of the transaction. Staff need to look at them in order to achieve that eye contact and deliver their smile. If staff genuinely look at the customer they will get a chance to "read" them, to sense what they may be like from their expression, behaviour, dress, appearance.

Telephone Conflicts

- 3.13 At the counter there are special problems because the customers expect staff to serve them straight away with no distractions. So staff behind the counter should only be serving personal callers. One of the advantages of the computerised Box Office system is that the terminals for telephone sales, handling mail, etc, can be separate and away from the counter. To create a working environment conducive to data collection, it is important to avoid conflicts by imposing telephone sales and personal callers on one member of staff, unless the volume of transactions is very low.

Paperwork and Data Input

3.14 Data collection and inputting needs reliable drills. Very often, towards the end of a transaction, over the counter or on the telephone, staff can complete their business with the customer so that the customer can leave or hang up, but staff have some paperwork to complete and data to input to keep records in order. Experience shows that this must be done straight away. Over the counter, as the first customer leaves, the next in the queue will also expect to be served straight away: the friendly routine for staff to follow is always: Smile, Eye Contact "I'm sorry, I'll be with you in a moment".

3.15 The least popular thing for staff to do at this moment is to

either - turn their back on the customer

If it is necessary, why is the paperwork there?

or - talk to another member of staff

If it is necessary, must they do it then?

Staff not available to serve at the counter should not be sitting in a serving place, or in view of the customers at all. Financial reconciliation, report filling, and data processing is best done at a terminal, behind the scenes, in a quiet corner. Busy customers expect the staff at work to be on duty to serve them, and don't understand the need for staff breaks or time for paperwork, so out of their sight is always best.

- 3.16 Customers don't know who's who. Anyone in vision ought to be available to serve them. If managers need to visit the Box Office to talk business then they should ask staff to leave the serving area to have the conversation. Conversations should never be held, business or private, in earshot of the customer at the counter or on the phone.

Dialogue with Customers

- 3.17 Box Office transactions still, in the main, involve dialogue between human beings, live, with all the possibilities for successful communication available. Face to face, communication involves both body language and the words spoken. On the telephone, communication is rather more restricted - the words have no reinforcement.
- 3.18 But staff need to remember that dialogue is a two way process - they talk, the customer listens then speaks, the staff listen. *Listening* is as important in communication as what staff have to say. There is an art to listening: when people speak to us we usually show we are listening actively by nodding, or on the phone people say "mm". Nodding is not saying "Yes", it is saying "message being received and understood". If the nodding stops, then the customer thinks there is a breakdown in communication.

Listening Actively

- 3.19 Customers usually say more when they feel staff are listening actively - so staff find out more about what they want without having to ask lots of questions, and can serve them more effectively. The key to a successful dialogue is to be friendly but business-like. By asking questions the staff will find what the customer wants, but can avoid it becoming

an interrogation by making statements whenever possible.

For example:

- if someone is asked "*Are you a pensioner?*" because there are reductions to OAPs, then there is the risk of insulting someone
- instead the positive statement "*We have reductions for children, students and pensioners - £1 off each ticket*" prompts a customer who is eligible to say so.

Open Questions

3.20 Open questions get customers to talk and explain what they want and why. Open questions do not usually receive short answers like Yes or No. For example:

Staff: "*Was there a special reason why you wanted to become a subscriber?*"

Customer: "*We keep meaning to come more often, we miss some things, and with this special offer and the choice, we thought we'd take the plunge*"

This is useful information to record about that subscribers reasons for responding.

Closed questions

3.21 Closed questions get customers to give precise answers quickly. For example:

Staff: *"Did you see this special promotion in the Evening Paper?"*

The customer can only say: Yes or No? Or:

Staff: *"How did you find out about this event?"*

The customer can only give a specific answer.

Time is of the essence

3.22 All these questions take time, and it is important not to overstay the welcome and patience of the customer. However, questions can save time. In time trials, staff who were slow and methodical in their approach, and asked questions early on, were always fastest in completing transactions with customers. For example, staff who capture the customer's name and use it at the earliest opportunity, find it builds a rapport with the customer.

3.23 In a straightforward transaction the venue will want their name, address and telephone number for their records - the event could be cancelled or changed - and the basis of repeat business is their address and postcode so they can be added to the mailing list. It is essential that staff repeat details back to them, checking spellings and numbers.

- 3.24 It helps for staff to build up this information steadily, from the very beginning of each transaction. Some staff write it down on a notepad as they collect it, particularly if their computer system needs the details feeding in later in the transaction. The sooner and more easily the information is collected the better. However, the basic information will always be required on payment. If the customer's name has not been collected by this point, there is a very good chance the details can be collected naturally by asking for name and address to be written on the back of the cheque or for the credit card statement address details.
- 3.25 If staff really are rushed, with a long queue of frustrated customers, they give could customers a card to fill in with the details, so they can move on to the next customer and save time, inputting the information later. Some computerised Box Office systems allow a pro forma to be printed out onto the ticket stock, encoded with details of the event attended.
- 3.26 Rapport can be lost with the customer when the staff start processing the transaction. If it draws staff away from the customer - to turn and look at a computer screen, to consult a plan, pull out a file, get a ticket - staff need to explain what they are doing. Some staff continue talking in a friendly way to customers, asking informal questions to collect more information.
- 3.27 The information beyond the basics of name and address transforms the usefulness of Box Office data for marketing. This is dealt with in the next Section.

Review

- 1 Look at the point of sale from the point of view of customers. Is it "user-friendly"? What about the appearance of staff, their physical setting, the layout and decoration, seating and equipment?
- 2 Review with the staff their behaviour towards customers, their "customer care" and welcome, their relationship with customers.
- 3 Identify the drills currently used for handling data collection, telephone conflicts, queues, meal breaks, shortage of staff.
- 4 Analyse the operational problems of increased data collection and the needs of the staff

Action Plan

- 5 Plan long term improvements to the Box Office; implement in the short term any cleaning and re-decoration and any changes to furniture.
- 6 Establish codes of dress and codes of behaviour towards customers in consultation with the staff; establish drills for operation
- 7 Train staff in developing the rapport with customers and asking questions to find out more

Section Two

Building the Resource

Building the Resource

Key Questions:

<i>What kind of information can we collect?</i>	53
<i>How do we build up the database?</i>	52
<i>Why is the postcode so special?</i>	57
<i>Why do we want this information in customer records?</i>	54
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<i>Who can use the data we collect?</i>	80

4. Customer Information

- 4.0 Computerised Box Office systems which integrate ticketing and marketing functions, compile a 'patron' or customer database as a central function and offer additional opportunities to record information. It is essential to plan the content of the database, to decide the form of the records and the fields which will contain them, and plan systematic collection of the data. When Box Office staff are motivated to help marketing by collecting as much data as possible, they find it frustrating if the system impedes them. This chapter describes the information which will help create a complete customer database, and the characteristics of the fields and the records, and suggests ways to obtain the information.
- 4.1 This is not intended to be a technical software Manual, and it cannot relate to any specific software application. However, it is necessary to identify the pitfalls in building a database if full use is to be made of the information recorded therein.
- 4.2 Most computerised Box Office systems come with much of the database pre-configured. However, most also offer many opportunities to extend the records by adding new fields. It is essential to find out how the system *searches*, *sorts* and *selects* in order to decide how to configure new fields and record information. Databases can search through records using the *text* or *numbers* or *dates and times*, and usually a combination of text and numbers, but not necessarily all three. And some can only search on one at a time, or need careful attention to punctuation if records contain

multiple entries. Fields which contain times or dates can be problematical, especially if the system automatically adds or updates dates and times. Box Office staff are notorious for using a typing shorthand to speed data input - "skl" for school - and unless the system offers "sounds-like" and "looks-like" search facilities it is necessary to require pedantically accurate data entry. Completeness is usually essential. Some fields can be set up with default entries if the Box Office fail to complete them; for example, the title field. Some databases offer "*calculation*" fields, calculated from other fields.

- 4.3 It is also important to know the intended use the records. For example some databases record the title and initials of a person in the same field. This makes it virtually impossible to personalise a direct mail letter correctly, because the salutation would have to include the initial and read "Dear Ms. A Jones", whereas if title and initials were recorded in separate fields the salutation "Dear Ms. Jones" would be possible.
- 4.4 The key to successful operation of the database is therefore the design of fields. This includes the length of fields (the number of characters which can be recorded), whether they are text, or numbers, (or a combination of the two), or currency or dates/times, or calculated fields, and how any different answers are recorded in them. For example, are there separate fields for each artform interest with "yes"/"no" option for each of them? Or is there one field which could contain codes representing any or all of them? The potential advantage of this latter flexibility is that if classifications change or expand then the database can be interrogated for all the possible variants.
- 4.5 According to the character of the data to be contained in the field there will need to be

different solutions. This will affect selection criteria and report compilation, and, with some systems, have a significant effect on processing speed. The criteria for each of the fields we expect to find in a customer database, and why we want to collect this information, are detailed in the rest of this chapter. Data Protection issues will affect the information which is collected and the way customers are made aware of the recording of their data. Some information is essential for the basic functioning of the ticketing process, but the 1984 Data Protection Act⁽⁶⁾ in Britain requires customers be given the option of their data not being kept; in practice what has to happen is that their data is *suppressed*, so that if more information is collected it will not be used. It is essential to be systematic in collecting data.

Three steps to building data

1. **How will the data be collected from customers?**
What questions will need to be asked?
What drills will need to be followed?
What extra information requests need to be added to forms or on-screen tables?
2. **Where will the information be recorded?**
What extra fields need to be added to on-screen tables?
What is the field format required: length, character; is time/date of creation or amendment necessary?

If data is captured in the transaction or on paper:
3. **How will the data reach the customer record?**
What processing will be necessary to compile customer records?
What data entry will be required?

The Potential Customer Record

Name

Title; Gender; Initials; First name (familiar name); Surname
Qualifications (any suffix)

Post:- In Employment; Employer

Post:- Honorary posts and Organisations

Addresses: Home, Business, and/or Temporary Address

(for ticket posting, second and holiday homes)

Number; Building Name; Street/Road; District

Post Town; County; Postcode

Phone numbers (trunk dialling code and numbers)

Age/ Year or date of Birth

Social Grade or other socio-economic information

Ethnic origin information

Profiling classification e.g CACI's ACORN or CCN's Mosaic

Buyer Type(s) -

the type of customer and their interests, including:

the performances/events attended

how they found out about the performance/events

the relationship of the customer to the venue

the type of tickets bought:

the number of tickets purchased and price paid,

the payment method

the time of booking

additional records(fields) for any other information, e.g., fund-raising, donations, sponsorship contacts

Name

4.6 Something as apparently simple as a person's name requires careful thought to record it properly and usefully. Separate fields are needed for

- Title
- Gender
- Initials
- First name (familiar name)
- Surname
- Qualifications (any suffix)
- Salutation

Title fields need to be long enough to record 'The Right Honourable' etc; correct identification of male/female is needed mainly to ensure the right form of address. Title fields where the gender is not known should default to 'M.'. Initials can be important for identifying different people in the same household and/or family, and are used instead of first names in addresses. Qualifications are important to those people who quote them after their names but also as a potential key to segmenting the market or for fund-raising purposes.

4.7 All this information can usually be collected without difficulty during the transaction. However, the choice of salutation - " Dear etc" - will need to be made, mainly dependent upon the relationship between the customer and the venue. This could be done by the member of staff at the time, or may need to be carried out as a routine at

the end of a shift by a supervisor. For effective direct mail on a personalised basis, it is important that the salutation reflects how friendly the relationship is with the customer.

Posts

- 4.8 Customer records need to deal with customers in relation to their employment and in relation to any honorary or other posts they hold. This information can be useful in targeting for group bookings and for fund-raising and sponsorship.

Post:- In Employment

Employer (Relates to post)

Post:- Honorary posts

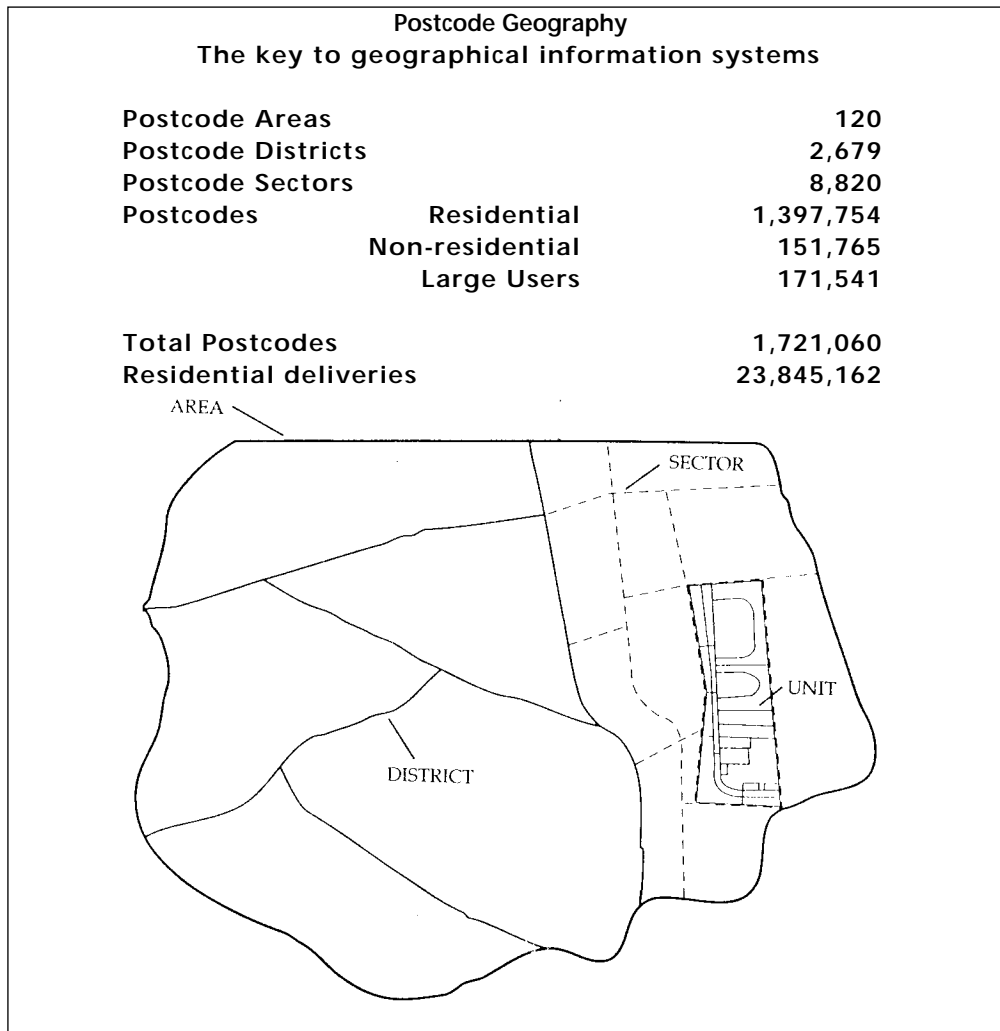
Organisation (Relates to Honorary posts)

The job someone does is often evident - a teacher makes a school booking or a person makes a booking on their firm's notepaper - and this information is very useful. Using the standard classification of occupations⁽⁷⁾ it could then be possible to identify the social grade for profiling purposes. This may never be comprehensive, but it can be useful. For example, it is important to record people as Councillors or Women's Institute secretaries to enable the database to use the records for many different purposes. This kind of information is harder to collect and may not arise naturally from a transaction. If someone calls from work the staff can ask for their job title as part of preparing to call back. Correspondence can be read carefully to identify information worth transferring to the database.

Address

- 4.9 In practice some Box Offices find it necessary to record at least three addresses. The Home Address is obvious. The Business Address is useful as indicated above if the customer uses it or it is discovered. Some teachers making school bookings will ask to be on the mailing list at their home address to ensure that brochures and circulars reach them; it is also necessary to record their school address in the Business fields. The Temporary Address is intended for ticket posting, usually for second and holiday homes or when the address for tickets is different from that for the Credit Card statement. The Royal Mail Rapid Address ⁽¹⁸⁾ system can speed the input of complete addresses.
- 4.10 The fields for the addresses are important. Some databases simply record the address in the "first line of address, second line of address" and so on, format. Unfortunately it is important to identify some of the information specifically, and some of it must be recorded in a specific way. It must be emphasised that the postcode is the most important part of the address and the record is incomplete without it. The importance of collecting this in transactions can be emphasised by giving the Box Office staff the task of looking up postcodes for all records where this is missing or incomplete. The fields for an address can be specific:

Number	Building Name
Street/Road	District
Post Town	
County	Country
Postcode	



In Britain the POST TOWN is supposed to be on a line on its own in capital letters to assist the optical character recognition readers in automatic sorting offices. The postcode must be on a line on its own for the same purpose. This cannot be accomplished unless the information is in separate fields. Because postcodes in Britain do not conform to local authority boundaries, the recording of Counties can help enable the catchment area to be analysed on the basis of political geography, to help justify a grant for example. This may prove less useful when local government is reorganised.

Phone

- 4.11 People often have, and use, multiple phone numbers in connection with even one Box Office transaction. As a result it is necessary to record in separate fields if possible the following numbers:

- Daytime (assumed to be work)
- Evening (assumed to be home)
- Mobile (car-phone)
- Fax

At least one phone number (not fax) is essential for each customer record. The trunk dialling code must be recorded, and punctuated from the caller number. This is important if the system is to cope with changes in numbers, either modifications of trunk dialling codes or the adding of digits to caller numbers. Local dialling codes

should be avoided because they could be difficult to change automatically and cause problems when numbers are being used outside the area, for example by a touring company education officer. For telemarketing and other purposes, the phone number is a crucial part of the customer record.

- 4.12 Advanced telephone computer systems with caller number recognition can use the phone number to automatically call up the customer entry on the database. This will be especially useful when telephone subscribers are allocated unique permanent numbers (expected in Britain late in the 1990s). Many customers now use fax to make bookings. Many Box Offices say customers use their mobile phones to make bookings, sometimes when driving to the venue. All these numbers are useful.

Age

- 4.13 It is unusual to find customer records in Box Offices including the age or year/date of birth of customers. Yet this is crucial if proper market segmentation is to be achieved. For example, for direct marketing purposes, the approach to a customer should be different if they are 25, 45 or 65. It is unlikely that the age of a customer will be accurate to date of birth, but some organisations with Friends or Membership or Subscription schemes ask for the birthdate so that they can send Birthday Cards. The Box Office is most likely to identify the age range either from the ticket type or by visual assessment of the actual customer. The ticket type will record information such as child/ student/pensioner, though it is important that this must relate to the actual customer, and not someone else in their group. Some venues use different reductions

on tickets for children of different ages to help identify their market for events for specific age ranges of children, and to provide age data for the long term.

- 4.14 Age and age range data is recorded on the basis of birth year or a range of birth years. Thus in 1993 45-54 year olds are recorded as "1939-1948". In Britain there are standard research age ranges which must be used to ensure compatibility for research purposes ⁽⁸⁾. Box Office staff can look at customers to make a visual assessment of their age range, and quickly compile quite reliable data.

Social grade

- 4.15 The social grade of customers is likely to be used only as a research tool, or as part of sophisticated customer profiling. The fact is that Box Office staff could collect some of the information which enables the social grade to be arrived at. The social grade of customers can be compiled from the employment data above (see para. 4.8). This is likely to be a task which can only be partially automated, involving comparison of the data entries with a table of standard categorisations. Many records may be queried for manual coding.
- 4.16 Many customer records may not carry employment details, but venues may have survey information to help close gaps. In Britain, information collected in audience surveys or other research is not allowed, by the Market Research Society Code of Practice, to be transferred into customer databases without the express permission of the individuals. An 'in-house' audience survey could ask people's permission to record the data on the

venue database - to help in meeting customer needs. The Joint Industry Committee for National Readership Surveys (JICNARS) ⁽⁷⁾ has a standard set of social grade definitions. The Arts Council has published a short explanatory note.

Residential or Household Classification

- 4.17 While the social grade of customers may not be easily useful, the ability to classify customers by residence or household from their postcode is very useful, and straight forward. In Section Three, Chapter 6. will identify the ways in which extra information can be added to increase the potential of records. Commercially available address profiling data such as CACI's ACORN (A Classification of Residential Neighbourhoods)⁽⁴⁾ enables customers to be classified into distinct groupings, which then have further use for profiling customers and for making comparisons with national statistics.
- 4.18 Such data is added either by extracting the customer names and addresses and sending these to be processed by the proprietor of the classification, or by purchasing the encoding information from the proprietor. This can be expensive, though the data is very useful and cost effective. Depending on the storage system for the Box Office computer, concentrated directory type files can be imported to enable the addition of the encoding information to the system so that customer records will be coded automatically.

Ticketing History

- 4.19 Central to the usefulness of the database is the ability to pull information from the

ticketing history of customers. This changes the database from collecting data that largely remains fixed, to actively collecting changing data from the ticketing history. Most systems will access this data only as part of search and selection routines in connection with data processing for a specific task. Many marketing people assume that ticketing history data can only be pulled from the ticketing database on a 'live' basis, during current ticketing activity. For processing for marketing purposes, this is not recommended.

- 4.20 If data is batched for processing instead of working with live data on-line, this will help the speed of system operation. However, it will also greatly improve functionality if the data is pre-processed into fields *calculated* from the ticketing history. Many records about customers should be created from "look-ups" into the ticketing history. Some could create "scored" fields giving customers a rating based on a series of factors (see Multi-Variate Analysis in Section Three Chapter 7). However, the following points are important if full use of the data available is to be achieved:

Performances/events Attended

- 4.21 While data is 'live' in system memory, most systems allow the identification of each attendance at each event. However, some systems do not allow this once ticketing records are archived and details are logged in the customer database. Some systems turn performances/events attended into "customer interests" in the customer record. This seriously undermines the effectiveness of the data for marketing purposes. Ideally, records must remain discrete so details of actual individual performances and events can

be identified. Records of customer interests or preferences must never be combined with performances and events attended in such a way as to lose the ability to identify actual attendances.

- 4.22 When planning marketing action, most marketing managers regard the details of the performances/events attended as unique and prefer to segment attenders on the basis of the actual attendances. Someone who has only attended *Twelfth Night* and *As You Like It* is probably a different kind of 'Shakespeare attender' from someone who has only attended *King Lear* and *Titus Andronicus*. Yet most systems will require some 'event categorisation' in order to reduce the volume of records; most marketing managers will need some form of 'event categorisation' in order to manage their records and speed customer segmentation. If at any time, it is necessary to export or import data, it will be necessary to ensure that 'event categorisations' are compatible with other records. This is important for marketing consortia, city-wide ticketing networks, and touring companies. This is now a crucial issue in the future ability of Box Office systems to network together or to share data between venues.

Event Categorisations

- 4.23 Some of the management bodies in Britain, such as the Theatrical Management Association ⁽⁹⁾ and the Association of British Orchestras ⁽¹⁰⁾ have a standard set of categorisations for types of theatre and concert performances. For the Society of West End Theatre ⁽⁹⁾ and the Theatrical Management Association these were devised by the City University ⁽¹¹⁾ for data compilation and research purposes. Some of the User

Groups of the computerised system suppliers in Britain are getting together to discuss a standard set of 'event categorisations' to enable data exchange and to enable access to customer profiling using data from more than one venue.

- 4.24 The key to effective 'event categorisation' is to avoid the aggregating together of performances/events of discrete character. 'Theatre' is an unhelpful cluster of records, but so also is 'Plays'. The Theatrical Management Association⁽⁹⁾ categorisation has over 19 categories for theatre, and many marketing practitioners want these extended.

Preferences

- 4.25 Having made clear that 'Performances and Events Attended' data must not be mixed up with information on customer preferences, there is a separate role for this information and therefore a need for separate fields. Questionnaires can be sent to customers which ask them to supply further information on their interests and preferences, in order to help the organisation send appropriate details of forthcoming events to them (though actual customer purchasing patterns can be different from what they choose on mailing list preference questionnaires)⁽¹⁾. This will enable the identification of those events they claim an interest in but do not yet attend. Again it is vital to collect this information in the most useable form. Will customers recognise their broad interests if broken down into specialist detail? Will customers narrow their interests too much if given a detailed choice?

Relationship of the Customer to the Venue

- 4.26 A number of fields must be used to provide full opportunities to record all the possible relationships of customers to the venue, without aggregating or confusing data. Each type of relationship will require many categories. Most will need the ability to record automatically the date an entry is first made, and separately the dates of any changes to the record. Some fields may need a separate text field set up as a memorandum to record notes on the activity involving the customer, especially for membership schemes involving contributions, and for subscriptions. For example, a subscriber may have been telephoned to chase their subscription renewal and they explained why they are not re-subscribing - the reasons may prove useful in contacting them in future years.
- 4.27 The list below is not exhaustive but lists the principal areas of the customer relationship:-
- subscriber (multiple categories including current or lapsed; number of years; subscriber type)
 - member (multiple categories, including whether paying by covenant, contributing member)
 - donor (multiple categories)
 - sponsor (multiple categories)
 - board member (multiple categories)
 - respondent to sales drives and promotions (multiple categories)
 - data protection opt-out (records suppressed)
 - distributor of publicity (multiple categories)

Some of this data can be entered automatically, as the customer carries out a specific purchase. Some can be the subject of specific questions to the customer: "*Are you responding to our special offer in the Evening Paper?*". Some will need to be separately inputted from lists. These relationship categories are the ones which marketing people use to exclude some customers from marketing activity, including those people who opt-out under Data Protection rights. For example, some venues exclude subscribers from further mailshots targeting single ticket buyers, or exclude from general lists their Board or management committee members and people such as sponsors and donors (See Section 4 Chapter 9).

- 4.28 The usefulness of data on the relationship of the customer with the venue will depend on the system "housekeeping". This data must be up to date, accurate, and currently relevant. This may involve, for some records and fields, the planned deletion of all information entered before a certain date in order to maintain the relevance of records. This is particularly important for recurring promotions when the number of times a customer has responded, and when, is more important than knowing they once responded five years ago. However, calculation fields may be affected by the deletion of old data, and historically compiled values may need to be retained in some cases (see paragraph 4.30 below on party bookers for example). This is usually achieved by copying the values from calculation fields into a new field.

Ticket Type

- 4.29 This is the area of customer records where care is needed to obtain reliable and useable

information. Clearly the customer will usually buy more than one ticket for an event and the ticketing history will record the status and character of these tickets. However, some systems, unhelpfully, record all reduced price tickets as "concessions", preventing further analysis from transactions. The customer record needs fields which identify the type of ticket bought by the purchaser for themselves as well as logging the other types of tickets bought; this is crucial in identifying families for example. It is essential that there are a sufficient number of different "concession" categories, the list below not being exhaustive:

- child (with age ranges)
- school (with type: primary, middle, secondary, tertiary)
- student (assumed to be 17+)
- pensioner
- unemployed
- any other concessions (multiple categories)
- promotions (multiple categories)

This data then needs translation into useful information in the customer record. While the above "concession" categories are appropriate, for marketing purposes some venues find it useful to identify:

- families with children under 7
- families with children of 7-13
- families with children of 14-17

grandparents bringing children under 7
grandparents bringing children of 7-13
students buying multiple tickets

Some venues may find these categories more appropriate than others. Decisions need to be made about how these records are compiled. Is a specific search conducted on recent ticketing history each time these categories need to be found? Or are records compiled continuously from accumulating transaction data? The former is acceptable if the search and selection is only being done for direct marketing purposes; the latter is the preferred approach, especially if analysis and customer profiling is envisaged. Note that these categories are already starting to find people booking multiple tickets so that group or party bookers can be identified.

Group or Party Bookings

- 4.30 Different organisations choose different sizes to define groups and parties, and offer different reductions, sometimes varying for different events. There is thus no standard way to define a Group or Party. However, for direct marketing and targeting it is essential to be able to identify Group or Party Bookers, and the kind of performances/events they book for. The system will record in the ticketing history the number of seats booked for which events, so for the customer record it is necessary to compile a field or fields. The simplest way is to set a look-up field for all those people who had ever booked more than say 8 seats (not necessarily the smallest party size you might choose) according to a range of event categorisations. However if a customer

usually books only two seats per transaction, but once books 40 seats, do we expect the database to compile them on the number of tickets purchased based on the party-booking or the more usual two seats? Some venues find it useful to compile party bookers in a series of ranges; the following should meet most needs:

Largest number of tickets purchased:

1-2	3-4	5-8
9-12	13-20	21-30
31-40	41+	

In fact we may want to know the *average* number of seats purchased or the *range* from smallest to highest - the routines to compile this can either be defined as search or look-up criteria, or a calculation field could be used.

Price Paid or Payment Level

- 4.31 Similarly to Group or Party size, the system will record in the ticketing history the price paid and the type of tickets bought for which events, so for the customer record it is necessary to compile a field or fields to identify the payment level of the customer. Customers are likely to pay different prices for different events, and may pay different prices from other customers for the same event/performance. The wider introduction of variable seat pricing and movable price breaks makes this even more complex. There is no doubt that it is necessary to record in the ticketing history the actual price paid, with any identification of ticket type to enable understanding of reductions or discounts in

particular.

- 4.32 In the customer record it is very useful to record the part of the auditorium the customer usually occupies, and the price range by type (lowest price, middle price, top price, etc). This may require two fields, because for some events the part of house which equates to top price will change; for example for opera the circle is usually top price, while for ballet it is usually the stalls. Arts Council research commissioned from Peter Walshe at Millward Brown International⁽¹²⁾ confirms that recording price by the place in the range is the most useful because it enables the price level to be related to different events, and is not affected by inflation. The research demonstrates that most customers buy tickets in the same place in the price range for different events; if they attend high priced opera and sit in middle price seats, they also occupy middle price seats for inexpensive drama.
- 4.33 The system will record in the ticketing history the price paid. This may not give explicit information about the part of the auditorium occupied. So for the customer record it is necessary to compile a field or fields to identify this. The simplest way is to set a look-up field for all those people who had ever booked the top price range. This would require price paid to be logged as follows:

Price paid:

First price (lowest)

Second price (next lowest)

Third price (next upwards)

And so on

- 4.34 Marketing Managers are interested in the analysis packages to help maximise income and attendances by optimising ticket prices, so auditorium layouts can be set to offer those prices most requested by the customers - in fact usually higher priced tickets. Any system designed to optimise prices (including discounts, reductions, and "superseating") will need to call on price and time of booking information, best accessed directly from the ticketing history. This is dealt with in Section 4 Chapter 11. However, it is important that the basic information is added to the customer record.

Time of Booking

- 4.35 The customer record should contain details of the usual time of booking in relation to the payment method. Arts Council qualitative research has long identified that some people are "planners" and organise their visits and book well in advance, while others are "spontaneous" and only decide to make a visit at the last moment and frequently book in the very week or on the day of the performance.
- 4.36 The time of booking is important in selecting customers for different marketing campaigns. It may save money on a campaign to trigger last minute bookings for an under-selling event to omit the "planner" people. Some systems record the time/date of booking as "days minus the performance/event", some number the days or weeks. To be of maximum use, at least the range of 'time/date of booking' is needed, related to the performance/event booked - there may be differences according to the character of the event.

- 4.37 The system will record in the ticketing history the time/date of booking. So for the customer record it is necessary to compile a field or fields to identify this. The simplest way is to set a look-up field to identify the range of time of booking. This will need to be updated regularly because purchase and booking patterns change - many venues say advance booking is reducing. It is useful if the record shows the following ranges, based on the last transaction:

Time of booking:

On the door

Day of the performance

Two to three days before the performance

Four to seven days before the performance

Seven to fourteen days before the performance

Fourteen to twenty one days before the performance

One month before

Earlier than the above (with time bands which relate to marketing activity)

Payment Method

- 4.38 The customer record needs to show the usual type of payment method. As well as credit cards (giving name of card), cheque, switch, and cash, it is necessary to log those customers who use the variety of payment schemes which some organisations now offer, including accounts, direct debit, and payment by instalments. For membership schemes and other non-ticket transactions, it will be necessary to record information

such as covenants, donations, and so on. Some venues are also investigating the equivalent of their own chargecards, and card operated discount schemes.

- 4.39 The payment method can be crucial in selecting customers for direct mail and telesales campaigns, targeting only those customers for a telemarketing campaign for example who have a credit card and pay for their bookings in full over the telephone.
- 4.40 The system will record in the ticketing history the payment method(s). So for the customer record, it is necessary to use a look-up field to identify the payment methods used. This will need to be updated regularly because payment methods change.

How They Found Out

- 4.41 Marketing Managers want to know how customers found out about the performance/event they booked for, either:

to monitor marketing activity, or
to establish the principal source of purchasing information for each customer

This information can be collected either by mailing specific survey questions to customers, making clear that their answers will be recorded on a database, or by asking customers these questions over the telephone or face-to-face, usually as part of transactions. Some Box Office staff are concerned that these questions appear to go

beyond the context of the transaction and they become worried that customers will find them intrusive. In practice, venues which have attempted to collect this information on an experimental basis have been able to do so successfully - in fact customers recognise the importance of venues understanding the effectiveness of their publicity methods. However, it is important to collect data in a way which keeps customers friendly and complies with data protection principles. This is dealt with next.

Review

- 1 What is the basic data the system collects and records in the ticketing history?
- 2 Which of this data is retained in memory when events/performances are removed from the system?
- 3 What routines are available to create new fields to enable records to be compiled from the ticketing history.
- 4 What data could be usefully collected from customers to extend the above? Which are the strategically important gaps in the information?
- 5 How could extra data be collected? Is there a role for mailing list preference questionnaires (perhaps as part of Data Protection procedures)? Is there a need to ask questions during transactions? Are there other opportunities on booking forms, membership applications, etc.
- 6 Where and how would extra data be recorded and inputted?

Action Plan

- 7 Agree the form of the customer record and create the fields and formats to contain it, and set up the on-screen format and prompts.
- 8 Train staff in the collection of the data required, establish drills for collection, and agree priorities and targets with them.
- 9 Devise appropriate forms for mailing list preference questionnaires and revise other forms to enable data collection.

5. Data Protection

- 5.0 In order to make effective use of customer records, detailed information is collected about customers. While this is being used *exclusively* by the venue *exclusively* to market events and performances to these customers, there should be no problems about the collection and use of the data, provided the venue is registered as a "data user". But it is very important to understand the principles of data protection, and the application in Britain of the Data Protection Act 1984 ⁽⁶⁾ and the appropriate European Community directives.
- 5.1 In Britain, the Data Protection Act 1984 grew out of public concern about personal privacy in the face of rapidly developing computer technology. There continue to be controversial cases involving the Banks and Credit Reference Agencies which apparently show to customers that their data is not "safe", despite this law. Direct marketing activities are seen as intrusive by some people, who question how their name is obtained by organisations with which they have had no contact.
- 5.2 Unfortunately there is little clarification of how the law should be applied in practice, because by 1993 there is as yet no case law to define it. Some "Codes of Practice" have been drawn up by groups of "Data Users", but the Data Protection Registrar, while welcoming these, has also said that he disagrees with their interpretation of the law! This is an area where what the customer thinks is crucial.

5.3 The Data Protection Act 1984 defines "Data Users" as

'those who control the contents and use of a collection of personal data'.

This can apply to any kind of organisation and a "Data User" need not necessarily own a computer. "Data Users" must register under the Act (in 1993, £75 for three years). In registering under the Act an organisation becomes bound by the eight Data Protection Principles:

Data Protection Principles

Under the 1984 Data Protection Act, data must be:

- 1. Obtained and processed fairly and lawfully**
- 2. Held only for the lawful purposes specified in the data users entry**
- 3. Used or disclosed only in accordance with that entry**
- 4. Adequate, relevant, and not excessive for the purposes for which it is held**
- 5. Accurate and where necessary kept up to date**
- 6. Not kept for longer than necessary for the purposes specified**
- 7. Made available to the individuals concerned on request**
- 8. Protected against loss or unauthorised access, alteration or disclosure**

5.4 Separate legal entities must register separately - a venue which is registered will not

cover a touring company or artist performing in it, which must also be registered. The organisation collecting the data onto its Box Office system must be registered, and is the "Data Controller". The relationship between venues and promoters complicates this further (See paragraphs 5.9/10 below). But first it is important to understand the first Data Protection Principle, that data is obtained *fairly*.

- 5.5 "Data Subjects" - individuals to whom personal data relates - must be informed ***at the time of collection of data*** if the intended use of the data is non-obvious:

WHO is holding the data
For WHAT is it likely to be used, and
To WHOM is it likely to be disclosed

What is "non-obvious" use of the data can only be defined by customers. Their understanding of what data is collected in a Box Office transaction, as revealed by their complaints, is very limited. It is therefore recommended by most advisers that it is good practice to notify all customers of WHO is holding the data, for WHAT it is likely to be used, and to WHOM it is likely to be disclosed, even if the use of the data is obvious. "Data Subjects" are entitled to opt out of their details being recorded.

- 5.6 The Data Protection Registrar interprets the requirement that *"the information to be contained in personal data shall be obtained...fairly..."* as to mean that the customer should be told **before** the data is logged, and given the 'opt-out' opportunity. Box Office staff believe that this is impossible, and compliance with the Act, and the

definition of what is "personal data" in this context, has not been tested. The Data Protection Registrar recognises the difficulties of advising customers in busy Box Offices or during telephone calls, but still expects customers to be notified and given the opt-out opportunity.

- 5.7 The Arts Council commissioned a report into data protection issues for arts organisations, and the clear recommendation was that no matter how the data is collected for marketing - whether through the post, by telephone or personally - that a statement of notification of WHO is holding the data, for WHAT it is likely to be used, and to WHOM it is likely to be disclosed, must be used and an opt-out clause given. For the Box Office it is recognised that this may not happen during the transaction but that instead the details will be enclosed with the tickets, ideally printed on the tickets. **This means that the details collected on a customer ought not to be used until they make a second purchase.**
- 5.8 The European Community is considering further data protection regulations and the harmonisation of the rules in different countries, many of which are more strict than the British Act, including the use of 'opt-in' instead of 'opt-out'. Some venues see an advantage in the proposed 'opt-in' situation, where customers are assumed not to want their details to be kept unless they indicate positively. This means that whenever possible customers would be notified during the transaction in order to obtain their consent, and only if this was impossible at the time would they be given the WHO, WHAT, WHOM notification together with a form to return to opt-in. Venues can use their mailing list preference questionnaires as the opt-in mechanism.

Obvious or Non-Obvious?

- 5.9 The Data Protection Registrar suggests that "obvious" uses of data would normally include marketing activities specifically concerning the arts organisation holding the information. According to the Registrar, "non-obvious" uses would include giving, lending, or hiring the information to any other organisation or third party. It is clearly good practice by venues to reassure customers that the data from the Box Office will only be used to make sure that they receive marketing information appropriate to them.
- 5.10 However, the relationship between venues and promoters complicates this. It is important to look at this from the customer's point of view. There are complaints to the Registrar because customers have not realised that in attending one venue in a group that their details would be available to all the group members; or, that the promoter (unknown and virtually invisible to the customer) would like the venue have the details; or, that the touring company would have the details as well as the venue. Because the different "Data Users" may be registered differently, in order to use the data in different ways, customers must be notified and given the chance to opt-in at the time and point of collection.
- 5.11 Inappropriate and "non-obvious" use of data obtained on customers from their Box Office transactions is unacceptable to many people. In most circumstances in Britain the use of Box Office data by third parties is in breach of the Data Protection Act, unless the "Data User" has specifically registered for this. Many customers dislike their data being transferred to third parties. Most venues do not appear to have registered for

this. Data on "opted-out" customers should be suppressed rather than deleted to avoid it being added again later. Clearly, data protection issues pose a challenge to the effective use of captured data unless venues comply with the legal requirements.

Review

- 1 How is your venue registered?
- 2 What is your relationship with other organisations which may have access to your data, such as promoters, companies, consortium members?
- 3 How do you give customers the WHO, WHAT, WHOM notification?
- 4 How do you enable customers to opt-out/opt-in.?
- 5 What is your Code of Practice for Data Protection?

Action Plan

- 6 Agree code of practice and category of registration with other " data users"
- 7 Amend registration
- 8 Train staff in giving customers at the counter the notification of WHO, WHAT, WHOM and the offer of opt-in/opt-out
- 9 Prepare notification of WHO, WHAT, WHOM for printing on ticket stock
- 10 Prepare a form for sending with tickets to notify customers of WHO, WHAT, WHOM and offer opt-in/opt-out (could be combined with mailing list preference questionnaire; could use Freepost reply service).

Section Three

Managing the Resource

Managing the Resource

Key Questions:

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6. Expanding the Horizons

6.0 This Manual has identified that a substantial amount of information can be collected and compiled to provide detailed customer records, primarily from contact with customers during transactions. This information is a powerful resource for marketing on its own. However, its usefulness will depend on two key factors:

- how the data can be expanded and comparisons made with other data
- how the data can be manipulated and interpreted

This section deals with the expansion of the data and its comparison with other sources.

6.1 The information which could be built into a customer record can come from a variety of sources. Data will not come exclusively from the simple ticket purchase transaction. In practice there can be five or more sources:

- **captured data** is usually data recorded automatically by the system as an integral part of the processing of every transaction - for example name and address, credit card type and number, details of event attended, all keyed in by the operator as part of the transaction.
- **collected data** is added when the customer is asked for additional information, such as:- how they found out about an event, did they

respond to a specific advertisement or campaign? There is a tight limit on how much can be asked without affecting customer relations.

- **observed data** is added when the operator, either at the time of the transaction or later, feeds in additional information about the customer from observation - for example the age of the customer or the buyer type (e.g, family); or it could be simply noting that this purchase is a response to a specific marketing campaign. Observation here means literally what the operator can interpret from seeing the customer or listening to them.
- **supplementary data** is either added to individual records by the operator from sources such as mailing list preference questionnaires or from file data to check the post town, postcode and phone numbers, or to add profiling data such as CACI's ACORN (A Classification of Residential Neighbourhoods ⁽⁴⁾ of which extensive use has been made by arts organisations and the Arts Council of Great Britain) or CCN Marketing's 'Mosaic'⁽¹³⁾. The use of this data will be affected by copyright and license agreements.
- **model data** is not about individual customers but about specific market segments or the market as a whole. It can be added to the database to provide comparative data for analysing market penetration and frequency of attendance from for example the Target Group Index ⁽¹⁴⁾. Again, the use of this data will be affected by copyright and license agreements.

- 6.2 In Chapter 4 in Section Two it has been suggested that in practice, data can be captured, collected or observed from almost 100% of customers. This is the primary source of useful and useable information. But the ability to add supplementary data and to enable the use of model data can transform the ways in which the data is interpreted, manipulated and conveyed. The mapping of data, comparison of market penetration, analysis of types of customers, depends on supplements to the information in customer records.

Supplementary Data

- 6.3 The most basic supplementary data is in files such as the Postcode Address File ⁽¹⁵⁾ and Phone Disk ⁽¹⁶⁾, both of which are now available on Compact Disc (CD). These simply contain all the addresses of every postal delivery point and all the telephone numbers of every connected address in Britain. When these were only available on tape they were so large as to prevent all but main frame computers from using them - the postcode address file, for example, occupies 37 high density 2,400feet long computer tapes. In practice therefore, most users purchased selected geographical areas. However, the introduction of CD as a compressed form of 'Read Only Memory' (ROM) for computers has made the complete file accessible to any user of an IBM compatible computer (within certain minimum specifications) with a CD ROM reader, but at a high recurrent price (though potentially affordable by marketing consortia).

Postcode Address File

- 6.4 The Postcode Address File is a centrally stored Royal Mail database of every address in

Britain to which mail is delivered, together with the postcode. Continuously updated, it records about 24 million addresses and their postcodes. It contains names, but normally only those of 'businesses'. The most common use of the basic address and postcode data is to look-up, verify and update addresses and postcodes when collected. However, the Postcode Address File also contains important additional information:

- the British or Irish map grid reference for each postcode, essential for plotting customer locations on maps
- the Mailsort Standard Selection ⁽¹⁷⁾ code, which if used to sort mailings above certain minimum sizes obtains Royal Mail discounts
- the local authority Ward codes and National Health Service area code, enabling records to be sorted using local authority and constituency boundaries
- the user category (residential, non-residential, or large - more than 25 items of mail per day) which enables households to be identified
- the number of delivery points in each postcode, essential for campaign planning purposes, such as door to door deliveries

6.5 In practice, the Postcode Address File (PAF) is available as a series of products, some of which inter-link, and which have different uses. While the cost of some of these is very high, especially on tape, on CD the cost is relatively modest for the complete information:- the first year cost is £2125 and £1250 thereafter. The PAF on CD also comes with retrieval software and selections from the data can be copied onto other computer storage media. This is a very powerful resource, regularly updated.

- 6.6 The PAF on CD is therefore a very effective way of adding data to customer records, verifying and updating them, enabling them to be mapped, and giving access to useful and cost saving sorting and campaign planning mechanisms. However, importing this data, reading it off CD and translating it into usable form on the computerised Box Office system will involve consultation with the system supplier. Some suppliers have investigated this as an option. Some are considering adopting the Royal Mail Rapid Address Input System⁽¹⁸⁾. In every case there will be hardware and software requirements. From the point of view of Box Office staff, the most useful attribute of the incorporation of the PAF will be that if they ask customers to give just their name and postcode then it will be possible for the computerised system to look-up the address details, and only the house number or building name need be added.

Phone Disk

- 6.7 Similar to the PAF on CD, the 103 "white page" telephone directories for the whole of Britain are now available on compact disc, containing about 17 million telephone numbers and subscriber details. However, because this contains both names and addresses as well as the telephone numbers, there are tight Data Protection restrictions on its use. Essentially, it can only be used as a "Directory", to look up the telephone numbers of one name at a time, and automated extraction of the data is **not** permissible.
- 6.8 Phone Disc costs £550 + VAT per quarter in 1993, and new discs are issued quarterly. Given the cost of telephone enquiry calls then some people argue that a database user

looking up more than 5,000 telephone numbers per annum - easily achieved by a telesales operation - could justify this cost. However, most venues using local telephone directories for their catchment area may think it a high price to pay for such limited functionality with the cost on top of staff to look-up each entry. The licence agreement specifically excludes automated look-ups so that telephone numbers could be added to customer records automatically, and name and address and telephone numbers be verified and updated. However, this is permitted manually.

National Databases and Profiling Systems

- 6.9 Proprietary national databases and profiling systems claim distinct advantages over the simple files of data contained in the PAF on CD or Phone Disc. Similar to these they draw on massive national volumes of data, but they set out to turn them into immediately useful information. If this information is then combined with data drawn from actual customer records, many new opportunities are opened up for analysing, processing and presenting the details about the customers. And there are specific marketing tools which are of great use in marketing planning. While there are a number of different proprietary systems, most experience in Britain of using these for arts marketing has been with just two: CACI's ACORN ⁽⁴⁾ and CCN's MOSAIC ⁽¹³⁾. In order to illustrate their usefulness, the CACI product range is described here.

CACI's ACORN

- 6.10 CACI Limited is an international high technology services corporation with three primary areas of operation: market analysis, information systems, and direct marketing. Their

core product is ACORN - A Classification of Residential Neighbourhoods. This is built by analysing the Census returns for the whole of mainland Britain. The British Government releases this data on the basis of about 130,000 small neighbourhood groupings of about 150 households. Each of these is related to specific postcodes. ACORN is built around the premise that people who live in similar neighbourhoods are likely to have similar behavioural, purchasing and lifestyle habits. The Census contains information on age, gender, make-up of the household, occupation and socio-economic status, number of rooms in the house, car ownership and travel to work. CACI updates ACORN by re-analysing the key component data items every year, producing annual population, age, sex, unemployment and workforce estimates, which the Government itself uses. The classification itself is not updated.

- 6.11 The ACORN classification built from the 1991 Census divides households up into 54 neighbourhood types which aggregate into 17 groups; these are divided between five categories. This enables each customer record in any database to be segmented into one of 17 or 54 neighbourhood groupings, projecting a picture of their likely housing and lifestyle. This on its own has many marketing applications. However, CACI supplement ACORN with data from the British Market Research Bureau's **Target Group Index (TGI)** ⁽¹⁴⁾. This is a very large market research database, updated annually, based on monthly self-completion surveys, with an annual sample of about 25,000 adults over 15 across Britain. It is a product and media survey with information on over 400 consumer products (from food to finance), some 3,500 different named brands, leisure activities and arts and entertainment attendances. This enables probable consumer characteristics to be projected onto the ACORN classification. This considerably

strengthens its usefulness for marketing. For the performing arts, ACORN and TGI together have been proved to be a useful indicator of the potential propensity to attend, and the Arts Council has computed the numbers of potential attenders for each artform in each postal district. The computed figures are available to clients of the Arts Councils or the Regional Arts Boards in Britain.

6.12 This combination of the ACORN classification and the TGI is, however, anonymous, still at neighbourhood level, without names and addresses but with postcodes. CACI therefore combine these with the Postcode Address File and the names and addresses from the Electoral Roll to create the ACORN list, with the full names and addresses of 43 million adults aged 18 and over. In Britain the Electoral Roll is updated annually and local authorities sell the lists to marketing companies such as CACI. Because maturing children with the same surnames join household members already on the Electoral Roll, the age of many people on the Roll can be estimated. This gives the ACORN product three distinct but inter-related elements:

- a classification system for customers or household addresses
- a geo-demographic data source at postcode level
- a profiled national name and address database

6.13 There are five main uses of these elements of this kind of proprietary profiling system:

- 1 **Profiling existing customers.** By segmenting customer records using ACORN/TGI profiles, selections for marketing can be targeted using

information on affluence, location, and lifestyle as well as data from the customer's transactions, in order to produce smaller or 'hotter' lists.

- 2 **Identifying potential new customers.** From the profiling of existing customers, the ACORN types of people with similar consumer, housing and lifestyle characteristics can be identified, and a selection made of the most likely prospects with the highest potential propensity to attend. The names and addresses of these people can be purchased so they can be approached using direct marketing methods.
- 3 **Catchment Area Analysis.** The ACORN and TGI data enable the potential arts attendances to be projected for any defined geographical catchment area for a venue on a postcode basis. By comparing this with the actual attendances and the distribution of customers an assessment can be made of market penetration and the effectiveness of current marketing, especially reach and distribution. Indices and maps can be produced to illustrate this.
- 4 **Planning distribution.** From the profiling of existing customers and the identification of potential new customers, and the catchment area analysis, geographical decisions can be made on a postcode basis so the distribution of publicity can be planned, either to concentrate on areas with the highest current response and propensity, or to target new areas with a low response at present. This could involve decisions on poster display, door-

to-door distribution and media-buying. Maps and marked-up street directories can be produced to help implement this.

- 5 **Planning direct marketing.** From the above, decisions can be made on which customers or prospects to target with which products, and the appropriate marketing methodology chosen to suit them, and the content of the marketing package tailored to their projected circumstances, based on ACORN/TGI information. By combining this with data from transactions, campaigns can be planned to increase the frequency of attendance and/or the spend per head of groups of customers, as well as campaigns to recruit new customers, with a projected frequency of attendance and value of sales.

- 6.14 Further information on how to work with the data and the proprietary systems in order to make use of these elements in marketing is contained in Section 4 Chapters 8, 9 & 10. There are however some further product developments from both CACI and CCN which add to the potential, especially for direct marketing, but for which the effectiveness in arts marketing is as yet not fully evaluated.

CACI's MONICA

- 6.15 Age is seen as one of the most important discriminators in a successful direct marketing campaign. The vocabulary of customers is different according to age, as well as the obvious differences in interests and lifestyles, and this should affect the character and in

particular the copywriting of any direct marketing approach to them. Age has already been identified as an important piece of information to add into customer records (Chapter 4 page 59). However, when seeking to approach potential customers there are no sources of specific age information about individuals, which means that direct marketing cannot easily be tailored to the age of the prospects. CACI's MONICA offers a system which projects the likely age of customers in four bands:

- Youngest: 18-24
- Maturing: 25-44
- Mature family: 45-64
- Retired: 65+

6.16 MONICA combines the ACORN classification (which incorporates the Census data) with an analysis of the Electoral Roll based on first names. CACI have identified 13,000 different first names which can be classified according to gender and claims that 75% of the British population have first names which are a good indicator of age. Using the make-up of the household and the combinations of names in the household, it is claimed that MONICA predicts the age range of customers with a high degree of accuracy.

6.17 To use MONICA, existing customer records are extracted and sent to CACI for age profiling. The age profiles are then imported into a field in the customer records. Together with age information collected by other means, this provides a potentially accurate segmentation into age bands of existing customers. However, it would also be

cost effective to use it when purchasing names and addresses from CACI. This would reduce in size the list for a direct marketing campaign to potential customers, in order to ensure that a targeted and tailored marketing package was only received by appropriate prospects.

CACI's ACORN Lifestyles

- 6.18 The ACORN Lifestyles List brings all the CACI products together into one segmented list to enable targeting based on the combination of ACORN, the age of customers, and household composition. This can be used for profiling existing customer records, as explained for MONICA above, but this is likely to be most useful if this done as part of the process of identifying the characteristics of prospective customers, to make cost effective the purchasing of names and addresses from CACI - the Lifestyles List should offer the 'hottest' prospects.

CACI's ARTS*ACORN

- 6.19 In 1993 CACI is collaborating with arts organisations which have computerised Box Office systems in the hope of creating a new ACORN classification system for the arts. ARTS*ACORN will be drawn from the 1991 Census and from information on arts attendances linked to the postcodes of customers. This will have significant advantages over the existing ACORN/TGI classification if enough venues contribute their data to the new classification to ensure that it is reliably representative across Britain:

- Being based on attendances at actual venues it will project the arts activity at a local level.
- Drawn from actual customer purchasing patterns it could predict the propensity to attend at postcode level - groups of about 15 households instead of the neighbourhood groupings of about 150 households.
- Using information on frequency of attendance and the kind of events attended it will enable customers to be segmented on these variables in relation to their housing and lifestyle characteristics
- These three above, together with the ACORN List, should provide the most sophisticated targeting system for identifying potential customers.

6.20 However, the most significant advantage for most arts organisations will be that CACI will provide this free of charge to those Box Offices which collaborate in building the system by donating details of customer postcodes and their arts attendances. The Box Offices will receive back the appropriate postcode file with the classification encoded, so new customers will be automatically classified as they are added to the customer records. The Data Protection Registrar has confirmed that there are no Data Protection issues involved, provided participating arts organisations are correctly registered under the Data Protection Act ⁽⁶⁾. Most computerised Box Office system suppliers have agreed to collaborate in preparing the necessary software routines to extract the data required by CACI to build ARTS*ACORN, and to enable the encoded postcode file to be added to their systems.

CACI's List Cleaning Services

- 6.21 One of the challenges of running a massive British database is the need to keep the lists clean and up to date, especially for deaths and for people who have elected not to receive any direct mail under the Mailing Preference Service. CACI screen their lists monthly for gone-aways and deaths, quarterly for the Mailing Preference Service and the PAF, and annually against the Electoral Roll. This list cleaning service is offered for independent lists, so that customer records can be compared with the ACORN list to be cleaned, verified and updated.

CCN's MOSAIC

- 6.22 While CACI's ACORN is the proprietary classification system of which there is most experience for arts marketing, there are other systems. Some interest has been shown in CCN's MOSAIC ⁽¹³⁾, the principal competitor. This was designed by the inventor of CACI's ACORN, Richard Webber, and claims certain advantages. However, it is not clear whether these are significant in practice.
- 6.23 CCN's MOSAIC uses the Census as the primary source, but this constitutes only 46% of the data used in building the classification, because it also includes data from consumer credit databases, county court judgements, mail order purchases, market research interviews, car registrations and other personal registers as well as the Electoral Roll and the PAF. On this basis over 60 different variables are used to define 58 different MOSAIC clusters, with 10 groupings of these clusters. These clusters are built on the basis of groups of about 15 households (compared with ACORN's 150 households) and

applied on the basis of postcodes. As the Census data is not available for groupings of less than 150 households, this suggests that classification below this level relies on the consumer spending and other information. This produces a geo-demographic profiling system capable of projecting customer characteristics; the principal potential advantages over ACORN are that uses more information about consumer spending and segments at the level of groups of 15 households.

- 6.24 Unfortunately, the type of information about consumer spending, its variability and necessarily limited coverage and comprehensiveness, undermines the ability of MOSAIC to really improve upon ACORN. Independent tests have shown little difference between them in performance for direct marketing, suggesting that they come up with similar answers when used to segment lists for targeting. Those who wish to use a classification system more as a research tool and less as a predictor of potential customer behaviour will see it as a disadvantage that CCN's MOSAIC relies on using such a large proportion of variable data.
- 6.25 Similar to CACI, CCN offer a family of MOSAIC related products which enable their profiling and classification systems to be used to assist with marketing in many different ways.
- 6.26 To use these proprietary classification and geo-demographic systems, it is necessary to match customer records with their national databases.. Essentially, this kind of profiling is rarely done 'live' but is usually batch processed, either by extracting the customer names and addresses and sending these to be processed by the proprietor of the

classification, or by profiling the records from encoding information purchased from the proprietor. Concentrated directory type files can be imported to enable the addition of the encoding information to the system so that customer records will be coded automatically. This can be expensive, though the data is very useful and cost effective.

- 6.27 By whatever means the customer data is processed, these classifications are keys to opening up opportunities to profile customers for marketing purposes. They also give relatively easy access to mapping and market analysis systems.

Proprietary Mapping and Market Analysis Systems

- 6.28 All the proprietary geo-demographic classification and customer profiling systems offer mapping and market analysis packages to go with their systems. For larger businesses these are sold as personal computer based desk top packages so that data extracted from customer records in the Box Office system could be imported and then compared with national data and mapped and analysed in a variety of ways. These are relatively expensive, though they offer very sophisticated ways of presenting and analysing the market place. They of course rely on their proprietary geo-demographic systems as the key to any analysis. Using postcode geography and 'drive-times' from a postcode location they offer many different options for looking at the catchment area. Executive Information Systems (EIS) such as MARKzMAN ⁽¹⁹⁾ are now offering a competitive alternative (see page 133).

- 6.29 While there are clear advantages in such comprehensive stand-alone systems, the

volume of data in computerised Box Office systems, and the close link with constantly changing ticketing history, suggests that there is a need for simpler solutions at lower cost, which will work directly with computerised Box Office systems. While the proprietary classifications have their advantages, a considerable amount of market analysis is possible using other data, such as the Target Group Index, which ACORN uses to supplement its geo-demographic system.

Target Group Index (TGI)

- 6.30 The British Market Research Bureau's **Target Group Index (TGI)** ⁽¹⁴⁾, as explained above, is a very large market research database, updated annually, based on monthly self-completion surveys, with an annual sample of about 25,000 adults aged over 15 across Britain. It is a product and media survey with information on over 400 consumer products (from food to finance) and some 3,500 different named brands. Since April 1986 the TGI has collected information about arts attendances alongside information on other leisure and recreation activities.
- 6.31 The most significant feature of the TGI is its single source nature. For example, it is possible to relate information on theatre attenders to all other information obtained in the survey, including the products people buy or use; some of the activities in which they engage; their readership of newspapers and magazines; their exposure to radio, television and other advertising media. This turns the TGI into important "model data", enabling us to understand the market place as a whole and compare the snapshot of details from the customer records of a venue with the bigger picture.

6.32 The Arts Council has made this process simpler for arts organisations in receipt of financial support from the Arts Councils or the Regional Arts Boards in Britain. The Arts Council produces for them an annual digest of statistics from the TGI complete with detailed analysis tables (available to clients of the Arts Councils and the regional Arts Boards). This is supplemented by a separate digest with analysis tables based on the eight English standard regions and Scotland and Wales; since 1992 this has been extended by aggregating the data for two years to improve the reliability of the data by increasing the sizes of the samples in each region and country. Where regions appear to have similar characteristics these also have been aggregated again to create larger samples. The figures for Greater London are also stripped out of some tables so that the picture without the "London effect" can be seen.

6.33 The Arts Council's digests from the TGI are therefore powerful tools in helping understand and interpret customer behaviour. Arts attendances are analysed in relation to the following key factors:

- Gender
- Age
- Social Grade
- Age of completing full-time education
- Annual Household Income
- ACORN type
- Readership of National Daily Newspapers
- Readership of Sunday Newspapers
- Readership of Regional Newspapers

In addition the Arts Council's detailed analysis extends to cover:

- audience overlap between artforms, including cinema and pop/rock concerts
- frequency of attendance for different artforms
- audience profile for different artforms using age, gender and social grade
- trends in frequency of attendance

6.34 In order to add Target Group Index data it is necessary to set up 'Tables' in the database to hold the information, which must then be typed or scanned in. The use of the data in this way is affected by copyright and license agreements. The key piece of data here is the postcode which is effectively used as the index to access figures for the numbers of attenders likely to be found in the population as a whole for different artforms. One computerised Box Office system is pre-configured by the supplier to hold the TGI data and use it in a number of market analysis calculations ⁽²⁰⁾.

6.35 In order to map the Box Office data and any market analysis derived from the TGI data, additional software packages are required. The postcode is always the key to using these. Software packages are already available offering mapping, statistical analysis, graphing and presentation tools, and some computerised Box Office system suppliers offer these as optional extras. These packages will always involve the preparation of a set of data in the Box Office system itself. This data set is then either seamlessly transferred into the package or exported to another computer for processing. The processing and management of the data is covered in the next Chapter.

Review

1. Which of the five methods of acquiring data are currently in use and which ones provide opportunities to add data to supplement transaction records
2. Would it be useful to add either the Postcode Address File or to obtain the Phone Disk for your scale of operation. Does your system allow the addition of the Postcode Address File?
3. Do the proprietary classification systems and their specialist services offer additional benefits to your operation?
4. Have you obtained, if eligible, the Target Group Index data for your catchment area from the Arts Council?
5. Does your system enable the addition of TGI data or will this require software extensions from your system supplier?
6. Will a mapping package be a useful tool for analysis and presentation? Does your system supplier offer a system software extension or is it necessary to find a compatible package or to use the services of one of the proprietary classification systems?

Action Plan

7. In the light of the above, re-review the routines and drills for data collection (Chapters 3 & 4) and introduce appropriate procedures with the staff
8. Obtain quotations as appropriate for system extensions and/or proprietary classification systems and services and decide on implementation.

9. Implement the addition of Target Group Index data as appropriate to your system
10. Obtain quotations as appropriate for mapping packages and decide on implementation

7. Processing the information

7.0 The first six chapters of this Manual have concentrated on collecting and compiling useful information for customer records. The previous Chapter has reviewed how the addition of supplementary data, especially from proprietary profiling systems, can expand the horizons of the computerised Box Office system database. But there are now two perennial problems which face anyone with large volumes of apparently useful data:

- we know a lot of facts, do we understand them?
- we see a lot of data, can we interpret it? Are the results meaningful?

These two problems are in practice compounded by a third:

- we've interpreted the data, we understand the facts, but how do we use them?

7.1 This Chapter explores the ways in which the data can be processed so that it can be interpreted, its relevance can be understood, its value conveyed. This will involve looking at statistics and their illustration and analysis. Those readers uncomfortable with mathematics may think this Chapter daunting. However, a basic review, in words, is an essential foundation to the exploration of specific marketing applications in

Section Four. Software analysis packages are available to do the work described here.

- 7.2 Even for comparatively small collections of data, it is often not a helpful way of conveying information to provide a full and detailed picture. Minute detail is often not essential and actually prevents us from "seeing the wood for the trees". It is often most helpful to represent a mass of data by just one figure. For example, the Arts Council uses *ticket yield* as a performance indicator, it being the *average* amount paid for each ticket sold by a venue. This figure can easily be misleading. The **average** is often referred to by statisticians as the **mean**, though there are two other different and useful ways to define the average and to measure 'central tendency':- the **mode** and the **median**. Most Box Office data cannot be summed up reliably in one figure.

The Mean

- 7.3 The mean is found by adding together all the figures in a list and dividing the total by the number of figures in that list. This is said to be representative of **all** the figures in the list, so the extremes - the largest and smallest - will affect the result as well as the most frequently occurring figures. An obvious example of this is the inclusion of group or party bookings in calculations of the mean number of tickets purchased by customers. In the example over leaf, taking a list of just 11 transactions, the average number of tickets purchased is 3.5, inflated by the one transaction for 12 tickets.

The Mode

- 7.4 The mode or modal value is the most frequently occurring figure in the list, sometimes

referred to as the norm. In the example over leaf, the number of tickets most frequently purchased from the Box Office is 2.

The Median

7.5 The median is the middle value once the list has been put into ascending order, it represents the halfway value in the distribution of the figures. In this example, 3

Mean	Mode	Median
1	1	1
5	4	2
2	5	2
3	12	2
2	3	2
12	3	3
3	3	3
2	2	3
4	2	4
2	2	5
3	2	12
39		
To calculate the average or mean, divide the total of the list by the number of items in the list: $39 / 11 = 3.5$	To calculate the mode, find the most frequently occurring number in the list: $= 2$	To calculate the median, put the list into ascending order of magnitude and find the middle value (half way down the list): $= 3$

- 7.6 These three calculations of the "average" have given three different results, the mean inflated by the extreme values in the list, the mode unaffected by this, and the median representing the middle value, also unaffected by the extreme values. For the purposes of calculating the likely number of tickets sold in the majority of Box Office customer's transactions, the mode is here likely to be most accurate; however, the mode can also be meaningless if some of the values occur the same number of times in the list.
- 7.7 Statisticians recommend the median because it is always between the mean and the mode, not as highly influenced by the frequency of occurrence of a single value as the mode, nor as highly influenced by extreme values as the mean. Because computerised databases can carry out these calculations quickly and easily, it is usually safest to do all three in order to be able to compare the results. For many calculations and interpretations of data, this problem will be repeated - how relevant is the figure we have calculated: how much does it truly represent the body of Box Office data?

Range and Dispersion

- 7.8 For a single list of data, the relevance of the mean, mode or median cannot be identified unless we know the range - the largest and smallest values - and the dispersion - the distribution of the values - of the data in the list. In the previous example, the range is clearly 11, because the largest transaction was 12 tickets and the smallest 1. However, this is less important than the dispersion. A common measure of dispersion is to identify the inter-quartile range: put simply, the values in a list are put in ascending order and the list divided into four - in the middle will be the median, and

the inter-quartile range is the difference between the highest value in the first quarter of the list and the highest value in the third quarter of the list. Using the same example as before, this shows that half of the transactions ranged from 2 to 4 tickets. Taken with the median of 3 and the mode of 2, this confirms that 3.5 as the mean transaction size is misleading.

Range and Inter-quartile Range

1
 2
 2 ——— First quartile
 2
 2
 3 ——— Second quartile (median)
 3
 3
 4 ——— Third quartile
 5
 12

Put the list into ascending order of magnitude. To calculate the range subtract the smallest figure from the largest figure $12 - 1 = 11$.

To calculate the inter-quartile range divide the list into four: subtract the highest value in the first quartile from the highest value in the third quartile $4 - 2 = 2$.

This possibility of confusing results arises on calculations of ticket sales, especially of ticket yield and distribution of sales by value, frequency of attendances, as well as

transaction size. For marketing purposes, the calculation of the median and the inter-quartile range will be far more meaningful and helpful than the average because it will eliminate the effect of the extremes and represent the central values of the data.

Standard Deviation

- 7.9 For heavyweight analysis of dispersion, statisticians reach for the **standard deviation**. The standard deviation is a measure of variability - how much the data varies. It is useful for understanding the range and distribution of a large set of figures. When the majority of a set of figures covers a small range of values then the standard deviation is will be small; as the range of values spreads out more, the standard deviation becomes larger. This is based on the statistical theorem that *at least* 75% of the values in a list will fall within plus or minus 2 standard deviations of the mean. (In fact this is a calculation from the **variance**, which is reached by dividing the sum of the squared distances between the mean and each item in the list, by the total number of items in the list; when the square root of the variance is calculated this gives the standard deviation.) Fortunately, the calculation of the standard deviation is usually offered as a *function* or *operator* in many computer databases and spreadsheets.
- 7.10 The simple way of calculating the standard deviation is shown overleaf, again using the data from the example of a list of transactions. The calculation arrives at a standard deviation of 2.9. This then shows that *at least* 75% of the transaction sizes fall within the range 1 to 9 tickets: i.e. plus or minus two standard deviations from the mean of 3.5. From this small example, the result is perhaps obvious. Working with large

numbers of transactions, the relevance of the data cannot be seen from a list - it is too long - and it has to be calculated.

List of values	Deviation	Deviation Squared
1	-2.5	6.25
2	-1.5	2.25
2	-1.5	2.25
2	-1.5	2.25
2	-1.5	2.25
3	-0.5	0.25
3	-0.5	0.25
3	-0.5	0.25
4	0.5	0.25
5	2.0	4.00
<u>12</u>	8.5	<u>72.25</u>
39		92.50

<p>To calculate the average or mean, divide the total of the list by the number of items in the list: $39 / 11 = 3.5$</p>	<p>To calculate the deviation subtract the list values from the mean (many will be negative)</p>	<p>Square the deviation and total them. Divide this total by the number of items in the list: $92.50/11 = 8.41$ To find the Standard deviation, calculate the square root of this = 2.9</p>
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The standard deviation is a powerful analysis tool to reach an understanding of the

majority of values in a list. Because it is known that for a normal distribution, two thirds of the values will be within one standard deviation of the mean, 95% will be within two standard deviations, and 99% will be within three standard deviations, it is possible to identify whether data is reflecting a significantly different pattern. Knowledge of the behaviour of the majority of customers is crucial in Box Office data analysis.

- 7.11 From working with the use of a single figure to analyse a list of items, the mean, mode or median, we have moved to using these with the range (smallest to largest) or inter-quartile range (range of half the values) to the standard deviation (range of at least 75% of the values). These are very useful when looking at one set of Box Office data. However, it is often necessary to illustrate data so the patterns can be seen and interpreted. For this purpose the data needs to be segmented - divided into groups or classes. Developing the example of the number of tickets sold in transactions, a large list is not helpful if it lists every transaction, because it is too cumbersome. More useful is the number of customers who buy tickets in different sizes of transactions.

Frequency Distribution

- 7.12 A table of Frequency Distribution is obtained simply by deciding the size of each class or segment and then counting the number of values in each segment, typically the number of customers in each segment; its usefulness is increased by calculating the percentages to show the relative frequencies. If the size of each segment is not uniform, and the interval between them not the same, then interpretation of the data is made difficult.

However it is possible to start and end with open classes/segments such as "up to 4" or "more than 12". A large number of segments also hampers interpretation; statisticians usually use no fewer than 6 and no more than 15 segments. While the table illustrated over leaf is useful, its principal purpose is as the data source for graphic presentation.

Graphic Presentation

- 7.13 The use of graphs, charts, and histograms is often recommended to supplement data and improve its presentation. In fact, their primary purpose is to improve interpretation. The method of presentation can be crucial in communicating meaningfully:

What	<ul style="list-style-type: none"> - is the relevant data to process? - are the key facts to enable interpretation?
Which	<ul style="list-style-type: none"> - processes will analyse the data? - processes will check on the relevance of the analysis?
Who	<ul style="list-style-type: none"> - will see the results and what will be meaningful to them? - will need to make calculations from the data?
How	<ul style="list-style-type: none"> - will the data best be presented? - will the results be seen? <ul style="list-style-type: none"> • written report? • slide presentation?

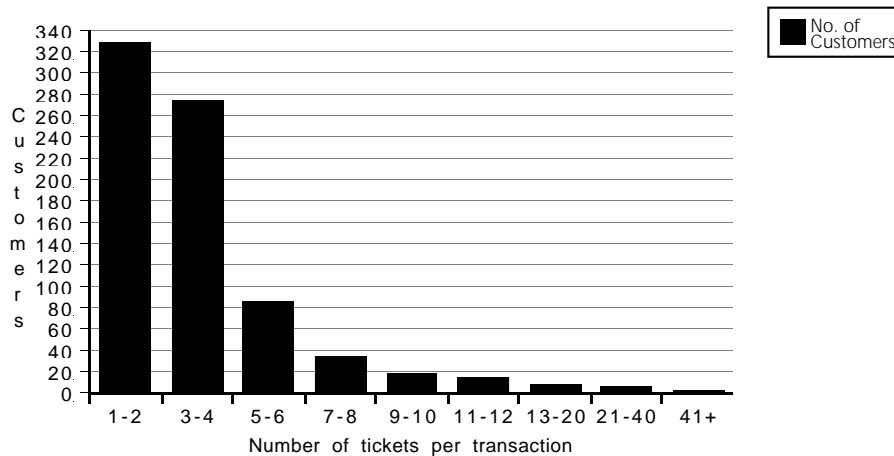
Ticket sales segments (Classes)	Number of customers per segment (Frequency)	Relative Frequency Distribution (Proportion)	Number of seats sold per segment	%age of total seats sold per segment
1 to 2	328	42.4%	590	19.1%
3 to 4	274	35.4%	959	31.1%
5 to 6	87	11.2%	478	15.5%
7 to 8	35	4.5%	262	8.5%
9 to 10	19	2.4%	181	5.9%
11 to 12	14	1.8%	161	5.2%
13 to 20	8	1.0%	136	4.4%
21 to 40	6	0.7%	210	6.8%
41+	<u>2</u>	<u>0.2%</u>	<u>108</u>	<u>3.5%</u>
	Total 773	100%	3085	100%
Note that up to 12 the range in the classes is equal, but then jumps in ad hoc ranges		To calculate the %ages, divide the number of customers per segment by the total number of customers and multiply by 100.		To calculate the %ages, divide the number of seats sold per segment by the total number of seats sold and multiply by 100.

Graphic presentation usually emphasises and clarifies patterns and distributions that are not so readily discernible in tables of figures. It also enables us to estimate some values at a glance. Graphs, charts and histograms give data in a two dimensional picture with

on the horizontal axis the values of the variable we are measuring - ticket sales, in the example - and on the vertical axis the frequency of the occurrences - number of customers. Histograms (not illustrated here, but similar to bar charts) plot the data as a series of rectangles proportional in height to the frequency of occurrences in each class or segment and proportional in width to the range of the class or segment. The advantage of the histogram is that each rectangle clearly identifies each separate class or segment and its area is proportional to the total number of occurrences, so calculations can be made from them.

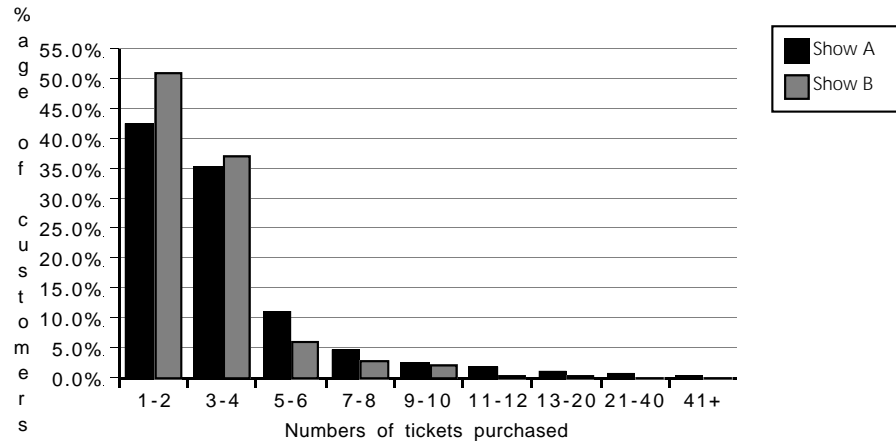
Bar Charts

7.14 The bar chart is a simplified version of the histogram with many of its advantages. The first two columns of the Table on the previous page appear in bar chart form as below:



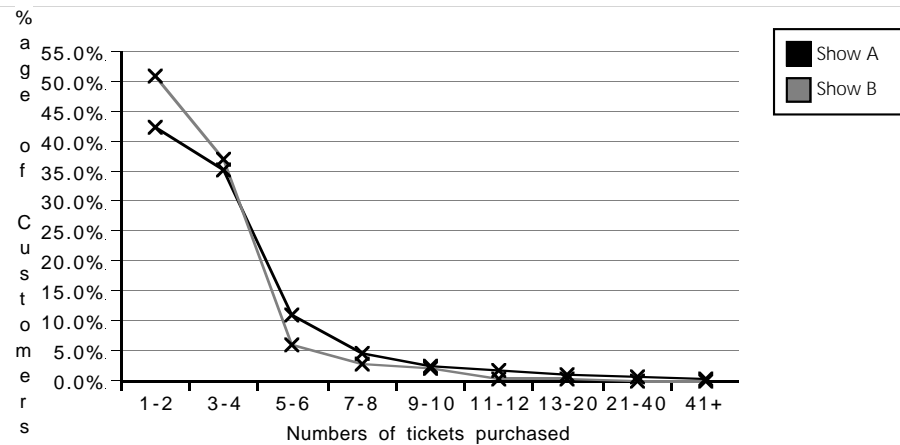
The bars are proportional in height to the frequency of occurrences in each class or segment. The major disadvantage is that the width of the bars is not proportional to the range of the classes or segments, and therefore they need careful interpretation.

7.15 While the previous bar chart looked at the actual number of customers, it is usually most useful to look at the relative frequency of occurrences - in this case the proportion of customers buying tickets in each of the ranges, most easily shown by the percentage of the total. It is preferable to plot on the vertical axis this relative frequency distribution - the percentages in each class or segment - because the two bar charts will then be on the same basis and the shape can be compared. From the bar chart above, only the vertical axis changes, to show the percentage of customers buying the different numbers of tickets instead of the actual number of customers. If comparison is needed of two data sets, then a second set of rectangles or bars can be added with different shading, as shown below. Show A is the 3rd column data in the Table on page 115.



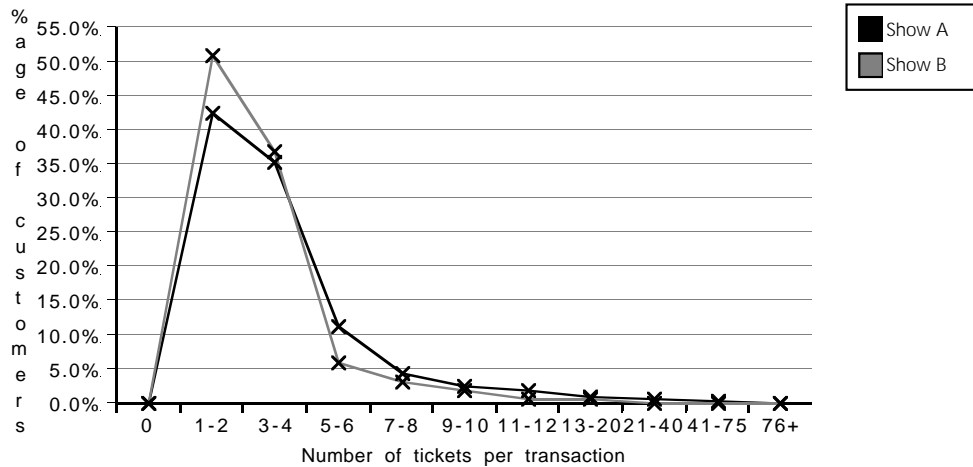
Line graphs

- 7.16 The alternative way of presenting this Box Office data is as a line graph connecting the mid-points on top of each bar, with a separate line for each set of data. As with the bar chart, the slope of the line will be affected by the range of the data in each class or segment, giving a picture not necessarily in proportion. Statisticians prefer the frequency polygon, in which the data is plotted in proportion, so calculations can be made from them, as in a histogram. However, line graphs are a simpler version. The bar chart converts to a line graph as below



- 7.17 Statisticians prefer to plot such graphs with zeros in the classes or segments at each end to allow the graph to reach the horizontal axis at both ends of the frequency distribution. The shape of the curves then enables further interpretation of the data.

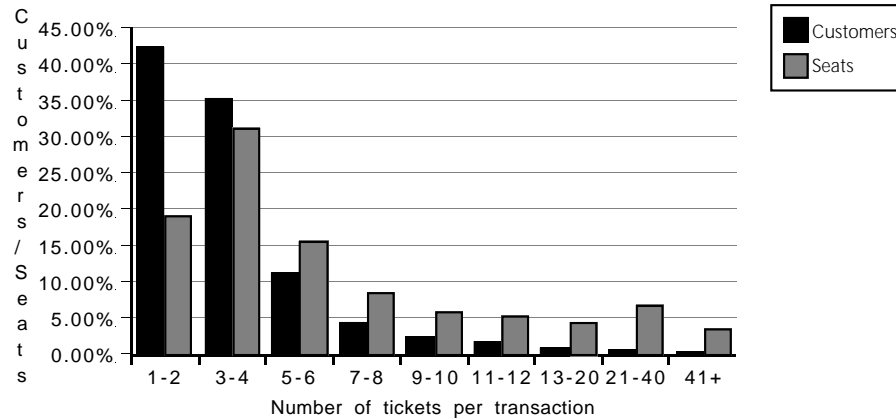
Put simply, most curves drawn from data from the natural phenomena of the population as a whole are symmetrical; curves of economic or social data are usually asymmetrical, because they are affected by circumstances other than chance.



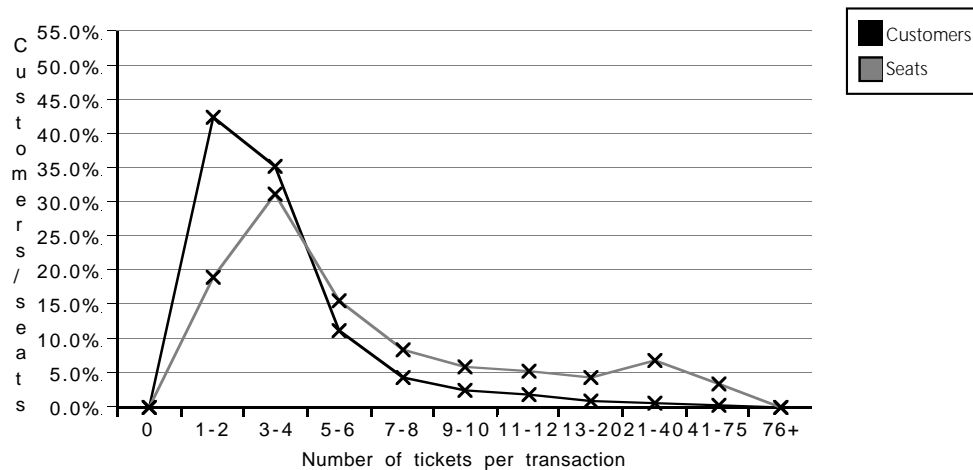
Understanding Data

7.18 In the example illustrated in the bar charts and line graphs above, in order to retain the proportionality of the percentage of customers, there is a problem with the graphic presentation: the party or group bookers appear to be insignificant. Yet the number of seats they purchase is a significant proportion of ticket sales. It is important to look at the total number of seats purchased by customers in the different classes or segments to fully understand the data. This kind of problem recurs frequently when interpreting Box Office data - have we looked at the significance of the data from all angles? Are

we sure we have chosen the right graphic presentation to enable us to interpret the data? There is no easy answer to this. For example, much Box Office data about sales requires analysis by volume and value as well as numbers of customers and frequency. To follow the example, we need to plot the proportion (percentage) of seats purchased by customers in the different classes or segments as well as the percentage of customers buying tickets in each class or segment. On both the bar chart and the line graph we can plot the two sets of data and see their relationship:



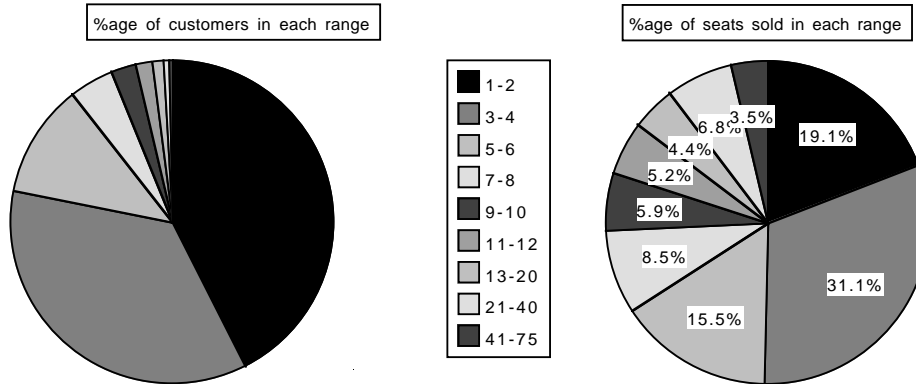
In this case the complete curve of the line graph shown over leaf gives a more readily interpretable picture. The relative distributions of the numbers of customers and the numbers of seats purchased is discernible.



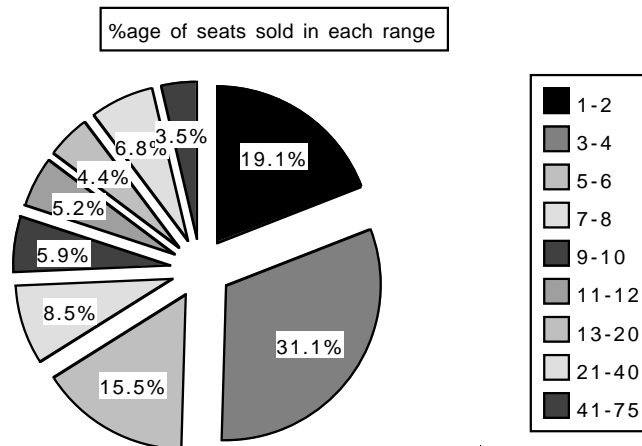
7.19 There are other useful means of graphically presenting data, though most depend on the picture emerging from the data being visually "obvious". Sometimes it is necessary to try different forms of presentation until one is found which is readily interpretable. Sometimes it is only the general distribution of a single set of data which it is required to identify or show. The percentage of seats purchased by customers and the percentage of customers buying tickets in each class or segment could be shown by two pie charts.

7.20 A pie chart is a circle or "pie" in which each item - the class or segment in our example - occupies a sector or "wedge" of the circle whose area is the same percentage of the total area of the circle as the item it represents is of the whole. They are not able to be statistically accurate because of the minimum wedge that can be graphically illustrated, as shown in the chart of the percentage of customers below. This neatly shows both

the advantages and disadvantages of pie charts:



It is useful to give the dimensions of each wedge, as shown with the percentage of seats sold. The use of "exploded pies" is visually helpful as an aid to interpretation:



7.21 Many software analysis and presentation packages offer choices of other ways of illustrating data sets for interpretation. The key test is whether the picture is a realistic one and enables practical interpretation. Even for the relatively small examples used so far in this Chapter, this is not straightforward. The need for clarity and reliability increases when we wish to find the correlation between different pieces of data and their relationship in practice. There are a variety of statistical tests and measures which can help. Most of them are mathematically complex, and beyond the scope of this manual to describe in simple language. Fortunately, they are available as pre-set routines in various statistical analysis packages so that provided the user knows what they are for and how to interpret the results, data can be processed and the results obtained without understanding the algebra.

Analysis of Variance

7.22 One of the simplest challenges to any statistical interpretation is whether the pattern of occurrences are significant or due only to chance: how and why does the data vary? Suppose the catchment area of a venue is analysed on a postcode and ACORN⁽⁴⁾ basis and three equi-distant postcodes with the same ACORN profile produce a 35%, 42% and a 51% penetration of the expected play attenders using Arts Council figures. If this difference is significant then the Marketing Manager will need to take some action. But if the difference is not significant - due solely to chance - there is no need for remedial action. The check on this is the ***Chi-Square Test***, usually offered as part of a statistical analysis package which processes cross-tabulations; powerful packages also offer ***analysis of variance***, when the significance of more than two variables can be

measured at once. The value of Chi-Square can never be negative, and a value of zero means that the figures in the tables exactly match the predicted figures, and are therefore likely to be a product of chance. In the example above you will appreciate that these variations between the penetration of the postcodes are not by chance.

- 7.23 Chi-Square tests sometimes involve the quotation of ***degrees of freedom***, ***significance levels***, and ***probability values***. The degrees of freedom are the number of values open to prediction. In the example of the postcode penetration figures then because we have three values to check on then in the Chi-square Test we must predict two of them from one - this is two degrees of freedom. The software analysis package may need this figure in order to process the cross-tabulation. Similarly, significance levels may be needed to pre-set the reliability levels of results.

Significance Levels and Probability Values

- 7.24 These are not indications of relevance. They simply indicate the statistical likelihood of the values occurring. Thus a 1% significance level means that there is only a 1 in 100 chance that 2 different values could have arisen from the same data set, and a 10% significance level means there is a 1 in 10 chance that 2 different values could have arisen from the same data set. Most researchers uses significance levels in the 1 to 10% range, usually 1%. However, while we may choose to work with this level, most software analysis packages will give the probability value *after* making the calculation: the probability value tells us how *unlikely* is the value we have observed, expressed as a percentage (usually in a form such as 0.01, which is 1 in 100, which equates to a 1%

significance level). Essentially this tells us whether the results are useful to us.

Correlation, and Regression

- 7.25 Every day marketing managers make decisions based upon predictions of the future and the behaviour of their customers. To make these decisions they forecast either intuitively or on a calculated basis between past experience and future estimates. If the relationship between variables in customer behaviour can be determined, then the decision making process becomes more scientific. Tests like Chi-square tell us *if* there is a relationship between variables but not *what* that relationship is. We know it is significant but not how or why? Regression and correlation analysis are based on the relationship or association between two or more variables. They will identify and measure relationships. The known variable(s) are called *independent variables*, and the *dependent variable* is the variable we are trying to predict.
- 7.26 Regression and correlation show relationships but do not prove cause and effect. Regression analysis can be useful in predicting sales from a series of factors about past customer purchasing behaviour. Correlation analysis will help test the accuracy of the prediction. Regression and correlation analysis can also be used to find relationships to help plan direct marketing activity. For example, the Target Group Index⁽¹⁴⁾ shows information about the overlap of attenders in Britain between artforms and about the frequency of attendance at different artforms, but that is for the population as a whole, and customers could be making their attendances at different venues, perhaps even in different places. So if a venue offers different artforms, has a large database of

customers, is there a correlation between attendance at more than one artform; is the propensity to attend associated to frequency and/or price?

- 7.27 Extracting details on all those customers who have attended 'plays' together with details of their frequency of attendance and price paid, and a series of variables such as age, ACORN classification, and then correlating this with their 'contemporary dance' attendance may show that the best prospects to persuade to attend contemporary dance have specific characteristics. Both calculation routines are available in analysis packages, usually using multiple regression and multiple correlation analysis techniques. It is only necessary to load in the raw data which you wish to be analysed.
- 7.28 Correlation analysis will give us the correlation coefficient which can have a minimum value of -1 and a maximum value of +1. 'Zero' means there is no relationship between the variables, '+1' is positive direct correlation - every change is matched equally, while '-1' is negative inverse correlation - every change is matched in the opposite direction. Most statisticians interpret correlations of +0.7 or more or -0.7 or less as significant degrees of association - this means reasonable marketing predictions could be based on them.

Segmenting Customers using Multi-Variate Analysis

- 7.29 The data held in customer records represents a body of information which may contain unknown relationships and links beyond the obvious. Researchers use the power of computers to search through data, analyse, compare and correlate in order to cluster

customers, find out the significant factors, and discriminate between them. These are the very techniques used on millions of records to build the ACORN classification. But these same techniques can be used to cluster and segment customers on large Box Office databases. Some of the results could be blindingly obvious - a group of houses in the same street cluster on the postcode - but for example do subscribers emerge as having a specific range of identifiable characteristics? Some venues have identified potential subscribers from specific patterns of attendance, ticket price paid, and age, capturing "empty nesters" as their life pattern changes. The potential power of this could be released by Arts*ACORN.

- 7.30 These techniques need qualified statistical intervention to ensure that only suitable data is used and analysed in appropriate ways. Market research companies usually include such specialists, and have the computer processing power, and can then research on Box Office data without having to conduct any surveys or use samples. Some venues have found it useful to have research conducted on their customer records to reveal patterns and trends⁽²¹⁾. However, trend analysis and the use of indices is a key technique which should be within the scope of the Box Office.

Trend Analysis and Index Numbers

- 7.31 An index number sets out to show how a variable has changed, either over time or in relation to some 'norm'. For example, in Britain figures from the Theatrical Management Association show continuously rising ticket prices, but how much should prices have increased anyway to keep pace with inflation? Research has shown some venues make price increases which not only fail to compensate for inflation but can

reduce the income achieved. Venues often calculate ticket yield as a crude indicator of the movement in earnings, but this needs a clear base if factors such as inflation are not to distort the figure year on year. The use of **Index Numbers** as indices is essential in trend analysis and to enable meaningful comparisons.

- 7.32 An index number is calculated by finding the ratio of the current value to a base value, then multiplying by 100 to express the Index, in effect as a percentage. The example which follows is an index of postcode penetration.
- 7.33 Note that the index number for the base point is always 100. In the example, if the percentages for a particular postcode were identical then the Index would be 100. Any figures above or below 100 represent the percentage penetration using the ACORN/TGI norm which is being achieved in that postcode. Thus in CF1.8 where there are 1212 potential playgoers and only 37 are actually attending, the index shows only a 15% penetration. In direct marketing, for comparison purposes, a penetration rate per 1000 population is usually calculated as well:

The Penetration Rate is calculated by dividing the number of customers in each postcode sector (or other geo-demographic segment) by the number of residents in that sector or segment and dividing by 100.

So if there is a resident population of 93735 and 1378 customers, then the penetration rate is 1.470, which equals 1.47 customers per 1000 residents. See page 144 for an example.

Postcode Sector	Potential Playgoers	%age of Potential	Number of Attenders	%age of Attenders	Index
CF1.1	56	0.07%	10	0.31%	442
CF1.2	16	0.02%	10	0.31%	550
CF1.3	227	0.28%	44	1.38%	491
CF1.5	168	0.21%	21	0.66%	314
CF1.6	82	0.10%	6	0.19%	190
CF1.7	1746	2.17%	44	1.38%	64
CF1.8	1212	1.51%	37	0.22%	15
CF1.9	1514	1.88%	85	2.66%	142
(Extract from full series of figures)	Figures from Arts Council analysis of TGI and ACORN	The total number of potential playgoers in the agreed catchment area, divided by the number in each postcode, and multiplied by 100.	The actual number of attenders recorded on the Box Office database	The total number of actual attenders from the agreed catchment area, divided by the number in each postcode, and multiplied by 100.	The %age of actual attenders for each postcode, divided by the %age of potential playgoers and multiplied by 100.

7.34 Index numbers are most used in showing changes in over time. Because changes are turned into percentages the proportion of change is readily identifiable. Tracking the

number of customers on the database actually buying tickets provides a useful index:

Year	1988	1989	1990	1991	1992
No. of Purchasing Customers	8094	9288	8416	9271	8233
Index	100	115	104	114	102
Chain base Index		115	91	110	89

The Index is calculated by dividing the number of customers purchasing each year by the base year number (1988=8094) and multiplying by 100. The chain base index uses the previous year instead of the base year: in 1992 $8233/9271*100=89$

This illustrates how indices can give a clearer picture. The variations in the number of purchasing customers become interpretable when 1989 is shown in proportion as a 15% increase on 1988; the drop in 1992 to near the 1988 figure shows the effect of recession on customer numbers. However the simple index may be less than helpful in a constantly changing situation year on year. The programme of the venue might be changing, the level of subsidy and number of events, the ticket prices and reductions, and so on, perhaps based on the success of marketing in increasing sales:- 1988 may not be an appropriate base year for the index. The **chain base index** calculates the index from the previous year instead of against a single base year. In the example this means the success of 1989 is used as the base year for looking at 1990, and the poorer result in 1990 is used to compare 1991; the severity of the reduction in 1992 and the

potential impact on the venue is revealed starkly by the chain base index. While this shows the number of purchasing customers it does not reveal the value of their sales.

- 7.35 The index of sales per annum to typical customers is a useful comparator. This is going to be a composite of frequency of attendance, number of tickets purchased and ticket price paid. From earlier in this Chapter the problem of how to choose the typical customers was explored. Here the mode is most useful to us. First identify the purchasing customers, then in each year the most frequently occurring figure for ticket purchase size, then for those customers purchasing that number of tickets, their number of attendances and total number of tickets purchased and price paid. This enables us to calculate the average price paid per ticket per annum.
- 7.36 This index is weighted using current year volume against base year prices. The alternative (not shown) is to weight using current year prices against base year volumes. The danger when using indices is that the chosen base for calculation may be the one which shows the result required, for example choosing a poor year as the base to prove a large increase, or a good year to present it as a small increase. Year-on-year calculations prevent this. Re-calculating the example as a Chain Base Index using previous year prices, again the results are different. In this case while the current volume/base year index is rising but slackening in its increase, the chain base index is actually falling. While price paid has been used as a factor in calculating this, it is clearly factors other than price which are affecting the results:

Year	1988	1989	1990	1991	1992
No. of Purchasing Customers	8094	9288	8416	9271	8233
Mode	2	2	2	2	2
Number purchasing 2 tickets	5215	6372	6008	6459	5726
Total purchases	26075	34408	32443	33586	26339
Value of sales	£156450	£221931	£224505	£244847	£193332
Average ticket cost	£6.00	£6.45	£6.92	£7.29	£7.34
Base year index	100	107	115	121	122
Chain base index		107	107	105	100

The Base Year Index is calculated by dividing the value of sales in the current year by the value of multiplying current purchases by the average ticket cost in the base year, and multiplying by 100. The Chain Base index uses the previous year instead of the base year.

- 7.37 The above example uses indices drawing on actual average price paid. Because other movements are involved, such as the number of purchasing customers in the class or segment and the frequency of attendance, these figures cannot be readily adjusted for inflation. However, whenever using data on prices, these should be compared with what the index would have been if adjusted for inflation year on year.

- 7.38 This short review of statistical methods should have raised expectations of what can be achieved from intelligent processing, manipulation and presentation of the data in Box Office databases. While in some cases it may be necessary to export data to specialist analysis packages, or employ the analysis services of a market research agency, the introduction of Executive Information Systems (EIS) is transforming the data processing capabilities of computerised systems. Already at least one supplier in Britain offers an EIS 'front-end' to collect and analyse data distributed in their Box Office system ⁽²²⁾.

Executive Information Systems

- 7.39 EIS works by providing the non-expert user with an 'intelligent' front end which collects, filters, analyses, and presents information from a variety of data sources. Some EIS systems analyse the data and decide intelligently what further analysis is required and how best to present the data. Details of these are reported in the Arts Council's September 1993 update of Michael Prochak's *'computers for arts marketing'* ⁽²³⁾.
- 7.40 For example, an EIS such as MARKzMAN ⁽¹⁹⁾ is specifically designed for marketing analysis and the management of customer records, including their use in direct marketing. It pulls in data onto a personal computer from the Box Office computer and other sources and compiles it automatically into a relational database. It comes complete with Tactician, a sales and marketing analysis tool which incorporates mapping and all the detailed data processes described in this chapter. Because of advanced design of the software, it completes complex selections and sorts on hundreds of thousands of records in seconds. It also includes campaign planning and

response analysis routines. This could provide the alternative to the development of integrated Box Office systems. It may mean that older computerised ticketing systems may not need to be replaced to gain access to advanced marketing capabilities, provided the data required for marketing is being collected and retained.

Armed with the techniques to handle the data, the concluding section focuses on the various applications in marketing methodology.

Review

1. What are the existing data processing, calculation and presentation facilities on our Box office system?
2. Can we use the existing facilities? Are there other staff who may have skills in data analysis?
3. What data processing and analysis requirements cannot be met from our current system? Which software analysis packages or Executive Information Systems will meet our requirements?
4. Is there sufficient volume of data and potential usefulness for marketing to use a market research company to research and analyse the records?
5. Assess reporting requirements and the use of indices and other measures.

Action Plan

6. Plan training of appropriate staff in basic statistical techniques
7. 'Play' with existing data processing, calculation and presentation facilities, experimenting to explore the capabilities and gain familiarity with the systems.
8. Add on either EIS or software analysis packages and repeat 7.
9. Arrange speculative meetings with market research companies to explore market analysis capabilities.
10. Set up reporting routines and standard calculations of indices and other measures.

Section Four

Marketing

Marketing

Key Questions:

What can the database tell me about our markets? 0

How do we profile our audience? 0

What are the key dimensions we could be assessing? 0

How will the customer records improve our mailings? 0

What do we do to personalise our approach to customers? 0

Can we analyse sales patterns to predict outcomes? 0

What do I do to monitor and evaluate our campaigns? 0

8. Profiling - the catchment area and the audience

- 8.0 The simple question "***where are our customers and what are they like?***" ought to be simple to answer. The capabilities of the computerised Box Office system and the ability to handle the analysis and presentation of data will determine how readily marketing people can quickly provide the required answer.
- 8.1 Profiling in this context is defined as analysing the catchment area and the customers - actual and potential - and generating reports, tables, maps, and so on to illustrate it. It will draw on a wide range of information from both the customer records, proprietary classification systems, the census and model data such as the Target Group Index ⁽¹⁴⁾.
- 8.2 Profile Reports of the attenders for specific productions/events and/or seasons are particularly useful for touring companies, to help in planning and tailoring campaigns for the same production in different venues. For venues considering their positioning and target markets, perhaps to enhance access, profile reports will provide the full picture. For venues conducting a marketing audit, the data generated should help answer the marketing questions about "***where are we now***" and "***where could we go***" and provide the ***key sales dimensions*** of the business. For funding bodies (and sponsors), profile reports enable venues to illustrate the catchment area achieved and to provide detailed information about the character of their audience and its origin; marketing performance indicators can be established and reported in a routine way.

8.3 This is standard database work, as Michael Prochak points out in his survey of marketing software for the Arts Council ⁽²³⁾. There is always the option that the data can be most effectively processed if it is exported from the Box Office system. The data could be processed to produce maps, raw counts of the data, percentages, indices, and to show market penetrations. The basic elements need to be built up on the same basis so that the results are comparable both between different time periods and different venues.

8.4 Any preparation of data for inclusion in a set of reports building up the profile will involve the defining of the time period to be covered by the report(s) and any specific exclusions. For example, many venues with recently acquired computerised Box Office systems have transferred into their customer database old mailing lists and other old customer records, and there is little ticketing history on many of these people. Similarly, some large venues with very large numbers of customer records are finding that many customers are very infrequent attenders with little ticketing history. In either of these situations, the inclusion of everyone will potentially distort the picture. The correct approach might be to create four profiles:

- the total database
- those who have attended at least once in the last 12 months
- those who have attended less frequently than once in the last 12 months
- those who have not yet attended

It may be necessary to generate a profile on this basis for each artform in a venue's programme.

Profiling the Catchment Area Achieved

- 8.5 The most straight forward way to identify and illustrate the catchment area achieved is to map it. The postcode is the key piece of information which will enable maps to be generated from customer records. The simplest solutions place a dot on the map for each record. This is likely to obliterate detail because of the concentrations of customers. The alternative is to plot the outside edge of the catchment area based on the maximum size. This is likely to be distorted because of a minority of customers who live a long way away; only a national map would show them, especially if the press list is included in the database for a regional venue. The first step is therefore to identify the crude geographical distribution of the customers by obtaining a map placing a dot for each record. This should enable a visual assessment of the realistic catchment area. Most mapping packages then give a facility for editing the definition of the area so that a map can be produced which outlines the catchment area achieved. This may also outline each postal sector and district, which is useful for further analysis and planning distribution.

Geographical Penetration

- 8.6 A basic map of the geographical size of the catchment area achieved is not very useful, though it can be helpful in making the case to funding bodies. In the direct marketing industry it is usual to map on the basis of penetration per 1000 population, calculating the proportion of customers on the database against the resident population in each postcode sector. While this is a standard approach, the availability to venues which are clients of the Arts Councils and Regional Arts Boards of standard data estimating the

sales potential for different artforms by the number of potential customers per postcode district, enables ready measurement of achievement against potential. This is a simple calculation, based on an index. This is explained on page ???. Once the index numbers have been calculated, all that is involved is to decide the range of index numbers to be plotted, to show penetration rates represented by either shading, patterning or colours on the map. For most purposes monochrome is preferred to colour. For easy comparison, the ranges of index numbers should be equal.

- 8.7 While this comparative data will be useful, it is also necessary to give a picture of the actual number of customers. The simplest method is to decide the range of customer numbers to be plotted, represented by either shading, patterning or colours on the map. Separate maps may be useful for each artform included in a venue's programme. Again, for easy comparison, the ranges of customer numbers should be equal.

Distance and Drive-time

- 8.8 The fundamental weakness in the interpretation of these maps is that they do not take into account geographical factors like public transport services or relative drive times. As a minimum it is essential to plot concentric circles on top of the map, based on different mileages from the venue - 5 miles, 15 miles and 30 miles seem an acceptable series. As an alternative, drive-time *isochromes* can be plotted. The data for these is either built into the mapping package or has to be created. It is relatively straightforward to identify the postcode sectors in the catchment area, visually choose an appropriate centre for each one, and estimate the journey time to the venue, and

Case History Example

Drive Time isochromes for Birmingham City Centre

?? minutes and ?? minutes drive times for Birmingham City Centre to define the population of the catchment area

Data from AA

Map compiled by CACI

Processed by A.R.T.S. for Birmingham Arts Marketing

load this into the table in the software. This should only have to be done once, unless there is a major improvement in roads. The advantage of drive-time isochromes is that they form a picture of the relative travel times and enable a better understanding of the catchment area - 20 minutes, 40 minutes and 60 minutes seem an acceptable series. For more detailed analysis 10 minute intervals can be useful, but it is always best to choose a series from looking at the actual geography and road patterns.

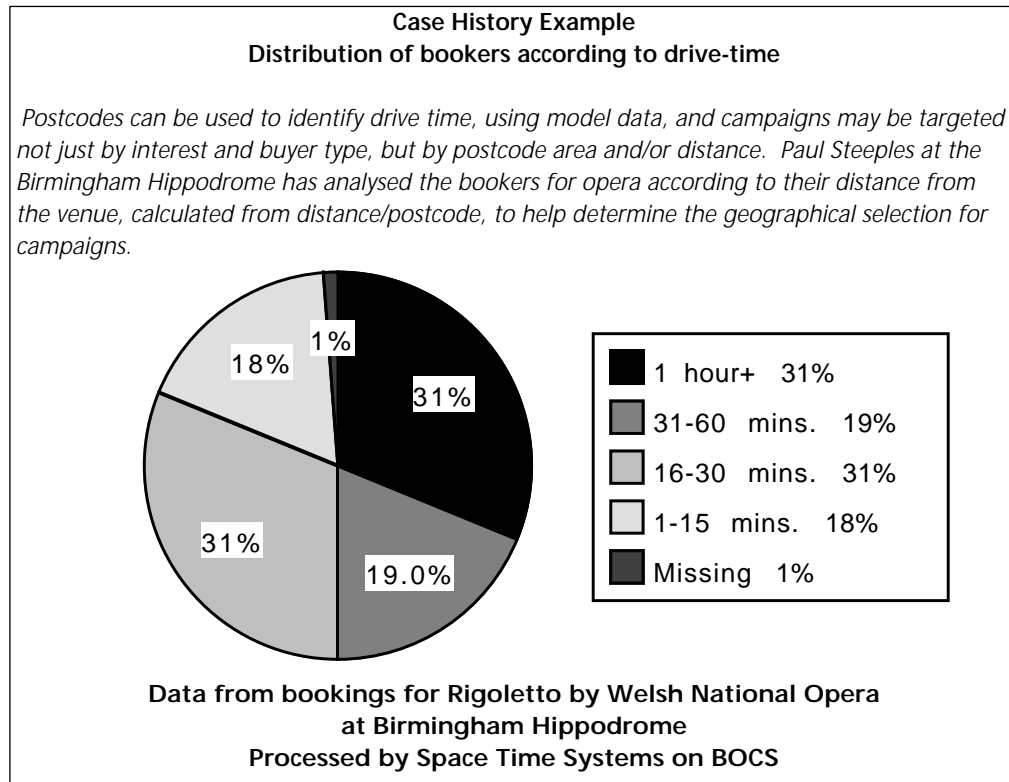
Map Overlays

- 8.9 To aid interpretation and comparison of maps, it is important to use the same scale and size. A common solution is to print the map background detail on paper as a backing sheet and to print different sets of detail on transparencies which can then be overlaid, either one at a time or in multiples. Useful transparencies to prepare are the circulation areas of local newspapers and magazines, bus and rail networks, distribution routes or sites for bulk outlets and/or poster sites. If separate maps are produced for each artform then these are best produced as overlays for comparison purposes. These are simple mechanisms for seeing whether there are obvious differences or eccentricities in the patterns.

Penetration Analysis

- 8.10 While the maps are useful to illustrate the catchment area and relative penetration, it is necessary to quantify penetration and the distribution of the audience achieved. There are relatively simple methods of analysing the distribution. A number of venues use pie charts based on either distance or drive times, plotting the percentage of customers

from each time or distance band for specific events; this can then be fairly easily compared with a pie chart of the general distribution of customers on the database.



This kind of report has proved useful in deciding on the areas to target for further marketing action during campaigns, especially where the initial distribution and advertising was restricted or relied on direct mail.

Marketing Reach and Market Penetration

- 8.11 TGI data related to ACORN data is the primary yardstick with which the profile of a particular venue audience may be compared. Peter Verwey has now compiled for the Arts Council the Target Group Index profiles of attenders on a sub-national basis ⁽²⁴⁾ aggregating together groups of regions within which there are some broad similarities in attendance levels, in order to achieve sample sizes which produce reliable data at local levels. However, the computed figures for potential attenders are not available at this level, and have to be calculated to give detailed analysis. This necessitates obtaining the ACORN classification for the catchment area on a postcode sector basis. For practical marketing purposes it will usually be necessary to work at sector rather than district level (see page ??). Peter Verwey has written a paper on "The Practical Uses of ACORN and TGI Data in Marketing" ⁽²⁵⁾. This identifies methods for calculating potential using ACORN and TGI data. One system includes a table into which this data is loaded so that the software can use it as a reference source for calculating penetration at postal sector level.
- 8.12 The need is to analyse penetration so that meaningful marketing action can be taken. Marketing action relies on the ability to target on both a geographical basis as well as to specific market segments and customer types. While the marketing practitioner will want to understand the kind of customers attending, they need the geographical picture in order to be able to assess their effective marketing reach, market penetration, and to evaluate the response to marketing action. The potential attendance analysis and penetration report given below is a simple one which produces raw figures,

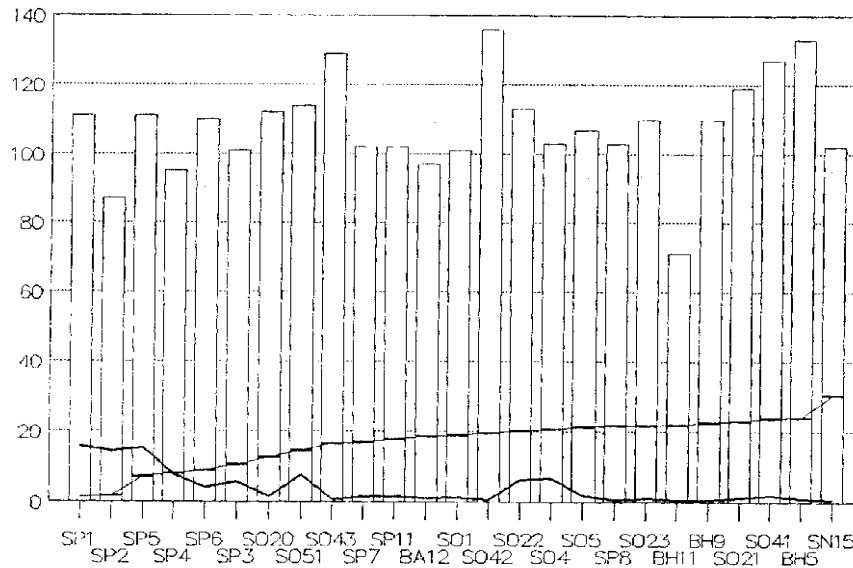
percentages and indices on the data:

Case History Example						
Box Office Database Penetration Analysis by Postcodes						
<i>Cardiff Arts Marketing produced the following analysis for a Cardiff theatre. The potential playgoers are calculated from ACGB figures for the 20 minute drive-time catchment area around the theatre, analysed by postal sector. For each postcode the potential attenders and the actual number on the patron database are indicated, together with the percentages they represent of the catchment area and the mailing list. The index provides an easily understood comparison of penetration. There are clearly opportunities for developing attendances in CF1.7 and CF1.8 where there are apparently large numbers of potential attenders and few customers on the database. See page ?? for the calculations.</i>						
Post Code	Area	Potential Playgoers	% of Potential	Number on Database	% of Database	Index
CF1.1	City Centre	56	0.07	10	0.31	442
CF1.2	City Centre	16	0.02	10	0.31	155
CF1.3	University	227	0.28	44	1.38	491
CF1.5	Atlantic Wharf	168	0.21	21	0.66	314
CF1.6	Docks/Bay	82	0.10	6	0.19	190
CF1.7	Grangetown	1746	2.17	44	1.38	64
CF1.8	Leckwith	1212	1.51	37	0.22	15
CF1.9	Pontcanna	1514	1.88	85	2.66	142
Source: Box Office database and Postcode area population analysed using CACI ACORN and Target Group Index data Processed by Cardiff Arts Marketing						

This enables the venue to identify which postal sectors should be targeted for door to door distribution to supplement its own mailing list for the launch of its next season of plays. Using post office data, the number of households to be targeted in the “under performing” sectors can be found. This kind of information can also be charted.

Case History Example
Attenders by postcode/distance
plotted against the index of propensity to attend

At the Salisbury Playhouse, Danny Moar analysed the pattern of the actual attenders on a postcode basis against the propensity to attend so that a detailed assessment could be made of under or over achievement. An Index has been calculated of the propensity to attend plays for each postcode - the vertical bars - plotted in order of distance from the venue - the horizontal dashes across the bars - and then the percentage of bookers from each postcode overlaid - the continuous line .



Data from bookings for the Salisbury Playhouse - summer 1992
Processed by Salisbury Playhouse on Databox

Profiling Actual and Potential Customers

- 8.13 While proprietary classifications of customers such as ACORN are useful to calculate market penetration, they are even more useful in identifying the character of the current customers and giving geographical signposts to where more customers might be found. While ACORN is primarily a classification of households, the CCN Mosaic⁽¹³⁾ classification is claimed to offer a classification of customers. Comparative tests appear to show little difference in the results of using the two systems. However, analysis of the current attendees in the context of the character of the marketplace defined by any classification system will help identify on an area basis prospective locations for audience development. This will enable both the quantification of potential customers - *how many are there?* - and identification of their character - *who are they, where do they live, what are they like?*
- 8.14 It is then possible to buy names and addresses and/or telephone numbers of potential customers in those areas in order to mail them or telephone them with special offers and other recruitment devices. This is likely to be most cost-effective for a consortium of venues in a catchment area. Because in fact the names of potential customers are only *rented*, they can only be used once, and therefore it is essential to ensure that the chosen means of inviting potential customers to respond will obtain a high response. Many marketing managers believe it is best to try and recruit to a list rather than to try and make a ticket sale the first time; an incentive to respond - a prize draw or access to a truly special offer - are known successful strategies. Direct marketing experts point out that direct mail is a scientific activity: the percentage success (or failure) rate has

been measured for everything from the colour of the envelope to the form of the address label, character of the salutation, use of a P.S., and so on.

Case History Example							
Mosaic classification of Warwick Arts Centre Box Office database							
<i>Select Ticketing and CCN Marketing collaborated to analyse for Paul Kaynes the Warwick Arts Centre's customers within a 30 minute drive-time using the Mosaic classification system. The table below of part of the data gives the flavour of the results, with an index of the database penetration and for direct marketing analysis a penetration rate per 1,000 resident population. Names and addresses of potential customers were then purchased, to be mailed directly. The detailed calculations are explained on page ??.</i>							
Mosaic Type	Description	Number on list	% of list	Population	% of pop.	Index	Rate of Penetration
47	High income/Status newish family housing	1835	5.22	111472	1.59	328	1.646
08	High income/Status outer metropolitan	1378	3.92	93735	1.33	295	1.470
46	High income/Status post 1981 housing	414	1.18	29752	0.42	281	1.392
04	Retirement areas Boarding hses/Lodgings	1399	3.98	216003	3.08	129	0.648
51	Post 1981 extensions to private estates	873	2.48	145909	2.08	119	0.598
19	Town centres & flats above shops	843	2.41	144710	2.06	117	0.583
07	High status family enclaves in inner city	151	0.43	44034	0.63	68	0.343
26	Post 1981 housing in non-family urban areas	267	0.76	83137	1.18	64	0.321
32	Council estates with highest unemployment	54	0.15	16840	0.24	63	0.321
Processed by CCN Marketing for Select Ticketing from Warwick Arts Centre Box Office database on PASS							

Audience Profiles

- 8.15 Separate reports will be required to identify the profile of customers according to their frequency of attendance and/or for the different art forms and/or for different buyer types (e.g: party bookers) and/or different kinds of relationship with the venue (e.g:subscribers). These reports will draw together information to define the character of the customers. Most of the information described in the key dimensions below is appropriate, though restricted to a specific segment of customers. To understand the behaviour of customers, reports about the pattern of bookings over time will be required. With more and more customers booking later and later, it is important that venues understand customer booking patterns and take opportunities to encourage earlier matured sales.
- 8.16 By comparing this with data about the catchment area from sources such as the census, it is possible to build up a picture of the character of the customers in the context of the marketplace. Model data can be used to obtain lifestyle characteristics for the catchment area. CACI can provide S.I.T.E. Reports ⁽⁴⁾ for about £350 which can give, for user defined areas (for example drive-times or postcode areas or local authority boundaries), complete data from the census and ACORN on a postcode basis. The Arts Council has SITE data on many towns and cities. Combinations of this and/or other profiling data will enable the socio- economic profile of the attenders and the marketplace to be compared. This also enables the character of potential customers to be identified. These can then be reached by marked street directories or purchased address lists for direct marketing activity.

Key Dimensions

- 8.17 The core of any profile report is based on raw counts showing all the accessible data. The further analysis of this to help interpretation and presentation will transform its usefulness. Many of these counts are readily presentable in charts and graphs. The suggested methods are given. The key dimensions are as follows:

People

The number of people who made bookings - *indexed*

The number of people who attended - *indexed*

The number of people attending different artforms/events - *indexed*

The number of customers purchasing tickets for more than one artform, and the overlap - e.g: "100 play attenders bought tickets for contemporary dance", and so on - *indexed and bar chart comparison with previous period*

The number of customers in each age range - *indexed*

The number of people in the different relationships with the venue - *indexed*

The proportion of customers who attend at different frequencies - *pie chart for current period and bar chart comparison with previous period*

The classification of customers - *table with index and penetration rate*

Transactions

The numbers of bookings over time during the booking period - *indexed*

The typical number of tickets purchased per transaction - *mode or median, indexed*

The number of seats sold per "concession" type - *indexed*

The number of seats sold as party bookings (with a defined minimum size or ranges) - *with a bar chart comparison with the previous period*

The number of seats sold in different price categories - *pie chart for current period and bar chart comparison with previous period*

Value

The value of ticket sales - *indexed, compared with index based on RPI (??).*

The ticket yield - *indexed, compared with index based on RPI*

The value of seats sold per "concession" type - *indexed, with bar chart comparison with previous period*

The value of seats sold in different price categories - *pie chart for current period and bar chart comparison with previous period*

The value of seats sold for different artforms/events - *indexed*

- 8.18 While these are suggested as the key dimensions, there are many more possible extractions of valuable information to add to the profile of the attenders. For example, touring companies presenting theatre for children might want the number of families to

be identified, together with information about the ages of children.

Profile Time Period

- 8.19 It is essential to define the time period for a series of profile reports, and to ensure that as far as possible it matches in length any periods with which comparison is intended. The longest useable period is likely to be the twelve months of the financial year, but it is possible that a specific long-term programme of activity could lead to a request for a profile over a period longer than this. However, the more likely periods are seasons of less than twelve months, quarters and/or months, and in relation to specific time periods (for example a Festival) or for specific productions and/or events. Even audience profile reports will need the time periods defining; obvious options include basing any profile on customers who have purchased tickets in the last two years.
- 8.20 As Chapter ?? in Section ?? has pointed out, Profile Reports need not stop at the readily accessible data. If the database is regarded as a research opportunity then multi-variate analysis and other advanced statistical techniques may provide useful information about the character of customers and most importantly their behaviour.

Review

1. What are the ingredients of the series of Profile Reports to demonstrate and illustrate the catchment area for our venue?
2. What area should be mapped and what drive-times/distances should be covered?
3. What penetration analysis should we use for our marketplace?
4. What are the ingredients of the series of Profile Reports to demonstrate and illustrate the audience for our venue?
5. What are the ingredients of the series of Profile Reports to demonstrate and illustrate the *potential* audience for our venue?
6. Would comprehensive analysis of the customer database to cluster and segment customers be a worthwhile investment?
7. What time periods should be used for Profile Reports?

Action Plan

8. Plan and prepare a standard series of Profile Reports with written specifications. Decide which require maps and/or overlays.
9. Decide on the policy for the inclusion of back-data and record this with the specifications.
10. Detail the standard time periods and the housekeeping drills to be run before taking Profile reports, and record this with the specifications.

9. Direct marketing

- 9.0 When most marketing people talk about the customer records in the computerised Box Office system they do so in the context of mailing lists. Most venues appear to use their customer databases as the regular source for names and addresses. However, many venues appear to only use their lists in full, sending say a season brochure to every customer captured on their database. Consequently, many venues become worried about the size of their lists, essentially because of the cost of such indiscriminate mailings. By most definitions, such 'broadcast' mailings, sent to everyone on a large list which has been built up over time, are not direct marketing.
- 9.1 The key purpose of direct marketing is to make sales to targeted customers, narrowly defined, with known potential, by the shortest possible route, with least resort to broadcast publicity methods or wastage on customers with unknown potential.

Defining Direct Marketing

- 9.2 Direct marketing has been defined as communicating to targeted people directly, with personalised offers tailored to them. There are three main techniques, used singly or in combination:-
- DIRECT MAIL - sending people letters, usually personalised, usually through the post

- TELEMARKETING - campaigns centred on phoning potential customers with a sales call
- DOOR to DOOR - "representatives" calling on customers to "canvas" them for potential sales

The latter seems to be enjoying a revival either through 'catalogue' sales or doorstep canvassing for house improvements. However, in Britain there is a steady increase in the use of direct mail, and, despite some adverse reactions, in telemarketing. Direct marketing is inevitably database driven because it relies on our knowledge of customers, either existing or potential, and our ability to process the data about them to decide whether they are appropriate targets. For venues, the Box office is the primary source of useful data.

Segmenting the Attenders

9.3 The key ability of the computerised Box office system is therefore to segment the attenders to find 'hot' lists of 'hot' prospects for target marketing purposes. Alternatively the same mechanisms can be used to select customers for in-depth market research in order to find out more about them. In both cases, the basic need is to select a short list from the full database list. But much work may need to be done in preparing for this. The essential steps in planning direct marketing are:

- Classifying customers, existing or potential, either from segmentation of customers on the database or involving a proprietary classification system.

- Assembling ticketing history and other data to segment prospects further. This may involve looking at model data such as the Target Group Index.
- Selecting target customers and grouping those for whom similar marketing messages will be effective. Matching the creative approach to the kind of customers it is possible to reach.
- Reducing selected lists to ensure they are as "hot" as possible, to increase the strike rate.
- Devising campaigns specifically tailored to the kind of people, perhaps even the individuals, in each target segment. Direct mail letters for example can have whole paragraphs which change according to the customers.

9.4 The customer database is the key resource in a ***development route*** for customers. Fundamentally it enables marketing people to develop relationships with customers from "new customers to old friends" Once someone is added to the database for the first time it is possible to consider the relationship with them as steps bringing them closer to us:

First Prospects - not really known to us

Second New Customers - captured but not captive, not yet converted

Third Regular attenders - now captive, better known to us but still outsiders?

Fourth Frequent attenders - known to us, subscribers, insiders

Fifth Fund-raisers, donors, ambassadors, sponsors, friends...

9.5 To bring customers closer needs a careful plan of cultivating relationships and fostering their purchasing. Managing this successfully depends upon four main factors:

DATA - what we know about the customers

TIMING - making offers at the right time for the customers

THE CREATIVE APPROACH

- matching the message to the market, persuasively

MONITORING - measuring and evaluating success

The first two of these depend on the computerised Box Office system for their effectiveness. The Box Office staff can compile the details about the existing customers as they serve them, and they can monitor the responses to the campaigns and help find out what works successfully.

Preparation

- 9.6 Any work on a database leading to selecting names and addresses, etc, must be preceded by preparing the data for processing. These may be basic housekeeping routines to ensure that the list is clean, up to date, and without duplicates. For mailing list purposes it will be essential to produce a list of those entries without postcodes so the gaps can be filled before selecting customers. Where direct mail letters are to be personalised in the salutation (Dear....) full title and name information are also required, or a routine to deal with the gaps. For example, if the name is available: *Dear Mrs Jones*, if no name *Dear Concert-goer*.
- 9.7 For telemarketing, full telephone numbers with trunk dialling code are required but it is usual to review the availability of numbers once the selection has been made. The selection criteria may have to be re-considered if there are few numbers already available. For telemarketing purposes it will be essential to produce a list of those records selected which are without full telephone numbers so the gaps can be filled before the campaign begins.
- 9.8 The key decision in preparing the data, after completing system housekeeping to ensure the database is in a fully useable condition, is to decide whether to save the records as a special selection or to export the records to another processor. It is recommended that, whenever possible, records for processing are effectively isolated from current ticketing activity; this of course means that their processing and use must be completed before ticketing activity could render them significantly out-of-date. This also means that a

second computer processor for marketing activity is necessary. Making a selection 'live' based on all the data captured on the system involves interrogating the ticketing history, which will in most cases be in use for selling and/or accounting purposes. This use of 'live' data is most likely to slow processing speed, and affect ticketing speed.

Hot versus Cool Names

- 9.9 As mailing lists get larger - a customer database is likely to be only about 40% of its potential size after one year ⁽¹⁾ - it may be thought necessary to eliminate the names of customers who purchase very infrequently. This practice ought to be avoided. With advances in market research and a better understanding of marketing methodology, the cool names could represent potential hot lists for particular campaigns. For example, it is possible that infrequent attenders, perhaps attending once in three years, represent major opportunities through increasing their frequency of visits ⁽³⁾. What is a 'hot' or 'cool' name needs to be defined by the user so the selection criteria match the brief. More research knowledge will help us use every name captured.

Selection Criteria

- 9.10 The methodology for making a selection from customer records depends upon at least two key elements: the database structure and the properties of the fields. The design of the sequence for selecting data will therefore be determined by the system and its capabilities. In most cases it is important to think of the process of selection as steadily reducing in size the number of records being selected from. Thus the recommended selection criteria are in order of importance for reducing the list during processing to as

small size as possible as soon as possible in the process. Therefore in planning the process the first question at each stage is ***"Which selection will exclude the largest number of customers from the list?"*** Any stage is optional for inclusion or exclusion, with conditional selections a frequent requirement; every stage will have opposing reasons for inclusion or exclusion. The selection hierarchy will probably be prepared by writing a script or routine for the computer to execute, though some systems expect the operator to make a series of conditional selections one after the other. In the latter situation it is very important to write down the selection criteria used in sequence.

- 9.11 The assumption is that targeting is intended to reach pre-defined groupings of customers so that specifically designed/ written personalised letters or telemarketing approaches can be made. The selection criteria below set out the factors that marketing people expect to be taken into account and use when making selections.

Events Match

- 9.12 On the assumption that the customer database has ticketing history about past bookings by customers, the first criterion for selection could be those people who attended specific past events or types of events. The 'match' will not necessarily be obvious, but could aim for cross-fertilisation. The Target Group Index ⁽¹⁴⁾ research has shown that there is a considerable overlap between attenders at different art forms, so it would not necessarily be appropriate to only mail say previous contemporary dance attenders with details of the next contemporary dance company visit. Intelligent seeking of a potential match will enable some imaginative targeting of customers.

- 9.13 As this is the first selection, it could be used to identify targets for potential conversion: for example current drama subscribers being persuaded to try an opera package with specific content tailored to their circumstances. This first selection has the potential advantage, according to the database type, of quickly reducing the size of the list to be processed. However if a small geographical area is being targeted, this should be the first selection.

Pre-booked customers

- 9.14 If booking has already opened for the event to be targeted, the second selection criterion could be to exclude the customers who have already booked for that event.

Patterns of Attendance

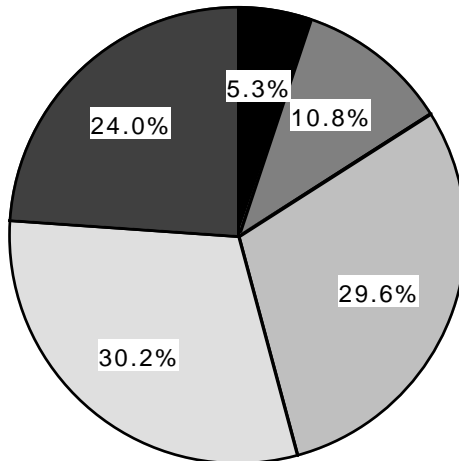
- 9.15 The third selection criterion, especially when sorting within a long list, could be based on patterns of attendance. For most purposes we need to reduce lists to the smallest selection possible, and the frequency of attendance of customers is clearly a significant factor. While we know from the Target Group Index ⁽¹⁴⁾, for example, that 16.1% of British adults attend theatre at least 2 or 3 times a year, we also know that the majority of customers attend the theatre less often. The TGI data obtained by the Arts Council from BMRB reveals that 5.7% of the public attending at least every 2 to 3 months (adding together those attending at least once a month and every 2-3 months) are the core audience at 16.1% of attenders and purchase 51.4% of the tickets. However, 29.2% of adults attend less often and form 83.9% of the attenders but buy only 48.6% of the tickets. The average number of visits to theatre(s) per attender appears to be in

the range 2.3 to 2.9. We know from venues which analyse their customer database for frequency of attendance that the majority of their customers attend infrequently - many once a year or less. These customers appear to be a key target market to seek an increase from. They could be 83.9% of attenders, who are a substantial 29.2% of adults. Market research analysis ⁽³⁾ is revealing further information about how these less frequent attenders might be approached to persuade them to attend more events more often.

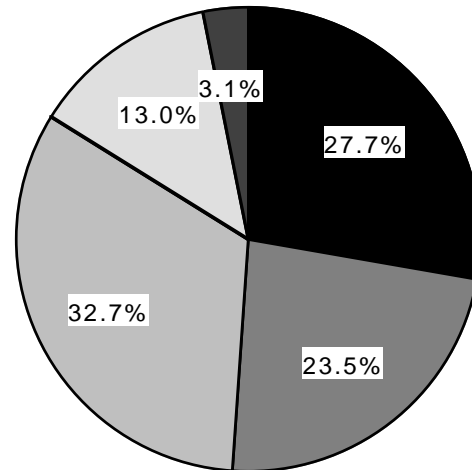
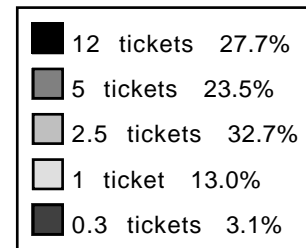
Attendances and Frequencies - Theatre

	% of all adults who attend theatre:	% of theatre-goers who attend theatre:	% of attendances by people at different frequencies:	Notional tickets bought / visits per annum
At least once				
a month	1.9	5.3	27.8	12
Every 2-3 months	3.8	10.8	23.6	5
2 or 3 times a year	10.3	29.6	32.8	2.5
Once a year	10.5	30.2	13.1	1
Less often	8.4	24.0	3.1	0.3
Totals	34.8%	100%	100%	
	of adults	of the attenders	of the attendances	

Source: Target Group Index BMRB 1992 (Sample 25358 UK adults)
analysed by ACGB



%age of attenders by frequency



%age of attendances per frequency

- 9.16 The two pie charts above show the inverse proportions of the percentages of attendees attending at the different frequencies and the percentages of attendances at different frequencies. Who provides the larger potential market with room in their lives to attend more frequently.

- 9.17 In seeking a 'hot' list, taking into account the type of event and the nature of the marketing action proposed, it will be appropriate to decide whether "when a customer last booked" and their frequency of attendance should be used to exclude them. For example, if a customer usually attends only twice per annum, and has already attended twice in the last twelve months and one of the attendances is within one month (before or after) of the event, it may be decided to exclude them from a telemarketing 'hot' list.
- 9.18 Thus this third criterion could be used to select customers on the number of attendances made in a time period to be defined, with an option to exclude customers booked in a second time period defined. This criterion could be used in the opposite way, searching for infrequent attenders who have not purchased in the previous twelve months, for example.

Time of Booking

- 9.19 The fourth selection criterion could be based on time of booking. Research ⁽³⁾ shows there are "planner" people and "spontaneous" people. How soon before an event people usually book will determine their inclusion according to the nature of the marketing action planned and the timing and date of the event. For example if a customer has always booked at least two weeks in advance before events, they might be excluded from a direct mail shot designed to trigger last minute bookings. Conversely, a telemarketing list for a last minute response might be selected from people who book within the week of performance.

Customer Characteristics

- 9.20 The ability to make a fifth selection criterion and beyond will depend on the exact nature of the information in the customer records. While the first four selection criteria essentially segment customers on their general characteristics, to identify overall potential, all further selection criteria must be used to segment the list into further categories to enable appropriate personalisation of the direct mail or telemarketing campaign content. This involves the complex interaction of selection criteria, bringing together the categories of relationship with the venue, type of customer, number of tickets bought, price paid and/or seats occupied, and the age range of the customers. The principal uses of this are likely to be identifying party bookers (defining the party size appropriate for the event), segmenting by concession type (to reach families for example), segmenting by price paid (to reach higher value ticket purchasers for a telemarketing campaign). As explained in Chapter ? Section ?, this can be made easier by pre-configuring calculation fields to generate some of the selection data. Proprietary classification systems can be of assistance.

Tailoring to suit the segments

- 9.21 Likely marketing action for direct mail or telemarketing campaigns will involve detailed segmentation of the targets so that the content can be carefully tailored as well as the approach being personalised. Direct marketing specialists have recognised for some time that the standard "broadcast" approach even to customers assumed to have much in common, such as classical music concert-goers, is not likely to trigger the highest response without further tailoring.

Case History Example
Customer Groupings selected from Ticketing History

At the Brewhouse Theatre and Arts Centre in Taunton a detailed analysis by Duncan May of the types of customer and their attendances enabled the allocation of customers into a series of groupings to enable tailored direct mailings for each season brochure. A complex hierarchical selection and sort was necessary to analyse the 13,000 names and addresses and then enable the production of the direct mail letters with tailored content and personalised salutations and booking forms, all in Post Office Mailsort order. As well as being personalised, the booking forms contained a tracking code to identify the specific mailing details being responded to. There was a 15% increase in sales and a 20% increase in membership.

Hierarchical selection order:

Members	
Group bookers	- Educational
Group bookers	- Other
Interest	- Jazz
Interest	- Dance
Interest	- Classical Music
Default interest*	- Theatre

**If customers were not selected into any other category, they were coded 'Theatre'*

Processed by the Brewhouse on PASS

- 9.22 The most obvious changes in style and approach involve tailoring to suit the age of the customer, or their frequency of attendance, or their relationship with the venue, particularly if they are subscribers and/or members. If the intention is to reach particular categories of customers, such as children or families, then tailored approaches are desirable. Marketing practitioners have to be careful about the practicality of very

precise tailoring, but there is no doubt that response rates are higher where the content, style and approach has been most adjusted to the individual being targeted.

List sorting

- 9.23 For direct mail, the final selection criteria will be crucial in the preparation of different letters targeted at specific market segments. It is possible that geographical selection criteria will also be applied. Postcode data can be used, for example, to identify drive times, using either your own or model data, and campaigns may be targeted not only by interest and buyer type, but also by postcode area and/or distance. If geographical targeting is the primary factor then this could have been the first selection criterion.
- 9.24 Where organisations are mailing to a large number of customers and using Post Office Mailsort ⁽¹⁷⁾ there will be list management problems. Sets of envelope labels will have to be produced in mailsort order while the database will need to merge the names and addresses with the direct mail letters which will be personalised and tailored to different market segments. In sophisticated systems this is achieved by making the letter content a field itself. Additional code fields may need to be added to facilitate the use of this. Once each selection sequence has been made, then an identifying code is added which links to the appropriate letter field. Then all the separate selections are merged together for final sorting. For posting, all will need to be sorted in the same address order as the Mailsort order.

Converting customers

- 9.25 Selection criteria for direct mail will need to be applied in different ways for different purposes. For example, the purpose of the campaign may be to persuade more customers to join a mailing list. Because of the measured effectiveness of direct mail, venues may want to convert those customers who currently "found out" by non-mailing list means. Sometimes, if venues are planning to change their advertising strategy it may be necessary to convert some customers from publications which are being excluded from future advertising campaigns. Who will be approached for conversion will depend on the nature of their interests and actual attendances and frequency patterns. The marketing staff may prefer customers for "hard to sell" and more esoteric performances or events to be safely on the mailing list. The "how found out" selection will therefore be an important marketing tool.

List Size and Repeating Selections

- 9.26 To make selections which produce a size of list affordable within the budget and the logistics of the direct marketing operation, the selection process may have to be repeated a number of times, varying the criteria each time, until a satisfactory list size is achieved. It is essential therefore to save the routines used to make a selection and to ensure that either they are given recognisable names or a proper directory is prepared with a description. Most systems allow routines to be saved so they can be used again and duplicated so that amending the selection criteria is a short task.

Review

1. What is the current use of lists drawn from the Box Office customer database?
2. How will direct marketing improve sales to customers, especially those attending infrequently or in under-achieving market segments?
3. What Post Office discounts are available if we use MailSort?
4. What selections would group our customer records into market segments?
5. What specialist lists could we compile from our selections?
6. What training is required in the use of direct marketing techniques, including copywriting?

Action Plan

7. Plan selection routines to segment customers and compile specialist lists.
8. Decide on the policy for the inclusion of back-data in selections and record this with the specification of selection routines.
9. Implement a training programme into the use of direct marketing
10. Choose target market segments and plan a direct marketing strategy to increase sales

10. Exception Reports

- 10.0 In a world full of jargon, there is a danger in inventing more. This Chapter is about "Exception Reports", a term which is used to mean a report of exceptions from some pre-determined norm. In practice, the compilation of such a report involves the running of an analysis routine to compare sets of data and identify the ones with significant differences. In the context of both revenue management and tactical marketing, such reports could be a key to more effective management of marketing decisions.

How are bookings going?

- 10.1 Marketing and publicity practitioners, with limited time and resources, frequently have to make decisions to prioritise their actions in relation to specific events according to the need and anticipated effectiveness. While this is a professional skill which develops with experience, it is also clear that systematic analysis would be of assistance. Decisions about the marketing of events currently on sale could have a major impact on sales and earned income. What do we need to know in answer to the question "**How are bookings going?**". What is wanted by most marketing practitioners is a realistic prediction of the outcome if the existing marketing campaign is maintained. This can only be achieved by comparing the pattern for the current event on sale with a previous pattern.
- 10.2 Given that most venues have a number of different events selling at one time, an

analysis which routinely compared each event on sale with an appropriate past pattern or norm, could provide an early warning system to catch potentially under-achieving events in time to take remedial action. The "Exception Report" simply flags any performance if it is under-achieving, with advance sales significantly below the past average.

- 10.3 This is the kind of analysis which Executive Information Systems are capable of tackling. They have the advantage of being able to run the comparison routines, and then being able to conduct further analysis to identify possible areas for action. While this is the ideal, the basic essential is to be able to compare the pattern for a current event/production with a booking pattern for a previous similar event/production. If necessary, the comparison could be achieved by overlaying a transparency for the chosen norm on top of the print-out for the current event, or simply studying two charts side by side.

Analysis of Booking Patterns

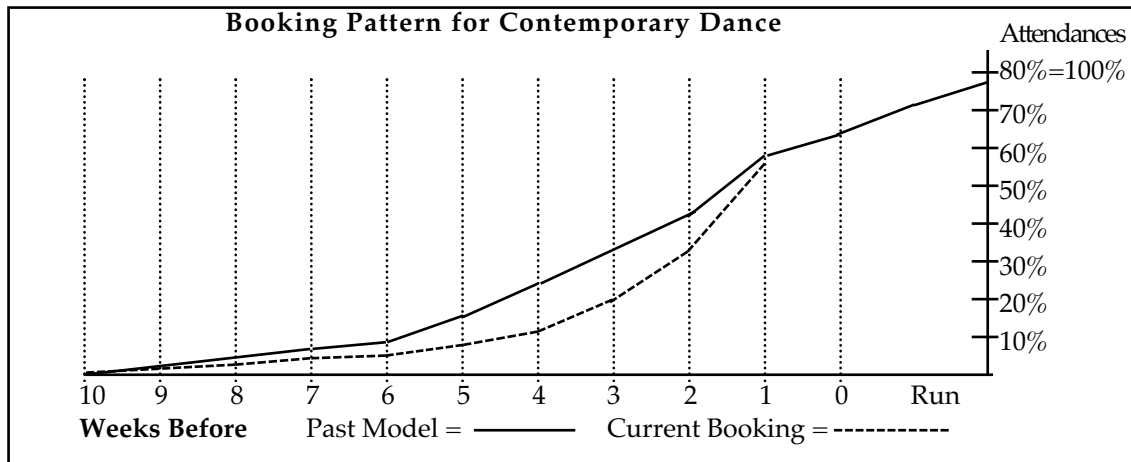
- 10.4 To find the "exceptions" requires a series of analyses. The first step is to identify the past event to be used for comparison. Marketing practitioners suggest either the use of a "model" or norm compiled from a series of events or the use of a past specific event or production. The latter is easier in practice. It is likely to be more valuable to identify a match between a current event of known character and a past event of known character.

- 10.5 However, there are advantages from compiling a model. The most obvious is that a model will benefit from the results of a series of similar events and will therefore smooth out any idiosyncratic variations caused by specific circumstances. While there may be differences between individual events and the ways companies and venues market them, it could be that the customers are similar and the model will show the ideal booking pattern which the venue has achieved when everything is going well. The disadvantages of a model are the reverse of these advantages: there may be real differences between the kinds of customers for similar events, but the model smooths them out,
- 10.6 Different models will be needed for different artforms and different kinds of events. Previous references to categorisation of events (Section ?? Chapter ?? Page ??) point to the great variety of events and the need to categorise narrowly to define useful groupings for marketing purposes. The practical use of Exception Reports should follow the preparation of detailed Profile reports on different artforms and events and the customers who attend them. This will provide information to help the choice of events and the groupings of events for the compilation of models.

Touring

- 10.7 For touring companies and artists, Exception Reports will be especially valuable if the problems of finding suitable events or models for comparison can be overcome. Because companies visit venues with different catchment areas and audience profiles, they find it is difficult to assess whether advice that a performance will be "all right on

the night" is accurate. Some marketing practitioners in venues receiving touring productions point out that customers are booking later, using their credit cards, and that there is increased walk up trade on the door - this could be a product of publicity action late in the day which triggers a later response - and as a result yet more last minute action is planned. Marketing action could be planned in advance which is designed to generate an earlier response to avoid a series of late publicity campaigns. The example below compares two booking periods:



Timing

- 10.8 Together with the choice of event or model for comparison comes the problem of choosing the timing used in the basis of the comparison. Most events are offered for sales over differing periods of time. Each system has some way of recording the date

and time of booking. Some systems record the time/date of booking as "days/weeks minus the performance/event", some number the days or weeks. In practice, the most useful comparisons are based on working backwards from the actual date of the event or the end of the run of the event. Though booking periods and/or the start of marketing activity may vary, the comparisons should be climbing towards convergence. The example on the previous page of contemporary dance company seats sold shows this, based on data measured in weeks before the run and including the run of performances.

Hierarchy of Comparisons

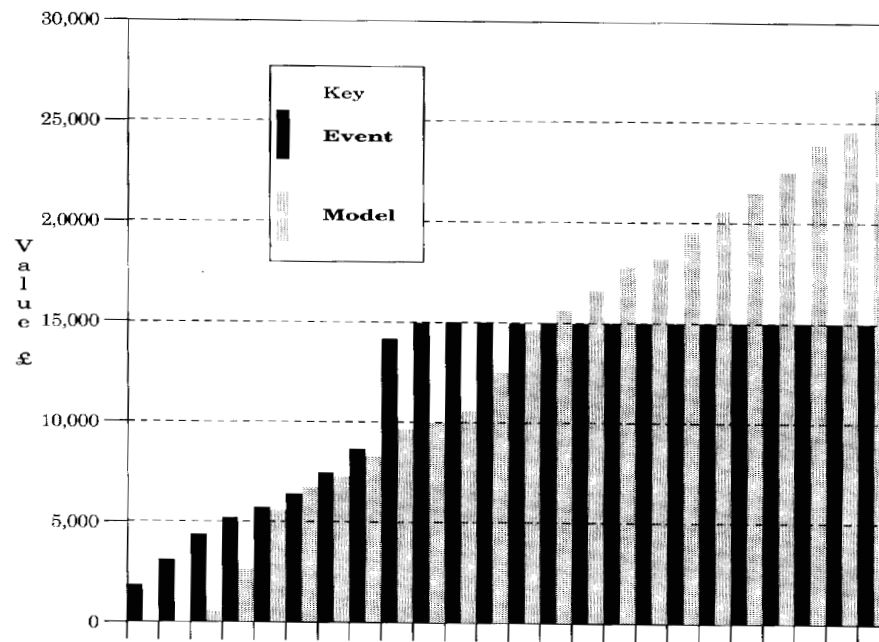
- 10.9 Once the events for comparison have been chosen the first and most obvious data to look at is a comparison by volume of sales over time - the number of seats sold - as illustrated above, usually calculated as percentages. If the venue still takes unpaid for reservations, then it is recommended that these are included in the numbers, unless the venue has a record of a high rate of such bookings not maturing (above 5%). The volume/number of seats is used first instead of value to eliminate the effect of price changes, inflation, and the differential pricing of events. If this comparison shows significant under-achievement then there is reason to analyse further.

- 10.10 The second comparison will be with the value of sales, over time. Price differences, the effect of inflationary increases, can make this hard to interpret reliably. It is necessary to make a series of comparisons to identify the differences in sales values according to the part of house occupied, the reductions and concessions taken up, the price paid.

Case History Example Comparing The Barber of Seville with Rigoletto

At the Birmingham Hippodrome, Paul Steeples plotted the cumulative value of sales for two similar events, counting backwards from the week of performance as week one. In this case there is nothing "exceptional" about the comparison (But see later the week by week comparison of the number of sales).

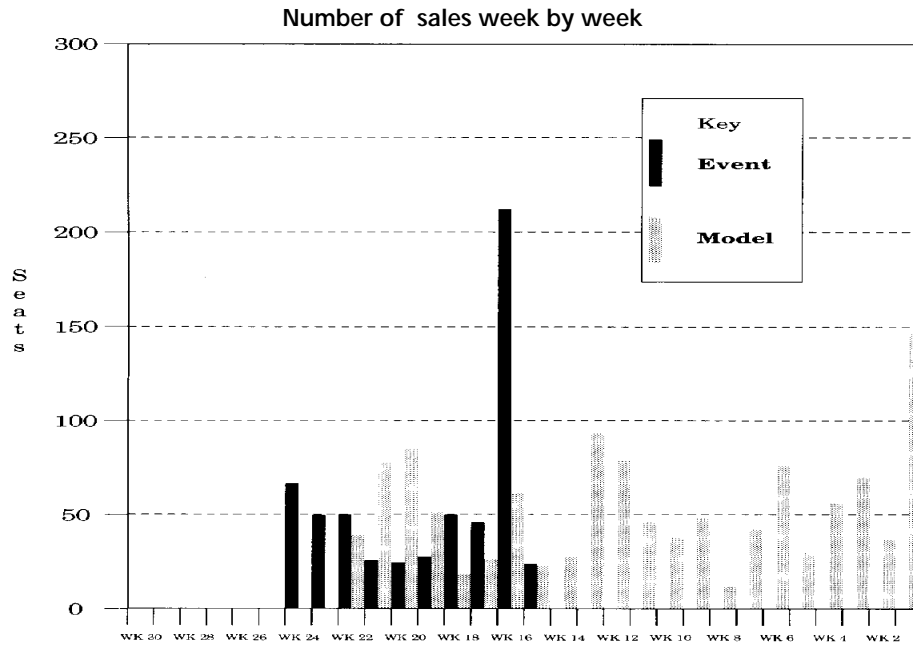
Cumulative value of sales



Data from bookings for Rigoletto and The Barber of Seville by
Welsh National Opera at Birmingham Hippodrome
in December 1991 & 1992
Processed by Space Time Systems on BOCS

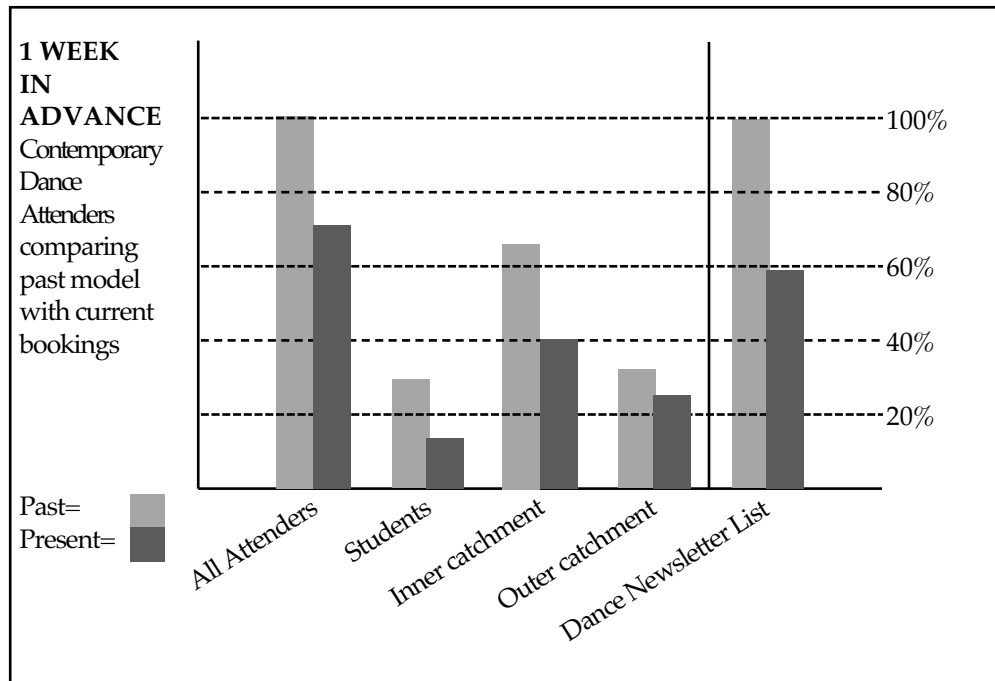
Case History Example Comparing The Barber of Seville with Rigoletto

This Exception Report compares the pattern of booking for each production, over time. The week in 1992 after a special direct mail letter was sent out to past attenders stands out.



Data from bookings for Rigoletto and The Barber of Seville by
Welsh National Opera at Birmingham Hippodrome
in December 1991 & 1992
Processed by Space Time Systems on BOCS

- 10.11 There will be little point in conducting a detailed series of comparisons if some signposts to marketing action are not discovered. The reasons for any obvious differences must be investigated and analysed. Just as Profile Reports are very useful in comparing potential achievement with actuals, Exception Reports will be of value in targeting if they can be used to identify sections of the market which are under-achieving. In the example below of contemporary dance company bookings, a choice has been made to investigate slower sales for the current event, only one week before the start of the run, by looking at sales to students, people on a specialist dance



newsletter list, and by comparing the inner and outer catchment areas. This was because the former two were thought to be accessible:- by last minute distribution for students, and telesales with a special offer to the dance newsletter list. And if the inner catchment area is under-achieving then seeking press coverage in the local newspaper could prove effective. The work to find the exceptions in this case was productive in that there was significant under achievement and remedial action could be taken.

- 10.12 When looking for further potential customers, examine the booking history of those people who have already booked for the event. Use what they have been to see in the past (or have booked for in the future) as useful indicators of their interests., to lead you to other customers of similar interests. This may suggest opportunities to find more customers to persuade to try something different. For example, attenders at opera may also book for certain ballet performances. Are attenders at those ballets who do not yet attend opera, suitable prospects for a special offer to invite them to try opera? This has the advantage that they will probably be used to paying similar prices to the opera attenders and will already be familiar with the venue. They may however prefer to watch ballet from a different part of the house than would be best for opera.

Index Tables

- 10.13 The work to find exceptions in booking patterns will repeat the problems with selection criteria: it may be necessary to process the data in a number of different ways in order to arrive at logistically sensible and cost effective numbers of potential customers in reachable market segments. One method is to compile an index base for the venue for

each of the main factors in the customer records so that the norm is 100. Where the market potential is known this can be used as the norm and the venue audience for particular events or artforms shown as an index number against that. For each past event or model to be used for comparison, an index is compiled relative to that norm. Then for the current event on sale a third index number is compiled. These can then be reported as a table, the results compared and the percentage differences readily read off the table. The example over leaf uses index numbers calculated from the potential in the marketplace as well as from the database. See page ?? for the detailed calculation of indices.

	Party Bookers 12+ seats	Students	Premium ticket purchasers	Infrequent attenders	Inner catchment potential
Potential		100			100
Database	100	65	100	100	86
Attenders in last 2 years	85	53	95	68	81
Playgoers	78	61	119	72	84
Dance attenders	43	78	93	54	94
Current Event	52	65	88	50	85

These are simple index numbers. Those for potential are calculated against the population base for students and the inner catchment area. The others are calculated against the database.

Comparisons

- 10.14 Because the exception report is intended to trigger marketing action, the exception report will need to compare all the data used for selecting customers for targeting.

The Steps in Seeking Exceptions

Find the patterns in advance booking for a category of event - as specific as possible - compile a 'model' or choose a comparator
Compare this with the event currently on sale
Analyse the differences to see if effective and valuable remedial action can be take

Data to use to find the 'Exceptions'

- Number of seat sold, over time
- Value of sales, over time
- Type of tickets/seats sold
 - part of house
 - student/pensioner/etc
 - sales promotions

Data to use to target remedial action

- Where are the customers who are booking coming from?
 - any under-achieving sectors
- Who is booking?
 - any under achieving segments
- What other events have they seen?
 - any opportunities for cross-over marketing

10.15 The data providing the key dimensions will be:

The number of seats sold

The value of ticket sales

The number of people making bookings - *in order to identify whether different types of purchasers are behaving differently*

The average ticket yield - *as an indicator of significant shifts in price paid or concession take up*

The number of seats sold at different prices - *to identify under-achieving market segments, though marketing action is difficult unless telesales are used, but not recommended at the last minute*

The number of seats sold per concession type - *to identify under-achieving market segments*

The number of seats sold to party bookings - *unlikely to be useful for remedial action except if special late offers can be made to loyal group organisers*

The number of customers in each age range - *unlikely to be useful for remedial action*

How they "found out" about the performance/event - *potentially a key if people who rely on direct mail or a particular newspaper are not booking: has something gone wrong?*

The buyer types - *to identify under-achieving market segments, such as families*

The geographical distribution - *are there under-achieving geographical segments? Could advertising or press coverage or distribution improve reach?*

The ACORN or other classifications - *under-achieving market segments could be identified and marked up street directories used for door-to-door distribution*

- 10.16 The comparisons can therefore draw on all parts of the customer records and current ticket sales. Dependent upon the factors being examined, statistical analysis may be necessary as outlined in Chapter ?? to identify the significance of the variations. The output will be either a graph, plotted over time to compare the past data profile with the event currently booking, or a bar chart to compare data sets, or simple tables for analysis.

Penetration and Geographical Reach

- 10.17 Comparison of the penetration of the catchment area and geographical analysis by postcode area of the under-achieving sectors is important. It is possible, overall, for an event to be achieving near to target, but for a significant part of the catchment area which usually delivers attendances to be under-achieving. This same method can be used to assess the effectiveness of marketing action and marketing reach. If a new marketing strategy targets specific geographical areas then the same comparison routine can be used to identify whether the sectors are now over-achieving compared with their past norm. This can also monitor campaigns aimed at different market segments across the whole catchment area, such as students, looking at the response rate to a campaign and identifying areas for further investigation of the methodology and its application. Again this will be looking for areas of over-achievement as well as under-achievement.
- 10.18 The effective use of exception reports as a routine for comparing the pattern of sales of events depends on them being run on a regular basis at a set time. While most systems

offer standard reports of sales, these are primarily for accounting purposes and for preparing Box Office returns. Many venues will find that running an exception report routine to compare currently selling events with some past norm will best be executed between the close of sales for one week and the start of sales for another. At the simplest level the straightforward comparison of the number of seats sold over time enables those events worthy of investigation to be identified.

- 10.19 In the real world there is only so much time and attention which can be paid to an event, especially if the marketing campaign has already gone fundamentally wrong or the event is simply not selling despite the best efforts. The key use of these Exception Report comparisons is unlikely to involve every event, but only those where remedial action is worthwhile and likely to increase attendances and be financially productive. Of course, as has been suggested, these routines could as equally show up the over-achieving event, likely to sell out or meet its targets if existing activity is maintained or even curtailed. This can lead to action to adjust prices, moving price breaks to increase the number of seats at the higher prices, and decisions on continued advertising.
- 10.20 One of the most valuable applications of the results of this kind of analysis of sales performance is in "revenue management" which is covered next.

Review

1. What is the current analysis of the pattern of sales and the progress of sales for currently selling events?
2. What information is needed and when to enable adequate monitoring of sales in your venue?
3. Can the Box Office system produce the reports you require?
4. Can routines be established for regular production of the reports you require, with analysis to identify only the exceptions to normal booking patterns?

Action Plan

5. Establish an agreed format and timetable for the reports you require.
6. Obtain any necessary software enhancements or Executive Information Systems to enable the reports and analysis to be run.
7. Plan specific monitoring and evaluation stages into marketing campaigns to enable implementation of remedial action identified from comparisons of sales performance

11. Managing Sales

- 11.0 The process of managing sales to maximise attendances and obtain the greatest possible income has come to be called **Revenue Management**, a term borrowed from the airline industry.
- 11.1 Venue managers have always practiced this skill, but usually in a passive way, setting prices and the reductions and/or concessions which will apply, and allocating the distribution of seats at the different prices, **before** the event goes on sale and fixing these for the sales period. Part of this rigidity is to meet audit requirements and tighten up on accountancy procedures by removing flexibility. While this may have been important for manual Box Offices, some computerised Box Office systems are unable to amend prices, reductions or seat distribution once the event is first specified, thus denying one of the major advantages of the computerised system.
- 11.2 The basic principle behind pricing is to maximise revenue by balancing consumer demand with the availability of the product. If a product is high in demand but low in supply the price will go up in the marketplace; if the product is low in demand and high in supply then the price will fall. In venues, the supply is the availability of seats, so theoretically if demand is high the price of seats can rise, as ticket touts and agents charging premiums have demonstrated all over the world. However the equation will be effected by capacity - the supply of seats is not infinite, and most events will have a defined or limited run.

- 11.3 The problem for venues is that an unsold ticket for a seat today is useless tomorrow. Like in a nightmare greengrocer's shop, the entire stock of unsold goods goes off overnight and has to be thrown away. This is the problem that so exercises the airlines - unsold capacity represents forever lost opportunities. Are there ways of selling otherwise unsold seats to other customers?

The Problem of Unsold Capacity

- 11.4 The problem for venues is exacerbated because with limited runs the almost inevitable pattern is that events open their run at less than capacity and build upwards, often to full houses. People who would like to be accommodated at the end of the run cannot obtain seats, yet there had been spare capacity to accommodate them at the beginning of the run. Some venues, partly to counter this pattern and partly to generate early word-of-mouth to trigger sales, offer heavy discounts for the opening night(s), often as two tickets for the price of one. This is a large reduction which locks the venue into 50% off. This sometimes has the effect of filling one performance and leaving other early performances with low attendances, because the large reduction draws customers towards the opening night. Clearly, any use of differential pricing demands a more sophisticated approach, with discounts and promotions targeted at different customers at different times, to both attract them and ensure that they pay the highest price possible.
- 11.5 For one-off events the problem is similar. The crucial emphasis is that it is not just attracting attendances throughout the run while maximising income, but ensuring from

the beginning of ticket selling for the event that most customers who can be attracted also pay the highest ticket price possible.

- 11.6 Venues note that tickets at different prices do not necessarily sell evenly. Research on sales in Britain points out that top price seats often sell first, and many customers are forced to pay lower prices than they planned when capacity is being reached. Analysis of sales for venues which are members of the Theatrical Management Association showed that when the volume of sales fell, the impact on the value of sales was not as great, because the reduction was primarily in the sales of lower priced seats. However, customers are unhappy to pay as high a price for seats with a poorer view than the best seats.

Price and Value

- 11.7 Price is one indicator of the "value" of the event to the customer, so lower prices may indicate lower value and therefore make the event less attractive. The whole basis of discounting and reductions is that the value of the goods is reflected in the quoted price but the vendor is willing to sell it for less in certain circumstances to certain people. Marketing has the major task of communicating the overall value and therefore justifying the price. If an event is not selling it is often said that "*the price is too high*" which could mean that the marketing campaign has undersold the event, because if people had been effectively persuaded of the value of the event they would have bought the tickets. Some people will have bought the tickets and changing the prices or offering new discounts may devalue the event for them.

- 11.8 This places revenue management in an interesting context for venues:
- If demand is greater than expected then the demand for higher priced seats may also be at a premium, giving an opportunity to increase the achieved income from sales, commensurate with the quality of experience on offer from each seat sold. (However, do not sell bad seats for more than they are worth!).
 - If demand is less than expected then larger than usual discounting and special offers will be necessary to trigger a response, while the value of the event must be maintained or enhanced.
- 11.9 Revenue management assumes first and foremost that prices and discounts are flexible (with price breaks in the auditorium moveable) and second and crucially that sales patterns can be analysed in detail. (Venues with seating plans in their brochures will need to show blocks of seats without identifying rows and numbers in order to move price breaks during the selling period). The task then is to adjust the available seats to the actual demand. In most situations the basic principle must be to get this right in the first place when setting the prices and the distribution of seats. In many venues the Box Office staff point out that customers have strong preferences for certain seats and would pay a premium price to occupy them, yet pricing policies intended to make the events accessible give lower prices to everybody. Access policies are best achieved through target marketing, especially if special prices are needed to encourage certain market segments.

- 11.10 Accurate forecasting and reliable planning is at the heart of the approach to effective revenue management. This must be based on analysis of past experience and all the factors that can affect attendances on different days and at different times. The Profile Reports and particularly the Exception Reports in the previous Chapters provide the main tools in analysing the pattern of sales. These are used primarily to provide information in planning the pricing strategy for future events. There are four inter-related steps:

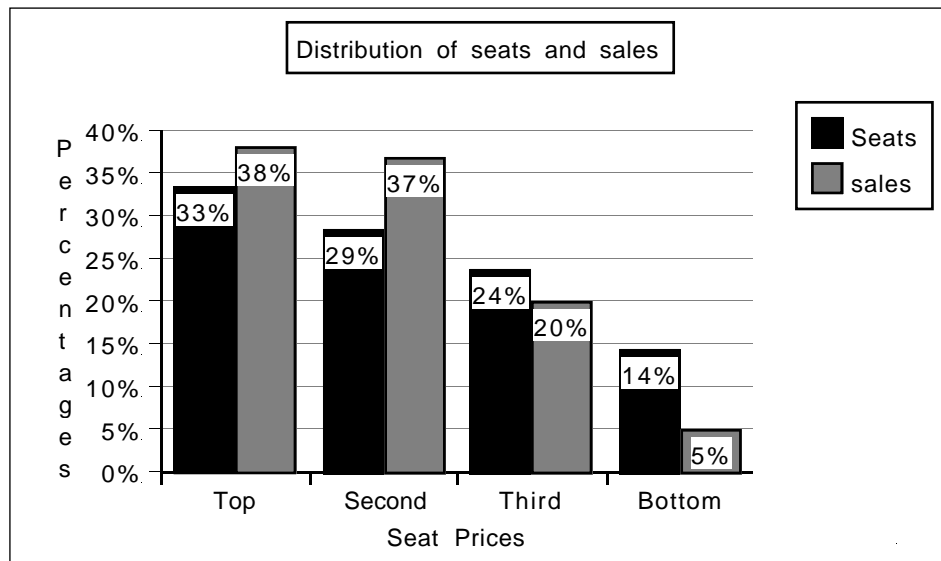
Setting Prices

- 1. Choose the number of ticket prices - *multiple pricing is preferred by customers***
- 2. Decide the distribution of the prices in the auditorium - *multiple pricing in each part of the house is helpful***
- 3. Choose the discounts to be applied to each price, for each category of customer, , the eligibility for reductions, and the hurdles to be applied to obtaining them**
- 4. Set the review dates when sales will be evaluated and numbers 2. and 3. reviewed.**

Monitoring Sales

- 11.11 In looking at the application of Exception Reports, the hierarchy of *first* the number of seats sold and then *second* the value of seats sold, over time, was recommended in

order to identify the under-achieving or over-achieving event. For revenue management purposes these two hierarchical steps still apply, except that analysis by price of seats, part of house, discount and concession take-up is the third essential step. This will give the key information to enable revenue management decisions. A bar chart comparing the proportion (percentages) of the seats in the house with the proportion (percentages) of the sales by price is the main tool in analysing the pattern of sales.



If purchasers are seeking higher priced seats first and sales are clearly exhausting top price seats first, then there is the possibility of increasing income.

Premium Prices and Seats

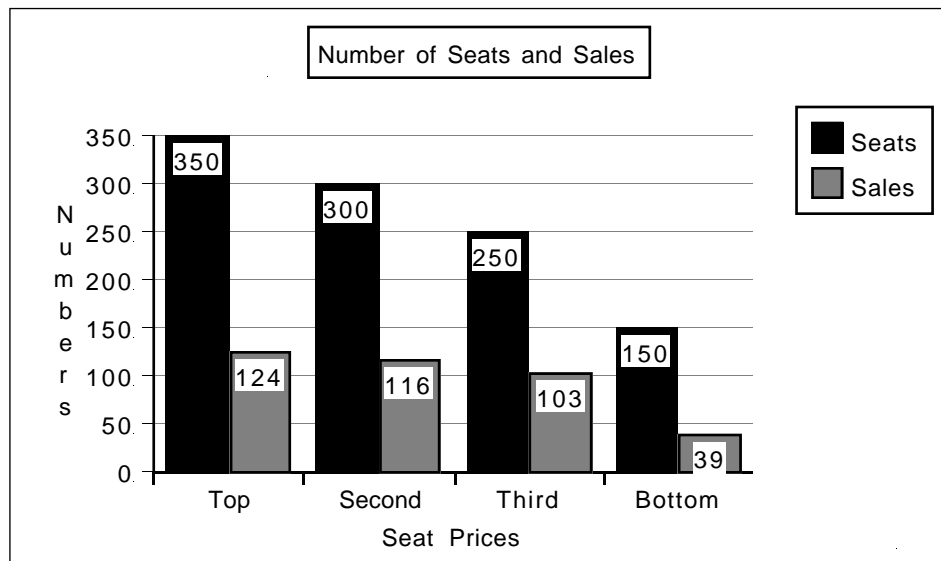
11.12 The opportunities to apply revenue management in practice are likely to occur most easily when events are over-achieving their targets. Because in these circumstances the marketing has clearly done its job, the role of the clever Box Office is to maximise the income, given that the demand is there. This need not compromise access policies if the availability of access related reductions and concessions has been properly targeted and separately marketed to the anticipated recipients. However, revenue management depends on careful analysis and commensurate action, and changes must be applied gently. An incremental approach, under constant review, is safest.

11.13 There are three possibilities:

- move the price breaks to create more higher priced seats; this could be applied proportionately throughout the house (this can be done incrementally, a row at a time, as demand takes up the seats)
- create premium priced seats, sometimes called "superseats", at a price above the established top - these must clearly have some significant superiority to other seats even if the difference is only marginal
- restrict the availability of reductions or concessions either by setting limits on the number of seats to be sold at a discount or adding further hurdles to their availability (effectively by ending the sale of one category of reduction and replacing it with another)

Discounts and Offers

11.14 In practice, if an event is under-achieving, while it is possible to move the price breaks to offer more seats at lower prices, it is unusual if demand is there at the lower prices in the first place. The real possibilities are to introduce discounts or special offers to trigger a response. The information from Profile Reports and Exception Reports will be valuable, as will analysis of time of booking and price paid, to provide a reliable statistical background. In this case, the key question is whether appropriate marketing action can be taken to either reinforce the quality, and enjoyability of the event or to advise potential customers of special offers, reductions or discounts to try and stimulate demand.



11.15 The advantage of the computerised Box office system operating as recommended in this Manual is that it is much easier to assess the viability of and to carry out specific and detailed marketing campaigns. The most likely respondent to a special offer is a customer already familiar with the venue who is contacted with a tailored, personalised and friendly promotion which recognises them and their relationship with the venue. The Chapter on Direct Marketing indicates the approach to selecting target customers, after Profile Reports have analysed and segmented the customers.

11.16 A variety of promotional devices are then available. Research tells us that customers expect us to offer different levels of reduction to the different categories of customer - each one is in a different economic situation after all. However, sales promotions usually involve the customer in an additional hurdle or commitment, in order to gain access to their bargain. Customers can get a reduced price only if they:

- book in advance (perhaps before a nominated date)
- bring more people (perhaps require accompanying children)
- buy seats in the topmost price range
- book in advance and accept late allocation of a seat guaranteed to cost more than the price paid (a floater)
- buy a package of two or more events

or

- book on the day of performance and pay straight away (perhaps in cash)
- turn up on the door (and perhaps accept late seat allocation)
- call in person in advance and pay (perhaps in cash)

And so on: the possibilities are seemingly endless. There is a keen awareness in the leisure industries of the sensitivity of families to cost implications. A heavy discount if people book at least two adult tickets and one or more accompanying children can create a sales opportunity which would not be considered for the two adults alone at full price.

Frequency related promotions

- 11.17 There are additional revenue management opportunities in encouraging more frequent attendances and rewarding frequent attenders with extra discounts or special offers. These usually require the simple mechanism of counting the number of customers who have purchased tickets for more than say five events in an eight month period, and writing to them to explain that if they purchase for say two more in the next month, they will receive either a discount voucher or some equivalent incentive. Some computerised systems offer the facility that as customers accumulate a number of sales then the system signals the staff to advise the customer of their eligibility for discounts if they purchase more. The number of purchases and the time period will obviously vary according to the venue.

Subscriptions and Season Tickets

- 11.18 Revenue Management techniques and the use of Exception Reports are useful in planning Subscription Schemes and devising Season Ticket packages. This Manual cannot detail the differences between the two and the numerous alternatives and options available. Different venues have different objectives when choosing to

introduce subscriptions or season tickets. Is the intention to obtain a large income in advance, or to increase the volume of attendances, or to increase the number of events attended, or to increase the value of sales, or to build a loyal core audience? The type of package to achieve these will vary. The key issues are however the setting of prices for packages, the structure of the discounts given and their relationship to the frequency of attendance expected of customers buying the packages. Analysis of past purchasing patterns will help identify the potential thresholds at which frequency could be increased and the level of spending which customers are used to. Analysis of ordinary ticket purchases, and also of purchases for past subscription packages if appropriate, will help identify the pricing opportunities and discount levels, to ensure that reductions are minimised while maximising sales.

- 11.19 The advantage of the computerised system is the ability to offer many different pricing and discount mechanisms, and to monitor their use and effectiveness. The opportunities to increase both income and sales through revenue management and related promotions are a major advantage of the modern Box Office.

Review

1. How are decisions made about pricing? What information is used to inform them? Are prices and price breaks flexible during sales?
2. What is the current analysis of the pattern of sales and the progress of sales for currently selling events? See Chapter ??
3. What information is needed and when to enable adequate monitoring of sales in your venue? See Chapter ??
4. What use is made at present of reductions, discounts and concessions in revenue management?
5. What opportunities are there to increase the use of reductions, discounts and concessions in revenue management?

Action Plan

6. Establish an agreed format and timetable for the sales reports you require. See Chapter ??
7. Establish systematic analyses of the sales performance of events, to inform future pricing policies.
8. Plan specific monitoring stages into marketing campaigns to enable the implementation of revenue management strategies, and flexible reductions, discounts and concessions.

Afterword

While there are enormous changes in the Box Office and its capabilities, in the potential of its staff to increase sales, in the opportunities for marketing, it is not yet central to the marketing function in most venues. Yet a more systematic approach to marketing could be the key to broadening audiences and increasing attendances, not least because it should help marketing be more cost effective.

There are real benefits from focussing on the Box Office and combining the marketing and sales team:

- Improved marketing, from better knowledge of the catchment area and marketplace, and better understanding of the customers who do attend
- Increased income and ticket sales, improved access and higher ticket yields
- Increasing opportunities for artistic developments in programming, because of greater confidence in reaching and persuading potential attenders
- Improved customer care, not just polite service, but recognising customers as individuals and giving real customer satisfaction

While computers take the strain out of the processing, the Box Office is alive, with staff spending all day every day talking to customers. While some people see them replaced in the end by talking computers, this Manual is dedicated to the Box Office staff who bring a creative, personal touch, and make all the difference in satisfying customers.

About the Author

Roger Tomlinson (born 1945) was brought up in Swinton, near Manchester, and graduated at the University College of Wales, Aberystwyth with Honours in Geography. He also studied economics and trained as a teacher.

His career in the arts started at the Victoria Theatre, Stoke-on-Trent in 1968 where he was House and Publicity Manager. Here he first became involved in the Box Office and realised its central role in customer contact. He then moved as Publicity Officer to be part of the team opening the then new Leeds Playhouse in 1970, the first of three projects where he was involved in setting up the operation. He then joined the Royal Shakespeare Company at Stratford-upon-Avon for a season, before being invited back to Aberystwyth to set up and run the Arts Centre which the College had built for the campus and the community, including a 1350 seat concert hall, 327 seat theatre, 100 seat studio theatre, large art galleries, and a chapel.

In 1975, Clwyd County Council appointed him as Arts Centre Administrator, to set up and lead as chief executive the Theatr Clwyd complex, including two theatres, a regional film theatre, concert and recital room, and home of Wales leading drama company. In 1982 he joined the Welsh Arts Council as its Drama Director, where he also took on responsibility for marketing and training. He helped found the Cardiff Arts Marketing consortium and chaired it for its first three years. He developed the Welsh Arts Council touring policy and initiated training provision. He set up and was the

Course Director for the first six years for the Theatrical Management Association's Marketing Course held at Druidstone in Wales.

In 1988 he formed A.R.T.S. (Administration Research Training Services) the management, marketing and training agency, based in Cardiff, which specialises in customer care and the development of marketing and sales through the Box Office. It carries out feasibility studies, develops arts policies and strategies for local authorities, provides management and marketing consultancy for venues and galleries, and undertakes market research and development work. A.R.T.S. also provides on-site training as well as running an annual programme of seminars, including ones on using computers for ticketing and marketing. Roger Tomlinson works as a consultant, a trainer and as a researcher.

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15. PAF. Postcode Address File. For further details contact National Postcode Centre, P O Box 300, Bournemouth BH1 1AA.
16. Phone Disk: for further information contact British Telecom on 0800 800 876.
17. Mailsort: For further details contact the Account Manager of your local business centre of the Royal Mail.
18. Rapid Address System: supplied by independent companies. For a list of suppliers, contact the National Postcode Centre, P O Box 300, Bournemouth. BH1 1AA
19. MARKzMAN. For further details contact Marketing Management Limited, Empire House, Dormer Place, Leamington Spa, Warwickshire CV32 5AE. Phone 0926 886887.

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