Insights

FREE | Volume 1

From green shoots, to sustainable growth

Insights from the Baker Richards team, including:

- Acting strategically in a time of continuous crises
- When Surveymonkey might be bananas
- Weathering the storm of economic inflation
- Can data collected pre-pandemic still be useful?
- What your pricing says about you

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Acting strategically in a time of continuous crises

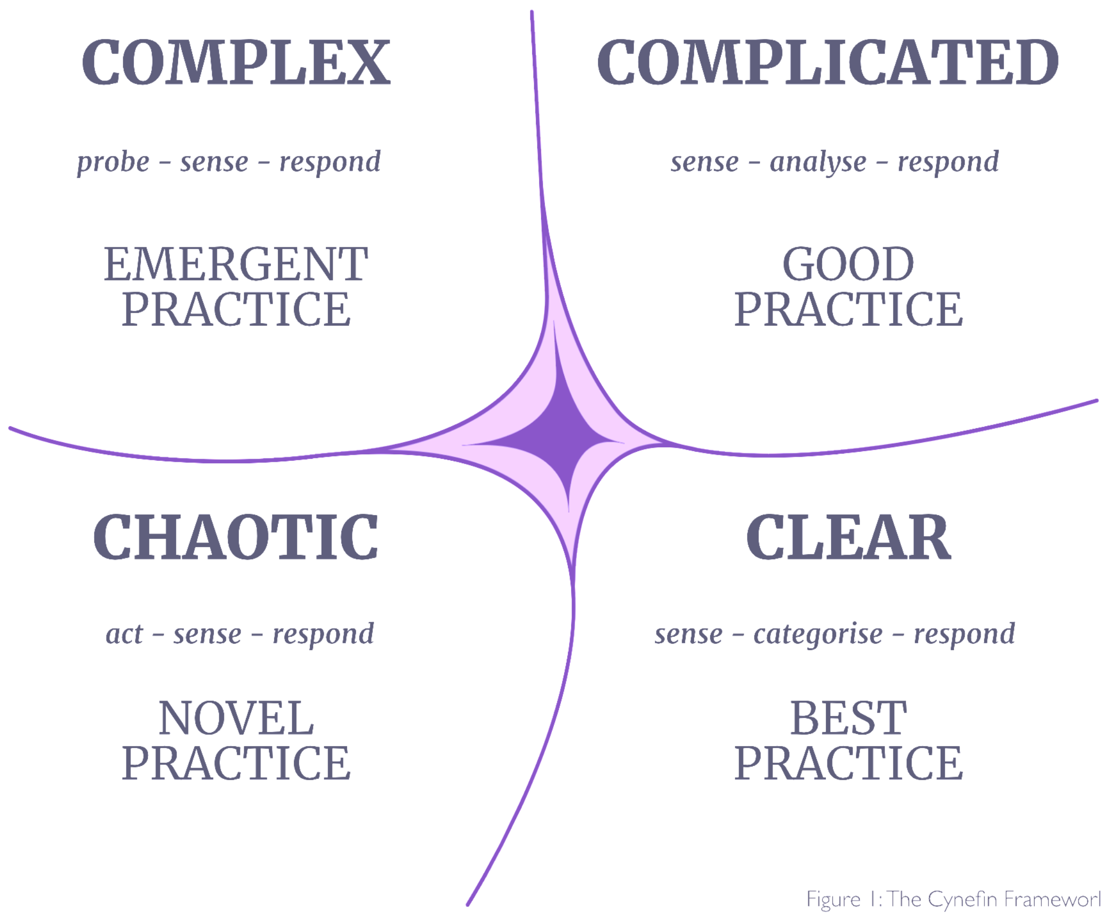

Figure 1: The Cynefin Framework

As we continue to emerge from the pandemic, let's focus on where we want to go, and embrace the fact there's no single way to get there, says DAVID REECE.

Elijah O'Donnell | pexels.com

The pandemic caused widespread disruption and forced upon us all a new way of living, turning our worlds upside down almost overnight. As a sector and an industry we found there are many possible roads to recovery - but how do we know we are on the right one? If we follow some guiding principles we can make sure we're heading in the best direction.

A **Cynefin framework**, developed by IBM as a decision-making tool to deal with real-world problems of varying complexity, can help. The key is to diagnose a situation in one of four ways, rather than falling into a vortex where disorder reigns. These situations range from the ***Clear***, where we can rely on best practice to come up with a solution, all the way round to the ***Chaotic***, which requires novel solutions.

From the Chaotic to the Complex

Thinking back to 2020, the shutdown of our industry was chaotic. We had to act. There was no time to consult, but as we emerged from the Chaotic and entered the Complex there were still no clear answers, leading us to use what tactical knowledge we had as a guide, armed with all the skills, the creativity, the passion and determination which make our industry so great.

Hard choices have already been made and more hard choices are ahead of us, but this remains an opportunity to look at things differently, to assess what is and isn't working within your organisation and continue the necessary changes on the road to recovery. To prepare ourselves for the road ahead, we should **probe** the past, **sense** the present and **respond accordingly as we plan for the future.**

1. Probe the past

Confucius was right: "Study the past if you would divine the future".

The audience of the past will still form a large part of the audience of the future in one form or another. So even in these times an understanding of past trends will provide an invaluable evidence base to aid decision making and to help you concentrate limited resources on areas of the greatest impact to your bottom line. By establishing historical demand patterns across a 'normal' time frame you create a baseline as a point of comparison going forwards, helping you set focused objectives.

Analysis helps to expose any vulnerabilities in the short-term if you are still operating with reduced capacity or a reconfigured offer. For example, a visitor attraction might not be able to achieve peak capacity during school holidays if it is not safe to do so, so instead will need to maximise income from a smaller number of people wanting to visit on those peak days by making admission pricing, donations, and secondary spend work harder.

A *dispassionate* understanding of your audience, which tests long-held assumptions, will also inform your plans for re-engage with them in future. Performing arts venues that rely on senior audiences for weekday matinees might need to rethink what they programme on these days (or if they programme at all) as a sizeable segment of that audience continues to hold out on returning. If you normally attract customers from a wide market, how much potential is there within the local market instead? Have you sized that market? You may need external help for this.

How big is your core audience - those regular, repeat customers who account for a disproportionate number of tickets and income? How much harder can you work this core? How frequently can they be expected to visit? More than before? And importantly, how much are they willing to pay? How should you adapt your offer and your communications to engage with these key customers?

To address some of these questions, we must turn to the present.

2. Sense the present

Given the uncertainty across the globe right now, it's not surprising that research into how customers feel about returning to culture and attractions still reveals some hesitancy, with concerns around value for money or safety. Then again, what people *say* they are concerned about in a survey and what they actually *do* in reality don't always align as recent trends in increasing attendances have revealed. That's not to say that we should ignore these concerns, and venues should certainly be looking to create safer spaces, but it's important to understand the limitations of any research and how it applies to your own situation.

If you are going to survey your audience, first ask yourself **'what am I going to do with this information'?** It might not cost much money to send out multiple surveys, but it does cost a lot of time and goodwill both on behalf of the respondent and when analysing the results, so survey wisely. Ensure the results from your survey sample are proportionally representative of your target audience – which means going back to your data – and be aware of framing questions in a way that leads to response bias. For example, providing a set of predetermined response options might make people think about something in a way they had not really considered before, and thus inadvertently influence their response.

Questions relating to price are particularly challenging to research effectively. The price someone is willing to pay depends on the value they think they are getting in return – and this will be different for each person. So be specific: find out how much more, and for what extra value, as well as what they were previously paying in the past. Simply asking what people would be willing to pay will skew the results. Asking them to make choices between different options in a series of scenarios will result in a much better understanding of what people value and how much they would pay for it.
There's more on market research overleaf. ["*When Surveymonkey might be bananas*"]

Armed with a detailed understanding of historical demand, past customer behaviour and insights into the current state of potential customers, we can now use this information to continually respond and iterate our plans for a sustainable reboot over the coming months.

3. Respond

"The best way to predict the future is to create it" said Abraham Lincoln (perhaps).

While your overall objectives and aims as an organisation might not have changed, your strategy for achieving them, at least in the short-term, undoubtedly needs to continue to adapt.

Dedicating sufficient resources to planning is crucial. Not that the choice is ever this stark, but it may be better to invest in adaptive, analytical people who explore sustainable options for what you can do tomorrow, rather than continuing to create lots of free digital content for today.

Rather than indiscriminate discounting, price changes in particular should be implemented so as to not undermine your longer-term objectives. For example, you might offer temporary memberships which expire after 6 months or a different range of prices to reflect your reconfigured offer. **Remember there is no such thing as best practice in the Complex realm.** This is the time to look for alternative solutions, novel ideas and to experiment. Be creative, and share your experiences.

Finally, as our collective reboot continues, and more organisations pass through the *Complex* and into the *Complicated* realm, it's important to have in place indicators to monitor and track your recovery. How frequently are audiences returning? How much are they spending - where is there price resistance? Who is not returning? Be aware of wider trends across the industry, but be wary of benchmarking against others. Your situation is unique and what works for someone else won't necessarily work for you. There are many roads to recovery, and just because you start on one doesn't mean that's the one you should stay on.

> "This is the time to look for **alternative solutions, novel ideas and to experiment.**"


Eleazar Ceballos| pexels.com

> "In this time of uncertainty, it was important to get such clarity into what our audiences really want. Baker Richards' meticulous approach to audience research has given us the evidence to inform the planning for our new season, **and the confidence to carry out those plans.**"
>
> Sophie Galaise, Managing Director, Melbourne Symphony Orchestra

When Surveymonkey might be bananas

There are many misconceptions about market research and who is or isn't qualified to get the best out of it. ROBIN CANTRILL-FENWICK peels back some of its mysteries.

Aleksandar Pasaric | pexels.com

When I was the Marketing Director of a producing theatre, I used to dream that some day someone would say to me - "I've got thoughts on the poster for this show, but as you're the professional I think I'll trust your judgement and keep my opinions to myself".

Don't get me wrong, I love to collaborate! The reality though is that, as any arts marketer will tell you, EVERYONE's an arts marketer - or they think they are. It can be frustrating to listen to people conflate what they personally like or dislike, with what they think will engage an audience.

In turn, there's also an expectation that every arts marketer is a market researcher. Though there are many talented researchers in the sector, it isn't a universal skill.

When SurveyMonkey might be bananas

Market research is an important part of the response to the heightened instability in demand, motivation and intent to engage with the arts. It helps us to sense the present, and probe possible futures. [*Acting Strategically in a Time of Continuous Crises, p.* 2]

DIY market research is widespread, as barriers to entry are low and low-cost surveying options like the feature-rich and market-leading platform Surveymonkey are readily available. Surely it's straightforward to ask a question, and then collect responses on a five point scale from "strongly agree" to "strongly disagree"?

It's sometimes impractical for reasons of cost and time to seek professional support with market research but, as both a commissioner and provider of research, I know a good market researcher adds great value.

What, though, are the things to focus on when undertaking market research, particularly through surveys, in-house?

Get the question design right

One of the frustrations with market research is realising, after everyone has responded , that you asked the wrong questions. This sounds improbable but is extremely common. You ask respondents which ice cream flavour they prefer and, when you see the results, you realise what you really wanted to know was whether they prefer ice cream or a savoury snack. And might that change at different points in the visit?

Think through what you really want to find out from market research. **As a general rule, a long survey is a bad survey, however it's conducted.**

> "One of the frustrations of [DIY] market research is realising, after everyone has responded, that you asked the wrong questions"

Don't use a survey to ask what you already know

To extend the ice cream example, if a venue wants to know the most popular ice cream, it probably already has the answer in its ePOS (point of sale) system.

Likewise, asking audiences their favourite genre of performance to inform artistic programming in a performing arts space, or their favourite type of ride in a theme park, will only tell you their ***stated preference***. Often their real behaviour, or ***revealed preference***, as captured in (for example) a ticketing system, is more enlightening.

Asking respondents to tell you things that they feel you should already know is a sure-fire way to drive survey abandonment, or increase frustration with other types of research. Particularly when respondents are choosing to give you their time (i.e. you are not paying them), they will soon drop out if they feel either their time or their response will not be respected.

When respondents second-guess why they're being asked

If you ask a direct question about how much a respondent is willing to pay, you can discard the results. Respondents know why you're asking and will lowball their answers. Market research for pricing is a highly specialist area – ask for help.

Separate beliefs from behaviours

It's common to ask questions like: "When do you next plan to visit?" This will tell you what the respondent believes. Follow it up with a question like: "Do you have a booking for an event with us in the future?", which will reveal their behaviour. The two questions may yield very different results, which is useful information in itself.

Be aware of your respondent profile

When surveying your own database, two things are vital. First, do you know what the profile is of that database in terms of purchasing behaviour, location, age, social class? Second, what is the profile of the responses? How does it align or diverge from the overall population?

Ask questions that allow you to profile and qualify the responses. Organisations with research capacity may then weight the responses accordingly, though usually this is best done by an expert as it can substantially change the results.

When Baker Richards co-led the *Culture Restart* UK-wide pandemic audience research programme, we understood the profile of respondents - predominantly older, more highly engaged cultural attendees (as is the case with nearly all arts organisations' surveys) and were able to contextualise the data accordingly.

Ask the right people

Organisations with large contacts databases often don't look beyond their own contacts. Rather than preaching to the converted, they really need to find out what people who don't come to church think.

Market research specialists are able to access panels of off-database respondents and know when such a panel should be census-balanced or targeted at certain types of respondents. Market research is most useful when it reaches the potential market, not just the people who are already engaged.

Choose the right method

Organisations often use quantitative research - surveys with scores, drop downs, Likert scales and the like – when qualitative research might be more valuable and enlightening - such as when you want to understand attitudes, motivations and feelings, or to test out how patrons interact with a new product, website or service.

Qualitative research, which tends to use data from conversations or activities rather than surveys, is best undertaken by a skilled professional. It's harder though to correct for failings in the process – such as one voice dominating and swaying all the members of a focus group, or choosing unrepresentative participants.

It's also common to undertake research once, failing to recognise that responses may shift over time. How often do you need to ask a question to identify trends?

Misinterpreted data is worse than no data

In World War II, the US Center for Naval Analyses, concerned that bombers were regularly being shot down, analysed the distribution of bullet holes on returning planes to understand where they were most vulnerable.

Damage was concentrated on the wings and upper body of the planes, so plans were made to strengthen these areas. In fact the reverse was true, as they were only looking at planes that returned to base. What their analysis was actually revealing was where a plane could take heavy fire and still make it home. It's always useful to have someone external to your situation challenge your interpretation of data to see if it holds up.

The sector will undoubtedly benefit from market research to underpin both its tactics and strategy. When in doubt, should you ask an expert for help? I'd "strongly agree".

"Working with Baker Richards has been a delight from start to finish – David and Valentina have certainly made a refreshing difference as well as being fun to work with. Their knowledge and expertise have helped us change the way we think, balancing the need to operate commercially as a visitor attraction without pricing out our local market alongside building support for the charitable work of the Ocean Conservation Trust."

Roger Maslin, CEO, Ocean Conservation Trust

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Weathering the storm of economic inflation

Faced with inflation and a squeeze on consumer spending, how can arts organisations weather this financial storm? DAVID REECE looks at both increasing and reducing prices.

Here in the UK, the triple whammy of Brexit, the pandemic and now inflation is weighing heavily on budgets and balance sheets, both for organisations and individual pockets. Other countries have their own particular economic factors, but pandemic drag and inflation are persistent problems across most of the western world.

I now pay more than £100 ($120) to fill my car with petrol/gas when last year it was £70 ($85) – that's a massive 43% rise. My domestic energy bills are likely to go up by 54% following another expected increase, and business costs are being hit even harder.

With central banks steadily raising interest rates and the likelihood of a recession to come, I'm not confident how much I'll have left at the end of the month, so I have to make careful spending choices.

I'm far from alone: the GfK consumer confidence tracker shows confidence hit its lowest ever score recently.

What history tells us

You could argue - and I certainly would - that the arts and visitor attractions are exactly what people need as an antidote to hard times. But the kind of leisure people are willing to pay for is shifting. Encouragingly, hospitality and leisure are bucking the economic trend, though they are still very much in pandemic recovery mode.

In the global recession of 2007-2009, theatre generally performed well. This could give the wider leisure and live entertainment sector grounds for hope, but the circumstances were very different then. For one, that recession was not coupled with high inflation.

Again looking at theatre, a survey conducted during that recession revealed that 41% of respondents intended to programme more "popular" work, and 37% intended to reduce the amount of "challenging" work they commissioned. While it's tempting to hope that fortune favours the bold, certainly there's an argument that now is a time to scale back risk when people are being extra cautious in their spending.

Responding to inflation

There are broadly four options for responding to inflation:

- **Doing nothing, running down reserves or reducing in scale** as a result
- **Shifting inputs and costs to areas less affected by inflation** (e.g. in theatre, designs that favour projection over plywood, reducing the number of trucks needed to tour a show)
- **Prioritising high profit margin offerings**
- **Adjusting prices**

I'm going to focus on the most pressing of these options for most organisations – the seemingly binary choice of whether to put admission prices up or down.

Increasing prices

Many organisations are increasing prices in response to inflation. The bigger the market and the lower the supply, the more scope there is for pushing prices up – that's basic supply and demand economics.

Whether dynamic pricing is right for your organisation depends on your objectives. But be clear, it's a commercial approach that deliberately prices people out of the market and only works when demand is strong.

Review price points and analyse low-price buyers

Revise lowest & highest prices

Focus on occupancy/ volume & building repeat attendance

Price to thresholds (round numbers)

Any increase in price comes with risk. Let's say you sell tickets at an average price of £30 and you sell 60% of capacity. Increasing the price by 10% to £33 increases income by 10%, but you're likely to lose some volume (sales). As long as you don't drop below 55% capacity, you'll still make a net gain. But if you go below that, you'll make less money from fewer people: a lose-lose scenario.

That's not to say you can't increase some of your prices. Most organisations have a range of prices on offer through differentiation by day, by seat location (if you're a concert hall, cinema or theatre), by concession type, by sales channel etc. Make sure you understand your lower prices. Why are they lower? **Having low prices seats at the back of the auditorium may not make you more accessible. Who's buying those tickets?**

Similarly, why have cheaper tickets on a particular afternoon? **Seeming accessible and actually being accessible are not the same thing.**

Reducing prices

The other option (ignoring the do-nothing approach) is to reduce prices.

If people have less to spend on tickets, does lowering prices make the decision to spend easier? Probably not. If you're in cost-cutting mode, spending anything on non-essentials will often be out of the question. Our research into price elasticity shows that, contrary to the prevailing narrative and popular belief, **lower prices frequently do not drive new sales in the volume required to make up for loss of income.**

Let's do the maths again. If you reduce the £30 price by 10% to £27, you now have to sell at least 67% of capacity to make up for the drop in price. The risk is that you attract the same people, they just pay less so your income is down 10%. If you are tempted to lower prices despite this, think about thresholds. There are such things as magic numbers in the world of pricing. Time and again we see more substantial changes in demand at key price points - £10, £20, £50 etc.

Psychologically £49 is a lot more attractive than £50 - there's much less of a difference between £48 and £49. While £50 communicates quality and confidence as you're pricing right on the threshold, £49 may give you the benefit of appearing to be cheaper without risking a big drop in income.

Ultimately, pricing should be straightforward; it should be easy to understand why you're paying a particular price. So, look at all the prices you offer and start asking why. If you can't come up with a good reason for a difference in price, why do you offer it? **Streamline, simplify and be clear.**

Evaluate and iterate

However you adapt your pricing to the current financial climate, make sure you evaluate the impact. What are your measures of success? Income or volume? What's the minimum level those metrics need to stay above to claim that any change is having a positive impact?

The two most useful measures are average income (including non-ticket income) either in daily form or per performance, and volume of tickets sold - again daily or per performance. As long as you're maintaining these then your change isn't costing you anything. But if the change is working then you should see an increase in either one or the other, ideally both.

When deciding how to alter prices in anticipation of continually-increasing inflation, take a moment to read *'What does your pricing say about you?'* (p.14) before you act.

"How can we help you?"

A few years ago I stepped out of my role in the management of a busy UK regional producing theatre, and today I could not be more proud to lead Baker Richards - a company which I used to turn to so often as a client.

Since March 2020, Baker Richards has undergone a transformation. At the core of this is our move to an Employee Ownership Trust, a relatively unusual model in the UK which is closer to a co-operative than a traditional company.

As an employee-owned organisation we have no private shareholders, and that means that as the cultural and visitor attractions sector has gone through convulsions, we have been able to focus on one simple question. Not our shareholder return or dividends, but instead "how can we help you?"

The answers to that question have stretched and surprised us. Webinars viewed by thousands, a UK-wide national audience research programme with a focus on equality, diversity and inclusion in audiences, and fascinating projects with exciting organisations around the world.

Today we work across many countries - the UK, USA, Australia, Ireland, France, Denmark, New Zealand, Italy and Sweden to name just a few. Organisations are as likely to work with us on market research or a big data project across a state or region, as they are for the pricing and revenue management insights which Baker Richards has been known for nearly two decades. We're as likely to be providing ongoing revenue management or segmentation support on a weekly Zoom call as we are a signature report, as well as providing a growing range of self-service tools and dashboards .

We pride ourselves on our tailored approach, backed by rigorous analysis and evidence, but with a renewed focus on ensuring that our revenue-growing approaches are lived by the whole client organisation.

I have found Baker Richards to be a community of thinkers and shapers, as well as change-makers deeply committed to the sectors we serve. Our team strives to think ahead and look beyond the day-to-day. Some of those thoughts are printed here in a collection of articles which first appeared on the website artsprofessional.co.uk, to which you can subscribe to read more.

I hope you find some inspiration in this, our first edition of *Insight*. Do let me know.

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Can data collected pre-pandemic still be useful?

Coronavirus created an 18-month crevasse in our databases. LIBBY PAPAKYRIACOU has been assessing the role of historic data in the arts sector's recovery.

Over the peak 18 months of the pandemic, big conversations about reshaping the relationship between the arts and its audiences came to the foreground. These conversations were both essential and ambitious. Our commitment to radically expanding the audiences for art in all its forms should not come at the cost of continuing to serve existing audiences – indeed the search for new audiences need not necessarily entail attrition of existing audiences at all.

As audiences continue to return, and sales targets start knocking on the door, it's easy to jump in and find yourself instantly firefighting, especially if resources are limited. But taking the time to look into the data will pay off: helping to set targets more realistically, to have a good picture of who is and isn't engaging, and to streamline communications. Differentiating between new customers and those with whom you have a historic relationship will impact how you market your offer.

The world has changed - have your customers?

Much as it's tempting to pick up where we left off (and indeed, it's still the case thatsome upcoming events were first on sale at the time of the first lockdown), the real people behind the data may require handling with care.

Dividing bookers into buckets of those who haven't returned yet, those who have a future booking, and those who have attended already will help to focus communications, particularly when considering past loyal attendees yet to take the plunge - what we call Missing Audiences. How do you ensure your programme appeals to this core audience? Do the necessary links exist between your customer data teams and your programming staff?

You may find your brochure or email data selection needs refreshing to be certain that target segments are aware you are back in operation, safe to visit and have something of interest to them. **Non-digital audiences will need particular attention – any messaging on the website or Twitter isn't going to reach them.**

Baker Richards has developed a simple but powerful Covid segmentation that tracks movement of audiences from pre- to post-pandemic. Overlaying this with your usual segmentation or data selection methods will help tailor your messaging to the relevant audience segments. Do your high-spend, 'night out' audiences or visitors need reminding of the fun to be had with dinner and your latest blockbuster? Do your loyal, low-ticket price but high frequency bookers need informing of the latest lower pricepoints and subscriptions (especially if your subscription model may have changed)?

The world has changed - so have your customers

Segmenting historic data also gives a good steer about who your new patrons are and how they might behave differently. An understanding of your past data is crucial to report on, and maximise the opportunities of, change. After all, if you don't have a clear view of the past, how can you understand the present?

With seismic shifts in customers' lives, new bookers may no longer be commuting and prefer to experience the arts closer to home now. Students enjoying your city in 2019 will have been replaced with new faces. Geographical shifts in your data can be identified by comparing 'old' with 'new' to identify changes and gaps.

Overlaying geographical data with open demographic data (for example Office of National Statistics data in the UK) helps to illuminate more

ESSENTIAL PANDEMIC SEGMENTATION - Can you size these segments?

1. Post-pandemic buyer, attending in future
2. Post-pandemic buyer, has returned
3. Attended during the pandemic
4. Pre-pandemic buyer, attending in future
5. Pre-pandemic buyer, has attended
6. Lapsed previously frequent buyer
7. Lapsed oncer

Tailoring communications by segment helps audiences to feel reassured, confident to visit, and understood by your organisation - increasing sales conversion.

clearly who is or isn't engaging with you. Think about how you're targeting those who aren't currently engaging - particularly if you have objectives to address specific demographics. Do you know why they're reluctant? If not, you might want need to commission new research.

Setting realistic targets against which to benchmark is more accurate, and ultimately more motivating, than wishful thinking. So, if in a theatre or concert hall a run of a challenging production with no name-brand performers didn't typically hit more than 50% capacity before the crisis, it's unlikely to do so afterwards.

Working with pre-pandemic data

There are some considerations to bear in mind when working with pre-pandemic data:

Think about how to refer to this 'lost' period. This isn't a normal lapse due to lack of will from the customer, so perhaps you need to retain customers from 2019/early 2020?

Someone who typically books a Christmas show or experience is more likely to do so again, but might lapse this year and require more persuasion in 2023. How are you going to mark them as 'lapsed' if it's been 3 years since they last booked?

Certainly in the UK and Europe, data protection regulations might mean you've set boundaries around contacting customers who have booked in the last 3 or 5 years. Think about how this impacts your data selection and whether it needs revisiting.

For postponed events, some of your customers will have booked as far back as 2019 for an experience or show that might now be in 2023. They are both 'historic' and 'current' at the same time.

While we switch gears from touch-point and administrative messaging to active marketing and fundraising, it's easy to leave bases uncovered in the clamour. **By layering the information from your current post-lockdown activity onto your historic knowledge, you'll get a much better steer of who to target and how to message them, re-enforcing the swiftest and most robust recovery possible.**


Cottonbro | pexels.com

What your pricing says about you

Pricing is an overlooked form of communication. As soon as a price is placed on something, it sends out a message about the product, says DAVID REECE.

I was getting my hair cut the other day when I noticed the prices on the wall included a discounted rate for over 65s on a Wednesday. Why do seniors get a discount on Wednesdays? The barber didn't know. It's just always been like that. Did it make any difference? Not really, it was actually confusing for seniors coming in on a Thursday expecting a discount, to be told it only applies on Wednesdays.

What is it about *Wednesdays* that makes them special, such that if I'm over 65 I get a discount? Is there a higher degree of risk as the barber drinks on a Tuesday evening and is hungover the next day? I joke, but if you're going to have a discount for something, then at least be able to explain why.

Pricing is a form of communication. It might not be a direct statement about your objectives, but it can reflect and support them. You need to send the right messages, otherwise you risk inadvertently undermining the value of what you have to offer.

Ensuring coherent messaging is important

Whether the message is explicit, such as promoting a senior discount on a Wednesday, or implicit, pricing just above competitors to connote superior quality – pricing is saying something.

Consider a theatre with a season of five plays. Four are priced the same, but the fifth is 'hard to sell' and so sold cheaper. This lower price makes it even harder to sell – exactly the opposite of what was intended.

When something is lower-priced you ask what's wrong with it. It's a common trap organisations fall into when setting prices. The lower price can end up reinforcing the wrong message – in this case, uncertainty about that production's value.

How to ensure the right messaging?

I remember a National Rail advert which simply stated 'off-peak is cheaper'. The strategy actively encouraged people to avoid peak times, and the price difference was substantial enough to ensure they only travelled peak when necessary. For train operators, this was exactly the right message as overcrowded rush hour train tickets were easier to sell. And flexible travellers could get cheaper prices.

Deep in pandemic recovery mode - while there have been an unusual number of promotions and offers to tempt off-peak travellers back, those fundamental price differentials and value fences have remained largely unchanged. The message could not be clearer. Peak is premium.

Different prices for different days are not uncommon in visitor attractions, heritage organisations, and arts and culture. But what is the tactic trying to achieve? Let's look at exhibitions from

National Rail

two of the UK's leading visitor attractions.

The British Museum offered a £2 discount on their ***World of Stonehenge*** exhibition Monday to Friday, compared to the full price at the weekend. Are weekdays the off-peak equivalent? Saying 'we want you to visit during the week, so we've made it cheaper'?

I'd imagine the £2 discount made little difference to demand and that potential income was lost from people who would have been willing to pay the extra.

Here the pricing is trying to motivate different behaviours. If the lower price is to drive volume, it must be sufficiently motivating to make a difference. The Museum's pricing assumes that weekday visitors have a slightly lower willingness-to-pay than weekend ones.

The British Library went one step further with pricing for their ***Beethoven*** exhibition. Standard adult prices were constant regardless of the day. But seniors, students and the unemployed could get cheaper tickets on Mondays – Wednesdays.

This might be the right strategy for targeting audiences on quieter days, but the messaging is confusing. Mondays to Wednesdays are cheaper -but only if you fall into one of these concessionary categories.

Do concessions attract the right people?

Concessions are common in the arts, leisure and live entertainment sectors, and many organisations have different prices for different types of audience. This is good if you know why certain audience members should pay less. **Pricing should reflect who you are trying to attract – the 'who' being especially important for publicly/socially funded organisations, with objectives to be representative and serve particular communities.**

How many organisations still offer a senior discount? Even the BBC, under pressure from the UK Government, reduced free TV licence eligibility for over 75s to those in receipt of benefits. But should a discounting policy be based on household income?

Outside the arts, I remember when the UK home improvement store B&Q used to offer seniors a discount on all products on Wednesdays if they signed up for free membership (Wednesdays again!). But they removed it a few years ago saying: ***"We want to offer our best prices every day to all our customers, so we've invested over £100million into stable, transparent low prices. This means there will be fewer price promotions and discount offers."***

At worst, pricing can inadvertently discriminate against some groups. A good example is family ticket offers where inevitably organisations are unable to reach all family types. Research by the audience development organisation *Kids in Museums* showed only 1 in 5 respondents felt positive about family tickets. A massive 96% of single parents said that family tickets didn't work for them. All wanted more flexibility.

Families with school-age children can feel particularly aggrieved when organisations apply the 'Centre Parcs model', making school holidays and weekend tickets more expensive. The term-time, weekday tickets may be priced lower, but they're inaccessible.

Attracting those who wouldn't otherwise visit

For students and young people, City of Birmingham Symphony Orchestra (CBSO) recently removed barriers for under 30s to access lower-priced tickets. Now all 18-30s can buy £10 tickets without having to sign up for a free membership, and for those in full-time education, it's even cheaper at £5. For CBSO, with an older core audience, anything that encourages audiences who wouldn't otherwise visit is a win-win.

But if capacity is limited and you offer discounted tickets to appeal to new audiences, you need to assess the financial feasibility. If tickets would otherwise remain unsold, selling cheaper is good, particularly if it targets a new demographic.

Det Kongelige Teater, the Danish Royal Theatre, took a radical approach when they launched *Sceneskift*, an unlimited theatre for under-25s scheme. For a single annual price, any member could simply turn up and see a show at no additional cost, without having to book in advance.

It was risky, but as their audiences tend to be older theatregoers, most of them were ineligible for the offer. And when a show is popular, the risk is with the customer as free tickets are only available if there's capacity on the day.

There's a lot to consider

If leisure and live entertainment tickets were sold as fast-moving consumer goods, it would simply be a matter of setting the one price that maximises revenue against a price demand curve. But these experience-led industries are about so much more than maximising profits. Frequently, we want to maximise reach and engagement, and maintain accessibility. Pricing is inherently more complicated as a result.

Get it wrong and your pricing strategy can undermine your mission. Get it right and it can help reinforce your social and artistic vision, while also achieving your financial objectives.

Since 2003, more than 750 organisations worldwide have chosen Baker Richards to:

- **Grow revenue** from tickets, memberships/subscriptions, and ancillary sales using our digital tools, through a consulting snapshot, or in weekly one-to-one Revenue Advantage check-ins

- **Save staff time, act with confidence and grow audiences/visitors** based on market research and audience segmentation, to reveal what audiences and visitors really want, and what will influence both interest and conversion

- **Improve audience/visitor satisfaction, membership / subscription conversion and repeat visitation** through bespoke Conjoint Analysis which reveals a patron's real willingness to pay while preserving accessible price points

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