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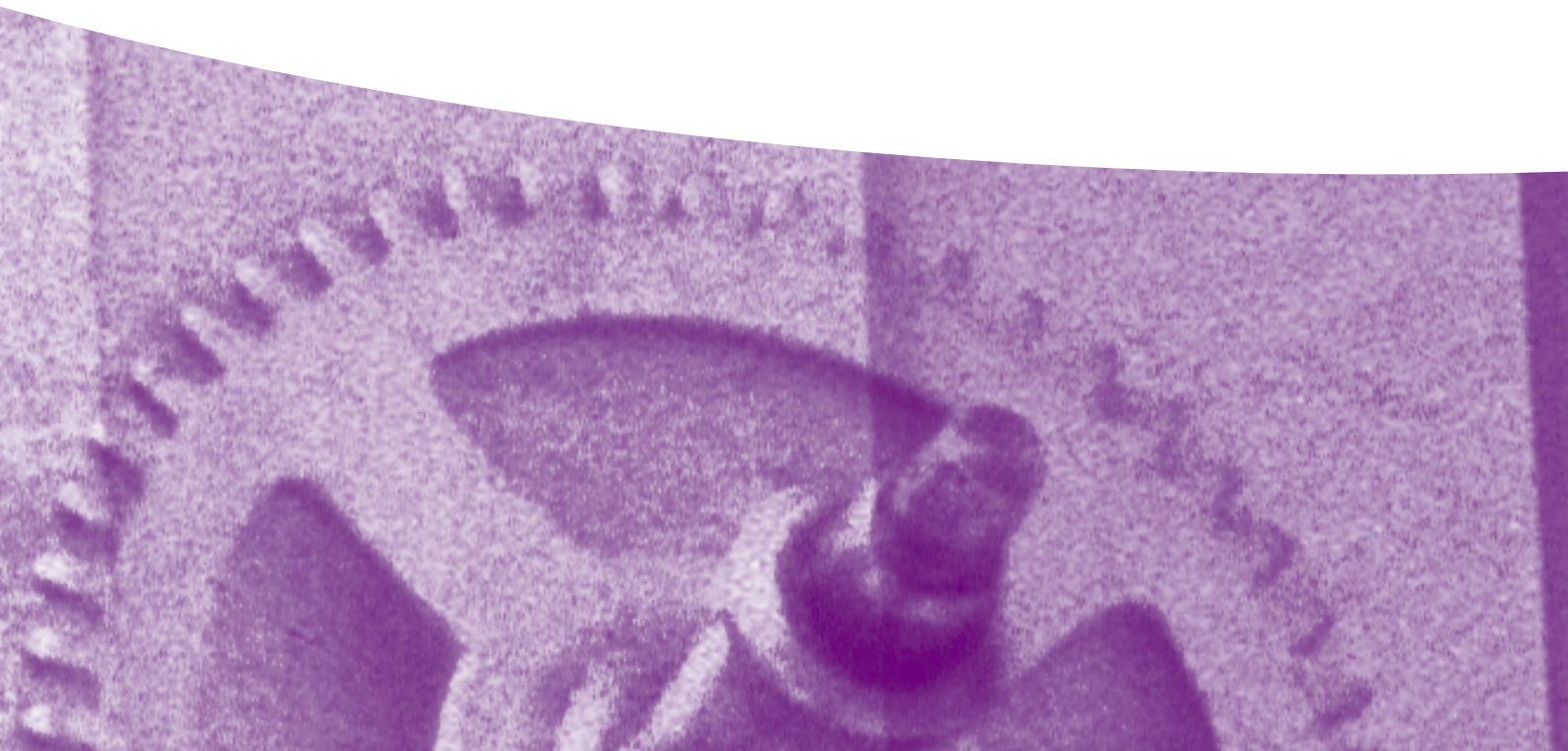
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WHAT'S MY PLAN?

A Guide to Developing
Arts Marketing Plans



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FOREWORD

The Australia Council, through its Audience and Market Development Division, is pleased to present *What's My Plan? A Guide to Developing Arts Marketing Plans* to the arts community.

What's My Plan? provides a starting point for those new to marketing, and can be read as a handy step-by-step guide to developing audience development and marketing plans.

What's My Plan? is the third in a set including *Marketing Strategies for Arts Organisations* and *Who's My Market – A Guide to Researching Audiences and Visitors in the Arts*. It complements other marketing and audience development resources, produced as initiatives of the Audience and Market Development Division. These include *miles ahead: arts marketing that works in regional Australia*, *Arts Marketing: The Pocket Guide*, *Access All Areas: Guidelines for Marketing the Arts to People with Disabilities*, and a set of Australian arts marketing case studies, published in association with Deakin University and Allen & Unwin – *Innovative Arts Marketing*.

Marketing and audience development have been identified by many Australian arts organisations as areas they would like to develop further, but for which they have limited resources. The range of initiatives developed by the Australia Council is designed to address these audience development and marketing challenges and to ensure the sustainability of our arts organisations, wherever they may be and in whatever artform they may work. On behalf of the Australia Council I would like to thank Dr Sharron Dickman and the Centre for Professional Development in Melbourne for preparing this invaluable resource for artists and arts managers.

Jennifer Bott
General Manager
Australia Council



INTRODUCTION

'To live your life in your own way. To reach the goals you've set for yourself. To be the person you want to be — that is success.' Anon

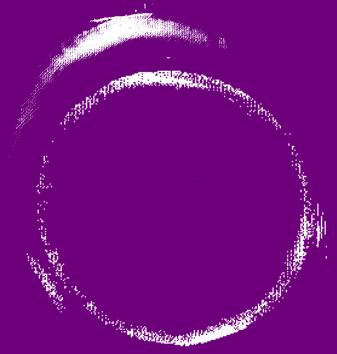
We all have dreams. What makes some people — and some organisations — different from others is their ability to realise their dreams. But don't think for one minute success is an accident of fate. It takes commitment, determination and planning.

Planning doesn't guarantee success, but it can go a long way in helping you to clarify your goals, define the challenges, break work down into manageable components and set milestones to enable you to measure your progress.

Marketing the arts — whether you're a visual artist, performing artist, craftsperson or working within an arts organisation — can be challenging and rewarding...and frustrating.

Everyone has heard the expression, 'If you build a better mouse trap the world will beat a path to your door'. And everyone involved in marketing and the arts knows it is simply not true. You, or your organisation, can be creative, talented, bright, innovative and excellent, but all that talent may be lost to the world at large if you don't have an effective marketing program in place.

The plain fact is, strategic marketing planning can help you realise your dreams. This guide has been developed to help demystify marketing planning, and make your road to success a bit easier.



ABOUT THE AUTHOR

SHARRON DICKMAN

Dr Sharron Dickman is General Manager at Pathfinder Marketing and has extensive experience in public relations, marketing, research and education. She is a recipient of the Australian Marketing Institute (AMI) Patron's Medal for services to marketing. She has lectured at Deakin University (Museum Studies and Arts and Entertainment Management), Melbourne University, James Cook University in Queensland, Glenormiston Agricultural College, and the Centre for Corporate and Industry Education at the Council of Adult Education. She is a Committee Member of the Hospitality Sales and Marketing Association (Southern Chapter) and a Board Member of Museums Australia (Victorian branch).

Her industry background includes experience in advertising and consumer research, first with J Walter Thompson Advertising and then as Marketing and Promotions Manager with Sovereign Hill Goldmining Township. Her publications include: *Tourism: An Introductory Text*, *The Marketing Mix: Promoting Museums, Galleries and Exhibitions* (published by the Museums Association of Australia) and *Promoting Small Tourism Businesses*. She was a member of the Victorian Arts Marketing Task Force.

SECTION 1

REVIEWING THE BASICS
— THE *WHO? WHAT? WHEN?*
AND *WHY?* OF MARKETING



1.1

THE *WHO?* – ARTS MARKETING IN AUSTRALIA

CHAPTER OVERVIEW

This chapter provides background information on the arts in Australia. It provides some basic discussion on the wide variety of arts activities undertaken in Australia and concludes that arts marketing — and planning — is essential for success in this very rewarding, but challenging and competitive field.

IS THERE REALLY AN ARTS 'INDUSTRY'?

The term 'industry' is a little misleading. When we think of an industry we usually think in terms of big business, such as the motor vehicle industry or the mining industry. The arts and cultural industry however is unusual for its variety of large and small segments.

It includes people working together, as in the communications sector (radio and television), publishing (newspapers and magazines) and performing arts (orchestras and theatre companies).

There are also large numbers of people who are self-employed and who work on their own, or have only limited contact with others. Artists, writers, craftspeople may work together, but more often work alone.

WORKING FOR LOVE OR MONEY (OR BOTH!)

Unfortunately research data doesn't paint a very rosy picture of life in the arts — in financial terms. An Australia Council study identified about 40,000 serious practising professional artists in Australia in 1993. The study collected income information which showed that professional artists generally earn about two-thirds of their total income from the pursuit of their primary creative activity, i.e. painting, writing, composing, etc., but still need to take on other work to make ends meet.

On average, artists' income from their arts work is about \$18,000 per year. However, averages can be really misleading. If two musicians are earning \$100 per performance, and one superstar is earning \$10,000, the **average** earnings of the three is \$3,400 each. But the reality is, obviously, very different. The median income is a better guide, and for all artists the median income for the arts component of their work is \$9,400 per year — so they are not earning a fortune from their work.

MARKETING, PLANNING AND THE ARTS

Most creative people and arts organisations want to find a way to combine their commitment to art (whether it's painting, music, writing, photography or acting) with a stable, reasonable income — to have both creative fulfilment **and** money. It's not an unreasonable expectation, but ...

Clearly today's arts professionals (both individuals and organisations) need to think carefully about the goals and the challenges they face. Talent is essential, and so too is commitment, but on their own they are not enough. There are many, many talented people whose dream to become a successful full-time artist or performer will remain that – a dream. And many groups who, despite the talent and commitment of members, will not achieve the level of success they deserve.

But it **is** possible to map out a path which will maximise opportunities. It requires some careful self-analysis and a commitment to planning. Which is, of course, what this guide is all about. It's designed to help you think about what you'd like to do, and develop a planned program to ensure you do everything you possibly can to achieve your goals.

When you have read through the guide and completed the worksheets, you will have gathered together the information you need to complete a detailed, and very strategic, marketing/business plan to help you to define and achieve your goals.

Your final plan will look something like this:

- Current situation (situation analysis):
 - mission and vision;
 - description of your arts activity;
 - analysis of operating environment;
 - market analysis;
 - SWOT;
 - product analysis;
 - competition analysis and competition strategy;
 - networking and people skills analysis.
- Marketing goals, objectives and strategies.
- Action program:
 - resource requirements;
 - timeframe;
 - staffing;
 - activities.
- Evaluation and contingency plans.

If it looks complicated, don't worry. That's what this Guide is for – to help you through the planning maze and bring you safely through the process with your confidence and your enthusiasm intact and your stress levels under control.

KEY POINTS TO REMEMBER

- The arts industry includes people working in a wide spectrum of the arts, from individuals artists and craftspeople working independently to large performing arts companies, publishing houses and film production companies.
- Not everyone working in the arts earns their full income from arts related activities. Many artists supplement their income through other types of employment. Even 'professional' artists frequently have to subsidise their arts income from other sources such as teaching.
- Today's professionals, both in terms of individuals and organisations, need to think carefully about the challenges they face, and to take the time to plan, set goals, and implement programs to achieve their targets.

1.2

THE *WHAT?* — REVIEWING THE PRINCIPLES OF MARKETING

CHAPTER OVERVIEW

This chapter introduces the concept of marketing: defining the term, and highlighting the need to understand your customers and audiences. It explains the basic elements of marketing and finishes with a brief quiz you can take to assess your current marketing focus.

WHAT IS MARKETING?

What is marketing? Basically, it can be defined as *a process of exchange in which we exchange something of value for something we want*. It sounds simple, but it's more complex than it sounds.

You have something of value — your skill as a writer, a musician, a dancer, your paintings, your craft work. You want to exchange it for something of equal value. Generally, we think in terms of money, but that needn't be the case. It could be for other items (food, skills training, furniture, computer equipment) or it could be for recognition (a major award, a trophy, a scholarship). It might even be an exchange of your labour for someone else's time (both of which have value). For example, you may be prepared to perform free if an audience will come and give up their time to watch your performance, or you may contribute to a festival program if recognised professionals will be there to provide feedback on your work.

We think of marketing in terms of exchange and we think in terms of people coming together who both have something of value. Creative people, when first starting out, sometimes have trouble putting a value on their work.

If you love doing something, the opportunity to do it can seem exciting enough just on its own. The idea of actually getting *paid* to do something you enjoy can seem almost greedy. But if your work is valued by others, then an exchange is appropriate, and the most common form of exchange is money. Someone likes your sculpture, and they are prepared to buy it. They like your jewellery, so they want to own it; they appreciate your talent so they pay to hear you play the piano or sing. Getting paid gives you confidence in your abilities and your work.

consider this

What are the key things you have to exchange in the marketing process? What makes them special or valuable? For example, do you have a strong gift for making people laugh? Are you able to create beautiful but useful craft items?

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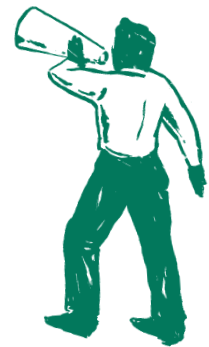
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What are the things you want in return? Is money the most important exchange, or are there other things that also interest you? What are they?

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IDENTIFYING YOUR MARKET(S)

In order to make exchanges you have to identify the people who are involved in the exchange process.

Many people tend to think of marketing in terms of mass marketing – selling to the largest number of people possible. For many creative people this concept of catering to mass-market tastes can seem demeaning.

In some cases there may well be a lot of people interested in what you do, especially if you have been working in the arts for a while and people already know you and your work. But someone just starting out will not immediately have an audience or group of customers queuing up, ready and waiting. In some cases the potential market will always be fairly small and specialised (what we call a niche market).

If you hope to earn a living with your art, you need to consider your markets, and how you can match what you do to potential buyers. It may mean you need to accept that you will never make your fortune in the arts. It may also mean that by doing some simple research on audiences you can reach markets which will be both profitable and creatively satisfying.

life scenes

Martyn is a potter. Much of his work has been fairly traditional, and like most potters he has done his fair share of coffee mugs, fruit bowls and jugs. Although sales were reasonable he was never in serious danger of becoming rich. Several years ago (and with the arrival of twins!) he decided to reconsider his options.

Located in Queensland, he's near major tourist centres. He approached a number of shops enquiring about what types of pottery might sell to Asian tourists. The reply was that there was demand for small items of high quality which could be carried in a suitcase without fear of breakage and which had a distinct Australian theme.

Although he couldn't bring himself to create anything with koalas or kangaroos, he's now doing a range of miniature vases with Australian wildflower motifs. He discovered he really likes the challenge of producing very small items, and is developing his touch. He's also very happy with the artistic quality. They are selling very well indeed.

In his book, *The Art of Self-Promotion, Successful Promotion by Musicians*, Richard Letts put it this way:

At an arts conference a couple of years ago, a helpful businessman put the proposal (forward) that if we wanted to sell our arts to a particular foreign market, we should analyse the preferences of people there and develop our arts products to appeal to them. For many in the room, this must have seemed a radical and subversive proposal. For them, their art is the expression of their highest aesthetic or personal truths. Its integrity must be maintained, not manipulated to build sales to some audience that doesn't begin to understand. Their product is already decided. It is the marketer's job to persuade audiences to want it.

And yet...Do not the bastions of our classical musical cultures, such as the orchestras and opera companies, already match their programs to audience tastes?

They may not be rewriting Mozart to have greater appeal, but they fill their programs with Mozart and Beethoven rather than Stockhausen and Xenakis. They have figured out that there is a Mozart audience, and a Mahler audience, an audience for Baroque music and another for twentieth-century music, and they run separate programs to appeal to each.¹

¹ Richard Letts, *The Art of Self-Promotion, Successful Promotion by Musicians*, Allen & Unwin in association with the Australia Council, 1996, p. 17–18.

If your main reason for involvement in the arts is to fulfil personal aims and self-expression, then commercial viability (at any level) may not be an issue. If you have produced something which you have no desire to share with others, but it gives you personal pleasure, then there will be no exchange process, and no marketing is required.

Most people interested in the arts, however, would like to share their creative output and be recognised and rewarded for their talent.

consider this

Take a moment to describe your ideal customer. If you could pick anyone — or any group of people — to buy your products or attend your performances, who would you like it to be? Don't just say 'anyone' — really think about it. What would make you really pleased or happy?

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THE ELEMENTS OF MARKETING

If you want to share what you do with others, and if you would actually like to earn a living from your creative abilities, then marketing will be an important part of your future. Marketing requires:

1. An understanding of your particular skills and products.
2. An understanding of what the public (either at mass market or niche level) wants.
3. An understanding that you need to communicate what you have to the appropriate markets.

Marketing is all about analysing what you do and defining your skills and your goals. It's about finding out what people want and looking for ways to identify people who might be interested in the things you're doing. Finally, marketing is all about making sure people know about you and what you do.

Marketing is also all about expanding the overall number of people who are aware of, and interested in the arts, who attend performances, and take an interest in new approaches and interpretation of art, as well as support traditional art and cultural activities.

life scenes

Club Wild, an initiative of Community Music Victoria (CMV), is Melbourne's first disability-friendly club. Many people with disabilities are participating in the performing arts as musicians, songwriters and singers, and CMV provides office space and assistance in the development of a Melbourne event. Disability-friendly clubs have also met in Geelong and Adelaide.

Club Wild held its first, very successful, meeting in May 1998 at Melbourne's Lower Melbourne Town Hall. The Club is an opportunity to bring artists together and to provide a platform for their work within their own communities and for the wider public. More events are in the pipeline.

THE SIX Ps OF ARTS MARKETING

Many people use the terms 'marketing' and 'selling' or 'advertising' as though they were interchangeable. They're not.

Arts marketing is often described in terms of six Ps:

- product — what you offer;
- price — the cost of the item, or the ticket price;
- place — where the product is made available;
- positioning — the public's image and perception of the product;
- promotion — the way in which the public is made aware of the product;
- people — the providers of the product.

Although we will be discussing these in more detail in Chapter 9, it is important to briefly explain them here.

Marketing involves more than just advertising or selling. It actually means thinking about the person who will buy, use or see your art, as well as the product itself. If you have been invited to entertain a group of elderly citizens at a nursing home during the Christmas season you would probably decide on a very different performance than if you were invited to a lunchtime cabaret at a university student union during orientation week. That's just logical. It's also basic marketing in terms of understanding your audience.

A visual artist asked to create an installation for the multi-story main entry foyer of a modern capital city gallery will probably create a very different piece than they would if asked to create something for the handkerchief-sized garden of a restored National Trust classified Town Hall of a small provincial city. The artist in this case is considering the venue, audience and space, and then developing a product which will be suitable.

Similarly, setting the right price for a product is also important. If it is too high people will not be able to access your work. If it is too low you may not recoup your costs, or be able to earn enough to make a living.

Knowing where to make your products available is also important. For example, some craft products sell well at markets, others appeal to international visitors shopping at major city hotels and department stores. Some performances require the technology and equipment

which can only be found in a modern sound stage, others can be performed in the open air at a park or garden.

Positioning refers to the image you create for yourself and your product. Do you want to be seen as a popular, easy to access and understand artist? Do you want to create craft items that are at home in country environments amidst cottage gardens? Or do you want to focus on the contemporary scene, highlighting materials, surfaces, finishes and lines? Do you want to create Australiana which will appeal to international tourists? Are you into high energy performances or intellectual challenges? Positioning is the way you define your products and your work in relation to competition, and in relation to the types of people you think will be interested.

'People', of course, refers to you and your organisation. Your skills are important, of course, but so too is your attitude and your willingness to get involved in marketing and promotional activities. As a writer are you prepared to read your work at writers' festivals or poetry workshops? As an artist are you prepared to enter competitions, or work as an artist-in-residence? Are you happy to perform at schools and share your experiences with students? Will you make yourself available for interviews? Are you prepared to put effort into developing a media kit, and quality photos of your work — and then develop a schedule for approaching booking agents, venues, talent agents or the media?

life scenes

'I'm fine singing and joking in front of a crowd. I have absolutely no problem handling a big group of people at all, but what turns my knees to jelly is returning a telephone call from a professional conference organiser,' says Sandy, part of an a cappella quartet that specialises in corporate functions work.

The bulk of their work comes from meetings and conventions where their combination of classic 50s and 60s music gains maximum audience involvement and makes them extremely popular.

A lot of the group's work comes from referrals and recommendations — and people who have seen them perform — so it's not uncommon for someone to call with a query about their work, fees and schedules.

'Returning a call from someone I don't know is really hard for me,' says Sandy. 'I get nervous about what they will ask, and I start to imagine all sorts of problems — it's a potential booking for a night we're already working, they want to haggle about the fee, they want us to do material we don't do. I just imagine everything that could go wrong.

'But it's how we get work, so I just take a deep breath, hope for the best, and pick up the phone. I'll never enjoy it, but it's part of the job and it has to be done.'

There is an old saying that the greatest advertising campaign will only persuade someone to buy a product once. If they are not happy with the purchase, or feel they have been misled or didn't receive value for money, they won't make a second purchase.

So, it's best to have everything right — the right product, the right price, the right place, the right customers — before starting on the promotions.

consider this

Think about the work you do in the arts and write one sentence that would describe each of the six Ps as they relate to you or your organisation:

My product is

My price is

My place/distribution is

My promotion is

My positioning is

My/our organisation's people skills are



Marketing planning covers the whole process from product creation and development through to the customer's purchase. Learning how to manage that process is the difference between success and uncertainty.

ASSESSING YOUR CURRENT MARKETING POSITION

Here is a short checklist to find out where you currently stand in terms of your marketing planning.

	YES	NO
• Do you have a marketing plan or business plan for yourself/your organisation?		
• Is the plan written down?		
• Do you review the plan at least every six months?		
• Does it include goals and objectives for the next 12 months?		
•for the next two years?		
•for the next five years?		
• Have you undertaken research on your audience/target market?		
• Have you consulted with others in the arts about defining audiences/target markets?		
• Do you undertake regular, ongoing research on your audience/target markets?		
• Do you have a clear understanding of what your target audiences are seeking in your products?		
• Have you considered ways in which you could increase your appeal to target audiences?		
• Did you undertake formal analysis or research before establishing your prices?		
• Do you regularly review your prices?		
• Have you considered changes to where you work or how your products are distributed?		
• Can you accurately describe your product positioning in terms of your target audiences?		
• Can you accurately describe your product positioning in terms of your competitors?		
• Does your promotional activity include both paid and non-paid promotions (advertising, publicity)?		
• Do you keep track of how your customers have heard about you?		
• Do you monitor the success of your promotional activities?		
• Do you have a written promotional program as part of your marketing plan?		

If you have answered 'yes' to all these questions, then you're already doing well, and this guide will assist you to check that you are on track and provide you with some useful resources.

If you answered 'yes' to more than half the questions, you have a good grasp of marketing, but perhaps need to spend a bit more time planning and organising your activities.

If you answered 'yes' to less than half the questions, you'll find this guide especially helpful in assisting you to set priorities and make the best use of your time.

KEY POINTS TO REMEMBER

- Marketing is the process of exchange in which we exchange something of value for something we want. You have an arts product – your theatre production, a painting – and you share it with others (or sell it to them) in return for money, or recognition, or advice.
- Because you need to identify the people who are interested in your arts products it is important to identify and understand your target markets.
- If it is your intention to earn a living or make money from your art you need to consider your markets and how you can match what you do to potential buyers. You need to:
 - understand your particular skills;
 - understand what the public (either at mass market level or niche market level) is looking for/wants;
 - understand that you need to communicate what you have to the appropriate markets.
- The six essential elements of marketing can be explained in terms of the six Ps:
 - product (what you offer);
 - price (the costs of the item or the ticket price);
 - place (where the product is available);
 - positioning (the public image or perception of the product);
 - promotion (the way in which the public finds out about the product);
 - people (the providers of the product).

THE WHEN? — PLANNING WHEN TO PLAN

CHAPTER OVERVIEW

This chapter highlights the importance of formal planning, how to organise a planning day, and how to set goals to ensure your planning is fruitful.

FINDING THE TIME TO PLAN

John Lennon once wrote, 'Life is just what happens while you're busy making other plans'.

It's easier to plan our week to ensure we complete the current workload than it is to find time to stop and think about where we want to be next year or in five years' time.

Setting aside specific time to plan requires commitment. It means actually writing in your diary that on a specific date and time you are going to find someplace where you can think — and plan.

life scenes

Rob, a photographer, and his wife Anne have a successful business which they have developed over five years of hard work and long hours. They now do photography, framing and other services, and recently opened a small gallery.

Prior to Rob leaving his public service job they took several small business courses, and set aside a full weekend to talk through what they wanted to do. But, as they discovered, it can be even harder to find time to plan when you're successful.

Now they find that regular 'time out' for planning is essential, so every six months they have a friend mind the gallery while they go to the local golf club on a weekday morning when it's quiet. They take a table in the corner and spend half a day with paper, pens, business plans and a regular supply of coffee and muffins.

'Getting away from the gallery helps us concentrate', says Rob, 'and regularly talking about what we are doing helps us to see new opportunities and get refocused'.

CHANGING THE SCENE

Many people say that the best way to do formal planning is to change their environment. In the same way that big businesses take their key staff away for 'think tank' sessions at corporate retreats, a change of location can be a refreshing way to set the mood.

But if you're not disciplined, the day away will be nothing more than a mini-vacation. Most people need someplace where they feel relaxed and can concentrate — not be distracted by other things they should be doing. Find out what works best for you.

life scenes

'I know it doesn't sound very practical, but I do my best thinking and planning at McDonald's,' says illustrator Carol.

'Even though there is a lot of noise, and people are coming and going, I like the background rush, the sounds and the activity. No one minds if you stay there for a couple of hours and I just get coffee and get out my notebook. I can really focus, and it's very different from my usual environment at home.'

Organisations also need to make time for planning, and it generally works best if people can leave their normal work environment, the telephones and the mail, and gather staff, board members and volunteers together to think about future goals and directions.

life scenes

The Gallery Society of a major Victorian art gallery employs a Director and support staff, but the Board members are all volunteers. Once a year they hold a full day planning meeting, planned by a paid facilitator. They take a mini-coach to a rural venue — one year they used Dromkeen, a specialist gallery outside Melbourne, another year they used a member's holiday house at Mt. Macedon.

They review the previous year's activities (focusing on what worked and what didn't), update their SWOT analysis (see Chapter 7), set priorities and review budgets. It's a full day, starting at 8:00 a.m.

There's a simple working lunch, and in the afternoon they break into small groups to workshop next year's activity plans. But by 5:30 in the afternoon they feel they deserve a real break so they have drinks and 'very nice' nibbles, before taking the coach back to the city. The facilitator supplies a written report of the day, with recommendations and a list of key issues which need to be followed up after the workshop.

PLANNING FOR YOUR PLANNING DAY

It's best to be well organised, so you make the most of your planning day. Usually this means you need to get a few things together, and make a few lists beforehand:

- Collect any previous plans, budgets, schedules, etc. you've prepared.
- Put together a list of the things you want to cover (see the information below in terms of planning issues and important questions).
- Have the supplies you need (paper, pens, coffee, herbal tea, a calculator).
- Take the day seriously; let people know this is important and you're not to be disturbed unless it's really important.

WHAT DOES PLANNING INVOLVE?

Planning means taking the time to think about six basic, but important, concepts. Although most people try to avoid using jargon, it is important to know when to use it, and to understand that it is a way of indicating to others that you understand the commercial world.

The six basic elements of marketing planning are:

FOR PERSONAL PLANNING PURPOSES	TECHNICAL MARKETING TERMINOLOGY
Stage 1. Where am I (are we) now?	Situation analysis
Stage 2. Where would I (we) like to go?	Strategic aims and objectives
Stage 3. How will I (we) get there?	Action plan
Stage 4. What happens if there are problems?	Contingency plans
Stage 5. How will I (we) measure success?	Monitoring and evaluation
Stage 6. When will I (we) get there?	Timeframe for achieving objectives

Stage One involves evaluating your current activity, including your income, the types of work you do and your current level of success. We'll go into more detail on this in Chapter 7, Understanding Your Own Situation.

Stage Two is deciding what you would like to achieve. Trying to visualise the future can be difficult, but unless you have a clear idea of where you want to go, you'll have a hard time setting goals and developing an action plan to help you achieve your dreams.

According to Barbara Sher in her book *I Could Do Anything if Only I Knew What It Was*,² one way to think about your aims and objectives in Stage Two is to consider these three questions:

1. What do you want to do?
2. Where do you want to do it?
3. Who do you want to do it with?

² Adapted from: *I Could Do Anything if Only I Knew What It Was* — Barbara Sher, Hodder & Stoughton, Australia, 1994.

WHAT DO YOU WANT TO DO?

Do you want to earn a full-time living from your art? Do you want to be rich, or will you be happy with a modest, but regular income? Do you want to be recognised for 'setting new boundaries', or your contribution to the development of your craft? Do you want your arts organisation to tour internationally, or are you more interested in giving local performances and the opportunity to gain self-confidence and practical experience?

The more clearly you can identify what you want to do, the better you'll be able to develop a marketing plan that moves you in the right direction.

These questions may be difficult to answer at first, but they need to be considered. How do you envision your ideal life in the future?

life scenes

Karl spent most of his professional life as a secondary school languages teacher. It was fulfilling work, but he also knew it wasn't what he really dreamed of doing — he wanted to write and to meet people who shared his specific field of interest, the collective unconscious.

Collecting information, case studies and data occupied him for many years (most of his friends considered it a pretty strange hobby). When restructuring in the education department offered the opportunity for early retirement Karl jumped at the opportunity. He carefully assessed his dreams, his goals, the money he had available, and decided on a plan of action. He sold his city home, moved to a miner's cottage in the countryside, upgraded his computer and set to work.

His first book, self-published (as he intended it to be), resulted in a number of invitations to speak at seminars around the world (again as he had intended). However, as an unexpected bonus, a publisher has now expressed interest in a second book.

WHERE DO YOU WANT TO DO IT?

As well as deciding what you want to do, it is also important to think about where you want to work. Do you want to work from home? Do you find it stimulating to work with others in a co-operative environment sharing space with others? Do you want your organisation to have its own purpose built performing or exhibition space?

Do you see yourself living and working in the country? Or would you prefer a converted warehouse in the heart of the city?

If you want to work from home, your costs (and consequently your prices) will be very different than if your plan is to have a large, specially designed studio in the heart of a major city. If you want to travel, then developing work schedules will be important, and so will exploring special grants, awards and scholarships.

WHO DO YOU WANT TO DO IT WITH?

Do you do your best work in splendid isolation, or do you get inspiration from being near other creative people, interacting and sharing ideas, techniques and general advice?

Do you want to be in a performing environment, an academic environment, a creative environment, in regular, daily contact with other professionals? Does your organisation want to work with guest artists or develop a program of masterclasses?

Knowing your preferences will help you develop the right marketing plan. If you want to work alone you'll need to consider your networking activities, and how you'll reach your potential markets.

If you want to be around others, how will this impact on the time you allocate to your creative work? (And will there be any issues of collaboration, copyright or plagiarism which might come up and cause problems in the future?)

life scenes

Leanne, a graphic artist, lived and worked in Ballarat. But her dream was to illustrate children's books. She found it hard to keep in touch with editors and publishers and they kept 'forgetting' about her when assignments were available.

In the days before fax machines and e-mail her schedule involved countless late night runs to the post office to get a sketch into the mail before the last collection. She even learned which postboxes along the route were cleared when, so last minute runs could be perfected.

She realised that if she were an established illustrator she could probably work in Ballarat, but while she was trying to break into the market, it would be difficult. She also felt it would be important to have a 'good address' in Melbourne, to give the impression to editors and agents that she was already successful. After a careful search she found an affordable unit with an upmarket address and a small but well-lit second bedroom which could be used as a studio.

She found it easier to make regular calls, and deliver work on time. She also was able to attend launches and literary lunches (increasing her visibility), and even spend more time in local libraries looking at what was happening in the marketplace.

While she was waiting to break into full-time illustrating she was able to find work in a small advertising agency, a big improvement on the office work she had done in Ballarat.

Six years down the track she's illustrating on a regular basis, and although she still does ad agency work part-time, the balance is shifting more towards full-time illustrating. Deciding what she wanted to do, where and with whom, was the basis for her strategic career planning.

FROM PLANNING TO ACTION

Planning is the thinking part. After we've considered what we want to achieve, we have to develop a program for attaining those goals. Then we have to move from ideas to actions.

Later sections in this Guide will look at ways to decide what to do, set up a schedule for doing it and handle any problems which arise along the way.

KEY POINTS TO REMEMBER

- It is important to take time to prepare formal plans. Both individuals and organisations will benefit from setting time aside to think about goals, directions, challenges and problems and to set a course for the future.
- Planning involves six stages:
 - situation analysis;
 - strategic aims and objectives;
 - action plans;
 - contingency plans;
 - monitoring and evaluations;
 - timeframe for achieving objectives;
- One effective way of determining directions and goals is to think in terms of three things:
 - What do you want to do?
 - Where do you want to do it?
 - Who do you want to do it with?
- It is important to think about what will work best for you in organising an effective planning day. Setting aside time, going to a different location, having a facilitator to assist in organising discussions and making written notes of the results may all contribute to a successful planning day.

THE WHY? — THE BENEFITS OF PLANNING

CHAPTER OVERVIEW

This chapter discusses short and long term planning, and the differences between goals and objectives. It includes advice from others about how to assess your wants and needs, and to conceptualise your dreams, turning them into mission statements, goals and practical activities.

WHY DO YOU NEED TO PLAN?

‘Time is life,’ said Alan Lakein in his best-selling book, *How to Get Control of Your Time and Your Life*.³ Lakein called himself an ‘effectiveness expert’ rather than an ‘efficiency’ expert because, he said, ‘Effectiveness means selecting the best task to do from all the possibilities available and then doing it the best way. Making the right choices about how you’ll use your time is more important than doing efficiently whatever job happens to be around’.

Setting priorities and doing what needs to be done is not always easy.

And, of course, for a busy person it is relatively easy to put off big or unpleasant tasks. There are always other things that need to be done.

Sometimes it’s a lot easier to continue doing something we know we do well, rather than take a chance and go off in a new direction. If we know that we work well with a particular medium, it can be tempting to stick with it, even though others are extending their boundaries, trying new techniques or new styles.

Planning helps us focus on how we spend our time, define what is really important and where we want to go in future.

³ Alan Lakein, *How to Get Control of Your Time and Your Life*, Signet, USA, 1973.

life scenes

When Carolyn was a highly paid financial controller at a major organisation her life was busy, filled with activities, high fashion clothes and a full schedule of professional memberships. Most of her friends assumed she was happy with her mega-level success.

But what she really wanted to do was paint. Practical enough to plan carefully (that's the advantage of being a financial controller!) she saved enough money to be certain she could support herself for at least three years, and took lessons while still working.

Carolyn identified the type of work she wanted to do, and thought carefully about where she wanted to live. Then she leased a brand new four-wheel drive vehicle, resigned her job and spent three months travelling around the outback before settling in a relatively remote part of Western Australia.

Today she's a successful artist, with commissions waiting, several major art awards to her credit and a wardrobe so limited it all fits into one suitcase. She supplements her income from time to time as a casual staff member at a resort where they have no idea of her 'previous existence' as a corporate high flyer.

THERE'S MORE TO PLANNING THAN BEING ORGANISED

Some people are so organised that every minute of every day is planned. They do a lot of things each day, but are so busy with the daily tasks they don't have time to consider the future or the 'big picture'.

Other people are firmly convinced that no matter what they plan, things rarely turn out that way. They start a dozen tasks, but one thing after another comes along, and nothing actually gets completely finished. Unfortunately, although they have managed to 'stay loose' to ensure all the distraction can be handled, the day just flies by and not a lot seems to get accomplished.

Most of us have more options than hours. It can be so easy to get caught up in the daily grind of 'have to' activities that we never get the chance to do the big things we've dreamed about.

In business terms this is often referred to as the difference between 'doing the right things' and 'doing things right'. It can be a real challenge to reassess what you're doing and set new priorities rather than just check things off your current 'to do' list. There's no escaping the fact that planning for the big things requires commitment and discipline.

LONG-TERM GOALS AND SHORT-TERM ACTIVITIES

Your life is the result of dozens, hundreds, thousands of decisions, made day in and day out, about short-term and long-term goals, and how to spend your time. Often, however, short-term goals are more visible and easier to accomplish (the weeds in the garden are taking over — major landscaping can wait for another day; you'd better write that thank you note today — the outline for a new novel can wait).

However, if we never get around to long-term goals, then a major part of what we want to achieve will never happen.

It is especially important if you are juggling paid employment outside the arts and an interest in the arts. Already faced with limited time and a variety of interests, if you add family, work commitments and friends into the equation it can be very hard to balance your life so that you are meeting everyone's needs, achieving your short-term goals, but not losing sight of those long-term dreams and plans. And if they are to become more than dreams, planning is critical.

MAKING A LIST — THE START OF PLANNING

In the last chapter we talked about the importance of thinking carefully about what you want to do, where you want to do it and who you want to do it with — now it is important to add another factor — when do you want to do it?

Lifetime goals vary. It is unlikely that you will have the same goals when you're 50 that you had when you were 15. It is also unlikely you'll have the same goals when you have a family that you had when you were single. It is important to start with where you are right now.

Lakein⁴ recommends you answer three basic but very important questions:

- What are your lifetime goals?
Include both specific and abstract ideas, if you like, and take time to think about personal, family, social, career, financial, community, artistic, creative and spiritual goals.
- How would you like to spend the next three years?
Think about what you would do if money commitments were not an issue.
- If you knew now you would be struck by lightning six months from today, how would you live until then?
If you only had six months to live, what would you do with your time? Assume all the practical things that need to be done are completed — the point of the exercise is to discuss what you would actually do with your time.

consider this

Do the three Lakein exercises. You will need a kitchen timer or watch. Allow yourself three minutes for each question.

List your answers quickly, and write whatever comes into your head.

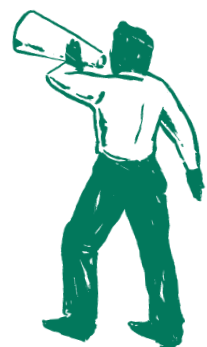
1. What are your lifetime goals?

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continued

⁴ Alan Lakein, *How to Get Control of Your Time and Your Life*, Signet, USA, 1973, p. 30.

continued

2. *How would you like to spend the next three years?*

3. *If you knew you would be struck by lightning in six months' time how would you live until then?*

Now, for the next stage. Take your Lifetime Goals list and select the top three goals — the ones most important to you. These goals should fit roughly with your comments on how you'd like to spend the next three years. If question 3 indicates that you would totally change the last six months of your life, then you may need to think carefully about your current lifestyle.

IDENTIFYING GOAL-ORIENTED ACTIVITIES

Long-term goal statements help you bridge the gap between long-term and short-term goals and activities. When you have defined your long-term goals, you will be able to identify short-term activities which will help you to achieve your goals.

For example, if your long-term goal is to write a historical novel, you will need to set a timeframe, then look at various activities which will need to be undertaken to achieve that goal, such as undertaking research, setting up your writing environment (which may involve a work space, or a computer), outlining the basic plot and characters, and identifying areas in which you feel you need additional training (writing dialogue, perhaps, or love scenes).

You may need to estimate how long you think the project will take and decide whether you work best with daily targets, or whether it will be more productive to allocate larger blocks of time (weekends or week-long sessions).

Do you need to make changes in your schedule to make these blocks of time available?

Once you break down a major goal, such as writing a novel, into these various activities it becomes a less awesome task. Finding time to write a historical novel is one thing, finding a few minutes each day to research the time period is a far more achievable activity.

SETTING PRIORITIES

You may not have time to do everything you'd like to do, and everything you need to do, but setting priorities will help you accomplish the most important things in your schedule.

Even if it is difficult to plan your day/week/month in detail, it is still important to decide which things absolutely have to be done, which things should be done and which things you would like to do. Just be sure that activities geared towards your major lifetime goals are considered as much a part of your daily have to list as the short-term activities.

If your schedule looks hectic, remember this rule: each day identify the six most important things you have to do. Write them down. Then, no matter what happens during the day, no matter how many things distract you, you can always refocus quickly on those absolutely essential tasks.

When you've completed them, select the next six things. What if you can't get all six completed? Well, at least you know the one or two things you did achieve were the most important things you could have done and were the best use of your time.

WHAT DO MY PERSONAL PRIORITIES HAVE TO DO WITH MARKETING PLANNING?

If all this talk of setting lifetime goals is making you feel a little uncomfortable, don't worry. Planning is a complex process. Whether it is the direction you want to go in personally, or the direction you set for your arts organisation, the basic processes are identical. It does require some soul-searching, and it can be a demanding exercise both for individuals and for organisations.

In business terms we talk about life goals and corporate goals using the terms 'vision statements' and 'mission statements'. We'll look at that in more detail in Chapter 8, Setting Your Sights and Direction, but you should start thinking now about your long term goals. You can't make the best use of your time — and resources — if you haven't really thought about what you want to do, and set some goals. Looking at the 'big picture' helps us set priorities, and setting priorities takes us from where we are now to where we want to be.

consider this

Think about your vision and some of your goals. You'll need to prepare a mission/vision statement in Chapter 8. What are the important things you want to include?



KEY POINTS TO REMEMBER

- Planning helps us focus on how we spend our time, define what is really important and where we want to go in the future. It is important to think in terms of long-term goals as well as day-to-day activities.
- Goals are the long term things you'd like to achieve (success, wealth, recognition, etc.). Objectives are the practical things you do to achieve your goals (studies, auditions, grant applications).
- It is important to set goals for yourself and your organisation. Once there is agreement on the goals it is possible to set priorities for activities to achieve the goals. Identifying goals will assist you in developing a mission or vision statement.

SECTION 2

SETTING THE SCENE – UNDERSTANDING YOUR ENVIRONMENT



2.5

UNDERSTANDING THE WORLD AROUND YOU

CHAPTER OVERVIEW

This chapter outlines the types of information you need to gather for effective planning, and explains the need to understand your working environment. The information you gather becomes part of your 'situation analysis' — an important component of your marketing plan.

We begin by looking at the external environment, including the political environment, the ways in which you are funded, and the general social and economic trends that can impact on your activities.

Although you may not have any direct control over these things, they can make your life easier or more difficult. Because it is also important to understand your competitive position, this section looks at various types of competition and how to assess your own competitive strengths.

AN ASSESSMENT OF WHERE YOU ARE

Planning involves a clear understanding of three key issues:

1. Where are you now?
2. Where do you want to go?
3. How will you get from where you are to where you want to go?

Or, to put it another way, if you don't know where you are and you don't know where you're going, how will you know when you get there?

Or, to quote from Alice in Wonderland, in Alice's conversation with the Cheshire Cat:

'Would you tell me, please, which way I ought to go from here?'

'That depends a good deal on where you want to get to', said the Cat.

'I don't much care where — ' said Alice.

'Then it doesn't matter which way you go', said the Cat.

'— so long as I get somewhere', Alice added as an explanation.

'Oh, you're sure to do that', said the Cat, 'if you only walk long enough'.⁵

⁵ Lewis Carroll, *Journeys in Wonderland, Vol 1, Alice's Adventures in Wonderland*, Derrydale, New York, 1979, p. 89.

In more technical terms we are talking about:

1. A situation analysis.
2. Development of goals, strategies and action plans.
3. Implementation and assessment of success.

In this section we'll look more closely at the situation analysis — our starting point — which includes both a review of your working environment and an analysis of the external environment.

THE EXTERNAL ENVIRONMENT

The fact is, even though we may have no control over it, the external environment can have a big impact on our lives. The external environment includes the political, economic, social, technological, ecological, cultural and competitive environment in which we operate. Artists and small arts organisations know all too well what it's like to be seriously affected by government funding cuts, changes in tax structures, changing public tastes and community issues which sometimes come almost 'out of the blue'.

Therefore, one of the most important things you can do in the planning process is to take some time to think about these external influences. Even though you may not have the power to alter external forces on your own, at least if you've thought about things, they won't come as a surprise. You can consider ways to anticipate, prepare for, and address change. And don't forget, there's strength in numbers. If you are aware of a potential problem (for example, a change to grants funding processes or changes in council regulations which make it more difficult to work from home), you can discuss them with others in your arts community. Together you may just be able to bring about a rethink. You might not always be successful, of course, but it's better than being surprised and feeling like a helpless bystander.

The key things to consider about the external environment are:

- political impacts;
- funding source policies;
- economic factors;
- social and cultural issues and changes;
- technological changes;
- environmental and ecological issues;
- competitive marketplace.

POLITICAL IMPACTS

The attitudes, rules and regulations of government authorities can have a major impact on your activities. It may be as simple as council regulations which impact on a musical group rehearsing at home, through to federal tax legislation on investment in the film industry or the Federal Government's arts and cultural policies. It is important to think about your work and how government regulations affect it — and what might happen in the future.

This includes government and political decisions at all levels, but mainly federal and State policies and local government regulations. Things to consider at the federal and State levels include:

- taxes and costs of doing business (for example, investment incentives provided for the film industry);
- government incentive schemes;

- changes in wholesale taxes for supplies and materials;
- business licensing laws;
- changes in consumer tax levels;
- changes to the Australian taxation system;
- depreciation allowances;
- laws which protect consumers and fair trading regulations;
- changes to superannuation and personal income tax;
- costs of being self-employed – or having employees;
- changes to Workcover regulations and occupational health and safety regulations;
- overseas travel and employment policies (especially relevant for touring and overseas residencies);
- education policies (impacting on size of classes, frequency of off-site visits to cultural facilities and the budget for on-site performances, readings, etc.);
- arts industry support and funding of arts programs at federal and State levels;
- tourism industry support and the development of links between arts and tourism activities.

Local council regulations can have a major impact on our daily lives: what are the regulations for working at home? What kind of signs can you put up to let people know you're in business? Can you sell your craft from home? Can you set up the garage as a rehearsal studio? What are the regulations for hiring space at the local hall for performances? Some of the things to consider are:

- building code regulations about working from home;
- health and safety regulations;
- noise regulations;
- council support for the arts and local artists;
- council regulations on competitive tendering (entertainment centres, libraries, etc.);
- outside signage and business identification;
- hiring, use, insurance and other policies relating to council premises;
- retail tenancies regulations (shop premises, studios, shared work spaces, etc.);
- rent reviews for facilities in government owned premises;
- permit requirements for performances, ticket sales, food and beverage sales and consumption.

It's important to know which government departments have direct influence on the arts. The Australia Council Handbook includes a list of Arts Resource Organisations. The Handbook is free and is also available on the Australia Council website, www.ozco.gov.au. It is also a good idea to get to know the people involved in your local arts scene. Do this through networking with others, checking out your community arts centre and reading your suburban or community newspaper.

life scenes

Some councils and communities don't seem to place great value on the arts; others do. After widespread local council amalgamations in Victoria, a number of Town Halls were no longer required for local government purposes. North Melbourne's Town Hall has recently found new life as the Town Hall Arts House.

Arts Victoria and the City of Melbourne worked together to develop the building as a contemporary arts centre. As well as being 'home' to a variety of arts organisations, including the Arena Theatre Company, Chamber Made Opera, Melbourne Workers' Theatre and Melbourne Chorale, the refurbished Town Hall is fully equipped with meeting rooms, function rooms and rehearsal and performance spaces.

consider this

What are some of the external political issues which could have an impact on your area of the arts? Think about things in terms of the 'big picture' (federal and State politics) and then think in terms of your community and local government.

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FUNDING SOURCE POLICIES

Funding comes from a variety of sources, including federal, State and local government authorities (both in Australia and overseas), private foundations, professional groups, educational institutions and commercial sponsors. Sometimes an artist or group relies on a number of sources including grants, sponsorship and direct sales to audiences or consumers. We will talk more specifically about customers in Chapter 6, Understanding the Buyers. When dealing with funding bodies and sponsors, it is important to be aware of the attitudes of these groups and the pressures they face, since these could have a major impact on the level of funding available and the way in which it is allocated.

Issues to consider include:

- Overall budget allocations. (How much money do they have? Is the budget increasing or decreasing? Is it tied to specific projects?)
- Policies, objectives, goals and directions. (Is there an emphasis on funding small companies? New artists? Ethnic groups? Particular art forms?)
- Selection process. Understand the decision-making process, the names and backgrounds of decision-making committees or panels, and the criteria for grants eligibility. See the Australia Council Support for the Arts Handbook for information on grants, and contact your State or Territory arts funding agency for information on grants programs that may be available from your State or Territory arts funding agency.
- Past funding patterns. (What types of works have been funded in the past? Is there a change in direction? Do they fund experimental work or do they prefer traditional forms?)
- Cultural diversity policies. (What is the organisation's policy on cultural diversity?)
- Local and overseas opportunities. (What opportunities are there for exchanges, residencies, touring, etc. within Australia and overseas?)

life scenes

Since 1993, The Arts and Cultural Sub-Committee of the Ethnic Communities Council (ECC) of New South Wales has organised readings from works by new writers from non-English speaking backgrounds as part of the Sydney Writers' Festival. The program has proven very popular and has received excellent media coverage.

The 1997 program was a retrospective, 'Geography of Memory', and featured a published anthology of the works of 20 writers involved in the festival since its launch. The program has been funded by the NSW Ministry of the Arts, the Sydney Writers' Festival, the Australia Council, and through donations. From the original mailing lists a substantial database of writers of non-English speaking background has been developed, and many of the new writers have gone on to be represented in other forums.

SPONSORSHIP

Corporate and institutional sponsorship is an important part of arts funding. Most artists and companies acknowledge the environment is changing. Arts sponsors are increasingly seeking practical justification for their contributions, and requiring a higher level of accountability for how money is spent. Formal proposals including funding, budgets, potential audience numbers and target audiences are required and sponsors want value for money which may include naming rights to an event, corporate logos being used in banners, programs and on media releases, or access to mailing lists.

consider this

Thinking about your area of the arts: who/what are the key funding sources? (Sponsors, arts funding groups, ticket purchasers or buyers of products?) Which of the issues raised in this section are relevant to your work? What issues should be considered?



ECONOMIC FACTORS

The economic environment in which you are working will have a major impact on your activities. If times are good, disposable income increases and people can afford to go out more and be more involved with the arts. It also usually means that corporations and even small local businesses can find some extra money to sponsor arts activities.

But when times are difficult, the situation can change rapidly. Organisations cut back on their sponsorships and people re-evaluate how they spend their money. Although people interested in the arts will continue to be so, they may be forced, by necessity, to become more discerning and restrict their spending on cultural events and activities.

Economic considerations include:

- Amount of disposable income. (Can people afford to do all the things they used to do? The things they would like to do? How do they make choices?)
- Audience size and composition. (Are audiences increasing or decreasing? Is there a potential to change performance times, days, prices?)
- Competition for funding from other sources. (When money is tight and people limit their support for organisations, the arts can find itself competing with health and welfare organisations, education and charitable causes.)
- Types and level of support. (When times are good it is more likely that money will be available for capital grants, overseas travel and experimental work; when times are bad, support tends to focus on keeping things going, rather than on new opportunities and expansion.)

consider this

Thinking about economic considerations: how might they impact on your work?



SOCIAL AND CULTURAL ISSUES

Community attitudes and cultural expectations can affect the way people respond to the arts. Lifestyle changes are important — is your community one with a large population of young families who will have an interest in schools, family activities and in enjoyable, but educational, activities for the family?

Is your community one with an ageing population, with increasingly limited incomes as more and more people are on pensions or self-funded retirement? If so, there may be a tendency to prefer conservative or more traditional art forms, but also interest in, and time for, crafts, community arts activities, and strong support for local artists, photographers and performers.

It is important to think about your community and your audience; this can include a focus on small audiences or groups who would be particularly interested in what you do.

life scenes

*Co*Opera's vision is to present opera in ways that challenge conventional stereotyping of the art form. Their first performances took place in 1991 at the Royal Adelaide Show. The company felt the bustle of the fairground and the accessibility of the venue would achieve their aims. The programs were a success, with a full house at every performance.*

*It has not always been easy going, especially in the early years, but Co*Opera now enjoys the status of second-tier company funding from ArtsSA. The tours provide opportunities for community choir participation in performances. A local musical director prepares the choruses in advance, and they rehearse with the company before the performance. They have performed in some truly remarkable venues, including the bullring of the Wodonga Showgrounds, the Seppelts Winery at Great Western and the Japanese Gardens at Cowra (the venue for a performance of Butterfly).*

continued

continued

*The choice of venues and the presentation style, described as 'cabaret opera in the round', are the result of the company's commitment to its vision: to present opera in an accessible and non-elitist format. Co*Opera's popularity lies in two powerful factors: the intimacy of 'in the round' presentations and the pleasure large numbers of people find in the operatic art form.*

*'I cannot count the number of first time opera patrons who have come to us after a performance incredulous at their own level of emotional response to the art. It is a "fix" which regularly lifts singers, technicians and administrators out of preoccupations with daily minutiae and on to the next performance.'*⁶

Things to consider are:

- What is the age, income and general lifestyle of the people in your community and your target audience?
- Is the number of people interested in your art form growing or decreasing?
- What other activities and interests do they have? (Are there opportunities to work co-operatively with others?)
- How do they spend their leisure time? (Much has been written, especially in Victoria, about the changes in spending patterns since the increase in the number of gaming venues in suburban areas and country towns – what impact has this had on social activities and how people spend their time and money?)
- What is the level of awareness of arts and your particular art form? (How knowledgeable are audiences? How interested?)
- What attitudes are prevalent? (Is there an interest in ethnic diversity? A curiosity about new art forms? A strong level of conservatism? An interest in indigenous art and culture? Do schools encourage learning, experimentation and discovery? Are there opportunities to present programs, activities and works to a variety of audiences?)

consider this

What social or cultural changes are taking place in your community? How might such changes impact on either your target audiences or your work?

⁶ Brian Chatterton, 'An intimate experience', *Smarts*, No. 13, March 1998, p. 28.

TECHNOLOGICAL CHANGES

Technology has provided both opportunities and challenges for people in the arts. It has opened up some fields – animation, publishing, music – and provided opportunities for access to information and the wider world through the Internet. Some of the practical and technical aspects of work are now much easier: word processing, office accounting, database development, ticketing and mailing list management.

But there is also no doubt that for some people it has been a mixed blessing. Graphic designers can work more quickly and a lot of the tedious work is now gone, thanks to computer graphics packages. But in some cases people no longer feel they need the professional skills of designers or printers – they can figure out how to do the work themselves using their computer technology and colour printers. This is often a problem since having access to technology doesn't mean the person also has the design sense, creative ability or experience required to produce good work.

Technology can change the way you work, the materials you use, and your ability to find new audiences.

Things to consider include:

- How has technology changed the way you work? The way others work?
- How has technology changed the way your target audiences view your work?
- How has technology changed the way you manage your work?
- What expectations do audiences have about the quality, speed, sophistication, etc. of your work based on changes in technology?
- How familiar are you with new technological changes? How comfortable are you with technology?
- What opportunities are there to reach new audiences through technology?

consider this

How could technology impact on what you do? (In terms of your actual work in the arts and how you manage your work, your time, etc.) What impact might it have over the next two or three years?



ENVIRONMENTAL AND ECOLOGICAL ISSUES

Although environmental and ecological issues may not directly relate to your work, they may be relevant to some artists. Visual artists who use natural materials, (rainforest timbers, precious metals, animal and plant products) may be subject to government regulation or social pressures. There may also be issues relating to the cost, availability and use of materials. In some cases, there may be safety concerns about certain chemical processes involved in the production of works. Rock musicians may need to consider the possibility of long-term hearing loss and nerve damage if they regularly perform highly amplified music.

And the use of non-traditional venues (theatre in the gardens, opera in the desert, art installations in environmentally sensitive areas), may make it necessary to consider the impact of government regulations and public attitudes.

Issues to consider include:

- availability and cost of materials;
- regulations about the import, use and display of materials;
- occupational health and safety issues for performers and audiences;
- community attitudes towards use of materials and resources;
- environmental protection of sensitive areas.

consider this

Are there any environmental or ecological issues which could be relevant to the work you do?



COMPETITION

Now that you are considering making a major commitment to your arts involvement, you have to be aware of what others are doing. Whether it's a funding body making decisions about grants, or a consumer deciding what to purchase, it all comes down to this: you must always be aware that you are working in an extremely competitive marketplace.

It's important to define your competition. If you are a musician, of course your competition is other musicians or groups. On any given weekend there may be several hundred musical

performances, ranging from club gigs to symphony performances for people in your community to choose from — how do they decide? How committed are people? Instead of going to a musical performance could they decide to go to the theatre instead?

Sometimes it can be almost depressing to think about all the competitors we face in the arts sector — but it's still important to undertake the exercise. It's a big world, and it's helpful sometimes to think about it as though you were a purchaser.

Things to think about:

- Who is my direct competition? (Other people or groups doing very similar things or working in similar art forms?)
- What things have my audiences tried?
- What things have they enjoyed?
- Who are my other arts competitors? (What art forms are potential substitutes — not directly the same, but likely to appeal to similar audiences? For example, classical music audiences may also like classical dance and opera; people interested in modern painting may also be interested in contemporary photography and modern sculpture.)
- Who are my indirect competitors? (This can be more difficult — what are the other options available to audiences, other ways they could spend their time and money that may not necessarily be arts-related? Sometimes it is difficult for museums and art galleries to accept the fact that on sunny summer days one of their competitors for people's time is the beach!)
- What advantages do my competitors have? (People's levels of interest and awareness? Cost? Convenience? Familiarity and 'comfort'?)
- What are the particular strengths and weaknesses of my competitors?
- What competitive strategies can I develop which will make me stand out in the marketplace? This will require thinking about your strengths (and the competition's weaknesses!) and deciding what things you should be promoting or developing to give yourself a strong 'edge' in the marketplace. For example, an arts organisation might decide their competitive strategy will be to develop and highlight the innovative aspects of their programs to appeal to a youth audience.

consider this

Make up the following three lists:

1. *My direct competitors are (other artists, groups, crafts people etc. doing similar work — be specific):*

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1a. Their main strengths and weaknesses are:

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1b. The advantages I have over my competition are:

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2. My arts competitors are (other 'options' for people interested generally in your arts area – theatre/video, cinema, other crafts etc):

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2a. Their main strengths and weaknesses are:

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2b. The advantages I have over my competition are:

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3. *My general competition includes (other things people could spend their money on, e.g. travel, food, recreation, sport and education):*

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3a. *Their main strengths and weaknesses are:*

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3b. *The advantages I have over my competition are:*

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3c. *The competitive strategy I need to adopt is:*

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ASSESSING YOUR SITUATION — THE NEXT STEP

When you have completed your environmental analysis, make a list of the main, important external factors which you think you need to keep in mind when making your future plans.

For example, changes in council regulations may present a threat to your current work space, however a proposed new arts facility could mean a new, improved studio is financially feasible. Or you may decide that your work could have touring potential, or you would be interested in working as an artist/writer-in-residence, and suitable grants are possible.

Make a list of the four or five things which have come from the exercise which present opportunities for you, and also the four or five things you need to monitor because they could cause problems 'down the track'.

consider this

KEY ISSUES

OPPORTUNITIES

THREATS

Political issues

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Funding sources

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Economic factors

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Social and
cultural issues

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Technological
issues

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Environmental/
ecological issues

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Competitive
factors

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After completing your situation analysis you may discover some issues which are really important, but complicated or difficult (for example, problematic council regulations about working from home, or understanding your taxation responsibilities). Try contacting a small business adviser (through your State department of small business) or your local community arts officer. They can provide valuable – usually free – advice. If enough people have raised concerns, they may also be prepared to lobby for reform or a change of regulations.

KEY POINTS TO REMEMBER

- It is important to understand the external environment in which you or your organisation must operate. Even though you may not have any control over these issues they can have a major impact on your success:
 - political impacts;
 - funding sources;
 - economic factors;
 - social and cultural issues and changes;
 - technological changes;
 - environmental and ecological issues;
 - the competition.
- Sponsorship is an important part of arts funding. Arts sponsors are increasingly seeking practical justification for their contributions and requiring a higher level of accountability for how money is spent.
- Arts providers face two levels of competition:
 - direct (other artists or arts organisations providing similar types of programs or products);
 - indirect (other arts products which could be alternatives and also any other way possible markets could spend their time and/or money).
- Once we understand our competition we can develop competitive strategies which will help us to differentiate ourselves, and make ourselves more appealing to the marketplace.

UNDERSTANDING THE BUYERS

CHAPTER OVERVIEW

In this chapter we discuss customers — what motivates them, how they spend their leisure time, their needs and wants, and the way they go about making purchase decisions. We also discuss the types of market segments which can be used to identify the size and type of markets that can be targeted.

UNDERSTANDING CUSTOMERS

The more you learn about people, the more effective your planning will be, since you'll be able to understand who they are, what motivates them, what they like and dislike, and identify how likely they are to be interested in your work.

In Chapter 5, Understanding the World Around You, we discussed the fact that you have a lot of competition and that people have many choices about how they spend their leisure time and discretionary money. So it makes sense to learn as much about your target audience as you can.

EXISTING RESEARCH — THE BEST STARTING POINT

Fortunately a lot of research has been done in Australia on arts audiences and markets, and it is well worth spending some time reading through the research information which is readily available. (See the Recommended Reading List at the end of this Guide for a detailed reading list.)

A study done by the Australian Bureau of Statistics, *How Australians Use Their Time*⁷, provided some interesting insights. The research looked at three main classifications of leisure activity: social life and entertainment, active leisure and passive leisure. (No prizes for guessing which was the most popular.)

1. The most popular form of leisure activity (by far!) was *passive leisure*, of which the single most frequently named activity (again by far!) was watching television or videos. Talking (including talking on the phone), reading and 'just relaxing' were also popular ways of spending time.
2. *Social life and entertainment* came next, which included going out for entertainment (sporting events, the cinema, clubs) and going to cultural venues (the library, galleries, performing arts, festivals and markets).
3. *Active leisure* pursuits came last, and included playing sport, exercising, cycling, jogging, outdoor activities, hobbies, arts and crafts.

⁷ *How Australians Use Their Time*, ABS, 1994.

Of course the actual time people spend on leisure activities varies from individual to individual.

Why does it matter how people spend their time? Well, if they prefer to go home at night, collapse in front of the telly and be couch potatoes for the evening, you may face a challenge trying to motivate them to go out mid-week to try something else. They may be willing to do something they know they will enjoy, but they may not be prepared to try something 'new' or 'challenging'.

If watching television is a major 'hobby' for most people, then being able to promote your work through publicity on television could have a huge impact on people's level of interest and awareness. If, for example, you can manage to get your craft work featured on a lifestyle show, or your music featured on a family entertainment show, then the level of exposure you get could set your career alight.

UNDERSTANDING CONSUMER BEHAVIOUR

Consumer behaviour is concerned with understanding what people like and dislike, what their interests and motivations are, how they obtain information and make decisions, how they evaluate their satisfaction with their purchases, and finding out how they feel about your work – and your competition. This information helps us plan the full range of marketing activities – product development, positioning, pricing, distribution channels and promotion.

IDENTIFYING NEEDS

In Chapter Two we talked about the fact that marketing is a process in which you exchange something you have (your art) for something of value (usually money). We talked about the importance of 'meeting needs through exchanges'. If someone decides they want or need what you have produced, they will give you money for it. If they decide they don't need or want it, then there will be no sale.

So, it is important to develop an understanding of people's needs. Which is not as simple as it might sound. Do people really 'need' art as part of their lives? Is it something absolutely essential? How do they satisfy their need? If they really felt they needed music in their lives, how would they meet that need? With their own musical instrument? With a CD or a tape? By attending a live performance? How do they choose among so many alternatives? How do they find out what's available? Where do they get advice? Whose opinion do they respect?

MASLOW'S HIERARCHY OF NEEDS

Of all the theories about people's wants and needs perhaps the most popular is Maslow's hierarchy of needs.

Maslow's theory is that needs can be classified into five broad categories. In order of importance they are:

1. physiological needs – food, water, shelter;
2. safety needs – warmth, safety, security;
3. social needs – companionship, family, friends;
4. esteem needs – status, prestige, position;
5. self-actualisation needs – self-fulfilment.

Maslow's hierarchy diagram



An individual satisfies the most basic needs first. A starving person's main goal is survival. Only after that need is met do they move to the next level. At the first two basic levels – food, shelter, security, etc. – it is very straightforward. However, further up the pyramid it becomes more diverse. The way people fulfil their needs can be influenced by personality, experience, family background, culture and education.

Psychological needs include affiliation with a group, being well thought of, being independent, being artistic, enjoying excitement or adventure, being an individual or 'character'. And self-actualisation means being fulfilled; but that can mean different things to different people. For some it is the pride in knowing they have mastered a skill or art form. For others it is knowing that other people admire and respect them and their abilities. For others it is a sense of personal adventure, even if they don't become outstandingly successful or competent in what they do – it's the 'doing' that matters to them.

'Wants' are the ways we fulfil our needs. 'I'm thirsty' – that's a 'need'. But what will I drink? Now 'wants' become important.

People have almost unlimited wants, but since most people have limited resources they have to choose products that will supply the most satisfaction for their money. They have to make decisions. And, according to Maslow, most decisions are based on learning theory.

An interest in, and demand for, arts products can come at any of the three higher levels – there can be a sense of belonging if you're with friends attending a theatre performance, for example, or a sense of self-esteem in deciding to go to a major concert, or a sense of self-actualisation in studying and learning about art, and allocating money to purchase works which have particular personal appeal.

consider this

Thinking about Maslow and your art form: what are the ways your art form could be said to meet a 'need' or be a 'want'? Think in terms of more than one level, if possible.



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MAKING DECISIONS AND ASSESSING SATISFACTION

When a person identifies a want or need they have to decide to either fulfil that need or do without. The decision-making process is as follows:

1. identify a need – identify it at one of the five levels of Maslow's hierarchy;
2. decide to act – translate the need into a 'want';
3. gather information – find out about options, prices, etc.;
4. assess options and alternatives – consider various courses of action;
5. decide and act – make the purchase;
6. review overall satisfaction – assess whether or not it was a good purchase.

The following examples illustrate this six step process.

EXAMPLE 1 — CHOOSING AN ACTIVITY

1. *A group of university students have completed their final exams. They feel a need to relax and take a break.*
2. *They meet at the student union building and discuss the fact that they need to celebrate the end of their exams.*
3. *They discuss options and decide to go out on the weekend. They get a newspaper and look through the entertainment section.*
4. *They select three options of pubs with entertainment and discuss which groups they have seen before, and get some comments from other people about groups they don't know.*
5. *They pick a particular pub and go there the next night.*
6. *Afterwards they decide they made a great choice and had a good evening.*

EXAMPLE 2 — EXPERIENCES AND INFORMATION

1. *A couple see an article in their Friends of the Gallery newsletter announcing the opening of a new exhibition of contemporary artists. They have seen some contemporary art which they enjoyed, and some which they didn't. They discuss the fact they should try to understand more about the contemporary art scene. They define a need to learn more.*
2. *They decide that if they are going to be up to date on what's happening they should attend more programs, and since this program is at the gallery, it should be interesting and also a chance to meet up with other Friends of the Gallery.*
3. *They have several options. They could just attend the exhibit sometime during the month it will be on, attend the official opening and cocktail party, or attend the opening and a meet-the-artist discussion/lecture, as well.*
4. *If they really want to know more they should probably attend the lecture, not just look at the installation. Previous experience has shown them they often need an explanation to fully appreciate what they are seeing. They decide to book tickets for the opening and lecture.*
5. *They attend the opening night and the lecture. Unfortunately, they don't meet anyone they know at the opening, things run late, there is not enough food and wine, the installation mystifies them and the artist, rather than explaining the work, declares that 'art must be experienced, not explained'.*
6. *On the way home they decide they aren't ready to invest in contemporary art.*

It's important to know the outcome of the decision. After potential buyers identify their needs, process information about options, make a decision and carry it out, they assess the experience. If all went well and they are happy with the event or the product, they are likely to repeat the process again in the future. If there was a problem, they will probably try to avoid repeating it.

consider this

Imagine a purchasing situation for your product. What would the need be? How would someone gather and process information? What other options might they consider?



ECONOMIC APPROACHES TO DECISION MAKING

While physiological and psychological needs are an important reason for people to do things, there are also economic factors which influence their decisions and their evaluations of purchases. Economic assessments focus on being comfortable that you made the best use of your – usually limited – resources, especially in terms of time and money.

People vary in how they decide whether or not they received value for money. For some individuals it means finding the lowest possible price. Others feel they want quality regardless of what it costs. On the whole, most people try to balance quality and cost, realising there is generally some trade-off between them.

Economic needs can be analysed in terms of price, quality and dependability, convenience, location, or the product's ability to enhance other products.

PRICE

Prices vary (both opening nights and afternoon matinees have different prices to evening performances). How does the cost of a ticket to the opera compare with a concert, a film or a play? (What justifies the higher or lower price?) Is purchasing a season ticket to a dance program more economical than buying tickets for single performances? What is the price of other work by the same artist? How do the prices compare with others?

QUALITY AND DEPENDABILITY

Quality can be difficult to measure in arts products, but basically it includes the use of appropriate materials or means, and execution in a professional manner. Are the performances in venues where the sound reproduction is of high quality? Can people see from their seats? Is the craft item well-made, appropriately fired, made from materials that won't quickly fade, break, etc? Does the theatre company have a reputation for good work, for performing professionally and at a high standard?

CONVENIENCE

Offering 'packages' of products and services can be appealing. A festival can offer the audience an opportunity to experience a number of different performances, styles and venues, packaged in a convenient, accessible mix. A subscription series offers a mix of safe, popular classics, but may also experiment with new works that challenge both performers and audiences. An artist can promote a new exhibition to a mailing list of previous buyers who already know and like the work, and who may already be predisposed and interested.

LOCATION

Where (and when) do artist and buyer 'meet'? Some people like the elegance, central location, easy parking and access to restaurants, etc. of a major arts centre. Others prefer the more informal atmosphere of a small theatre or unusual venue such as a park or garden. Some people like to visit an artist's studio, others enjoy browsing at markets or craft fairs.

life scenes

Postcard Productions burst into the Geelong theatre scene in early 1992 with a groundbreaking presentation of Macbeth in the You Yangs Regional Park.

The idea for Macbeth began when Ross Mueller visited Big Rock at the You Yangs to take in the views over Geelong. 'I realised what an ideal venue it would be for outdoor theatre...', he said. Ross got together with friends Christine Davey and Tim Edwards to discuss the idea. Over a cup of coffee they decided that only the dramatic Macbeth would do justice to the natural rocky setting.

Buses were organised to transport audience members from the Geelong Performing Arts Centre to the Big Rock site where they were met and guided through the evening by 'tall, silent monks'. The all-inclusive ticket provided patrons with a free supper of wine, cheese, bread and grapes.

Macbeth in the You Yangs was a sellout success. Halfway through the first week of bookings the Geelong Performing Arts Centre had a waiting list of more than 500 eager patrons and advertisements for scalper tickets even started appearing in the local press. A second successful season was held in 1993.

Other Postcard Productions works include One Flew Over the Cuckoo's Nest, staged in the Old Geelong Gaol, and The Resistible Rise of Arturo Ui, staged in an old warehouse.⁸

⁸ 'Macbeth in the You Yangs', *Geelong: Alive with Ideas*, Deakin University Press, (undated), p. 38.

ABILITY TO ENHANCE OTHER ITEMS

Programs are an excellent source of revenue raising for performing groups and they are useful for audiences because they can add to their appreciation of the performance. Quality framing can enhance a painting, drawing or photograph. Creative packaging can protect a delicate piece of jewellery or craft, as well as enhance its presentation. The availability of refreshments and souvenirs at an event or festival increases the audience's enjoyment of the event. Sometimes it's not just the product, but the 'extras' (autographing the book or the CD, for example) that create a special value in the eyes of the purchaser.

consider this

What are the key economic factors which might be considered when thinking about your products or services? List them, including those which make you unique. There may be positive things, but there could be some potential problems, as well.



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Keep this list — you will need it in Chapter 7, Understanding Your Own Situation.

IDENTIFYING YOUR MARKET TYPES

There are five basic types of markets:

- mass markets;
- differentiated markets;
- target markets;
- niche markets;
- customised markets.

MASS MARKETING

'Mass marketing' has a negative connotation for many people in the arts because they automatically think of mass markets as 'common'. This, in turn, suggests to them some sort of 'pandering to the public', and of doing something they don't want to do in order to sell large quantities of their product in an unsophisticated marketplace.

Mass marketing is certainly about creating products on a mass scale, then mass distributing them and mass promoting them. Technically, by creating, distributing and promoting in large quantities it is possible to cut prices and still return good profits. However, very little in the arts world is actually aimed at mass markets. Consumer goods, such as breakfast cereal, toothpaste, soft drinks and cleaning products fall into this category — art rarely does.

DIFFERENTIATED MARKETING

'Differentiated marketing' is a modification of mass marketing, which involves creating a number of products, each offering different features, styles, quality, sizes, etc. Even though there is a variety, the items are still produced in fairly large quantities and appeal to a wide range of people. Clothing and some arts and crafts products, particularly souvenirs, fit into this category.

TARGET MARKETING

'Target marketing' is more focused and involves the identification of potential audience segments, then selecting the most viable, and promoting specifically to those groups or individuals. In fact, much of the work done in the arts, whether it's performing arts or visual arts, is aimed at specific, defined target audiences (people with particular interests, backgrounds, etc.)

NICHE MARKETING

'Niche marketing' is a specialised form of target marketing in which small groups with specialised and unique needs (ethnic audiences, for example) are identified. Usually the audiences are even smaller than for target markets.

CUSTOMISED MARKETING

'Customised marketing' is perhaps the most specialised form of marketing. It is the exact opposite of mass marketing. In customised marketing the producer or artist modifies the product to specifically meet the needs of a set group of people. For example, a performance group might sit down with a conference organiser to discuss precisely what type of audience will be attending an event, and they will then prepare a program to meet the needs of that group and that event.



WORKSHEET 1

defining your art



Think about your work: how would you describe your market?

1. What is your general market type? (Mass markets, niche markets, customised markets, etc.)

2. How would you define your art in terms of:

- a. Price: (Premium priced? Deliberately priced to appeal to young people, or those on limited budgets?) How does your work compare with other artists of similar reputation/background/profile?

- b. Quality: How would you define the quality of your work? (Your skills, the materials you use, the venues you perform in, the workmanship and presentation of your art?)

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- c. Convenience: How is your product presented? How easy is it for potential customers or audiences to access your work?

- d. Location: Where do you 'meet' your potential customers/audiences? What is the ambience, the ease of access, the suitability of the location to your actual product?

- e. Ability to enhance other items: Is your arts product a 'stand alone' or can you develop things which will enhance appreciation and value?

3. Of the five product differentiation points (price, quality, convenience, location, enhancement) which are your strongest points? Which could use improvement?



KEY POINTS TO REMEMBER

- Consumer behaviour is concerned with understanding what people like and dislike, what their interests and motivations are, how they obtain information and make decisions, how they evaluate their satisfaction with their purchases and how they feel about your work. This information helps us plan the full range of marketing activities required for success.
- Maslow's hierarchy of needs teaches us that people have levels of needs and that they satisfy the most basic ones (food, shelter, safety) before moving on to the more sophisticated ones (status, prestige, self-fulfilment).
- The decision-making process for purchases involves six steps: identifying needs, deciding to act, gathering information, assessing options and alternatives, making a decision, and reviewing overall satisfaction. Marketing can influence all stages of the decision-making process.
- People make economic decisions as well as emotional ones. Economic decisions take into account factors such as price, quality and dependability, convenience, location and the ability of a product to enhance other products.
- Markets can be divided into broad categories, starting with the most general (mass markets), then becoming more and more targeted and specific. The variations are: mass, differentiated, target, niche and customised markets.

UNDERSTANDING YOUR OWN SITUATION

CHAPTER OVERVIEW

This chapter defines a SWOT analysis and explains why it is important. It provides tips on how to prepare your SWOT analysis and what to do with the results once you have completed the exercise. A SWOT analysis is one of the most important planning exercises you will undertake as part of your marketing planning program.

WHY YOUR SWOT ANALYSIS IS IMPORTANT

One of the most important elements of your planning is the development of a good SWOT analysis. The SWOT is one of the most commonly used planning exercises in marketing. SWOT stands for:

- **Strengths.**
- **Weaknesses.**
- **Opportunities.**
- **Threats.**

While strengths and weaknesses focus on you and your business, opportunities and threats look further afield, to include your operating environment and your competition (which we also discussed in detail in Chapter 5, Understanding the World Around You).

A SWOT is a good way to look objectively at the things you do well and at the things that could be improved. It also helps you to identify opportunities for growth and increased business, and to be aware of potential problems which could impact on your business.

HOW TO DO A SWOT

The process of a SWOT is two-stage: the first is a type of brainstorming session, where you list as many things as possible; the second is a more careful analysis of details.

Why two stages? Experience shows that it is very useful to start off a SWOT analysis by getting as many ideas down on paper as quickly as possible. Then you can sort through them and prioritise them later.

- **Who participates?**

If you work on your own, then you'll be the main person doing the exercise, but if you have any friends, professional colleagues or family members whose opinions you really value, you should ask them to help with the SWOT. Just be prepared to accept

the fact that they may identify ‘weaknesses’ you didn’t know about or don’t particularly want to hear about. If you are involved in an organisation you should involve as many staff, volunteers, board members, committee members as possible and a cross section of customers.

- **Where should you work?**

Ideally you need a quiet space to work, sheets of paper, each sheet divided into four squares, one for each participant (one square labelled Strengths, a separate one for Weaknesses, another for Opportunities and the fourth for Threats). You also need a kitchen timer, so you can set a time limit for the first part of the SWOT.

- **How long will it take?**

Set the time and begin by taking 10 minutes to list as many strengths, weaknesses, opportunities and threats to your work as you possibly can.

Strengths and weaknesses usually focus on the internal aspects of an organisation or the specific activities and skills of an individual. Opportunities and threats tend to encompass external factors which can affect the individual or organisation.

You can consider things like your reputation, experience, the quality of your work, the awards you’ve won, the publicity you’ve received, your versatility, your skills in particular areas, your vision and imagination, your level of appeal, the size of your market, the level of awareness of your work, the image you have with the public, and the number of subscribers or customers you have. You can also consider where you work, who you work with, your technological skills and your equipment.

Some of these things may be easily identifiable as strengths. Others will be weaknesses. Opportunities include activities or ideas which arise from either strengths (as ways to build on your existing success) or from weaknesses (as ways to correct problems). Threats are the potential risks you face if you fail to either take full advantage of your strengths and opportunities, or if your weaknesses aren’t addressed or corrected. For example, an opportunity might be to submit your work for inclusion in a major competition, so you can receive publicity and recognition. A threat might be that if you don’t complete a commission by the deadline you could face financial problems.

The following checklist will help you review your SWOT and remind you of factors you may not have considered. You can use the checklist to identify whether you see the points raised as strengths or weaknesses, or identify potential opportunities or threats.

The following is an example of how to complete your SWOT analysis. You’ll get the idea as you go along.

SWOT ANALYSIS CHECKLIST — EXAMPLE

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<i>Your perceived image</i>				
	We have a large subscriber base	Our regular customers are aged 50 +	Attract younger audiences	Long term loss of audience if we can’t attract younger people
<i>Your financial base</i>				
	Money in savings account from previous jobs	Mortgage and loan repayment	Share house and save on repayment	Failure to meet repayments could mean loss of home

SWOT ANALYSIS CHECKLIST

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<i>Your perceived image</i>				
<ul style="list-style-type: none"> • in terms of customers 				
<ul style="list-style-type: none"> • in terms of your professional peers 				
<ul style="list-style-type: none"> • in terms of competitors 				
<ul style="list-style-type: none"> • your organisation's image 				
<i>Your financial base</i>				
<ul style="list-style-type: none"> • your income 				
<ul style="list-style-type: none"> • your sources of income 				
<ul style="list-style-type: none"> • the stability/reliability of your income 				
<ul style="list-style-type: none"> • is your income increasing, decreasing or static 				

continued

continued

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<i>Your products/work</i>				
<ul style="list-style-type: none"> • artistic value • type and variety of work • breadth, depth and range of work • ability and qualifications (awards, etc.) • popular appeal • critical appeal • quality • innovativeness • variety/flexibility • specialist skills • uniqueness 				

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<i>Your support base</i>				
<ul style="list-style-type: none"> • support by family and friends • support from customers • support from government/funding groups • sponsorships • recognition and awareness by the media • size of customer base • level of customer satisfaction • number of repeat customers • level of customer loyalty 				
<i>Your promotions</i>				
<ul style="list-style-type: none"> • levels of awareness of your work 				

continued

continued

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<i>Your promotions continued</i>				
<ul style="list-style-type: none"> effectiveness of your promotion activities awareness with specific target audiences types of promotional materials/ activities development of new markets activities to ensure you maintain current markets types of paid promotions types of publicity effectiveness of promotions and publicity 				
<i>Your prices</i>				
<ul style="list-style-type: none"> your profitability 				

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<i>Your prices continued</i>				
<ul style="list-style-type: none"> • your competitive position • market acceptance of your prices • the types of discounts/special prices offered 				
<i>Your service standards</i>				
<ul style="list-style-type: none"> • your customer service skills • ease of access for markets to your work • professionalism of yourself/your staff, etc. 				
<i>Your location</i>				
<ul style="list-style-type: none"> • quality and condition of premises/work areas • control over venue • accessibility (public transport, parking, etc.) 				

continued

continued

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<i>Your location continued</i>				
<ul style="list-style-type: none"> • amenities (for yourself and customers) • distance from main markets • ambience • security • age and condition of premises • surroundings (landscaping, etc.) • general location (tourist area, arts precinct, etc.) 				
<i>Your organisation skills</i>				
<ul style="list-style-type: none"> • your financial and business skills • your technological skills (computers, etc.) • your organisational skills • your time management skills 				

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<i>Your organisation skills continued</i>				
<ul style="list-style-type: none"> the quality and maintenance of equipment, etc. 				
<ul style="list-style-type: none"> your public relations and publicity skills 				
<ul style="list-style-type: none"> your customer service skills 				
<ul style="list-style-type: none"> your willingness to work on marketing and promotions 				
<i>Other - from your lists</i>				

EVALUATING THE SWOT RESULTS

Once the 10 minute period is up, group members should compare their results. This is best done by using a whiteboard or butcher's paper and comparing comments. First compare strengths. Looking at things from a different perspective can be very valuable. (This, of course, is where having more than one person involved can be illuminating.)

Go through your lists and select the most important six or seven strengths — what are your main strong points? Then identify six or seven weaknesses — what are some things you could do better, or you should change?

Go back to Chapter 5, page 49 and review the opportunities and threats you identified in the *consider this exercise* at the end of the chapter. Go back to Chapter 6, page 58 and look at the economic factors you identified which could impact on your work. Is there anything on those two lists that should now be incorporated into your SWOT?

You can write your answers on Worksheet No. 2 Summary of SWOT Analysis on the next page. Then review the opportunities section of your plan. This should be longer than the other parts!

REVIEW YOUR SWOT — REGULARLY

Although it can seem like a lot of work the first time, a SWOT really is a very useful exercise. In the early stages of your planning and career development you should do a SWOT about every six months. After that, completing a SWOT once a year should be adequate. But if something happens (you win a major award, you get a huge commission or your studio burns down) you may need to reassess things.



WORKSHEET 2

summary of SWOT analysis



After completing your SWOT and reviewing the main categories you should write your summary here.

What are your key six or seven items for each element of your SWOT?

Strengths

Weaknesses

Opportunities

Threats

KEY POINTS TO REMEMBER

- A SWOT analysis is an important part of planning. SWOT stands for Strengths, Weaknesses, Opportunities and Threats.
- Strengths and weaknesses focus on your and your organisation. Opportunities and threats look further afield, to your operating environment and your competition.
- A SWOT analysis should involve all the people with a direct input into the organisation: staff, board members, volunteers, and even some customers.
- It is important to update SWOT analyses on a regular basis; at least once a year, or more often if circumstances change.

2.8

SETTING YOUR SIGHTS AND DIRECTION

CHAPTER OVERVIEW

This chapter provides a basic outline of a marketing plan. It explains the three step process of marketing plan preparation and guides you through the process of developing your mission or vision statement and setting goals and objectives. It also explains their importance as the basis for preparing the next important element — your action plan.

CREATING A MARKETING PLAN

Once you have completed your SWOT analysis you're in a position to make some major decisions.

Having identified — hopefully — rather a lot of opportunities, and a few threats, the next step is to set a program for success. It's time to begin preparing a marketing plan. A marketing plan can be thought of in terms of the three simple steps discussed earlier:

1. Where are you now?
2. Where do you want to go?
3. How will you get there from here?

But if you want to send out a message that you really are au fait with marketing, you'll need to start using the correct terminology:

MARKETING PLAN — FORMAL OUTLINE USING ALL THE CORRECT MARKETING JARGON

1. *Situation analysis (Where are you now?)*

Marketing audit

Review of products and services

Review of external environment

- *Political*
- *Economic*
- *Social*
- *Technological*
- *Environmental and ecological*
- *Competitive analysis*

Review of internal environment

— *SWOT analysis*

2. Objectives and goals (Where do you want to go?)

Mission and vision (What do you want to do? Where? With whom?)

Long-term goals

Short-term goals

3. Action plan — strategies and tactics (How do you get there from here?)

Resource requirements

Time

Budgets

Staffing

Activities

4. Evaluation and contingency plans

You've already completed stage one — the situation analysis. Your environmental analysis and your SWOT analysis are the cornerstones of a situation analysis.

The next stage is to look at your statement of goals and objectives. Where do you want to go? You began to consider this when you talked about what you would like to do, where and with whom. But now it's time to give your ideas more focus.

Most organisations divide the statement of goals and objectives into three sections:

1. a mission or vision statement;
2. long-term goals; and
3. short-term goals.

Short-term goals are the things you want to achieve in the next 12 months. Long-term goals are things you would like to achieve in the next three to five years, although some people or organisations set long-term goals for up to 10 or 20 years.

MISSION AND VISION STATEMENTS

A mission statement is a statement of the purpose of an organisation. (It is also possible, of course, to have a personal mission statement.) Although the terms 'mission' and 'vision' are often used interchangeably, there are some technical differences. A 'vision' is a way of explaining the desired future for an organisation; the outcomes towards which the organisation (or individual) will direct itself. A 'mission' aims to explain the reason an organisation was established. Often it includes mention of the audiences or customers.

Because outcomes and future intentions should match the reasons for which the organisation was established in the first place, there is often considerable 'blurring' of 'missions' and 'visions'. In simple terms you might call 'mission' an explanation of 'why are we here?', while 'vision' is a description of 'how do we see the ideal future?'.

Mission and vision statements are not easy to write. Because they should be done as a collective exercise, with everyone in agreement, preparing one can highlight the fact that different people within an organisation have different goals and motivations.

There are three key points to keep in mind when developing mission and vision statements:

1. they should be broad enough to allow for growth, innovation and improvement, not just lock current activities into place;
2. the mission statement should be inspirational and motivating; and
3. they should encompass what you want to be and what you want to do.

Very few people take the time to prepare a personal mission statement. And often smaller arts organisations have difficulty agreeing on what their mission statement should be. However, it is hard to set goals and objectives if you haven't got a mission – an ultimate purpose.

SOME EXAMPLES OF VISION/MISSION STATEMENTS

VISION STATEMENT: DANCEWORKS

The fundamental purpose of Danceworks is to extend the boundaries of new dance practice and performance. We value communication, innovation, risk-taking and depth in all our work.

VISION STATEMENT: DANZA VIVA

Prior to Danza Viva's establishment in Perth, the public's only exposures to Spanish dance were rare performances by visiting overseas artists, and Flamenco performed in restaurants and clubs. Danza Viva's aim is to delve into repertoire which would not normally be seen in the 'restaurant' context and present the full range of Spanish and Flamenco to the theatre audience.

VISION STATEMENT: THE AUSTRALIAN BALLET

As the national company, The Australian Ballet's mission is not only to perform as widely as possible in Australia, but to display Australian talent in the field of dance choreography, music and design in the great international centres

Mission statements and personal visions can perhaps sound a bit mystical (not that there's anything wrong with that), but the underlying idea is based on practical logic and good sense. Planning your marketing and developing your corporate vision is the same process. You visualise what you want to achieve, where you want to go, and what you want to become. Then you set to work to bring that vision to reality.

life scenes

Chunky Move's vision is to create more and more work outside the limitations of the theatre space. Collaboration and co-presentations are providing a way for the company to do just that.

Chunky Move's Artistic Director, Gideon Obarzanek, wrote and choreographed WET, a one hour television film, in collaboration with ABC Director Stephen Burstow. WET interweaves multiple strands of narrative in a blend of music, dance and dialogue.

Another major project was Body Parts, a co-presentation with the Melbourne Fashion Festival, allowing the Chunky Move performers to work with Melbourne designers in an exciting new forum.

consider this

You should take time to think about your personal or organisational mission. Consider the three points on p.74. It won't be an easy task, and you'll need to set aside time to think about it. The more people who work on it the longer it will take, since every word gets analysed and checked. But it is worth doing, and it is worth getting everyone to be in agreement. After all, if you're pulling in different directions, progress is going to be difficult.



Mission Statement:

.....

.....

.....

.....

.....

SETTING OBJECTIVES AND GOALS

'Goals' and 'objectives' are terms which many people use interchangeably or always link together. There is, however, a difference. Goals are the overall results that an organisation or individual seeks to achieve (success, fame, wealth, recognition, awards). Objectives are the specific activities that will lead to the ultimate goals. Objectives, for example, could include entering and winning two specific competitions which will, in turn, lead to the goals of 'recognition' and 'reward'.

One possible way of setting goals is to use the SMART system. SMART stands for:

- **Specific** — Goals need to be very specific and it helps to write them down so that you focus your thoughts.
- **Measurable** — Goals need to be measurable in some quantifiable way (number of finished pieces, sales figures, number of auditions).
- **Achievable** — Setting goals that are attainable but challenging is very important. Goals that are too easy won't give you a sense of success. Goals that are too difficult will cause stress and depression.
- **Realistic** — Similarly, our goals have to be realistic in terms of our resources (time and money and skills) and our personal values.
- **Time-framed** — Goals need to have a time-frame. They need to have deadlines so we cannot put off actually working on them indefinitely.⁹

Basically, goals focus on results and objectives focus on activity. Consider your goals in terms of general categories — what would you like to achieve in terms of your:

- economic position;
- personal life;
- family;
- creativity;
- life styles;
- status and recognition; and
- skills.

There is an infinite number of goals that you can set for yourself, however the key to effective planning is to then set priorities. You may not be able to achieve all your goals and objectives at once — you'll need to plan and organise.

Some quantifiable objectives for you to consider might include:

- sales, commissions or bookings (both total numbers and by season, type, etc.);
- income;
- number of repeat bookings, sales or commissions;
- amount of publicity received (types, amount);
- number of awards;
- working with other artists;
- working in specific venues;
- developing a set number of new activities;
- number of auditions (and by type and quality);
- number of invitations to participate in events, etc.;
- number of shows, performances;
- number and quality of distribution outlets;
- specific target audiences/markets reached;
- level of awareness in general community;
- level of awareness and perception by peers.

⁹ Adapted from *Taming Time*, by Gary Kroehnert, McGraw-Hill, Australia, 1999.

consider this

Having given thought to your mission, now set the broad goals which will reflect your vision and mission.



After you've considered broad goals, start to think about specific objectives.

Having set your goals and objectives, the next step will involve deciding on the specific actions you'll need to undertake to achieve those objectives. In the following section we'll look at how to gather the information you need to develop an effective action plan.

KEY POINTS TO REMEMBER

- The key elements of a marketing plan are:
 1. Situation analysis.
 2. Objectives and goals.
 3. Action plan.
 4. Evaluation and contingency plans.

By the end of this section you will have gathered together the information you need to complete the situation analysis and begin considering your objectives and goals.

- The terms 'mission' and 'vision' are often used interchangeably. A 'vision' is a way of explaining the desired future for an organisation. A 'mission' aims to explain the reason an organisation was established. Often it includes mention of the audiences or customers.
- Because outcomes and future intentions should match the reasons for which the organisation was established in the first place, there is often considerable 'blurring' of 'missions' and 'visions'.
- Mission and vision statements are not easy to write. Because they should be done as a collective exercise, with everyone in agreement, preparing one can highlight the fact that different people within an organisation has different goals and motivations.

SECTION 3

CHOOSING YOUR GOALS – INFORMATION FOR DECISION-MAKING



FILLING IN YOUR INFORMATION GAPS

CHAPTER OVERVIEW

This chapter discusses the importance of understanding your market. It also provides you with information on where to obtain research that has already been done which will assist you with this task. It identifies types of 'buyers' of arts products and suggests ways to develop strategies to tap into prospective markets.

ARTS AUDIENCES

State and national arts organisations have undertaken a number of useful audience research and marketing studies. For example, Arts Tasmania and the Salamanca Arts Centre Inc. have an Internet site that provides information on marketing and funding, which also includes case studies and useful contacts (www.salarts.org.au/artsup). The information is interesting and helpful no matter where you live.

In 1997/98 the Victorian Arts Marketing Taskforce undertook detailed audience research on specific art forms (dance, theatre, classical music, opera, visual arts and museums). A series of factsheets were produced outlining the growth potential, demographic and social characteristics of the markets, and information about what motivated them to attend, the sources of information used to get information about the arts, price perceptions and loyalty (frequency of visitation, likelihood to subscribe, etc.).

Even if you are not in Victoria, the information can be valuable in providing you with a starting point for understanding customers.¹⁰ For instance, in Factsheet Two (Dance Audiences in Victoria) the potential markets are defined as mainly women, who get most of their information from metropolitan daily newspapers, but also from friends or relatives, and who read both reviews and advertisements.

On the other hand, museum audiences (Factsheet Five) were more likely to be divided almost evenly into males and females. More than 62 per cent of museum goers also attend sporting events and get information from newspapers and television.

Art galleries are more popular with women and regional differences are also apparent, with city-based attendees more likely to favour modern art, architecture, design, photography and ethnic art, while regional visitors prefer craft, traditional painting and sculpture.

¹⁰ Contact Arts Victoria at Private Bag No. 1, City Road Post Office, 3205.

The Australia Council has also produced a range of very useful publications. Of particular interest in relation to audience research is *Selling the Performing Arts*, which contains a mine of useful information on audiences and their motivations, and reactions to specific issues such as price, media usage and developing multi-cultural markets.

Access all Areas: Guidelines for Marketing the Arts to People with Disabilities, another Australia Council publication, focuses on the needs of people with disabilities and highlights the benefits and opportunities that can come from offering increased access to the arts.

The Great Yarn Event, produced by Regional Arts Australia (www.regionalarts.com.au) is a wonderful collection of stories about innovative arts projects from across regional Australia. Although not focusing directly on audience research, the stories include information on identifying audiences and product development across all art forms.

miles ahead – arts marketing that works in regional Australia, from the Australia Council, also looks at arts marketing strategies in regional Australia. Containing interviews and stories about specific projects, it, too, includes good information on audiences, products, pricing, and promotions.

WHO'S BUYING VISUAL ART AND FINE CRAFTS — DEMOGRAPHIC PROFILES

A major study undertaken by the Australia Council, *To Sell Art, Know Your Market*¹¹ is essential reading for anyone in the visual art and fine craft market, especially since it focuses on people who actually buy works of art.

Analysis of the results showed that art buyers are more likely to be female, aged 35–54, and employed. They are also well educated (holding graduate or postgraduate qualifications).

Studies of this kind can help us to identify markets and also to identify potential partners. Displaying artworks in the foyer of a theatre, for example, could increase exposure to potential buyers. A gallery seeking something unusual and appealing to their target audience might consider a chamber music performance as part of the event, knowing this will have special appeal (exactly the sort of thing which might tempt those television watchers out of the house for the evening!)

GATHERING YOUR OWN DATA

While it is useful to have general information on the marketplace and arts audiences, it is essential to have information on your own customer base. The type of information you should be collecting about your own customers includes:

- *Who are they?* Keep track of the number of men and women and their approximate age. Do they come alone? With family and friends? As part of an organised group?
- *What do they buy?* What are the best selling items, the best selling programs in your series? Which are the most specialised in terms of their appeal? Who do they appeal to?
- *How do they make a purchase decision?* Does considerable discussion take place amongst several people? Is it an impulse purchase? Do they choose between several items, asking for specific colours, styles, prices, etc. Do they ask for a program or a calendar of events? Do they pay for one performance at a time, or purchase a season subscription?

¹¹ *To Sell Art, Know Your Market*, a survey of visual art and fine craft buyers, Australia Council, 1997.

- *What price do they pay?* Top of the range, bottom of the range, dress circle or weekday matinee. Do they ask about price, discounts, etc? Do they try to haggle?
- *How do they pay?* Cash, credit card, lay-by, cheque?
- *How frequently do they buy?* Your work and – if you can find out – work done by other people. Are they subscribers to more than one music program? Do they also regularly attend other types of arts activities?
- *Why do they buy?* What do they say about their purchase? Do they like it because it is unusual? Because they feel comfortable with it? ('I always enjoy Mozart.') Because it is a nice memento?
- *What do they ask about?* Are they knowledgeable, sophisticated buyers, or would they appreciate some subtle guidance? (A pre-concert talk may be welcome if the music is unusual. An explanation of the story behind an item might be welcome for a piece of Aboriginal art.)
- *What else do they do?* Are they visiting other shops or galleries in the area? Are you the main reason they came (for a show or performance)? Are they attending the show and also having dinner?
- *Where do they come from?* Are they local (which is good, in that they may come again or become regulars)? Are they from interstate or overseas? Will they need to have the basics of a performance explained to them because it is something new or unfamiliar?
- *How did they hear about you?* This is a most important point. Was it through someone's personal recommendation? Through your own publicity? Through advertising? If they saw an advertisement, which one? (This will be useful, of course, when you want to make the most efficient use of your advertising budget.)

It is important to identify your major markets. The better you can visualise your audience (customers) the easier it will be to work out the types of advertising and promotions that will be effective. Think in general terms, recognising that your 'typical' customer is by no means your only customer.

For example, the target audience for Coca-Cola™ is people 18–24. That doesn't mean that elderly people don't drink Coke, or that young children avoid it. It's just that the target audience, in terms of percentage of market, is in that 18–24 bracket. They design advertising and promotions that appeal to that group. They try not to annoy or 'put off' other groups, but they aim at their target audience.

understanding your market



Thinking in general terms, ask yourself who are your audiences? Try to zero in on a 'stereotype' if you can. This doesn't mean you won't have other audiences, just that this represents an important description of your best or more frequent customers.

1. Who are they? Are they mainly males or females, or do you get an even mix of the two? What is their general age? Level of education? Are they students? Professional people? Do they come alone? As part of a group?

2. Where do they come from? Are they local, from interstate or overseas?

3. How did they hear about you? This is very important! Did they see advertising? (What? Where? When?) Were they referred to you by other customers? By the tourism authority?

4. What do they buy? What are your best selling items? Programs? Events? What things that you do have a special or different market to your main market?

continued

continued

5. How do they make purchase decisions? Why do they buy? Do they buy on impulse? Do they buy for themselves or as gifts for others? Do they buy in bulk (season tickets, a range of colours or sizes, etc.)? What do they ask about?

6. What price do they pay? What are your most popular price ranges? Do customers enquire about discounts (same day tickets, quantity discounts, etc.)? Do they pay by cash, credit card or lay-by?

7. How frequently do they buy? Are they regular visitors, season ticket holders or members of a supporters group?

8. What else do they do? If you can find out this information it is really useful. Do they combine it with other activities? What other interests, hobbies and arts interests do they have?

9. Write a brief summary of your audience (existing and potential) based on your answers to questions 1–8. You can then use this in Worksheet No. 8: Marketing Plan under point C. Analysis of Operating Environment.



COLLECTING INFORMATION

A lot of this information is very easy to collect. You can simply record it in a notebook, or if you have a computer reservation system for your organisation you can start building a database by collecting this information, then monitoring and updating it regularly. If you have the time to talk to your audiences or customers, then much of this information will be easy to obtain.

life scenes

A wood turner and his partner in Tasmania have a very successful small gallery and their customers, who enjoy watching work in progress, are provided with an atmosphere conducive to conversation.

The owners undertake two types of research. Twice a year for about two weeks at a time they conduct simple surveys (sometimes during school holidays or sometimes during summer, just to vary the time and to ensure that they cover a representative sample for the whole year).

In one survey they simply ask people: how did you hear about us? They keep a notebook on the counter and tick off boxes based on popular answers. For example:

- *from friends/relatives who have been here*
- *from the hotel/motel owner*
- *we have been here before*
- *a brochure*
- *a tour guide recommended we visit*
- *Tasmanian tourist brochures*
- *saw information on the trans-Tasman ferry*

The next fortnight they have a folder with clear plastic pockets. Inside are the front covers of all the various Tasmanian tourism and arts council brochures, booklets, etc.

They give the folder to people and ask them, 'Which of these publications did you use to plan your trip today?' They use actual examples because sometimes the names of the various guides are confusing, and people may not recall a name. But they generally recognise the front cover.

The gallery owners say it has saved them a fortune in advertising because they can identify exactly which publications their target audience actually use. When a salesperson comes in, they already know whether or not the publication appeals to their specific market, and therefore whether or not they want to advertise.

As you collect this information you'll be able to build up a customer profile which you can then compare with existing research from other sources.

Look for existing sources of information through your state and regional tourism authorities, State department of small business, State and local arts development officers and through local libraries. The Australia Council's publication, *Who's My Market? A Guide to Researching Audiences and Visitors in the Arts*, should also be helpful.

It is also useful to talk to others in your field and to compare results. Are you getting audiences or customers from places they haven't reached? Are they getting markets that could be yours, as well? There might be some opportunities to work together and expand everyone's business.

REACHING POTENTIAL NEW MARKETS

life scenes

1. The Victorian Arts Marketing Taskforce research into dance audiences uncovered some interesting information about women's attendance at ballet performances. The research indicated that there is a strong lifestyle pattern. Girls who are interested in ballet attend performances as youngsters. They may also take lessons and be quite committed. They continue to attend into their early 20s, even if the lessons cease.

Attendance drops off when they are older, especially if they get married, have mortgages to pay, or start raising a family. But when they again have discretionary time and money they 'return', rekindling their old interest. This is especially true if they have daughters of school age who are also becoming interested in ballet! Then the cycle starts again, with the new generation.

2. The Sydney office of SBS has achieved a partnership which is benefiting both SBS and Australian artists — both emerging and established. Because of its design and layout, the SBS office has a generous expanse of wall space which has now been offered to artists as a venue to display their work.

SBS has constantly changing exhibitions which fascinate and delight the many visiting international dignitaries and celebrities coming to the studio. Equally, artists — sometimes of the calibre of Boyd and Nolan, but also new, contemporary artists — present their work to an international audience of a type which might well generate further opportunities (for exhibitions, residencies, sales) in foreign lands.

The initiative has been so successful that SBS in Melbourne, although it has a much smaller suitable space, is planning a similar program.

Existing research on consumers is very useful for identifying potential buyers. By checking out the 'typical' buyer of visual arts, classical music performances, contemporary music programs, dance, or crafts, potential customers can be identified.

Factors which might impact positively on your ability to attract new audiences/customers include:

1. Increased awareness of art through popular State and national gallery exhibitions — blockbusters and special shows, leading to a general increase in information, curiosity and interest.
2. Extended leisure — an ageing population has more free time and is more financially secure. The large number of unemployed youth might also be a market, as might people who are working part-time.

3. A perception that cultural activities are a 'quality' or worthwhile leisure activity – which can be important to families trying to improve the skills and sophistication of their children, to couples and individuals trying to find a social 'niche' in which they feel comfortable and accepted, and to older people with increasing leisure time to pursue interests they didn't have time to explore when they were busy with work, families, etc.
4. Global interactions – an increase in awareness of Australia's position in the world art and culture scene (importing major London and New York musicals, Australian art exhibits travelling overseas and cultural exchanges).
5. A renewed interest in the enhancement of public space – the addition of art and sculpture to buildings, parks and gardens and city streets.
6. The increasing visibility of art and performance art – for instance suburban High Street galleries and shops, a proliferation of local art and craft markets and performing arts moving into country and regional areas for performances.
7. Increasing visibility of corporate sponsorship which means that major events are now often promoted on television and other popular media.
8. The media's interest in arts, performing arts and crafts – not just on arts programs or concert series, but on popular television programs such as gardening, home and lifestyle shows.

consider this

Which of the eight factors listed could be relevant to you in increasing your audiences/customers? How, specifically, might you take advantage of the opportunities presented?

List some other ways you could identify potential new markets.

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PURCHASE MOTIVATORS

Although it might be nice to think the only reason people attend your performances or purchase your work is because they are captivated by its artistic quality, reality suggests that we have to consider some other motivations as well.

Another way of classifying our audiences or markets is to think of them in terms of:

- art form devotees — people interested in classical music, jazz, modern dance, ballet, classical guitar, percussion or in art styles, e.g. Aboriginal art, watercolour, photography, expressionism;
- collectors — especially for visual arts, there are serious collectors who see their collections as investments, representative of periods, styles or particular artists. They may not always 'love' every piece in their collection, and as their tastes or financial circumstances change they may sell individual pieces to either realise their value or to improve the quality of the overall collection;
- hobbyists who appreciate professionals — people who have had some experience in playing an instrument, in having taken dancing lessons at school, or who enjoy painting or craft, appreciate seeing the work and skills of others;
- untrained but interested — people who have not taken lessons, and without a great deal of experience, but who are interested in, and enjoy, concerts, theatre, film festivals, art shows and craft exhibits;
- people with a purpose — individuals who have a specific reason for taking an interest in the arts at this time. For example, they are renovating a house and are interested in antiques, or they are redecorating and interested in art pieces which will fill specific needs, or they are attending a concert because they want to impress someone else, or be seen at the opening night;
- people who arrived 'by accident' — museums have long recognised that visitor numbers increase on certain weekends, not because people have suddenly taken a passionate interest in museums, but because heavy rain has made it too wet to go to the beach, the park or the gardens. 'Accidental' arrivals shouldn't be neglected. Someone who goes to a country arts show because friends are going may just possibly purchase a small painting and go on to develop an interest. What brings them to art in the first place is not as important as what happens during that initial encounter.

The opportunity to meet 'a real, live artist' or see someone working, or see their studio, or have someone explain the background to a musical work, or talk about the instruments, can have a very positive impact on these markets.

The more you know about target markets, the more you'll be able to locate the types of people who will be interested in your work — and the more successful you will be in earning a living from your art.

consider this

Of the types of customers listed above which would you define as your main audience/customers? Would you like to change this? If so, why? What could you do?



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KEY POINTS TO REMEMBER

- There are a number of places where you can obtain useful information to help you understand your markets. There are State and national publications and some excellent web sites to assist you in analysing the size of markets and the types of people who are especially interested in various arts forms.
- You can also gather your own information by observing people and asking simple questions. You do not need a sophisticated computer system, just a notebook will help you begin to develop your databases.
- It is also useful to talk to others in your field and compare information. There might be opportunities to work together and expand everyone's markets. It is helpful to review emerging trends and patterns in spending, leisure activities and corporate sponsorships to get ideas.
- People buy things for a variety of reasons (as investments, because they like the work, because they are furnishing a new home etc.). It is helpful to understand what motivates people to make purchases. The more you know about audiences and customers and what tempts them to spend money, the more successful you will be in earning a living from art.

UNDERSTANDING THE MARKETING MIX

CHAPTER OVERVIEW

This chapter will assist you to analyse the key elements of the marketing mix: your products (including both your main products and the ancillary things you do), your prices and the way you distribute your products or the place where your services are made available. The concept of positioning is explained and we discuss why people (you and those you work with) are a critical element of your marketing.

THE SIX PS OF ARTS MARKETING

You'll remember that we mentioned the six Ps of marketing earlier in the Guide. It's now time to consider them in more detail. These six concepts are often referred to as 'the marketing mix'. There are a lot of ways they can be combined – mixed – and that's what makes marketing interesting.

In Chapter 2, *The What?* – Reviewing the Principles of Marketing, we defined the six Ps as:

- product – what you offer;
- price – the cost of the item, or the ticket price;
- place – where the product is made available;
- positioning – the public's image and perception of the product;
- promotion – the way in which the public is made aware of the product;
- people – the providers of the product.

PRODUCT

The term 'product' refers to the specific things you do or make. It includes your art work, your performances, your repertoire. It is the film shown in a cinema, the music performed at a rock concert, the paintings, crafts, sculptures and textiles which are produced for sale.

There are a number of things to think about in relation to your products. What existing market demand or consumer need do they meet? Are there plenty of options or alternatives for people to consider? What is the quality level of your product? What are the features of your work that make it special or unique? Is your product a fairly established one (such as classical music performances), or is it a fairly new or growing area (for example, cyber-art)?

Core product

Products are divided into several types. The most important is your core product — another technical term for the main thing that you do. If you are a musician it is the music you play, if you're an artist it is the artwork you create. If you are a member of a theatre or dance company it is the plays or dance programs the group performs.

Extras

Obviously your core product is very, very important. But there are also other subsidiary things that can have a big impact on your success. In fact, sometimes these 'extras' are the difference between success and failure. For a theatre company it includes all the additional things that happen before, during and after the performance, such as the programs, the food and drink available, the quality of sound, the lighting, the comfort of the seats, the souvenir CD recordings and the merchandise sold.

While the core product of a gallery is its art collection, it is the building, the book and souvenir shop, the café, the education programs, the friendliness and knowledge of the guides, and the exhibition catalogues that support that core product. In this way, too, a festival's key events — its core product — are supported by the general entertainment, the amenities, security, and the timing of the program.

Presentation

For art and craft work it includes the packaging — the frame on the picture, the boxes in which purchases are packed, the way in which the items are displayed.

Many arts practitioners have learned that the presentation is almost as important as the product itself. Packaging not only protects your product, it also serves as an advertisement, and can offer consumers information. Notes on how to care for the item can be included, as can information on the background of a piece, which can make it more interesting and enjoyable.

life scenes

It is worth taking time to browse through a catalogue such as the J. Peterman Company's Owners Manual. (Does that name sound familiar? Seinfeld fans will immediately recognise the name of Elaine's employer — but not a lot of people realise there really is a J. Peterman Company.) The owner started out with just one product — a canvas horseman's coat which was advertised in highly targeted publications like the New Yorker.

The catalogue became popular not just because of the merchandise, but because of the idea of offering products with a story behind them. A hat similar to one owned by Hemingway, a tugboat sea captain's sweater, a David Niven style blazer, a Gatsby period shirt, a long skirt like the one worn in Out of Africa. Peterman's philosophy is, 'People want things that are hard to find. Things that have romance, but a factual romance, about them'.¹²

¹² Faith Popcorn and Lys Marigold, *Clicking*, HarperCollins, New York, 1996, p. 88.

Personalisation or individualisation of products can increase their sales potential. Generally speaking, people are willing to pay more for unique experiences or 'one of a kind' items, limited editions or numbered prints.

When considering your product, also think in terms of product changes or improvements – and think not just in terms of your core product, but all those subsidiary things, as well.

Some people buy products for utility, some for convenience, some for decoration. Some people attend performances to be entertained. Some want to see something new. Others prefer to revisit something familiar and comfortable, or see something traditional interpreted in a new way. Or they seek to be challenged, or educated or amused. And some people go along to be seen, to be with friends, or to do what they think others are doing – so they'll be able to talk about the same things. You must understand the link between your products and your market.

At this point we need to restate something important: *a product is an item which has been produced to be sold*. It is developed and put in the marketplace to be purchased and used – or owned and enjoyed – by someone else.

For the producer (that's you) this means business. If you produce things that are not designed for the marketplace, that's fine. They may be things for your personal collection, or a showpiece, or something you do as an experiment, or something you do for your own enjoyment. But if you expect to be paid for your work or your performance then you need to be aware of the marketing environment. The product will have to meet a need – at some level, for some person, at some time. You should be able to identify that need and that potential customer.



WORKSHEET 4

analysing your product



Analysing your product:

1. What is/are your 'core' product(s)? (For example, traditional landscape oil paintings, or contemporary dance performances, or wildlife murals. There may be more than one.)

2. What are the key features of product(s)? (For example, quality, size, materials and/or repertoire.)

3. How do these features provide benefits for potential buyers? What are the benefits? (For example, exposure to new concepts, to artworks which complement a home filled with antiques, and so on.)

continued

continued

4. Are there any other possible uses for the product/service? Any other potential buyers who might use the product/service?

5. What are the ways in which you supplement or add to it? (For example, venue, services, packaging, presentation.)

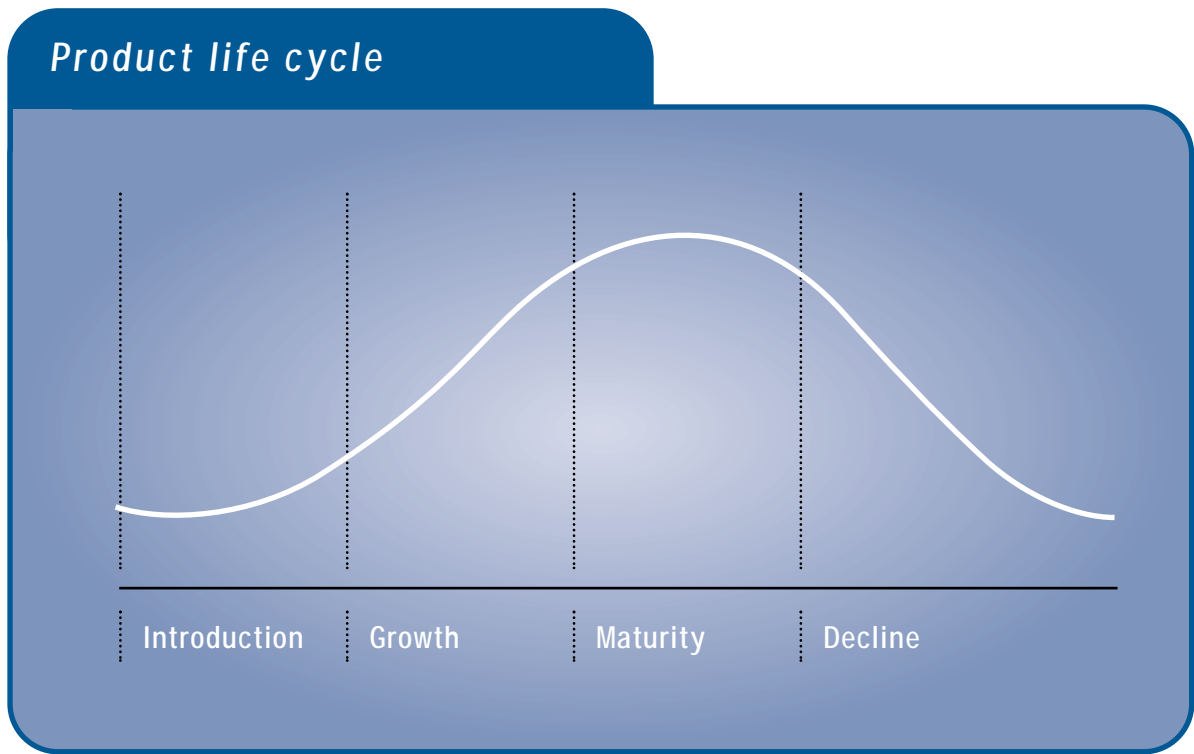
6. How else could you enhance the appeal of your product(s)?



The product life cycle

One interesting thing about products — and careers — is that, like people, they have a defined life cycle. They are born, grow up, mature and, if they are not carefully monitored and managed, eventually die.

A product life cycle looks like this:



In the early stages of development it can take time to gain awareness or acceptance of a new art form or particular style. It means doing everything you can to be seen, heard and recognised. A lot of time and effort needs to go into publicity and promotion, as well as building a reputation and gaining credibility. This is complicated by the fact that, in these early stages, prices are often low because people don't know how to 'value' something — or someone — new.

As acceptance grows, often through publicity or being 'discovered', more and more people want to buy (see, hear) and prices increase. There is a lot of money to be made at this time, but it often requires putting in a lot of effort to increase your profile and output.

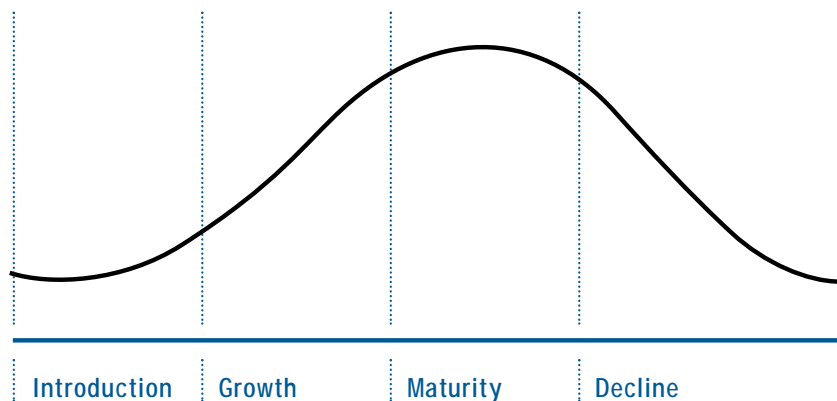
Later, as popularity increases so, too, do the number of competitors and imitators, which can start to have a negative impact on both popularity and prices. If you can maintain your competitive edge — your quality, style, uniqueness, your 'name' — then all will be well. As products settle into the mature phase of the life cycle they can last a long while (Old Masters' paintings, Baroque music) or they can just, well, sort of disappear.

Careers have a starting point, a period where they begin to grow and hopefully a period of stability, success and achievement, which can go on for many, many years before a person begins to either reduce their workload or retire.

Sometimes, because of illness or injury, a promising career can be cut short; for others, the development period goes on for a very long time before a level of 'career maturity' is reached. For others, success — or 'burnout' — comes rapidly, and the whole life cycle seems somehow compressed.

consider this

Thinking about you and your work, where would you put yourself on the product life cycle pictured below?



Why did you plot yourself at that particular point along the life cycle line?

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PRICE

Setting the right price for your product is important. Unfortunately, it is also one of the hardest things to do. In theory it sounds simple:

$\text{Selling price} = \text{your costs} + \text{your required profit}$

In practice it can be difficult to really understand the terms 'costs' and 'profits'.

We need to say this up front: you're probably going to need either the help of a business adviser or an accountant or, if you're clever with numbers and fairly comfortable with your business skills, a good accounting or business software package. You'll also benefit from expert tax advice, both in terms of your normal tax obligations and the impact of the GST.

Spending some time (and money) with a professional at the outset will help you learn to organise your record-keeping, and take you carefully through the exercises we'll describe here, so you really understand what it costs to do business, and what type of return (profit) you can realistically expect to make.

The goal of pricing is to set a price at which you make money and the buyer receives value for their purchase. If you don't make money you won't be able to stay in the arts very long. If you don't give value for money, customers won't come back – and again, you won't stay in business very long.

Costs come in three broad categories:

- Fixed costs (sometimes called non-variable costs) are costs that remain the same whether or not you are working or your organisation is putting on exhibitions or performances. These costs are related to the actual operation of your business; for example, rent, utilities, heating, cleaning, repairs, insurance. You have to pay them whether you produce a lot or a little.

Because the amount of a fixed cost is constant it decreases as the volume of activity increases. For example, if you produce two plays a season your fixed costs have to be divided between the two productions. If you produce four plays a season your fixed costs per play are divided by four, which means although the total fixed cost stays the same, it is spread across a larger number of productions.
- Variable costs vary, in total, directly and proportionately with the volume of work you do. If your sales double, then your variable costs will also double. A common example of a variable cost item is materials cost. Another example is postage (the more letters you send, the more it costs) or fuel (the more you drive your car, the more fuel you have to buy).
- Labour costs have to be considered for any staff or other assistance you have, but even more importantly, you have to cost your own time. Many people are prepared to 'earn' less in the arts than they might in another job, because they are committed to their creative work. This is a personal decision, but don't forget, it is also a business decision.

Labour costs, for some sectors, are fairly easy to calculate or estimate. Although the 'sky is the limit' there are minimum award rates in some fields. In others, there are some industry standards and averages. They can act as a starting point for considering labour costs.

Calculating costs and setting prices if you are an artist or craftsperson

If you are a self-employed artist or craftsperson you need to calculate your fixed, variable and labour costs. It is a fairly straightforward exercise to list your business's fixed costs and to calculate your variable costs (costs of the materials you use, packaging, postage, etc.). It can be more challenging to come up with a cost for your labour. One good starting point is to determine an hourly rate to charge for your work.

How do we calculate our own labour costs? There are several methods. One is to think in terms of the minimum wage (or the equivalent amount of unemployment benefits) at the low end of the scale. You can also check with the Bureau of Statistics to see what the 'average wage' of people in your sector of the arts is, and use that to work out an hourly rate.

It is sensible to calculate the amount you actually need to survive. This is done by deciding on the annual income you need (or want — but be realistic!). A simple budget, which looks at your personal fixed and variable costs, would be useful. How much do you spend on rent/mortgage payments, rates, telephone, utilities (water, electricity, gas), food, clothing, transport, health, education, memberships, superannuation, savings and loan repayments?

In addition, how much do you spend (or feel you should allow yourself to spend) on extras and the 'pleasures' of life — entertainment, travel, going to seminars, holidays? By calculating a budget you'll have an idea of what it costs you to live on an annual basis, and you can then break that down into an hourly rate.

CALCULATING AN HOURLY RATE

Let's assume you have calculated your annual living costs and the amount of extra money you would like to have, and come up with a figure of about \$35,000 per year.

The total number of chargeable (working) hours a year are:

weeks per year 52

LESS public holidays, sick days and annual holidays. 6

TOTAL working weeks. 46

*Working five days per week, six hours per day is equal to 30 hours per week**

30 hours per week for 46 weeks = 1380 hours per year

\$35,000 per year divided by 1380 hours = \$25.00 per hour

** Remember, these hours might be fine for a craftsperson or an artist, but a performer will have considerably fewer 'revenue-producing' hours per week!*

Now you need to calculate the costs of running your business. Again, there are both fixed and variable costs – rental or purchase of office equipment (computer, fax machine, photocopier), service provider charges for the Internet, advertising, the costs of your stationery, power, utilities, postage, advertising and promotions etc. You may spend \$5,000 per year to run your business. Calculated on an hourly basis that adds about another \$4 per hour to your costs (\$5,000 divided by 1380 hours).

Let's assume that your direct costs for materials, including packaging, labels and so forth, can be calculated per item. It may mean that you can calculate your costs fairly simply. If it costs you \$10 in materials to create a painted ceramic tile, you calculate the number of hours you spend, plus the costs. If it takes two hours then the costs are \$50 for your time (2 hours x \$25 per hour), \$8 to cover your business operating costs (2 hours x \$4 per hour) and \$10 for materials. You should sell it for \$68.

Now it's time to think about the reality of the situation. If you want to earn \$35,000 a year, and the painted ceramic tiles you make take two hours each, you will have to make (and sell) 700 a year to earn your desired income. How do you feel about that? Is it achievable? Is it realistic? Will it make you feel like a machine? Would you find it a creative challenge? Or do you really think the pressure of turning out that quantity of work would be physically and emotionally exhausting? Perhaps it would be a good idea to look at a variety of work (painted ceramic tiles, china painting and watercolour work). You'd then need to calculate your costs for each type of work and see what balance would be both financially and artistically rewarding.

If you decide it is feasible to do 700 painted ceramic tiles a year, then it will be worthwhile investigating the opportunities for producing in batches, bulk orders and the economies of scale. You may be able to buy tiles in bulk direct from the manufacturer (as long as you have somewhere you can safely store them), and bulk buy your other materials. You may also be able to purchase things you need through a co-operative. Such savings will significantly lower your costs for producing each item, and lower costs mean the potential for increased income.

When determining your costs – and your prices – keep in mind that if you are selling to a gallery or a retail outlet, the mark-up may be as much as 50–100 per cent. Therefore your \$68 product may cost a customer anywhere between \$100 and \$136.

Look around – visit galleries and retail outlets to see what the price range is for the type of work you are doing. If the average price of work being sold in galleries is similar to your costs/price estimates, you can feel confident that you are at least competitive in price. If, however, you calculate that you'll need to charge a gallery \$68 for your tiles, and similar tiles are being sold in the gallery for \$70, then there could be problems.

life scenes

When Jan was retrenched from her public service job she decided she'd like to turn her hobby into her job, so she signed up for a 'New Futures in Small Business' course at her local adult education centre.

On the first day of her course when everyone was asked to explain their business idea she told of her plans to make and sell découpage eggs. She had even brought a few along to show everyone. They were most impressed. In fact, she sold all the eggs she brought in — one to the lecturer and four to other class participants. She charged \$25 per egg, as she had been doing when she sold them at craft markets.

Over the next few weeks, as the class worked their way through costings and marketing, it became very clear that Jan had some major problems. The culprit was the time involved (she was applying 25 finishing coats to each egg, which was what gave them their lovely lustre, but took a LOT of time). When she calculated her fixed, variable and labour costs and the number she could produce, using a simple cost-plus pricing system the eggs costed out at \$55 each. If they were going to be sold in retail outlets, that meant the final cost would be \$80–\$100. As she checked prices she discovered that the average price for work she considered comparable was about \$40.

After considerable soul-searching (should she reduce the quality of the materials? The number of finishing coats? etc.) she decided she didn't want to change the quality or processes. She also realised that she had never really taken costs seriously into account when it was a hobby. After considerable discussion within the group she decided that this would not be the way to earn a living.

It was disappointing, but the story still has a happy ending. The lecturer approached her about teaching découpage at the centre, and she has now been teaching at four different centres for three years. She does beginners and advanced classes, and she and the students have two exhibitions per year where they sell their products — at cost plus 15 per cent.

One word of advice here, if you're a writer or composer, setting prices so that you recoup all your costs won't be quite so easy. The sad truth is that sometimes it takes months or even years to complete a symphony or novel, and the return you get on it won't come anywhere near actually compensating you for the time, effort and dedication involved in producing it.

Certainly there are times when a writer — or composer — 'hits the jackpot', but often they really do need to rely on income from other sources to keep them going, and must consider the profits from writing or composing a welcome and well-deserved bonus which supplements the 'recognition' of being published or having works performed.

Calculating costs and setting prices for arts organisations

Arts organisations need to undertake similar exercises to calculate their costs and set prices. Determining costs is usually not the difficult part of the equation. Fixed costs (rental of premises, utilities, office equipment, stage equipment, insurance) and variable costs (costumes, copyright permissions, advertising, programs, production costs) can be calculated quite accurately. Labour costs, too, can be determined (permanent, part-time and casual staff for the organisation, performers and technicians, security personnel, cleaners, ushers, and volunteer-associated costs such as insurance).

Setting prices, however, can be a challenge. Deciding what services you will charge for, and how much you charge can be difficult. It will be important for the organisation to consider its mission and goals, but also the need for ongoing viability.

life scenes

The Ran Dan Club is a Perth-based community arts association. They rely on project-based funding and have no premises other than the homes of collective members.

As a mature organisation Ran Dan has identified a need to become more professional in marketing itself and undertaking project work. In the past it would probably have charged only petrol money for travelling to a regional destination and consulting with a local council or festival board about the kinds of community cultural development projects that might be appropriate for a community; now it charges a daily rate for such work.

*'I don't know what the answers are', says Lachlan McDonald, a Ran Dan member. 'We've gotten really hard about what we can and can't achieve. We try to look at it now a bit more like a commercial model. Basically we've just started to place a more realistic financial value on our skills.'*¹³

For performing arts groups, working with programs and in theatres or concert halls, it is easy enough to calculate ticket prices.

¹³ Lachlan McDonald, *The Ran Dan Club, Not a Puppet*, Australia Council, 1997, p. 15.

CALCULATING COSTS/PRICES FOR PERFORMANCES

Let's assume you've calculated that it costs \$100,000 per year to run your organisation (fixed costs) and to meet the labour costs of non-performance staff. You run six three-week performance seasons per year in a theatre that seats 200 people.

Each production costs \$50,000 to stage and promote (your variable costs).

The total number of seats you can sell per year are:

200 seats x three weeks per program x eight performances per week (six nights and two matinees) x six programs per year = 28,800 seats per year

Fixed business costs are\$100,000

Production costs are\$300,000

Total costs are\$400,000

Costs of \$400,000 divided by the 28,800 seats = \$13.88 per seat.

In theory, if you filled every seat at every performance, and charged a standard seat price of \$13.88 you would meet your costs.

However, in reality, pricing usually isn't that simple or straightforward. You may want to subsidise costs — or provide free admission — for certain community groups, for students or for other artists. Performing arts groups have learned the value of looking at various pricing alternatives which can address social equity issues as well as identify opportunities to earn profits.

Pricing options

Flexible pricing — means setting different prices for the same 'product', according to customers' willingness to pay. For example, you can charge more for seats in the front rows, or in the first few rows of the balcony than for seats at the back of the theatre. You can also charge more for Saturday night performances than for Wednesday matinees. You can charge more for weekends than weeknights, during holiday periods, on opening and closing nights, and for performances on major holidays. You can also offer student prices, special prices for children during school holidays, etc.

Discounting — encourages purchases at particular times or in quantity. You may offer a discount for season tickets, or discounts for people who buy 'space available' tickets at the door immediately before the start of the performance. You can offer discounts to people who book and pay well in advance, or for people who attend rehearsals rather than full performances.

Value adding — in some ways the opposite of discounting, is a strategy where you provide something extra for customers who pay the normal price, such as a lecture before a performance, or a complimentary program, or coffee or tea at the interval.

Product packages — offer a combination of products and services; for example, valet parking, complimentary champagne at interval and a program at a premium price.

Usually the price should be slightly less than it would cost the person to buy each element separately. If valet parking is \$15, champagne is \$6, the program is \$12 and the ticket price for the performance is \$50 (a total of \$83), you could sell a 'theatre package' for \$80. (The advantage to you? Well, not everyone who comes will use valet parking, buy champagne and a program. By encouraging the package deal, you increase your sales in these areas.)

An art gallery could use packages to enhance a special exhibition; for example, packaging admission to the exhibition with a lecture by the curator, a catalogue and wine and cheese in the member's lounge (which would also be an ideal time to promote membership).

Competitive pricing — requires that you know what your competition is charging. But it is a mistake to assume that if the competition has decided on a certain price they must know what they are doing, and if you follow suit you should be right. As we have seen, there are a lot of factors which affect costs.

Your competition, for example, may have advantages you don't know about, such as subsidised or free rent for their premises, sponsorship for office equipment or printing, or access to discounted supplies. If you try to price yourself in the same way, you'll soon run into trouble since you don't have these advantages. It can be a useful benchmark for what's happening in the industry, but an unreliable method to use on its own.

CASH FLOW

One last thing about pricing and budgets. Not only is it important to ensure you have considered all your costs, and the money you need and want to make from the business, it is also important to think in terms of cash flow. This is another technical, but very important term, and it refers to ensuring the money is there when you need it.

Many of your bills come in at predictable times, for example, rent or mortgage repayments are monthly, motor vehicle registration is annual. Most people buy groceries on a weekly basis. You may have to outlay money prior to creating something; for example, buying canvases, paint and brushes before you can produce a picture.

It could take weeks — or months — to complete a painting, put it into a gallery, have it sold and receive payment. You need to ensure you have the money you need to live on, and to buy more paint and materials so you can keep on producing.

The next stage is to work out a monthly budget estimating outgoings and income and identify times when you may be flush with funds, and when it will be very tight. It will help you to remember to plan for the slow times, and it will also identify periods when you may need to rely on bank overdrafts or savings.

There are a number of software packages available that can assist with cashflow and budgeting. Alternatively, you may like to draw up a simple spreadsheet for this purpose.

PRICING CHECKLIST

For individual arts practitioners:

- Your fixed costs — basic, set expenses.
- Your variable costs — for each unit/type of work you do.
- Your labour costs — if you have assistance/staff.

- Your tax obligations – both general and in terms of the Goods and Services Tax.
- Your hourly rate – to meet your costs.
- Your unit price(s) – for each type of work you do.
- Your workload – how many units/items will you need to produce to meet your costs?
- Your capacity to meet your projected workload – be honest and realistic about this!
- Is there an opportunity for economies of scale?
- Your prices – what you will need to charge per unit/item?
- Is this price realistic – in terms of competition, additional distribution/handling charges?
- Is there an opportunity for flexible pricing?
- Is there an opportunity for value adding?
- Is there an opportunity for packaging?
- Have you calculated your cash flow and addressed any potential problem periods?
- Have you sought assistance from someone who can give you appropriate advice and guidance?

For arts organisations:

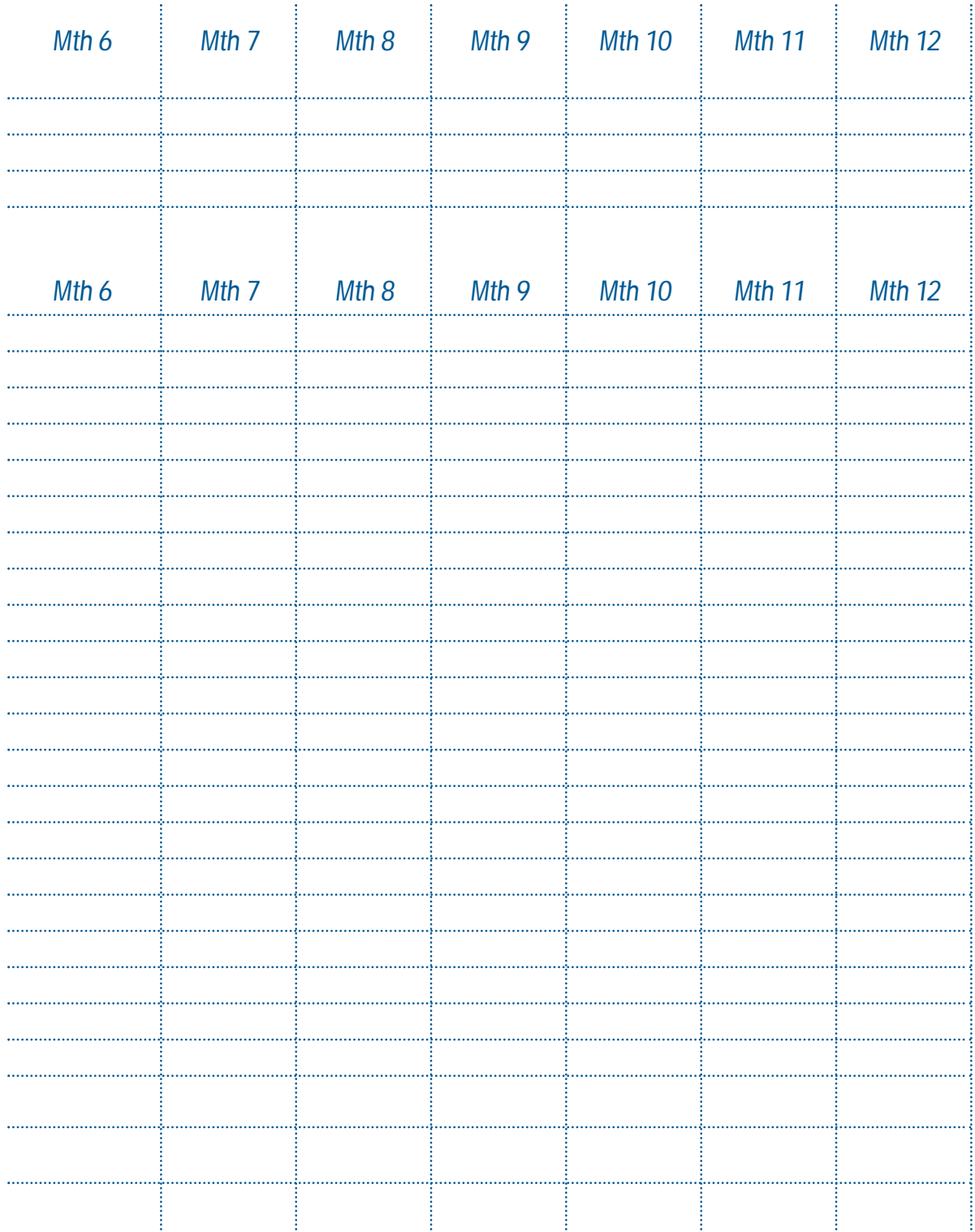
- Your fixed costs – basic, set expenses.
- Your variable costs – for each type of work you do/each production.
- Your labour costs – full-time, part-time and casual staff (and the costs of managing and using volunteers).
- Your tax obligations – both general and in terms of the Goods and Services Tax.
- Your prices – what you will need to charge per activity/product/performance?
- Your workload – is the number of projects, performances, etc. realistic and achievable?
- Are your prices realistic – in terms of your markets and your competition?
- Is there an opportunity for flexible pricing?
- Is there an opportunity for value adding?
- Is there an opportunity for packaging?
- Have you calculated your cash flow and addressed any potential problem periods?
- Have you sought assistance from someone who can give you appropriate advice and guidance?

cash flow forecast for one year

<i>SALES & OTHER INCOME</i> <i>(Cash inflow)</i>	<i>Mth 1</i>	<i>Mth 2</i>	<i>Mth 3</i>	<i>Mth 4</i>	<i>Mth 5</i>
Cash Sales					
Debtor Collections					
Income from Other Sources					
TOTAL INFLOW					
<i>PAYMENTS</i> <i>(Cash outflow)</i>	<i>Mth 1</i>	<i>Mth 2</i>	<i>Mth 3</i>	<i>Mth 4</i>	<i>Mth 5</i>
Stock Purchases					
Accountant					
Advertising					
Bank Fees & Charges					
Drawings					
Electricity/Gas					
Freight					
Insurance					
Interest Paid					
Lease Payments					
Loan Payments					
Motor Vehicle Expenses					
Postage					
Rent & Rates					
Repairs & Maintenance					
Stationery & Printing					
Superannuation					
Tax Provision					
Telephone/Mobile					
Wages					
Sundries					
TOTAL OUTFLOW					
<i>OPENING CASH</i>					
<i>NET SURPLUS (DEFICIT)</i>					
<i>CLOSING CASH</i>					



5



PLACE

Knowing where to make your products or performances available is also important. Is your most viable location a busy tourist town on the waterfront where there are a lot of tourist shops selling a range of souvenirs? Would your work sell better in a High Street gallery? Should you consider being involved in community shows or co-operative showings?

Is your performance geared to a traditional theatre where you have access to sophisticated electronic equipment, sound and lighting and qualified technical staff? Or is your experimental work suited to a converted loft or open-air venue?

Issues to consider include:

- Location:
 - type of area
 - transport and parking
 - public safety
 - accessibility (for your identified markets)
- Premises:
 - age/state of repair
 - character
 - facilities (for performances)
 - amenities (for audiences)
 - cleanliness
 - maintenance
 - security
 - disabled access
 - overall appeal (to your identified markets)
- Display and merchandising:
 - quality of fittings
 - layout
 - lighting
 - security
- Management:
 - marketing and promotions strategies
 - staff knowledge and training
 - payment policies
 - service levels
 - honesty/record keeping

Your venue should be accessible and appealing to your target market; for example, Sunday markets or country markets for arts and crafts, or special exhibitions in historic homes, in conjunction with events such as garden shows.

The venue becomes part of your product — it is an essential element of the supplementary aspects of it. It should enhance the experience, not create a situation where people have to be so determined or committed that they are prepared to 'suffer' to get to your products or performances.

Keeping track of attendances or sales in relation to venues can be very useful market research. Check to see which galleries get the best numbers and the best buyers through. Which craft markets attract the most buyers? Which venues attract the biggest audiences? What comments do people make about your location?

POSITIONING

Products can be perceived by buyers as elegant, simple, exotic, unusual or 'in your face'. Performances can be considered sophisticated, energetic, classic or experimental. Positioning refers to the image you create for your work. You can position yourself and your work by appearance, by location, by price and by promotion.

It is vital to decide how you want to be perceived, since a lot of marketing decisions will flow from that decision. If you want to be seen as a designer with a flair for the contemporary, you will promote your work to *Vogue Living*. If, however, you are aiming for a sense of period quality, made-to-last tradition, then *Country Living* will be a more appropriate promotion medium.

Do you want to position yourself as part of the mainstream art market, or would fringe festivals be more appropriate?

The choice of location, promotions, even packaging will depend on the position — the image — you seek for your work. It may even affect your personal presentation, e.g. traditional formal dress for an evening performance by an orchestra, followed by an afternoon school concert in casual clothes. What you say about yourself and your work — the way you dress, the people you associate with, the places you go, the messages you send — are all ways to position yourself and your product.

life scenes

Northern Rivers Performing Arts (NORPA)'s General Manager Liz Fraser, describes her local Lismore area (population approximately 45,000) as ranging from 'the conservative to the alternative lifestyle community, from young ferrets to New Agers, from old hippies to government employees and academics. Lismore is also cosmopolitan, with large Italian and other non-English speaking background communities'.¹⁴

NORPA manages community arts venues, provides ticketing services throughout the region, and also mounts its own productions, so it has been important for it to develop a brand image and position for its own productions. The position it has chosen for itself is that of a company which is:

- adventurous, yet solid;
- risky, yet accessible;
- a leader, but not complacent.

NORPA consistently labels its own work, using a logo so people will know which productions have the NORPA 'seal of approval'. They promote themselves through celebrity endorsement, links with television and local universities, national media coverage, and the use and development of local talent and accessible pricing.

¹⁴ 'Finding the right position in the market place', *miles ahead, arts marketing that works in regional australia*, Australia Council, 1998, p. 32.

PROMOTION

Promotion refers to all the ways you let people know about yourself and your work. It includes both paid and unpaid activities, advertising, personal appearances, competitions, media releases, speeches, demonstrations, teaching, and the way you interact with audiences, sponsors, promoters and peers. It's so important it deserves a chapter of its own – promotion is discussed in considerable detail in Chapter 11.

At this stage it is just necessary to remember that promotion is an important part of the marketing mix. While some people consider it the most important part (and the most fun because it includes all the 'bells and whistles' of advertising and publicity) it really is just one of the six Ps, all of which have to work together for marketing success.

consider this

Thinking about yourself and your work: what are you saying in positioning terms about yourself and your work in the key areas of appearance, place, price and promotions? Are you happy with that, or would you like to change anything?



PEOPLE

'People', of course, refers to you or your organisation. There is no doubt that your success is going to depend, very much, on your commitment, your skill, your willingness to do the extra things necessary for success. Arts is a competitive field, and talent alone is no guarantee of success.

For most people in the arts, it's generally advisable to adopt a professional and accommodating image.

You might have even more success, for example, if you're prepared to do readings, or speak at a writers' festival, to work as an artist-in-residence, or to mentor others through master classes. Working with the media, being available on time for interviews, and working professionally with agents, festival organisers and publicists will probably pay off, too, in the long run.

If you're part of a larger arts organisation, you'll want to consider the training levels, professionalism, friendliness and efficiency of your staff, their willingness to assist and answer questions, and their ability to relate to your target audiences. Although, thinking about it, that's not a bad personal checklist, either.

consider this

How would you assess yourself or your organisation in terms of 'people skills'?



1. *Communications attitude — willingness to talk to, be involved with:*

- *audiences/customers*

- *promotions and publicity activities*

- *teaching/master classes*

- *students and young people*

- *industry peers/networking*

- *funding and sponsorship*

- *business people (bank manager, accountant, etc.)*

2. *Communications skills — ability to talk comfortably with others, to explain yourself, to discuss issues or ideas clearly and concisely.*

3. *Knowledge (understanding of art forms, background information, technical information).*

4. *Customer service attitudes (empathy, friendliness, ability to anticipate needs or questions).*

5. *Ability to handle difficult people, difficult situations*

KEY POINTS TO REMEMBER

- A product can be divided into several elements: the *core product* (the main thing that you do); the *extras* (the venue, the souvenirs and programs); the *presentation* (packaging, picture frames). Generally people are willing to pay more for unique experiences or 'one of a kind' items.
- The product life cycle is a way of thinking about your products in terms of their stage of development — ranging from a new product or program right through to something which has been around a long time, and is taken for granted. How you promote, package and price your product is influenced by its stage in the product life cycle.
- Pricing is an important element of your business. There are many factors which need to be taken into account and it is important to think through pricing carefully and get good advice.
- Knowing where to make your products or performances available is important. Venues become a part of the product and can affect visibility, image and overall success.
- Products can be perceived as elemental, simple, exotic, unusual or traditional. Positioning refers to the image you create for your work. You can position yourself by appearance, location, price and promotion.
- Promotion refers to all the ways you let people know about yourself and your work. It includes a range of paid advertising, but also a range of 'free' activities including publicity and public relations.
- People skills, and the ability to relate to the public, can be an important component of success.

CHAPTER OVERVIEW

This chapter looks at the aspect of the marketing mix that is most familiar to people — promotions. You will learn about the major types of paid and unpaid publicity, and the way in which direct marketing is being used in the arts. We'll also examine the advantages and disadvantages of various types of promotions and discuss setting a promotions budget.

PROMOTIONS — THE BELLS AND WHISTLES OF MARKETING

Promotions are often considered the 'fun' side of marketing. It's where you get to be creative with ideas, develop promotional materials, and let people know you're here and you're good.

There are some excellent publications that will help you with the detail of planning and preparing publicity and promotions. Look for *The Art of Self-Promotion* series, originally published by Allen & Unwin in association with the Australia Council, and now available at bookstores ¹⁵. There are four: *Successful Promotion by Dancers and Choreographers*, *Successful Promotion by Musicians*, *Successful Promotion by Writers* and *Successful Promotion by Visual Artists and Craftspeople*. They are short, well-written and full of useful suggestions.

No two people will develop the same type of personal promotions program, but there are common elements.

There are six things to keep in mind when planning promotions:

- Who do you want to speak to?
- What do you want to say?
- Where is the best place to say it?
- When is the best time to send out your message?
- How much should you spend?
- How will you know if they've heard you?

No-one ever has an unlimited budget for promotions, so it is important to be as effective as possible, in terms of money, time and effort expended.

¹⁵ Please see the recommended reading list at the back of this Guide.

consider this

What types of promotions do you currently do? How effective have they been? Is there one thing that has worked better than others? How do you know what worked and what didn't?



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WHEN DO YOU START PROMOTING?

One of the most important things about promotions is getting the timing right. When, in your marketing program, do you actually start promoting? The simple truth is that effective promotion begins after — and only after — you have all the other Ps in the mix completed.

In other words, you don't start promoting yourself until your product is right, your pricing makes sense, you've got the right venue for your work or your performance, you've positioned yourself and you are confident the 'people skills' are in order. Then it's time to start 'blowing your horn'. If you promote before you're ready, you run the risk of disappointing your customers, and of creating ill will rather than good results.

PAID AND UNPAID PROMOTIONS — THE DIFFERENCE IS NOT JUST THE COST

Promotion takes many forms, but it is generally divided into four broad categories:

- advertising;
- direct marketing;
- publicity;
- public relations.

The biggest difference between the first two and the last two is in terms of cost and control. Advertising and direct marketing are **paid promotions**. Publicity and public relations are **unpaid**.

When you pay for advertising or do direct marketing you have a very high level of control over the work. As an advertiser you pay to send out your message, and that means you have the right to select the medium that will be used (radio, television, newspapers — even skywriting, if you like). You also have control of the message — what it says, what it looks like, and the time, location and number of appearances of the advertisement.

If you decide to use broadcast media (radio and television) you have total control over the script, the setting, the contents and all the elements of production, as well as final choice about which radio or television stations to broadcast on, on which days, at what time and how often.

However, all this control comes at a cost. You pay for design, you pay for making the ad, you pay each time it is run. This can get very expensive.

In contrast, publicity and public relations carry no guarantees. You send in your media release, you organise an event and then you keep your fingers crossed. If all goes well, you could end up with coverage in major media — articles, photos, interviews — all of which generate interest and enthusiasm for your work. Publicity can get you more coverage than you could ever afford to pay for if you were buying advertising space.

But there's always a chance that the information will never be picked up and used, and an even worse risk that what appears will not actually be what you wanted (a very critical review, for example).

consider this

Can you recall any situations where publicity has backfired or been extremely negative? Perhaps it hasn't actually happened to you, but to someone you know.

What about a situation where something very positive has come from a publicity activity?

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ADVERTISING

Paid advertising usually provides information which the public needs to make a purchase decision. It can include details such as performance times, location, costs, booking numbers and the performers involved. For visual arts it can include information about the opening times of exhibitions, the location and the artists involved. It can also be good to supplement the paid advertising with free publicity (which might include stories about the background of the work or the artist, for example). For paid advertising the main media include:

Print

Newspapers provide almost immediate coverage, and specific sections (and days) target arts audiences. People turn to them for information on venues, performances, bookings, etc. While colour can be used, it can be expensive and photo reproduction is not always of a high quality. Magazines, trade journals and special interest publications can reach very specific target audiences, and usually have very good colour reproduction capabilities, but they require longer lead times and are usually more expensive than newspapers. Prospective customers can cut out and save material, and information and guidebooks tend to have a long 'life span'. Print media is very, very popular for arts advertising.

- Newspapers (daily and weekend papers, regional and community papers, and specialist papers, such as *The Weekly Times* and the *Rural News*).
- Magazines (general and special interest).
- Trade journals and association publications .
- Special interest publications (magazines or newspapers catering for specific hobbies).
- Community arts publications and guidebooks.
- *Yellow Pages* and other telephone directories.

Broadcast media

Many people believe that radio and television have the highest media profile. And certainly both reach a very big audience. But the actual audience depends on the station, the time of day and the specific programs. Products with very limited niche market appeal may not find broadcast media a cost-effective way to promote.

Costs for both creating the advertisement and running it 'on air' can be expensive (although radio is cheaper than television and can provide opportunity for some very creative ads!) Video, film and Internet production costs can also be very high.

Generally speaking, a good advertisement needs 'exposure' (the number of times people see and hear it) to be effective, and each exposure costs money. Unlike newspapers and magazines, it can be hard for potential customers to 'save' a broadcast ad. On the other hand, if your product is full of sound, light, movement and colour, then broadcast media may be worth the extra costs to enhance your promotions.

- Radio
- Television
- Film
- Video
- Internet

Display advertising

Almost synonymous with the arts, the production of posters and handbills, billboards and other display materials is popular both for promotion and as a way of earning revenue through sales to fans, collectors and the audience. They can be cost-effective to produce, and although care must be taken to ensure they are legally distributed and displayed, they can create a strong impact.

Displays can also be effective, both at the site and at places where the target audience are likely to be found. It is important to watch costs, as they can escalate dramatically when using various materials, finishes, etc.

- Posters (on site or at other locations).
- Billboards (inside or outside, on site or at other locations).
- Information displays (e.g. airport or tourist centre signs).
- Window displays and display cases.

There are advantages and disadvantages in each form of advertising media. The choice of which media to use depends on your message and the audience you want to reach.

DIRECT MARKETING

Direct marketing is defined as any form of marketing that takes place directly between two parties. Although the most familiar form is direct mail (an arts organisation sends a concert series program directly to a past subscriber), it includes other forms of direct contact, such as telephone marketing (called telemarketing) and even e-mail and the Internet.

Direct marketing includes the use of giveaways, competitions, discount coupons or flyers handed out at shopping centres (again, you'll need to check on regulations and get approval) and catalogue selling, which is becoming more and more popular. It also includes offering products to people when they are at your premises, such as programs for theatre goers or CDs of performances – all made available at the venue so that the customer has direct access to them. Direct marketing means handing out information about the next program to people as they are leaving the current program, or giving them information about other products or activities which might appeal to them.

The use of direct mail is becoming increasingly popular in the arts and entertainment sector. Many arts organisations have some type of 'loyalty' program for customers, offering subscribers or sponsors special privileges, direct mailing them opportunities for pre-booking popular events, and generally seeking to build an ongoing relationship with a customer through regular one-on-one contact.

You can also purchase mailing lists from commercial mailing list organisations. There are a number of companies which compile mailing lists and can provide assistance with reaching various types of audiences. (Look up direct marketing – mailing lists in the *Yellow Pages* for details of the organisations in your area.)

By keeping track of ticket buyers, customers, subscribers and donors, organisations – and artists – you can develop a **database** which can be very useful. A database is more than a mailing list; it includes detailed information on what people are interested in and what they buy. A good database can help an artist or an arts organisation give customers access to information which is of genuine interest to them, and thus help develop ongoing relationships with these customers.

Direct marketing can be extremely cost-effective and is especially useful for communicating with existing or lapsed customers.

However, direct marketing is only effective if it reaches the right person with the right offer or information. Mailing lists and databases must be up to date and accurate to determine what, specifically, will be of interest to the target group. Your direct marketing message has to stand out by being well designed, clever, or by offering something of real value to the recipient.

Good direct marketing builds in a response method — a telephone number to ring to make a booking or confirm an invitation to an exhibition, a coupon to return, an order form to complete. There's no point in making an offer that is difficult for someone to respond to.

consider this

What direct marketing can you do? Do you currently have a mailing list or a database? List some ways you can expand the information you have on customers or potential customers.



PREPARING YOUR ADVERTISING AND DIRECT MARKETING MESSAGES

Many organisations do their own promotions, but, if possible, it is useful to get professional advice and assistance. Some groups try to get someone with media experience on their board, or to act as a volunteer adviser. Sometimes a friendly or helpful person at a local newspaper can help with general advice. Larger advertising agencies sometimes 'adopt' arts organisations and provide assistance.

Most media, including metropolitan and community radio and television, do community service announcements which are available to non-profit organisations, and can be used for arts activities such as performances and festivals.

To pursue these opportunities you will need to prepare a small portfolio of information about yourself or your organisation. Include details on what you do (your mission and vision, the type of work done, how long you've been going, numbers of people involved), and copies of any publicity you've received and advertising you've done. Ask for help for a specific project (an upcoming concert, for example) to start with. If all goes well, then a longer term relationship may develop.

It should be noted, however, that the media and advertising agencies are generally more likely to support groups and established non-profit organisations rather than individuals seeking to make

a commercial impact. But it may still be worth a go, particularly if you need help promoting a special exhibition or something of that nature.

Collect copies of advertisements and printed material you like — and copies of things you don't like. Build up a file so that when you have to design ads you'll have a starting point.

Find out who did the ads you liked. Some advertising agencies will do limited amounts of arts work as a community service, or at a substantial discount.

EVALUATING ADVERTISING EFFECTIVENESS

While it is easy to measure the results of direct marketing, it is harder to assess the value of advertising. People might see an ad several times before finally deciding to act, or they may see several ads and it could be difficult to know which one prompted them to respond.

Probably the simplest way to gauge results is to ensure that every advertisement has a coded response message. For example, an ad in a major newspaper could include the information: 'To book your seat for this performance, call John on (telephone number)'. The same ad could appear in other publications, with a different name in each one. Keeping track of the number of people who ask for John or Maria or Robyn will make it easy to see which publication achieved the highest level of bookings.

Including code numbers on a coupon will supply information on precisely where the coupon came from. Recording the number of enquiries and bookings that come immediately after publication of an advertisement is also common practice. So, too, is simply asking people where they heard about you.

consider this

What systems could you use to measure the effectiveness of your advertising?

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SALES PROMOTIONS AND MERCHANDISING

Many organisation have found that effective use of sales promotions and merchandising can significantly increase their revenue.

Sales promotion is a general term that applies to activities other than advertising, publicity and personal selling. It includes such things as display, demonstrations, give-aways, special discounts or combining of products ('buy one, get another one for half price' or 'subscribe now and get a free CD').

Sales promotions are designed to increase sales of products, gain acceptance of new products, or increase awareness and trial of products. Sales promotion can also include participation in trade shows, gift fairs, arts showcases, and even involvement in festivals and corporate entertainment programs. Making items available as competition prizes or running competitions for your organisation are also forms of sales promotion.

Merchandising has become increasingly important, especially to performing arts organisations, museums and galleries. Linking merchandise items with performances (T-shirts, CDs, jewellery, souvenir programs, catalogues and books, postcards, etc.) can significantly increase income. In some cases travelling exhibitions and blockbusters are promoted with an accompanying line of merchandise. In other cases organisations can commission items to be produced.

When the National Wool Museum in Geelong hosted the *Life and Death Among the Pharaohs* exhibition, popular selling merchandise included books, scarves, jewellery, children's toys, and a specially designed limited edition (numbered and authenticated) rug which was produced on the Museum's loom.

Organisations should take into consideration the opportunities for sales promotion and merchandising when planning programs, and artists and craftspeople should be alert to opportunities to tie in with exhibitions.

PUBLICITY

A lot of people say they never read advertisements, or they don't believe advertising. Even if this were true (and it seldom is), they generally do, however, pay attention to publicity. The person who deliberately gets up and leaves the room when television ads come on, will watch a one-hour special on the making of a film, or an arts program which includes reviews or short takes from new performances.

However effective it may be, publicity doesn't just happen. It takes time and money. And although it is called unpaid promotion, don't think for one minute it is free. A lot of time, planning and effort goes into it. And always remember that sometimes there is no positive result.

You can spend a lot of time preparing for a media launch — booking theatre space, organising performers, preparing refreshments, writing and printing copies of media releases, organising CDs and other promotional materials — and then, five minutes before the event is due to begin, something else happens — a natural disaster, the calling of an election, or some other 'real news'. There is a very good chance then that no media at all will show up at your launch.

TYPES OF PUBLICITY

Publicity is designed to raise your visibility. While advertising should provide basic factual information, publicity provides an opportunity for you to tell your story, create interest, generate enthusiasm. The media like stories which have some type of a 'news' angle.

Examples of news can include:

- anniversaries;
- awards or other professional recognition;
- capital works, building improvements or renovations;
- new work or exhibitions;
- the opening of a new season (performances, concerts, films);

- the official launch of a book or festival, or other event;
- new services or facilities (free car parking, children's art classes);
- appointments, promotions or the arrival or departure of visiting staff;
- new exhibitions, travelling exhibitions or recent acquisitions;
- special events (something to tie in with holidays or other events);
- major contributions, sponsorships or grants;
- fundraising activities and why the funds are needed;
- human interest stories about staff and/or volunteers (skills, hobbies, unusual places where they have worked, interesting things they have done);
- a visiting celebrity or overseas guest.

The information on these events is usually given to the media through a media release. The main point to make here is that you should check out what is involved before you start. There are specific rules about length, style, presentation and the type of information that need to be included. Because the media receive so many releases every day, they are not especially tolerant of amateurish work. If your release isn't any good, or will need substantial rewriting, it's easier for them to go on to the next one than spend time trying to get yours into usable shape.

consider this

Looking at the list, and thinking about your work, list five or six things which could generate some publicity for you in the next six months.

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While media releases are the main form of publicity, there are other things you can consider. Generally, these will require more experience and more time:

- Feature articles.
- Photographs.
- Press conferences.
- Events.
- Video tapes and films.

PUBLIC RELATIONS

In the arts industry, in particular, the goodwill and support of the public (or selected target audiences) is needed for artists to succeed. So it is useful to know how various people feel about the work you do. For example, funding organisations may have a high regard for someone's work, while the general public believe it to be elitist. Or someone may produce very popular work which critics dislike and take great pleasure in belittling at every opportunity.

It is important to be aware of public opinion. That doesn't mean you have to pander to it, but you should, at least, be aware of it. Generally speaking, the public can be divided into two basic groups – the external public and the internal public.

The external public includes:

- consumers (the target markets for your products);
- suppliers and distributors (theatre managers, agents, gallery directors);
- government grants and funding authorities;
- the media;
- sponsors and donors;
- special interest groups;
- the local community/neighbourhood.

The internal public includes your family and friends, staff, volunteers, board and committee members.

The attitudes of these groups are measured in various ways, including formal research and informal discussions, watching and listening, reading publications and guidelines, and networking with others in the arts.

You need to understand how you are perceived by these different groups, and then decide whether this matches, or conflicts with, your mission, objectives and goals. If everything matches, then all is well, but if there are problems or conflicts you need to consider how to address them.

consider this

Make a list of your external and internal public. Is there anyone on the list you hadn't thought of before in terms of your 'public'?

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Public relations activities, like publicity, can be time-consuming. It is good to consider everything that can be done, then realistically decide what you have the time and the ability to do. In terms of your internal public relations you can consider:

- newsletters (for customers, staff and volunteers);
- visits to your premises for employees' families, especially children;
- noticeboards and posters;
- regular meetings for staff and volunteers;
- awards programs for staff;
- social clubs;
- special events (e.g. annual dinners).

Activities aimed at your external public can include:

- written material – media releases and other publicity activities;
- audio-visual and electronic material – films, CDs and videos, transparencies, Internet home pages;
- interviews and speeches – you and your staff or volunteers attending or giving master classes, workshops, speaking at conferences or conventions, appearing on local radio or television, going to Rotary, Lions, Red Cross or Country Women's Association meetings;
- events – first nights, openings, launches;
- education and work experience for local students;
- memberships and involvement in local, civic, charitable and community activities, associations and arts networks.

consider this

Looking at this list, what are three or four things you could do in the next six months? What section of your 'public' would you target?



PUTTING TOGETHER A PROGRAM OF ACTIVITIES

There are a lot of things you can do with regard to promotions. Here is a checklist of examples and ideas:

- advertising — for specific events and activities;
- advertising — general (local);
- art shows;
- artist-in-residence, writer-in-residence programs;
- brochures;
- business cards (and stationery);
- calendars;
- competitions;
- co-operative marketing — working with other artists in city and regional galleries and in antique shops, etc.
- direct mail letters;
- discounts, special offers and sales promotions;
- endorsements from well-known people;
- local and community arts registers;
- media releases;
- newsletters;
- personal appearances;
- postcards, stickers or magnets (other merchandising);
- posters;
- promotion of location of premises (facilities available; located near cafes and bookshops);
- promotion of opening times of galleries;
- publications — introductory booklets (such as how to care for your new purchase or how to bid at an art auction);
- publicity — print (local);
- publicity — radio and television (regional, national);
- public speaking;
- tourist guides;
- shopping centre promotions;
- special activities — off-site performances, festival appearances;
- special discounts and coupons;
- special events — opening nights, previews;
- teaching (children and adult education courses);
- tie-in activities with community events, festivals or sporting events;
- training to ensure staff and volunteers are friendly and knowledgeable;
- videos and CDs;
- working in conjunction with other art forms;
- working in non-gallery, non-traditional performance settings;

However, it's fair to say that while there are many options, some are a lot more popular than others. The Australia Council's research on arts marketing and audience developing indicated that the media release was the single most popular form of arts marketing.¹⁶

The five most frequently mentioned types of promotions mentioned were:

- media releases (used on a regular basis by 81 per cent of the organisations surveyed);
- direct mail (66 per cent);
- electronic media – for publicity and media releases (61 per cent);
- press advertising (56 per cent);
- pricing strategies – youth discounts, pensioner discounts and season subscriptions (54 per cent).

While 30 per cent said they regularly advertise on radio and television, 31 per cent do so only very occasionally, and 40 per cent never do (probably because of the cost).

While 60 per cent of arts organisations said they used research to identify market segments, only 17 per cent do so on a regular basis. However, 82 per cent said they do undertake some analysis and segmentation of their markets, and try to develop strategies and promotions to appeal to each segment.

ORGANISING YOUR PROMOTIONS

The best source of information on the media in Australia is *Margaret Gee's Australian Media Guide*.¹⁷ It's updated quarterly and includes information on Australian newspapers, magazines, newsletters, radio and television stations, and specialist publications and multicultural media.

The Media Guide lists the name, contact telephone and fax numbers, details of the circulation or readership of publications, advertising rates, and names of editors, publishers and selected staff. It is cross-indexed by name, region, and field of interest and it is available on subscription. It is expensive, so it's worth checking with your local library, and your community arts network, to see where you can access a copy.

Some people enjoy promotions work and would happily spend time on it. Others feel it takes them away from what they really want to do. In some cases, people feel that if they just do their work to the best of their ability, they shouldn't have to get involved in promotion. Unfortunately, it's rare for publicity opportunities to just present themselves or happen in some 'natural' way. It is part of your marketing planning, and at least some work will be involved. It's up to you to decide how much time, effort, money and imagination you want to put into it.

SETTING YOUR PROMOTIONS BUDGET

Unfortunately, there is no simple process for setting a promotions budget. As with other aspects of advertising, promotion and research, you have to decide what needs to be done, set priorities and then see how much money is available.

As a general rule of thumb most arts organisations set aside between three and seven per cent of their profits to spend on promotions, but that is really only a very general guide. For new operations or major blockbusters, it can increase to 10–15 per cent. And some organisations simply set aside what they can – 'What can we do with \$2,000? Because that is all we can afford!'

¹⁶ *Marketing the Arts: A Study of Marketing and Audience Development by Australian Arts Organisations*, Australia Council, 1997.

¹⁷ *Margaret Gee's Australian Media Guide*, Information Australia, Melbourne.



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KEY POINTS TO REMEMBER

- There are six things to keep in mind when planning promotions:
 - Who do you want to speak to?
 - What do you want to say?
 - Where is the best place to say it?
 - When is the best time to send out your message?
 - How much should you spend?
 - How will you know if they've heard you?
- Paid promotions include advertising and direct marketing. Paid advertising usually provides information which the public needs to make a purchase decision (performance times, costs, exhibition dates, reservations and booking numbers). Paid promotions include print, broadcast media, direct marketing (mail, telephone and online).
- It can be difficult to gauge the results of advertising, but it is important to monitor where customers have heard about you and to measure the success of advertising.
- Publicity is designed to raise your visibility. The most common form of publicity is media releases.
- Public relations is designed to improve the image or standing of an individual or organisation within specific communities or groups (with the general public, potential sponsors, the media etc.) Public relations activities include newsletters, awards programs, education programs.
- Effective promotions requires a planned annual program which combines paid and unpaid promotions
- Setting a promotions budget can be a difficult exercise. Budgets range from 3–15 per cent of profits. But often organisations or individuals simply set aside an amount of money, then try to spend it as effectively as possible.

ASSESSING YOUR RESOURCES AND DEVELOPING YOUR IDEAS

CHAPTER OVERVIEW

This chapter examines the support systems and networks you need to develop for success. It will help you identify the links between time and money and the way both affect your planning. It will also help you assess your equipment needs and set priorities.

ASSESSING RESOURCES

There is an old expression: 'There are no unachievable goals, only unrealistic time frames'.

Most arts organisations know that you can do things if you have either time or money. If you need a set built and there is plenty of money, you can hire set designers and builders and have the entire project under control very quickly. If money is tight, but there is plenty of time, then volunteers can hunt for second hand materials and old sets can be remodelled. A situation where you have neither time nor money is the most unsettling and problematic!

Resources can have a big impact on planning. Generally resources include:

- time;
- money;
- human resources;
- information;
- equipment.

TIME AND MONEY

For many people interested in a career in the arts the single most difficult issue to face is determining the amount of time they can spend working on art as compared to other income generating activities. In the early stages of their career, many artists have to combine their art with other full-time or part-time employment, limiting art activity to evenings, weekends and holidays. Artists often find it necessary to take on other work, such as casual hospitality industry work or teaching, to supplement their income.

This is especially true if they are self-supporting or responsible for others. Basic living expenses and ongoing costs mean that in many cases a regular, reliable income is required. Meeting that income need may mean less time for other activities, no matter how interesting or desirable they may be.

The move from full-time non-arts work (with arts as an off-hours activity) to a situation where you can make a commitment to half-time work and half-time art activities can be a major step. The next stage — full-time in art — can be daunting.

Making the decision about how much time to spend on art work will depend on your personal situation. It will be useful to review the budget discussions in Chapter 10, Understanding the Marketing Mix. There are no easy answers. An informed decision must be based on careful assessment and planning.

life scenes

Maria was interested in the popular music scene and after two years at university decided to leave her studies and concentrate on a full-time music career. After discussions with her family, who were supportive but not wildly enthusiastic, it was agreed that they would support her for two years — the same time they would have continued to support her completion of uni studies. Looking back she realises she should have planned the time better.

'Two years sounded a long time, but really it wasn't. I hadn't done my homework, really. I'd only been doing gigs with a couple of bands locally, and although we made money on weekends, they didn't work regularly and it's really competitive out there,' says Maria.

*'By the time I really knew how to connect with people in the industry, to make contacts, my two years were up, and that really was it as far as family support was concerned. I tried to keep going awhile longer, but eventually had to get an office job, which wasn't easy to find. On my first couple of applications I put down that I had been a vocalist and they wouldn't even interview me — I know they thought I was just looking for something temporary to tide me over. After a while I just didn't mention singing, but it was still hard. It's too late now, I mean if some great opportunity came along, well... I really do think I could have made it with a bit more time.'*¹⁸

But time decisions involve more than just the key decision of 'art' versus 'non-art' activities. It also involves the way in which artists spend their 'arts work' time. For an artist or fine craftsperson it means finding the best mix between commercial work and exhibition work, and having freedom to experiment with new techniques, materials or styles. For a performing artist it means finding rehearsal time, time for auditions, for recording or film work, for composing or choreography or directing, performing (of course), travel and on-road time, and developing new material.

It's also pretty important for artists to have time to network with others and to see what other artists are doing — attending performances, visiting galleries, and so on. For some artists it means allocating time to do things locally. For others, developing their skills may require overseas travel.

¹⁸ Author's own interview, conducted 1998.

life scenes

Cathryn Lloyd, a silk painter in Brisbane, told Smarts magazine about her experiences: 'Commercial silk painting and design in Australia is not an area with training courses and grand traditions to draw upon. So learning has been a lot of discovery, searching, trial and error.

'A big part of my learning process was having the opportunity to study with a great master. In 1995, I was fortunate enough to receive a Professional Development Grant from the Arts Office which helped me spend three months studying contemporary and traditional fabric design in Japan...Much of this time was spent studying in the Kyoto studio of the master kimono designer Hongo Taidenshi, and learning his particular technique of Roketsu Zome — a wax resistant process...

*'One area I would like to touch on is the fascinating tension between so called commercial work and artistic work. This seems to be a tug of war most creative people struggle with and how it is resolved is up to the individual and their particular focus, circumstances and interests and of course their financial situation. In my case, it is important to maintain a balance with my personal artistic integrity. However my time [commitment] right now is to also earn a living from the work I create.'*¹⁹

It is also important to look critically at the 'life cycle' of your career choices. While painters can still be active well into old age, dancers have to consider the probability of a shorter performing career, and to consider follow-on opportunities in arts management, choreography or teaching. While musicians can look forward to potentially long careers, some potters have been so affected by arthritis they cannot work nearly as long as they had hoped.

consider this

What are the key issues you need to consider before making a time commitment to your work? Can it be a full-time commitment? Is there a time frame for success? Will you begin part-time, and set full-time goals?

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¹⁹ 'Weaving the Strands', *Smarts*, No. 13, March, 1998, p. 31–32.

HUMAN RESOURCES

While many artists work independently, they often have a support network of other artists, family, friends, agents and gallery directors who assist them with finding work and with various aspects of their business.

Sometimes it is someone who provides advice or informal assistance, other times it can be a network of volunteers who help to keep a small theatre company going by assisting with everything from set design to ushering for performances.

It is important to assess your support network. Who is prepared to assist? What skills do they have? How willing are they to assist? How reliable are they? Do they need to be paid or will they volunteer their services? (Even if you don't pay them you should show your gratitude in some way – formal thanks, an end of season BBQ, or perhaps a party after the exhibition). When are they available? How do the various people within your network get along? Will they work together, or will you spend your time managing conflict?

life scenes

Rachel remembers an experience she had with a regional festival. Relatively new to the district, she had been doing emergency teaching, which was a good way to meet people and get to know the area. She also wanted to get involved in community activities, so she responded to an advertisement in the local paper for volunteers to help with the assembly of a floral display. An annual feature of the festival, the display was changed each year, and volunteers used thousands of dried flowers to create the patterns.

'I rang and enquired, and was really given an enthusiastic welcome. The festival organiser said that each year the group responsible for the carpet was getting smaller and smaller, that 'new blood' was desperately needed, and all volunteers would be welcomed. So I went along.

'It was horrible. There were about 15 people and they had all clearly known each other forever. When I arrived they said, "Oh, how nice to see you. Here, take these and work over there". Then they literally banished me to another corner while they sat together working and chatting and discussing people they all knew.

'I felt like such an outsider. Every half an hour or so, someone would look over at me and say, "How are you going there?" and then turn back to chatting with their friends. Of course, I never went back. I felt like an intruder in their own, private little circle. The festival director may have wanted more volunteers, but they certainly didn't.'

It's important to recognise that new volunteers need to feel welcome and accepted. The nature of networks is such that they can take time to fully develop, so you may need to provide occasional support until the newcomer is accepted into the group.

life scenes

The five founders of Aeon design studio in Western Australia described their networks to Smarts in this way: all graduates of Curtin University, the artists decided on a co-operative workshop because they wanted a supportive working environment. Although the first year presented some challenges in terms of 'finding a consensus', they valued the daily contact and recognised the value of group support.

The structure they have created is, in their words: 'flexible enough to allow for personal needs while still maintaining a group commitment... Due to the time we have studied and worked together, our relationship has developed into one of honest exchange about our work and mutual respect for our differences, as well as recognition of the strengths that we each contribute to the group'.²⁰

Assessing your support networks is important. If your networks are thin or you are on your own, you'll need to create some support groups. Contacting your community arts network or community arts officer will be a good place to start. So will learning about other people's work and seeking out people whose work you admire. Also, if you do have a lot of support, then managing, controlling and communicating with these people will take time and effort.

Using agents, booking agents, managers or working through commercial galleries and retail outlets will link you with people who are familiar with the arts scene, who usually have good contacts and can provide assistance and career support. Of course these people are paid for their contributions to your career. If you are going to use agents you will need to be aware of the legal and ethical considerations involved, and will need to find out as much about them as possible.

How do they select their clients? Agents don't have to handle everyone who comes along – they choose who to sign. How do agents charge? Usually it's a percentage of what you earn through the work they sell or the performances they book. How well known and respected are they?

Arts organisations, of course, also have to pay careful attention to their human resource assets. In most arts organisations these include their board or committee members, their paid staff (both full-time and part-time/casual) and their volunteers.

Ensuring that your board members have the combination of skills you need (including artistic skills, business skills, marketing and finance) as well as enthusiasm and commitment is no small task and needs to be actively managed. Similarly, developing strong teamwork, communications and loyalty amongst both paid staff and volunteers is also important. Having the support of high profile or influential people (e.g. politicians, artists and community leaders) will also be very helpful to your organisation.

²⁰ 'Aeon's a goer', *Smarts*, No. 13, March, 1998, p. 29–30.

consider this

List your key support networks. What are the major benefits you get from each?

Support network

Key benefits

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What additional support would be useful? Where could you get this support?

What would be useful?

Possible sources?

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INFORMATION

Knowledge is power. If you don't know about the various grants available, you won't be able to apply for them. You'll never be an artist-in-residence if you don't know where the programs are run and how to apply. If you don't know about the Performing Arts Market you'll miss out on the opportunity to meet national and international festival organisers and venue managers in a local, cost-effective environment. ²¹

If you don't know the value of presentation, your work may never be as successful as it could be, and if you don't know where to find work, you'll never work as much as you'd like.

You need to know about your art form — technical and general information — but you also need to know about the operating environment, your strengths and weaknesses, where to get information, how to network, and the best way to plan your activities, prepare your work and promote yourself.

Fortunately, there is plenty of help at hand. Books (refer to the recommended reading list at the back of the Guide), adult education courses, universities, TAFE colleges and secondary schools with arts departments, exhibitions, shows, artists' co-operatives, community arts officers, State and Territory arts funding agencies and the Australia Council can all assist. The Australia Council also maintains a library which includes publications and audiovisual resources.

²¹ For further information about the Performing Arts Market contact the Australia Council's Audience Development Division, telephone (02) 9950 9000.

The catch is, however, that you don't always know what it is you don't know. You may think to check on grant availability, but not know that it's also important to find out about other government sponsored programs, such as NEIS (New Enterprise Incentive Scheme) which can help with training and income support during the development stages of a new business.

The applicability to your work of various Export Incentive Schemes can also be a possibility. That's where networking with others, being involved in the local arts scene, and contacting arts organisations can be helpful. The Australia Council and other government web sites (www.artsinfo.net.au and www.acn.net.au) provide lots of information which is regularly updated.

life scenes

Aboriginal artist Donna Hensen's success was reported in Smarts. She has designed a new board game, based on a traditional Aboriginal game, to be distributed through duty-free stores.

The game won the Innovative Indigenous Product Design award at the Indigenous Art Expo held in Casino, NSW in 1997. Made of ceramic, fibre resins and shells, she describes it as a mix of noughts-and-crosses and chess, requiring lateral thinking and patience.

With the help of the Expo co-ordinator, Donna used her prize money to trademark the name Hunters Tactics, then to find an agent to approach toy companies for a children's version and to test market her art product. She also completed a NEIS course to develop a business plan.

Donna has undertaken research to identify viable production techniques, suitable packaging, and viable target markets and distribution channels. In fact, it was an article in Smarts about duty-free opportunities which led to consideration of duty-free as a distribution system.

Having completed the NEIS course, she was eligible to apply for business assistance under the new Indigenous Business Incentives Scheme, and she will now have funding (\$20,000) to set up the new business.²²

EQUIPMENT

Some art forms require relatively little equipment. Others require a substantial investment. Therefore shared facilities, or the hire of special equipment which is only used occasionally, may be appropriate. Arts co-operatives can provide access to equipment; so can community arts centre rehearsal rooms. Hiring the recording studio at local radio and television stations is an option worth considering (most provide technical assistance). Working with someone else can also be useful. An artist can work with a local framer, a performer can work with a local photographer, and so on.

Space, light, and safe and secure storage facilities are important factors. For some artists space is particularly important, for others (fine crafts and jewellery) security is critical. Buildings need to have appropriate light, temperature and humidity, and noise levels may need to be monitored.

²² 'Hunters for Collectors', *Smarts*, December 1997, p. 25.

The best way to review your equipment needs is to make a list which includes:

- the absolute basic necessities;
- equipment that is useful and important and considered 'standard' in today's environment;
- things that could make you and your work more effective or more efficient;
- equipment which would improve the quality of your work and bring you personal satisfaction;
- things which are expensive and non-essential, but you'd just love to have.

When costing equipment, don't forget to include the non-art-specific things you may need to have your own arts business. Computers (and software programs, e-mail and Internet connections), telephones and answering machines, copying equipment, fax machines, transport, mobile phones and cordless phones, office furniture, showroom furniture, shop fittings – the list goes on and on depending on what you are doing.

The best way to develop your list is to look at other artists' operations, and to talk with them. What do they consider as essential? What are they sorry they spent money on? What would they buy if they were starting from scratch again?

consider this

Prepare your five-level equipment list:

Basic necessities

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Important

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Extremely useful

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.....

Desirable

.....

.....

'I wish'

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Now go back and put a rough cost against the items.



DEVELOPING YOUR IDEAS

An understanding of your own position, the audiences you want to reach, your goals, the environment in which you operate and the resources at your disposal comprise the essential groundwork for preparing your marketing plan.

As they say in soap operas, it's time to review 'the story so far'. You should now have:

- described what you want to do, where you want to do it, and who you want to work with;
- listed your key goals and objectives;
- listed your strengths and weaknesses, opportunities and threats (your SWOT);
- developed your mission and vision statements;
- identified the key environmental factors which will have an impact on your work;
- a description of your key target audiences;
- a basic promotions plan;
- an understanding of your available resources (time, money, networks and equipment).

With all that information at hand, you're now ready to do some serious planning.

KEY POINTS TO REMEMBER

- Resources can have a big impact on planning. Resources include time, money, human resources, information and equipment.
- Time and money are both finite. If we do not have a lot of money, but we have a lot of time (volunteers, time to build sets from scavenged materials, etc.) then projects can be completed. If time is short it may be necessary to speed things up by bringing in experts or finished products. Either way, it requires planning and an awareness of what resources are available.
- Human resources are also important. Having a support network, access to people with useful skills, and an enthusiastic volunteer network as well as experienced people who can work on boards or committees is essential for success.
- Knowledge is power. You need to know about your art form, grants, new developments and opportunities and potential problems.
- Equipment can be very important for some arts activities. Knowing where it is available, how much it costs, identifying opportunities for sharing or joint purchases will help stretch budgets. Because there are often so many things that would be useful, it is generally helpful to analyse equipment needs in terms of these categories: basic necessities, important, extremely useful, desirable and 'I wish'. Start with the basic necessities.

SECTION 4

MAKING IT HAPPEN – IMPLEMENTING YOUR PLANS



4.13

PUTTING IT IN WRITING

CHAPTER OVERVIEW

In this short chapter we start pulling together all the work you've done to date, and begin preparing your strategic plan. We discuss the importance of putting it in writing, and the most useful format — will you need a detailed business plan or a fairly short, simple marketing plan?

HOW MANY PLANS? WHAT KIND?

In some cases, businesses or individuals prepare a series of plans: a business plan, a marketing plan, even specific plans for each aspect of their work.

For example, a large museum or public gallery might prepare a plan for their education services, one for their food outlets and the souvenir shop, another for the volunteers and friends group, and a plan for the management and marketing of the core collection, as well as separate plans for each blockbuster exhibition planned for the year.

For small organisations and individuals one plan is usually sufficient, and it generally includes business and marketing. Although this guide isn't designed to help you with major financial and accounting projections, we do recommend that you seek out advice, and get professional assistance with your finance decisions.

You will need advice about your tax, your expenditures on equipment, raw materials, uniforms, costumes, and a range of things called 'tools of the trade'. If you are working from home you'll need to know about the types of deductions you can make for electricity, rent, telephone and other utilities, and depreciation on desks, chairs, cupboards and other furniture used for work.

The rules and regulations, and the way in which they are interpreted, can change, so it's worth getting professional help. Your financial adviser can also help you set up your files and accounts. You need to know what you need receipts for, and how to keep track of expenses and income.

You now have enough information to prepare about half your marketing plan. You've got the background information, and you've established your mission and vision and your goals. Now you need some action plans to achieve those goals and objectives. Your business plan will help you focus your thinking. And, of course, there's no limit to what you can plan!

life scenes

Double T's—The Entertainment Company is an organisation that exports Australian talent to overseas venues. Kevin Kosky and his wife Christine described their work to Smarts as 'a computer based business, promoting heavily on the Internet'. The business was originally created in 1989 because the couple (an acoustic guitar and vocal duo) had an overload of work. They began hiring other duos and bands, and eventually ended up as an entertainment agency supplying acts for cruise ships, nightclubs and resorts.

Making full use of the Internet to access international markets they have substantially increased the size of their business. In 1996 they joined the Victorian Professional Entertainers Agents Association (VPEAA) which has enhanced their overseas credibility and also enabled them to network and 'compare and maintain' their business practices.

*Currently Double T's turnover is about \$450,000 per year. 'Our vision for the next few years will take us to a much higher turnover and we have only just laid the foundations for a much larger business. We are beginning phase two of our business plan, taking us from supplying cover bands and piano bar entertainers, into the realm of touring name acts worldwide.'*²³

WHY PUT IT IN WRITING?

It is important to start putting the plan in writing now. Why? Because putting it in writing is a good way to organise your thoughts and prepare yourself to make a commitment.

It is also useful when you have to involve other people. If an arts organisation produces a marketing plan it means that everyone involved with it has a clear understanding of the mission, goals, target audiences, objectives and activities that are planned.

A written marketing plan will also assist you when you approach arts organisations, accreditation bodies, funding authorities and potential sponsors. The development of a formal written plan, which uses correct terminology and indicates that a degree of thought and planning has gone into the enterprise, signals to others that you 'mean business' and should be taken seriously.

Many funding organisations will not accept applications unless the organisation can supply evidence that they have given thought to their planning, development and financial position, and that, if granted funding, they will ensure the money is spent wisely and effectively.

²³ 'Phase two — the world', *Smarts*, No. 13, March 1998, p. 31.

life scenes

Aeon design studio (the five artists from Western Australia who set up the co-operative studio mentioned in Chapter 12, Assessing Your Resources and Your Ideas) has learned the importance of research and planning, and of putting ideas in writing.

You'll recall the shared vision of the five artists was to become 'recognised within the Australian fine craft industry for quality, original products and competitive design services and to become financially self-sufficient within five years'.

They have produced a comprehensive business plan, which was instrumental in their successful application for a loan from Arts Venue Capital to produce initial stock for each of their product ranges. The business plan also helped them prioritise and focus their time and resources. One result is that they now use the services of wholesale agents to place their work in galleries.

Although they began with limited start-up capital, and they are still supplementing their incomes with various other employment, they are on target to meet their goal of self sufficiency within 3–5 years. The challenge they now face is to streamline their processes and work effectively so that they still have time to explore non-commercial artistic endeavours.²⁴

Putting your plans in writing will also help you define precisely what your present plans, visions and dreams are, and the goals you want to set. However, there's one thing to keep in mind. You are putting them in writing. You are not carving them in stone, or taking a blood oath. Your business plan represents your thinking at this particular time, and in these particular circumstances. These can change. And if they do, then you might end up changing your marketing or business plan.

A serious accident or a lottery win may not change your dreams, visions or goals, but they could substantially change the resources, time or finances you can devote to achieving your goals.

life scenes

Lyn was 41 and finally feeling 'in control' of everything when she made a commitment to 'be serious' about writing. After years of finding scraps of time between work on the family farm, raising kids, being involved in rural community activities and struggling with unpredictable farm income, she had finally achieved her goal of being able to devote regular, fixed time to writing.

With a supportive partner she prepared a schedule and a plan, set up a dedicated work space, upgraded the computer and took a community education class on word processing. After attending numerous writers' workshops and avidly soaking up lectures and programs during writers' festivals she had selected her project — historical novels set in the

continued

²⁴ 'Aeon's a goer', *Smarts*, No. 13, March 1998, p. 29–30.

continued

Australian bush between the first and second world wars — and had begun her research, networking through the Internet with libraries around the country.

'You can't imagine how it felt when the doctor confirmed I was pregnant. I mean, it was great in a way, but in another way, well, it was so totally unplanned! At first I thought, 'Well, that's that, then. No writing career for me'. But then I thought, well, nothing much will happen for the next few months (other than morning sickness, memory loss and an uncontrollable urge to clean the office!) so I might as well keep at it. And when the baby comes, we'll just see how it goes.'

Today Ben is a toddler and Lyn is finishing off the second draft of her novel. 'It didn't quite turn out the way I'd planned, but having the plan in place allowed me to focus on what really counted, and it made me think I didn't have to give up all my ideas. Timeframes may change, but the goal is still reachable, and Ben's a gift I wouldn't trade for a Booker Prize — well, most of the time!'

consider this

It's time to gather together the work you've been doing so you can decide what you need to do and create your plan.

Go back through the Guide and collect the information you need. It might be a good idea to photocopy the relevant pages so you have them all together and can access them easily.

You'll need the following:

- Chapter 5 — your **Consider this** competition analysis (pp 46–49)
 - Worksheet No. 1: Defining Your Art (pp 60–61)
- Chapter 7 — Worksheet No. 2: Summary of SWOT Analysis (p. 72) (be sure to go over all the **Consider this** exercises you completed in Chapter 5 to ensure you haven't forgotten anything)
- Chapter 8 — your **Consider this** mission statement or vision statement exercise (p. 77)
 - your **Consider this** goals and objectives exercise (p. 79)
- Chapter 9 — Worksheet No. 3: Understanding Your Market (pp 85–86)



continued

continued

Chapter 10 — Worksheet No. 4: Analysing Your Product (pp 95–96)

— Worksheet No. 5: Cash Flow Forecast for One Year (pp 106–107)

— your Consider this comments for product, price, place, positioning (p. 110) and people skills (p. 111)

Chapter 11 — Worksheet No. 6: Promotions Plan (p. 126)

Chapter 12 — your Consider this support networks and equipment lists (p. 133 and p. 135 respectively)

Take time to review these lists, as they will help you decide on your action plan — which we'll cover in Chapter 14, Your Action Plan.

KEY POINTS TO REMEMBER

- While larger organisation may develop a series of plans (a business plan, a marketing plan, even specific plans for each program or exhibition), smaller organisation and individuals usually only need one plan which covers both business and marketing.
- It is important to put your plan in writing as a way of organising your thoughts, achieving group consensus and indicating to others (banks, funding bodies, potential sponsors) that you have a businesslike approach to your work. Having a plan also helps you to define precisely what your visions and dreams are, and how to set goals.
- Although a written plan will act as a sound guide to the future, it should not be rigid. If circumstances change, it is appropriate to revise the plan and make necessary adjustments.

YOUR ACTION PLAN

CHAPTER OVERVIEW

In this chapter you will develop your action plan — the things you hope to achieve within the short term, and also set some long term directions. In order to do this we look at some recommended ways to set goals and objectives, define broad areas for you to consider and show you how to set priorities in terms of the money available.

WHAT IS AN ACTION PLAN?

The action plan is, in many ways, the real heart of your planning. It translates theory into action. Having assessed your situation and set your goals you now need to set specific objectives which are genuinely achievable. That means setting up a schedule of what you want to do, when and how. To make sure it is achievable you have to consider the time required, the resources you'll need, the money you have to spend and the priorities you'll set yourself.

An action plan is your 'to do' list.

SETTING GOALS AND DEFINING OBJECTIVES

Although you can set any targets you like, these are some suggestions which might be of interest. Refer also to Chapter 4, *The Why? — The Benefits of Planning*.

- Don't be too easy on yourself. Setting goals that are easy to achieve won't give you a strong sense of accomplishment. If you have performed on stage, then setting a simple goal ('I'd like to act in a play') won't present much of a challenge.
It would be better to consider the type of play, or the type of part, or an increased number of performances or parts. For example, 'I'd like to have a major role in a play', 'I'd like to perform in a musical comedy', 'I'd like one minor role in a Adelaide city production and one major role in a community production'.
- Divide major tasks into achievable elements. If your goal is to win the Archibald Prize that could be a fairly daunting undertaking. It would be wise to divide this goal into tasks which can be addressed — and achieved — in stages. For example: decide on a subject; approach subject for approval; set timetable for sittings to ensure work is completed on time; organise location, setting, venue; get competition information; prepare rough sketches; prepare painting; organise entry; prepare shipping, insurance, etc.; send entry to competition; prepare acceptance speech.

- Allow yourself an opportunity to start. Sometimes people set goals which are inherently inhibiting. If the goal is to create a prize winning piece of pottery, that might be both a motivator and an inhibitor. You may spend endless time making sketches, changing your mind about materials, shapes and sizes. Each time you start to work the fact that you have committed yourself to creating a prize winner may cause doubt, concern or stress. So, rather than fail, you come up with reasons not to start.

A better option may be to set a goal of creating several new works during the year with the aim of entering the best into competition or exhibition. That way the pressure is still on to create good work, but the schedule permits more flexibility.

THE COMPONENTS OF YOUR ACTION PLAN

Your action plan will include activities to address both your long-term and your short-term objectives.

Here are some guidelines which can be used to help you determine your action plan:

Year One (Starting out):

- **Set your success targets.**
 - How much do you want to earn?
 - What are your goals in terms of performances, sales of items, awards, etc?
 - What time will you devote to performing and the other activities you want to undertake; teaching, studying, etc?)
 - What are your personal, lifestyle goals?
- **Build awareness of your products/work/performances.**

Prepare a list of options, such as exhibitions, classes, shows, publicity, interviews, performances and recordings. Make a reasonably long list at this stage — you can cut back later as you evaluate your workload.
- **Develop appropriate location distribution strategies.**

Where do you want to make your products available? Prepare a list — major theatres (list cities, theatres, etc.), types of galleries or shops, and so on. You can refer back to your notes from Chapter 10, under the heading 'Place', page 108.
- **Develop markets.**

Look around at the local scene: what can you do to create awareness and make an impact? Reviewing your notes in Chapter 5, Understanding the World Around You, and Chapter 9, Filling in Your Information Gaps, on your products and your markets, make a list of the things you could do to: (1) increase the amount of sales you make to existing customers, and (2) develop new audiences and customers.
- **Build contacts and networks.**

Review your support networks (as defined in Chapter 12, Assessing Your Resources and Developing Your Ideas) and make a list of ways you can build up your networks. Include a specific list of events you could attend, courses you could take and people you should meet who could help you with your work. Make a specific list of activities you can undertake to bring you in contact with the people you want — and need — to meet.

- **Gain credibility.**
What will build credibility in your arts sector? Prizes? Scholarships? Performances? Prepare a list of possible projects; select those which will be most effective.
- **Undertake skills development.**
Review your strengths and weaknesses. Take at least one skills development course related to improving your identified weaknesses and one related to your art: training, lecture series, masterclasses, etc.
- **Fine tuning and practice.**
Take every opportunity to practise your craft, increase or improve your repertoire or range.
- **Get feedback and advice.**
Set up mechanisms for getting reactions to your work, consult with gallery owners, producers and directors, other performers or artists, ask your customers and conduct research.
- **Experiment with limited advertising and publicity.**
Make a list, based on the information in Chapter 11, Promotions, of promotional activities you can undertake.

If this looks like a long list, don't worry — it is! The first step is to list everything you *could* do. We'll do a reality check shortly.

The next stage is to go back through your list and set priorities for each category. Select the three or four most important activities for each task. (If it looks as though there are six urgent things to do with developing local markets, that's fine. If they are that important, keep them all on your list. You may find that there are really only one or two things you need to do in terms of training, so it will probably all balance out in the end.)

THERE'S TOO MUCH TO DO — AND NOT ENOUGH TIME AND MONEY

Once you've set priorities, look at each of your priority items. How much time will it take? How much money will it cost? Who can/will do it? Will it require special resources (equipment, expertise, etc.)?

Now the juggling begins:

- How much money have you got for your first year in business? Have you got back-up funds and support?
- Have you got a finite, limited sum?
- Are you expecting to earn everything as you go?

In technical marketing terms we are talking about a **cost/benefit analysis**.

This is a very important term. To analyse the cost/benefit of activities we evaluate exactly those two things — the amount of benefit we will get from undertaking the activity and what it costs in terms of time and money.

At this stage of planning we almost certainly have more things we'd like to do than we have either time or money for, so some decisions will have to be made. We follow a five-step sorting process (a cost/benefit analysis):

1. List all the activities that can be undertaken.
2. Estimate the likely benefits of each activity (put them in order, most useful to least useful).
3. Estimate the cost of each activity (financial).
4. Compare the costs required to the benefits of doing the activity.
5. Decide which activities will be the best to do (or see where along the list your money runs out!)

For example, you've received several suggestions about how to promote yourself and your work. One suggestion is to produce a media kit with colour photos, copies of publicity from newspapers and magazines, and letters from people who have booked your group to play at corporate functions, weddings and festivals, and an audio tape of your work.

Another option is to produce a video which provides all the essential information. A third option is to produce a CD which would incorporate multimedia presentations, with video clips, voice-over and the print materials all incorporated.

Costs and effectiveness will play a big part in the final decision. If your work is unusual, high impact or uses distinctive props, then the CD may be a wise option. If, however, your work is fairly traditional, then a media kit, with an audio tape or video, may be more cost-effective.

And, of course, build in a buffer — allow yourself some unexpended money (if possible!), to take advantage of opportunities that may come up.

Then do the same exercise again, thinking about the **time** involved. Keep in mind you are considering both your time and the time of others (if you have assistance).

1. List all the activities that can be undertaken.
2. Estimate the likely benefits of each activity (put them in order, most useful to least useful).
3. Estimate, broadly, the time required for each activity.
4. Compare the time required to the benefits of doing the activity.
5. Decide which activities will be the most viable to do.

For example, if you are a jeweller, there are several ways you could build awareness of your work. You could enter competitions; you could work with fashion designers, providing items for fashion shows; you could get celebrities to wear your pieces to major events, so your jewellery could enjoy a high degree of publicity and exposure.

First, assess which activities would have an impact on your target markets. Are they more likely to be impressed with a design award, or a photograph of your jewellery in *Women's Weekly* society columns? If the design competition and fashion industry concepts seem more appropriate to your target audience you would then need to consider the time and effort involved with the two activities. Competitions have deadlines, whereas working with the fashion industry involves networking, phone calls, appointments, etc. If the benefits of the two activities are about the same, you may decide entering a competition is a better use of your time.



WORKSHEET 7

action plan, cost benefit analysis



List the key things you would like to do in each category:

Building awareness of your work	Estimated time	Estimated cost \$
1.		
2.		
3.		
4.		
5.		
6.		

Most effective things to do (in terms of time/money)

1.
2.
3.

Development/location/ distribution strategies	Estimated time	Estimated cost \$
1.		
2.		
3.		
4.		
5.		
6.		

Most effective things to do (in terms of time/money)

1.
2.
3.

continued

continued

Develop markets

Estimated time

Estimated cost \$

1.		
2.		
3.		
4.		
5.		
6.		

Most effective things to do (in terms of time/money)

1.	
2.	
3.	

Build contacts/networks

Estimated time

Estimated cost \$

1.		
2.		
3.		
4.		
5.		
6.		

Most effective things to do (in terms of time/money)

1.	
2.	
3.	

Increase credibility

Estimated time

Estimated cost \$

1.		
2.		
3.		
4.		
5.		
6.		

continued

continued

Most effective things to do (in terms of time/money)

1.
2.
3.

Undertake skills development	Estimated time	Estimated cost \$
1.
2.
3.
4.
5.
6.

Most effective things to do (in terms of time/money)

1.
2.
3.

Advertising and publicity	Estimated time	Estimated cost \$
1.
2.
3.
4.
5.
6.

Most effective things to do (in terms of time/money)

1.
2.
3.

The list of 'most effective things to do' that you have put together for each section of this worksheet can be used when you develop the action plan and budget of your marketing plan (Worksheet No. 8: Marketing Plan).



HOW MUCH DETAIL? WHAT TIME PERIOD?

Traditionally, short-term planning covers a one-year period, and it's done in detail, as we've seen (but still allows for some flexibility). Longer term planning is usually done over the three to five-year time period, although for some long-term goals, the time period can be greater (up to 10 or 20 years in some cases). However, the plans aren't nearly so detailed. Usually they are only a page or two long, and sometimes only a few paragraphs, simply serving to reinforce the importance of certain goals or activities.

Year Two of a plan could cover some of the following points:

- review the successes and difficulties of Year One;
- assess progress towards long-term goals;
- assess budgeting and scheduling for Year One, and make adjustments as required;
- focus on identifying and developing secondary markets;
- research customers and obtain feedback;
- introduce targeted direct marketing;
- increase advertising and promotions, target specific markets;
- consolidate networks and contacts;
- approach specific organisations/outlets/directors, etc.;
- develop and improve products and skills.

Year Three:

- review operating procedures;
- assess progress towards long-term goals;
- review and refine advertising and promotions (including direct marketing);
- explore co-operative opportunities;
- establish ongoing relations with key networks and individuals;
- review and improve packaging;
- review distribution channels, agents, etc.;
- consider the international market.

HANDLING THE UNEXPECTED

By now you may be getting a bit nervous. These long lists look as though they could spell the end of spontaneity and set you on a road to regimented schedules, clipboards and stopwatches. Don't panic! It's not as bad as it looks.

This process of setting priorities will actually give you MORE time to be spontaneous, because it will help you to keep focused on the things you really want to achieve. In the course of everyday work it can be easy to get distracted. People will come to you with suggestions about activities you could try, will ask you to help or assist with shows, fundraisers, exhibitions, or will offer you 'an opportunity you can't afford to refuse'. And because you've already gone through your long, long list and identified the things that really count, you'll be in a much better position to evaluate, and take advantage of, opportunities and serendipitous situations when they occur.

If unexpected problems arise, you'll be able to refocus on priorities, and look at either extending timeframes or budgets. And, of course, if unexpected opportunities do appear, you'll already have a list of the things you'd like to do — money and time permitting.

Occasionally opportunities do come out of the blue which are too good to pass up, so don't pass them up. Remember, your plans are a reflection of your current situation. If an opportunity presents itself that fits into your long-term goals, and just changes your scheduling around, then that's fine. If an opportunity you've never considered comes up, then take time to consider it in terms of three basic questions: What would you like to do? Where would you like to do it? Who would you like to work with? If the opportunity can further one of those dreams, then go for it!

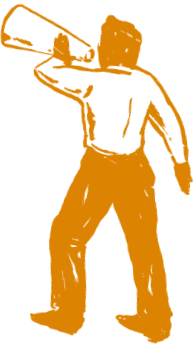
If you're not sure what it will mean, take some time to review the opportunity in terms of your goals, talk to the people in your network whose opinions you value and do a cost/benefit analysis. It's useful in a lot of situations.

consider this

It's time to prepare your action plan.

You will need to list the specific activities you intend to complete for each category, in priority order.

Assign staff responsibilities and budgets as applicable.



1. Activities to achieve long-term goals

2. Activities to achieve short-term goals

● set your success targets	Time
● build awareness of your products/services	Time

continued

continued

- *review and refine distribution*

Time

.....
.....
.....

- *develop markets*

Time

.....
.....
.....

- *build contacts and networks*

Time

.....
.....
.....

- *gain credibility/reputation*

Time

.....
.....
.....

- *undertake skills development*

Time

.....
.....
.....

- *fine tuning and skills practice*

Time

.....
.....
.....

continued

continued

- *feedback and advice*

Time

- *advertising and publicity*

Time

KEY POINTS TO REMEMBER

- The action plan is the real heart of planning. It translates theory into action. Once you have assessed your situation and set your goals, prepare the action plan to identify achievable objectives and set a schedule for reaching these objectives.
- A good action plan includes activities to address both long-term and short-term objectives. It includes measurable objectives in terms of such things as income, general awareness (visibility), distribution strategies, market development, developing contacts and networks, gaining credibility, skills development, and promotional activities.
- One way to set priorities for activities is to undertake a cost-benefit analysis.
- An action plan generally covers one year's activities in detail and addresses longer term planning (three to five years) more broadly. For some organisations long-term planning can span 10 years or more. Usually the longer term plans aren't so detailed. A written page or two may suffice.
- Plans don't mean you eliminate the opportunity to take advantage of unexpected opportunities. In fact, they can enhance your ability to respond quickly to new prospects as you are aware of your commitments, constraints and long-term goals. It is then easier to assess an opportunity to decide whether or not it is a good idea to act.

4.15

MEASURING SUCCESS

CHAPTER OVERVIEW

You are now ready to finalise your plan. Before you put it in final format, however, there are one or two more things to do. You need to consider the importance of anticipating the unexpected, and developing ways to measure your success. Finally we discuss the importance of feedback. And then, it's just a matter of writing it all up!

TIPS FROM TOP MANAGERS

Top managers in mega-businesses have some rules for success. One of the most important ones is 'no surprises'. What they mean is: we should anticipate the things that could happen in our business, and plan for them, so that we aren't suddenly faced with the unexpected or forced into situations where we have to make on-the-spot decisions.

Quick decisions, often made in the heat of the moment, without a full understanding of all the implications of a problem or a complete analysis of the costs, can be a disaster. Sometimes problems can be made worse, and sometime good opportunities are lost.

In marketing jargon we talk about the importance of contingency plans — anticipating the unexpected and evaluating our activities on a regular basis to ensure we achieve our goals.

So think through likely scenarios, and plan in advance what you might do, then when something does happen you are in a far better position to handle it, because you have already thought the issue through. It can make all the difference.

'NO SURPRISES' STRATEGIES

The best way to think about 'no surprises' strategies is to let your imagination go — think about all the things that could happen in terms of your goals and objectives, and the things you decided to do as part of your action plan. Then consider some 'what if...' scenarios.

Start with the big ones.

What if...you had an accident and couldn't work? (Have you got insurance? Do you need it? How much should you have? Would other people look after you? Could you modify your work environment and continue to work?)

What if...there was a fire in your studio? (Insurance? Copies of work in other places? Work divided between locations so not everything would be lost? Photographs, recordings, copies, backup disks...what have you got organised, just in case?)

What if...you won a competition that includes a residency program? (Can you afford to extend your travel? When would be the most appropriate time to take the award? What would you do with the cat?)

Then move on to the smaller 'What if...' situations. Smaller, but still important.

What if...you got some really negative publicity for a project? (How would you handle it? Whose advice would you seek? Would it negatively impact on other projects? Could you find a way to minimise it? Would it affect your customers, sponsors, the galleries who show your work or the places you perform? What would you do to advise them of the potential problem?)

What if...you got some really positive publicity, and suddenly your work took off? (How would you handle publicity? What would you do to your prices? Would you consider increasing your output? How would it affect your existing customer base? (You don't want to offend or ignore those who have stood by you during the early stages.) How would you set your schedules? How could you build on it to achieve your goals?)

You don't have to make copious lists. It's enough to take some time to think about 'What if...' situations and imagine how you would react. No matter how many things you come up with, there will always be a 'What if...' you never considered.

DEFINING SUCCESS

Measuring success involves looking at a number of things, including your sales, your financial viability, your credibility and reputation with your peers, changes or shifts in perceptions, the level of your target market's awareness and acceptance of your work, your progress towards goals and your personal sense of achievement and well-being.

Just as we've talked about the need to know where you're going, we also need to recognise when you've 'arrived'.

ACHIEVING YOUR OBJECTIVES

When you were preparing your goals and objectives we discussed the importance of keeping goals general, but objectives specific and quantifiable. A goal could be to become successful, but the objectives were put in measurable terms, for example, exhibit in three shows, win one scholarship, receive publicity in a major arts journal, get four commissions next year.

A starting point for measuring success is to review the objectives listed in the business plan and compare your actual situation with your target. How many of your objectives have you achieved?

While a total count is useful, and may give you a warm glow of achievement, it's also important to analyse your activities.

- Were the objectives easy (perhaps you should set higher targets in the future)?
- Did you not achieve what you set out to do?
- Analyse why not, if that was the case...was the timeframe wrong?
- Did you need information you didn't have?
- Did you need more advance planning?
- Were there changes in circumstances that affected your ability to devote the necessary time and money to achieving success?
- Did you change your priorities during the year and downgrade this objective?

It's also useful to see if an objective actually did lead you along the path to your goal. Having achieved objectives, have you, indeed, moved closer to achieving major goals? Are there other things which would have been more effective?

EVALUATING YOUR SUCCESS

Make a list of the objectives you set yourself in your long-term and short-term goals, and the activities you decided to undertake as part of your action plan. A checklist is the best way to undertake a preliminary review of your activities. This will provide a starting point for an evaluation of your success.

It's good to review progress regularly every three or four months. There's little point in assessing your position at the end of the planning period, when it's too late to make any changes in direction, identify potential problems or find new solutions.

Objectives and activities	Yes	No	Comment
Objectives			
Earn \$15,000	✓		Actually earned \$16,200
Exhibit in three shows		✓	Only one (didn't organise schedule properly)
Win one scholarship	✓		Yes, but only a minor local one (should have tried for something better)
Publicity in art journal	✓		Good, but very brief
Get four commissions		✓	Only one, but very useful (need to re-evaluate time to make contacts)
Activities (Action Plan)			
Attend 10 industry activities	✓		Attended 14 events (community activities were good, but the city evening launches were not very good for networking)
Join community arts network	✓		Good source of information
Prepare publicity kit	✓		Took much longer than expected, more expensive
Send out publicity kit to six arts publications		✓	Haven't located a good mailing list, worried about costs
Research current customers	✓		Did simple research in conversation with customers (need to do more)
Attend arts seminar — marketing	✓		Attended one on PR, expensive, pretty good
Attend computer graphics course		✓	Courses were too expensive (check community centre)

After completing your review you'll know what was successful, what problems arose and what you want to reconsider for your next plan.

See if there is a pattern:

- Are you good with sales targets, but not so great at publicity and promotions activities? Is that because you feel uncomfortable doing publicity work?
- Are you finding excuses not to do certain types of work? If so, can you delegate those areas to someone else?
- Can you work out why you're uncomfortable, and can you remedy the situation?

Not achieving targets isn't the end of the world, as long as you know why, and know what to do to improve things.

After the first six months or so you will have the start of a database which will give you valuable feedback on how you are doing. In technical terms we call this 'benchmarking' your performance. When you know your starting point, you can then compare your progress as you work towards achieving your goals.

It is also useful to be able to compare yourself with others. If you are keeping track of your income, and can obtain the results of published research on artists' incomes, you'll be able to compare your level of financial success with others. (This information is available through the Australia Council, ABS, State and Territory funding agencies and art form peak bodies.) If you are keeping track of where your customers come from, you can compare that information with that of other artists in your area and look for similarities and differences (which you may be able to take advantage of through joint activities).

Of course, marketing planning is a continually evolving practice. We can't write a plan, then simply say, 'Thank goodness, that's done!' and put it away in a file.

Plans need to be reviewed and updated regularly, and it is important to remember that marketing concepts themselves are constantly changing and developing. Keeping up to date through new publications and arts marketing web sites (see the recommendations at the end of this publication) will improve your success potential.

GETTING FEEDBACK

Your business plan will provide you with ways to measure your performance, but it is also very useful to get other people's opinions about your progress and your work. You can make use of your networks, and measure your success by looking at the level of your 'repeat business':

- Do you have a regular group of customers? Talk to them, find out what they like and don't like about your work.
- Do they think you are going in interesting new directions?
- Do they like the fact that your work doesn't seem to change and is very reliable? (How do you feel about those assessments?)

Ask the people who help you find work (booking agents, directors, producers, agents, shop retailers) for feedback:

- What do they like or dislike?
- What could you improve?
- What trends are they seeing out in the marketplace? Is demand for what you do increasing or decreasing?

- Do you have more competitors than you used to?
- Can they give you any recommendations about new things to try? Things you should be working on to improve?

A word of warning here: sometimes we ask for advice, but we really don't want an honest reply. It can be hard to have someone criticise, even mildly, our creative endeavours. If you cannot accept criticism without defensiveness or anger, then stop asking for feedback.

If you are extremely sensitive, start by getting feedback through more indirect situations. If you're a painter, attend some art shows which include work similar to yours. Walk around and listen to what people are saying. If you're a musician, attend performances of similar work, read reviews and listen to comments during the interval. And talk to other artists and see what kind of feedback they have received, and how they felt about it.

Pick out some exhibitions or performances of people whose work you truly admire. Attend those and listen to comments and feedback, read reviews and so on. You may discover there are a few reviewers or other artists or friends whose opinions seem to match your own views, or who you respect. Then approach them. The results may still not be all you'd hoped for, but at least you'll know where they're coming from, and that you really should consider their comments carefully, rather than just dismiss them as uninformed and unfriendly.

MEASURING THE NON-MEASURABLES

Not all elements of your plan are quantifiable. It is easy to see how many items you've produced, or how many performances you've given, but it is also important to evaluate how you feel about your work and where you're headed.

Now that you're on the road to success, does it feel like the right road? Are you comfortable with what you're doing?

Do you feel positive about the future? Are you starting to have some nagging doubts? Do you feel as if you may have set the wrong priorities? NOW's the time to rethink and revise. As we've said before, plans can change.

consider this

Identify the ways in which you'll measure your success.

Base this on your review of your objectives and action plan.

Objectives:

Yes

No

Comments



continued

continued

Objectives:

Yes

No

Comments

Activities:

Yes

No

Comments



WORKSHEET 8

marketing plan



This is the outline for your strategic marketing plan. Remember it's quality, not length that is important.

Your plan may only be three or four pages long, but if you've put thought into it, and carefully considered your goals and objectives and your action plan, that will be more than enough. On the other hand, if you feel more comfortable addressing things in detail, then by all means do so.

A small arts organisation may find, for example, a plan of 15-20 pages is useful not only as a strategic planning guide, but as a communications tool with others both inside and outside the organisation. Therefore they may go into more detailed background information, especially sections one to five.

1. CURRENT SITUATION

- A. Mission and/or vision statement (the goals you want to achieve, your vision for yourself/your arts organisation). Refer to Chapters 4 and 8.
- B. Description of your arts activity (a short description of your product, service, concept, etc.). Refer to Chapters 1 and 6 and Worksheet No. 1: Defining your Art.
- C. Analysis of operating environment
 - Market analysis (a description of your target markets (existing and potential) – who they are, why they buy (or might buy) your products. Refer to Chapters 2, 5, 6 and 9 and Worksheet No. 3: Understanding your Market.
 - SWOT analysis (strengths, weaknesses, opportunities and threats) including anything from your environmental analysis (political, social, economic, environmental and ecological, technological). Refer to Chapters 5 and 7 and Worksheet No. 2: Your SWOT Analysis.
 - Product analysis (brief description of your core and ancillary products and services). Refer to Chapter 10 and Worksheet No. 4: Analysing your Product.
 - Competition analysis (description and analysis of 'competition' in terms of both direct and indirect competition and an outline of competitive strengths and competitive strategies). Refer to Chapter 5.
 - Networking and people skills analysis (contacts, volunteers, board members, friends, skills and training). Refer to Chapter 10.

continued

continued

2. MARKETING GOALS, OBJECTIVES AND STRATEGIES

Describe your overall goals and objectives for the next year and, more broadly, over the next three to five years.

- A. Career direction/organisation directions, goals and strategies — refer to Chapters 1, 3 and 4.
- B. Product goals and strategies — refer to Chapter 10.
- C. Pricing goals and strategies — refer to Chapter 10.
- D. Place/distribution goals and strategies — refer to Chapter 10.
- E. Promotion goals and strategies — refer to Chapter 11 and Worksheet No. 6: Promotions Plan.
- F. People/networking goals and strategies — refer to Chapters 10 and 12.

3. ACTION PLAN

Your action plan includes specific activities for each objective, including a time frame. Describe in detail the activities you will undertake to achieve your objectives. Refer to Chapter 14 and Worksheet No. 7: Action Plan, Cost Benefit Analysis.

4. MARKETING AND PROMOTIONS BUDGET

Your budget. Take this information from the work you did on pricing, your general budget and the cost-benefit analysis you undertook. Also include information on your cash flow and outline steps to counter any anticipated cash flow problems. This is one area where you may need additional assistance. Refer to Chapter 10 and Worksheet No. 5: Cash Flow Forecast for One Year.

5. MEASUREMENTS

Briefly describe the ways you will check along the way to ensure you're achieving your 12 month objectives. Refer to Chapter 15.

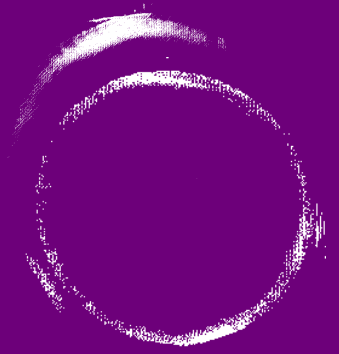
6. EXECUTIVE SUMMARY

If your plan is more than three or four pages long, or if it is to be distributed to a number of people either inside or outside your organisation, you should include an executive summary. Ideally it should be not more than one to two pages long and should include brief summaries (using dot points to convey information quickly and easily) of each section. Write it after you've written the plan, and then put it either at the front or the very back of the plan.



KEY POINTS TO REMEMBER

- Quick decisions made in the heat of the moment can be a disaster. Thinking about things that could go wrong and developing contingency plans helps to avoid unpleasant surprises and ensure you have a basis for decision making.
- Measuring success can include a number of criteria: sales, financial viability, reputation with peers, popularity, development of new target markets, increased recognition and a sense of achievement.
- It is important to review progress regularly, every three or four months, rather than wait until the end of the planning period to check progress. If it isn't done regularly it will be difficult to implement contingency plans to correct potential problems.
- It is important to get feedback from customers, colleagues, booking agents, directors or distributors. It is also important to attend industry activities and see how others are doing and what new developments are affecting the marketplace.



AFTERWORD

Point me towards tomorrow...

‘Kiss today goodbye, and point me towards tomorrow...’ the words from one of the memorable numbers in *A Chorus Line*. The musical was a study in hopes, dreams, successes, failures, joys and disappointments. It’s a play that anyone involved in any aspect of the arts can relate to easily.

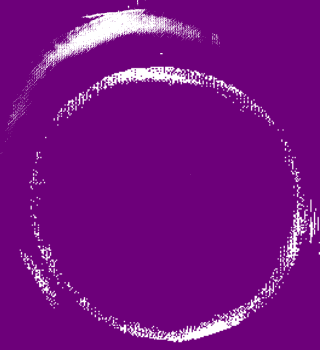
When you do something you’ve always wanted to do, or go off in a new direction, or do something you’ve never done before, the hardest steps are the first ones. Even if those first steps are hesitant or in the wrong direction, they are, indeed, the first steps. Once you’re moving it’s not all that hard to change directions – it’s the starting up that can be difficult.

Planning can help you feel more confident about your direction, it can help you identify where you’re going and recognise the milestones along the way.

Planning isn’t a one-off activity. Hopefully by the time you reach this part of the Guide, you not only understand the basics of planning, you’ve done the exercises and you’re here, now, with a plan. A realistic plan that identifies your dreams, considers your strengths and weaknesses, sets your goals, and provides you with practical, achievable tasks to complete as you progress.

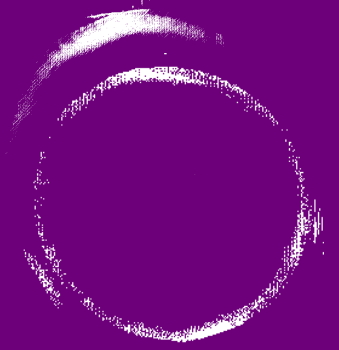
Of course over time your plans may change – but the dream will, hopefully, stay intact. It’s your dream, your mission, your vision and your plan. Good luck.

If it is to be, it is up to me.



RECOMMENDED READING

- Access All Areas: Guidelines to Marketing the Arts to People with Disabilities*, Australia Council, 1999.
- A Guide to Researching Audiences and Visitors, A Report to the Audience Development and Advocacy Division of the Australia Council*, January 1998.
- Arts Marketing the Pocket Guide*, Sharron Dickman, Centre for Professional Development, Kew, Victoria, 1997 (available from the Australia Council).
- Basic Marketing: A Managerial Approach*, Jerome McCarthy, et. al. first Australasian edition, Irwin, USA, 1994.
- How to Get Control of Your Time and Your Life*, Alan Lakein, Signet, 1973.
- I Could Do Anything. If Only I Knew What It Was*, Barbara Sher (with Barbara Smith), Hodder and Stoughton, 1995.
- Making It Happen: The Cultural and Entertainment Industries Handbook*, Centre for Professional Development, Kew, Victoria, 1997.
- Marketing Strategies for Arts Organisations*, Peter Steidl, Australia Council, 1997.
- miles ahead, arts marketing that works in regional australia*, Australia Council, October 1998.
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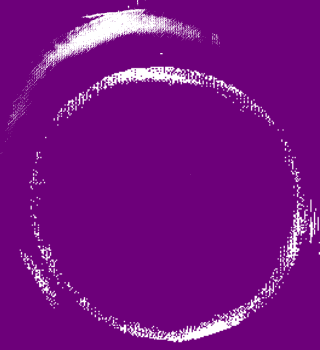
RECOMMENDED INTERNET SITES

If you have access to the Internet, there are several addresses which will be of interest.

The Australia Council (<http://www.ozco.gov.au>) is not only full of useful information, it provides links with related sites in Australia and overseas. Also see its arts marketing web site (<http://www.fuel4arts.com>) – once you're in the Fuel web site, be sure to check out their resources section on marketing web sites. It lists more than 30 Australian and overseas web sites which cover all aspects of the arts.

The Department of Communications and the Arts (<http://www.dca.gov.au>) is also an excellent site, with useful information and links.

Arts information can also be obtained through the site (<http://www.artsinfo.net.au>) which provides information on current events, grants and activities.



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