# Beyond Marketing: Entrepreneurship, Consumption, and the Quest to Rebuild Audiences for the Performing Arts

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*In response to recent trends of declining attendance and financial struggles, arts organizations are struggling to create long-term solutions – but often lack the tools to do so. An entrepreneurial approach provides a mechanism for exploring these challenges while facilitating development of a compelling brand and improved implementation of marketing strategies.*

## INTRODUCTION

The performing arts in the U.S. are in crisis. The arts and culture sections of newspapers from across the nation are filled with news of bankruptcies, labor strife, shrinking audiences, and cancelled seasons. Though arts and culture accounted for $135 billion in economic activity in 2010 (Americans for the Arts Report, 2010), individual organizations – and the artists who serve them – often lack the financial and community support necessary to sustain their activities. While the causes of these problems may vary somewhat among communities and organizations, the trends of declining attendance, shrinking financial support (from individuals as well as institutions), and an aging audience are consistent enough to suggest a systemic cause that transcends the particular symptoms of a given group's malaise. Unfortunately, performing arts organizations are tending to focus on immediate issues – usually centered around marketing to their existing (and shrinking) audience – rather than digging deeper into the relationship between their artistic product and the younger market they seek to engage. The consequence of this mis-focus is results that are either short-lived or unsatisfactory, leaving the organization stymied and unable to reverse its fortunes. Principles of entrepreneurship, informed by theories of aesthetic consumption, suggest some strategies for overcoming this paralysis. By pondering the needs and sensibilities of the marketplace and fashioning an artistic product that fills those needs and resonates with those sensibilities, performing arts organizations can create a more relevant artistic product and thus generate marketing efforts that are far more likely to succeed.

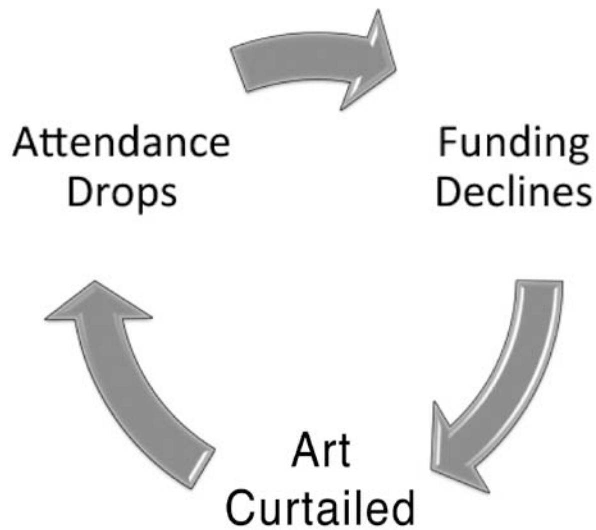
## DEFINING THE PROBLEM

Recent statistics from the National Endowment for the Arts indicate that attendance at performing arts venues has been in decline for over a decade (NEA Report, 2009). Furthermore, the litany of cultural organizations struggling to stay alive continues unabated: major orchestras across the country lead this list, with Atlanta, Detroit, Minneapolis, and scores of regional orchestras either engaged in bitter labor disputes (centered around reduced pay for musicians and shortened seasons) and/or facing seemingly insurmountable financial challenges. And though my particular area of experience and expertise is in the area of classical music, these same challenges are facing theatres, ballet companies, jazz venues, and virtually all other areas of the performing fine arts.

With these acute challenges, and given the broad range of geographical and economic contexts in which they occur, arts administrators are beginning to realize that the solutions must consist of more than a short-term shoring up of their donor base or appeals to “angels” to bail them out. Unfortunately, most organizations are nevertheless still looking in the wrong places for solutions.

As Director of the Entrepreneurship Center for Music at The University of Colorado-Boulder, and as a composer and classical musician, I have observed a handful of strategies that have been employed over and over again by performing arts organizations – usually producing only short-term results (at best). These strategies in fact feed on each other in a negative way, creating a downward spiral the likes of which we see throughout the performing arts today. I call this the “Cycle of Irrelevance” (Figure 1).

**FIGURE 1**
**CYCLE OF IRRELEVANCE**




One can begin this cycle either with a decline in attendance or an unexpected cut in funding. Either way, the ultimate result tends to be a curtailing of the artistic product itself. This curtailing usually starts as modifying artistic programming to present more work perceived to be “audience favorites” (i.e., programming more and more of the same “chestnuts” and avoiding more obscure, modern, or otherwise challenging repertoire). This condescension towards the audience is the artistic equivalent of the political party that “plays to its base:” it may shore up support in the short term, but will not likely win over support from anyone outside the most narrow of constituencies; in the case of the arts, the younger audiences arts groups crave are completely ignored by this strategy. Once this approach proves ineffective (and in my experience, it nearly always does) and the cycle comes around again, actual cuts in programming come next: cancelled concerts, shortened seasons, fewer commissions, and of course cutting the salaries for artistic personnel (or cutting those personnel entirely).

Though financial realities may make budget cuts unavoidable, cutting support for programming is ultimately a self-defeating approach: it’s the artistic product the audience is buying; what that product is compromised, the organization’s ability to attract the new patrons needed for sustainability over the long term is seriously compromised as well.

## FAILED RESPONSES

As arts groups struggle to break out of the Irrelevance Cycle, some combination of increased marketing and community outreach is usually employed. While these are likely to have some positive impact, they avoid the underlying problem driving the Irrelevance Cycle and therefore do not usually result in breaking free of it. Each of these is examined below:

### Enhanced Marketing

The almost knee-jerk impulse to implement a stepped-up marketing campaign is based on the faulty assumption that greater visibility and interaction with the existing audience will, by itself, lead to increased attendance and financial support. Such campaigns are often associated with expensive re-branding initiatives that are based on an image the organization thinks will resonate in the community rather than an accurate reflection of what the organization actually does (or, for that matter, a true understanding of what the community wants). In the near-term, the results may be encouraging: arts marketing has evolved into a highly sophisticated endeavor, and many organizations do not fully (or even partially) take advantage of what the discipline has to offer.[1] And so in and of itself the adoption of more rigorous and nuanced marketing strategies is a good thing, and may slow or even reverse the decline in numbers in the short term. Unfortunately, they are likely to only shore up support *within the organization's existing market* – a demographic that is inexorably shrinking over time: in the case of classical music, opera, ballet, and the like, audiences are overwhelmingly white, over 50, and affluent: a demographic that is actively contracting. Furthermore, modified marketing strategies to attract younger audiences, if they exist at all, fail to consider the sensibilities and needs of that market (or make misplaced assumptions about them), dooming them to failure.

### Community Engagement

Often seen as a sort of magic bullet, community outreach/engagement activities can range from educational initiatives in the schools, chamber music performance in small venues throughout the region, or attempting to create social groups around targeted constituencies (such as young professionals). While such initiatives can be vital components of rebuilding an audience, they are not generally implemented with clear strategies to connect the audiences reached with the overall mission of the organization, or with sufficient attention paid to the needs and sensibilities of the targeted demographic. Therefore, once again the organization finds that it has spent precious limited resources on an initiative that does not generate the desired results, further driving the Irrelevance Cycle and contributing to the sense of strategic paralysis.

All of these strategies may be required as part of any attempt to rebuild an audience for a performing arts organization. But the reason why the results are so inconsistent and short-lived (or, worse yet, ineffective altogether) is that they are not employed within a context of engaging with the underlying problem. Assumptions are made concerning why audience numbers have declined[2] and solutions are put in place based on those assumptions, often with little thought given to what is actually driving the decline. In order to devise a more effective strategy, a closer look at the relationship between the artistic product and the needs of the audience must take place.

### The Underlying Problem

Here we return to the Irrelevance Cycle, for its very name speaks to the underlying problem most performing arts organizations are not seeing. Simply put, the fine arts – and performing arts in particular – have experienced a loss of value in their marketplace. In the wake of the digital revolution and an increasingly media-saturated culture, genres such as the symphony, opera, ballet, and theatre are having a difficult time creating relevance to a wider and wider swath of the population, particularly younger audiences for whom the digital world is the only known paradigm. This is most glaringly true for classical music organizations, which continue to present concerts in a paradigm that was established in the 19th century – and then wonder why 21st century audiences are less and less interested in what they have to offer. In the last decade the methods by which the market accesses, distributes, purchases, and interacts with the product have all changed, while the producers of the product have not altered their business model in the slightest. I like to use the metaphor of a buggy manufacturer in 1910 wondering how to boost sales without considering the fact that more people are simply driving automobiles. In other words, the arts are facing a "relevance gap" in which their offerings are not seen to be sufficiently relevant to a sufficient amount of the population to be sustainable. An excellent illustration of this is the question of ticket prices. One oft-heard explanation for declining audiences for classical music is that ticket prices are too high. But if a college student is willing to save their dollars to buy a $200 ticket to Lady Gaga, then clearly a $25 ticket to the symphony isn't too expensive, per se – it's that the student doesn't value the experience enough to save their money and make sure they can go. The problem isn't the ticket price, the problem is that the value established by the market is not sufficiently high to cover the cost of the product.

How did the arts get into this bind? Performing arts organizations, and artists in general, have long operated on the mindset that what they offer is a rarefied product that *should* appeal to persons of a certain class and level of education, and that all one must do is create awareness around the offering and the people will come. When necessary, an appeal to those individuals to support the vital cause of Art will be made and those who believe in the mission will contribute, thus allowing the organization to continue. And for decades this has worked (more or less). But as government funding has decreased (nearly 40% since the 1990s) and corporate underwriting has increasingly shied away from the fine arts, these models are breaking down, and are clearly not sustainable by younger generations of potential arts patrons who have a fundamentally different way of interacting with and valuing artistic content.[3] How do arts organizations develop strategies to cultivate new audiences in the face of these fundamental shifts in their market? How can the arts restore value to their product?

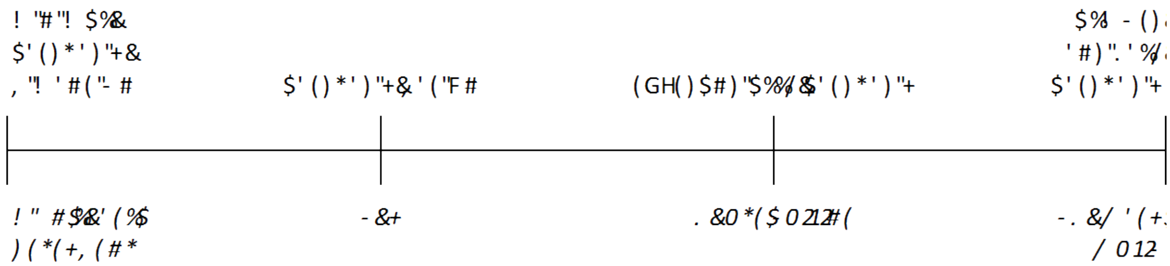
In order to find an answer to this question, we must begin by pondering the very nature of the live art experience, and try to understand how the marketplace consumes (and therefore values) artistic experiences. What does research show us about the nature of consumption of artistic products? And in light of that research, how can we better connect the artistic product with needs and sensibilities of the marketplace?

## RESEARCH ON AESTHETIC CONSUMPTION

Several scholars have explored the nature of consumption of aesthetic products. The notion that products appeal to consumers for more than utilitarian reasons is nothing new. As noted by Levy (1959), "People buy products not only for what they can *do,* but also for what they *mean*" (p. 118). Subsequent research into the symbolic properties of products primarily focused on elements of a product such as its design and its brand identity; application to the arts has been slower in coming. The work of Hirschman, Holbrook and others advanced this cause, defining a specific realm of consumption ("hedonic consumption") as "those aspects of consumer behavior that relate to the multi-sensory, fantasy and emotive aspects of one's experience with products" (Hirschman and Holbrook 1982; see also Holbrook and Hirschman 1982). Lacher specifically tied this notion to the arts (1989), which led to further work exploring hedonic consumption in specific arts markets (jazz recordings [Holbrook 1982] and the consumption of rock music [Lacher and Mizerski 1994]) and the development of musical taste generally (Holbrook and Shindler 1989).

This later work inspired Charters (2006) to point out the inherent difference between the initial intent of the hedonic model (which centers around the "ancillary aesthetics" of a product) and what he terms "aesthetic consumption" (which relates to products for which "the aesthetic dimension [is the] core component of a product" [p. 239]). He also argues that hedonic consumption is primarily about pleasure, whereas "aesthetic consumption" relates primarily to the consumer's response to the aesthetic object itself – a complex process that involves considerable cognitive engagement and may or may not be "pleasurable" (in the case of, say, a symphony that is highly cathartic and induces tears). To address this differentiation, Charters proposes a continuum of the aesthetic dimension in products, ranging from minimal dimension to almost entirely aesthetic (p. 241)(Figure 2).

**FIGURE 2**
**CHARTERS' RANGE OF AESTHETICS IN CONSUMER GOODS**



The continuum suggested by Charters implies that marketing of largely aesthetic products should be conducted in fundamentally different ways than that of utilitarian consumer goods. It also underscores that the markets for aesthetic products themselves are fundamentally different from utilitarian goods. One critical difference is the range and diversity of the products themselves. "Whereas supermarkets may stock twenty brands…of tuna…the varieties of clothes or wine – and even more of music and books – available to the consumer will run into the thousands" (p. 242). Furthermore, in his landmark paper "Where are we now on cultural economics?" Mark Blaug points out that aesthetic tastes are variable and difficult (if not impossible) to predict: "The fact that the products of cultural industries are typically 'experience goods' for which tastes have to be acquired by a temporal process of consumption […] only strengthens the point that stable and identical tastes are an implausible assumption" (Blaug 2001). These observations have critical implications for how the performing arts must be marketed, because they reveal that marketing on artistic content alone ("Come hear Beethoven's Second Symphony this weekend!") will have little impact on any but the most informed fans, and even then may fail to motivate action on the part of the consumer.

How, therefore, *can* the performing arts be marketed more effectively? Here the concept of *intrinsic value* and *extrinsic value* is extremely helpful. Charters notes that aesthetic consumption has three elements: the utilitarian function is minimal, the primary purpose of consumption is "enjoyment of…beauty or sublimeness," and there is likely to be the presence of extrinsic motivations for consumption (Charters 2006, p. 246). Extrinsic motivations are defined as elements that operate simultaneously with the experience of the aesthetic product itself, such as social interaction, civic pride, or status (Bell, Holbrook, and Solomon 1991).

The notion of extrinsic value is key to unlocking the problem of how to more effectively re-build audiences for the performing arts, particularly if the targeted demographic is audiences under the age of 40. In an age when artistic content can be accessed at any time anywhere, presenters must work harder than ever to articulate the value of a live concert experience and differentiate it from other avenues of access. The unique value of a live experience hinges almost entirely on the extrinsic values of the experience: the social interaction, the variability in live performance, the sense of shared, communal experience, and perhaps civic pride and/or the social status of "seeing and being seen."

Focusing on the extrinsic values of the performing arts experience reveals an important reason why traditional advertising and marketing approaches are increasingly ineffective, particularly to younger audiences. Since all but the narrowest sliver of an audience for fine art is highly knowledgeable of the content being presented, marketing based on repertoire (or even star soloists) is unlikely to resonate with most potential consumers. Therefore, building a brand identity around the extrinsic values of the *experience* is much more likely to be effective in building loyal, consistent audiences.

The implications of this go beyond that of marketing and brand identity, however. Focusing on extrinsic value also means that the performing arts must change the very way they present their artistic product. This is where entrepreneurial principles provide a mechanism for reinventing the nature of delivery of the artistic product, for at the core of entrepreneurial thinking is the notion that the design, marketing and sale of a product must be rooted in the needs of the market it seeks to serve.

So what unmet needs can fine arts organizations meet? How might the needs of younger potential patrons differ from those of the existing patron population? Traditionally these questions have been answered by the assumption that the arts are "good" for communities (and individuals) – without clearly articulating the nature of that benefit. This assertion has led many communities of all sizes to embrace artistic endeavors as an act of civic pride, and, in recent decades, a mechanism for urban revitalization and economic development. But in any case, the presentation of the art itself remains restricted to the traditional venues: visual art hangs in a gallery, a play is presented in a theater, classical music is presented in a concert hall, etc. But if we consider the possibility that the *experience* of the art in a communal context is at least as important to the audience as the art itself, then new ways of presenting art need to be developed that maximize the opportunities for the audience to experience those extrinsic values. Such things as less formal venues, more interaction between performers and audience, social events before and after shows, and the introduction of other media into the performance experience are just a few ways that extrinsic value can be built upon. And once again if the primary goal is to attract younger audiences, then attention must be paid to the nature of the art those audiences tend to consume (multi-media, blended genres, performer/audience interaction, etc.).

Deciding which strategy is best for the audience in question is likewise an entrepreneurial endeavor: if one can determine the extrinsic needs of a particular audience then one will likely unlock value for that audience, translating into better attendance and more generous financial support. For arts organizations used to catering to the needs and sensibilities of an older and artistically educated audience, the entrepreneurial approach suggested here is particularly useful in helping shift the mindset and assumptions being made about the product and its relationship to new audiences.

## CONCLUSIONS

The challenges facing performing arts organizations today are complex and varied, but several near-universal trends suggest that certain systemic issues are in play. Weak attendance and shrinking financial support clearly indicate that the audience for the performing fine arts is in decline, but in order to reverse that decline a deeper understanding of the issues driving it is in order. An entrepreneurial approach, informed by theories of aesthetic consumption, provides a mechanism for exploring the needs and sensibilities of an organization's target market. This in turn illuminates the connection between audience needs and the artistic product, facilitating the development of a compelling brand and more effective implementation of the sophisticated arts marketing strategies now at our disposal. Only this combination of approaches can break an organization out of the Irrelevance Cycle and return it to a path towards sustainability and growth.

At the core of the entrepreneurial approach is identifying the needs of the target market and creating vehicles for meeting those needs through the product in question. For arts organizations, this means focusing not just on the artistic product itself but also on the extrinsic value of the live performance experience, including venue, avenues for social interaction, and incorporation of other media. Since most of the performing arts, classical music in particular, present their work in a 19$^{th}$-century paradigm, there is ample room for experimentation with how the art is "framed" and presented – experimentation which must in turn be guided by more closely addressing the needs of the intended audience. The result will be marketing that truly reflects the artistic mission of the organization. More importantly, the deep value of arts organizations can once again be restored in the eyes of the community they serve.

## ENDNOTES

1. In recent decades, marketing for the performing arts has developed into a highly sophisticated and nuanced discipline, connecting ticket sales, demographic profiling, attendance patterns, and financial contributions. An excellent resource for this is Kotler and Scheff's *Standing Room Only: strategies for marketing the performing arts* (1997). Although the largest performing arts operations likely employ these strategies already, many mid-sized and small arts groups lack the resources required to implement them.
2. These assumptions include notions such as: "High ticket prices keep people away," "Greater visibility in our market will lead to increased attendance," or "A new branding campaign will make us look edgier and therefore attract more young audiences." These assumptions are seldom accurate, and therefore usually fail to produce the results hoped for.
3. An additional challenge, of course, is the fact that younger audiences have likely grown up in schools for which arts education is either weak or lacking entirely. While in my view this is not the core driving force in the "relevance gap" experienced by young audiences *vis-à-vis* the fine arts, it is certainly a contributing factor that makes the problem all that more difficult to solve.

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