THE USE OF MARKETING AND PUBLIC RELATIONS ACTIVITIES BY PERFORMING ARTS PRESENTERS.

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Abstract

Although Arts Organisations are often said to be poorly developed in marketing areas, it is unclear whether this is a response to the atypical environment they exist in, or simply due to limited skills and resources. This paper looks at Performing Arts Presenters (PAPs), profiling what they do in the way of marketing, how sophisticated they are, and the reasons they behave the way they do. In-depth interviews with marketing managers indicated that PAPs are confused about the role of marketing, relying mainly on Public Relations instead. While it was widely acknowledged that marketing would be beneficial, the marketing that is executed is generally ad-hoc and basic. This lack of marketing action is due primarily to a lack of skills and resources and a historical preference for PR, not as a considered response to the Arts environment.

Introduction

Arts Organisations are frequently characterized as being poorly developed in areas such as marketing (DiMaggio 1988, Blundell 1998; Kalic 1999; Shmith 1998; Thompson 1995; van Ulzen 1994). This characterisation may be unfair given the atypical nature of the industry, which often must rely on independent producers to create artistic work before marketing practices can begin (Björkegren 1996; Radbourne & Fraser 1996; Ryans & Weinberg 1978). In addition, Arts Organisations must often view the encouragement of creative independence and innovation as a vital organisational goal, or even a reason for existence (Davis, 1996; Derum, 1995; Rentschler & Potter, 1996), although these may not necessarily be in the best marketing interests of the organisation. This necessary “production orientation” means that the principles of marketing are often adapted by Arts Organisations in order to effectively satisfy both organisational and customer requirements.

The question remains - Is the way that Arts Organisations undertake marketing activities actually a result of poorly developed skills and understanding, or is it a legitimate response to an atypical environment? This paper examines this question by focussing on one particular type of Arts Organisation – Performing Arts Presenters, and then looking closely at the way in which they undertake marketing activities. The reasons for undertaking these activities, in the manner that they are, are also investigated.

Background to the Study

Marketing and Public Relations are two aspects of management that would seem particularly useful to Arts Organisations. The recent Major Performing Arts Enquiry (Nugent 1999) argued that some of the major challenges facing performing arts organisations included audience development, more strategic use of marketing budgets, sponsorship generation and segmentation – all marketing activities. It should be noted that marketing, traditionally defined as “the performance of activities that seek to achieve an organisation’s objectives by anticipating customer needs and directing a flow of need satisfying goods and services from
producer to consumer (McCartney and Perrault 1997, p22), is a relatively new concept to most Australian Arts Organisations. This is evidenced by the fact that only in the last five years has the major Arts funding body, the Australia Council, actively promoted and taught marketing concepts to arts managers.

Arts Organisations often have low promotional budgets and a large range of publics whose actions are vital to future organisational success (Nugent, 1999). It could be expected then, that due to the suitability of PR to this type of organisation we would see PR activities widely undertaken by Arts Organisations. Indeed, the practical experience of the researchers suggested that PR would be more widely used than other marketing activities. Although theorists have had trouble agreeing on a single definition (Kitchen 1997), in this paper PR is defined as “the company’s efforts to foster better relations with the various publics or shareholders” (Rossiter and Percy, 1997, p 334). It stands as a promotional tool that can be most easily and effectively implemented by organisations that have limited financial and staffing resources, yet rely on the support of customers, sponsors and employees (Hogg, 1998).

From a theoretical standpoint, PAP’s should not differ in the way they practice marketing (McCartney and Perrault 1997) or PR (Kitchen 1997), as both are said to be easily applied to a range of organisations including small, non-profit and member-driven companies. Those authors who have argued for the adoption of “marketing public relations” claim that organisations like PAP’s need to practice a combination of both marketing and PR activities to be successful (Kotler and Mindak 1978, Kitchen and Papasolomou 1997). Kotler and Mindak’s (1978) table illustrates how this combination could work, and shows the activities undertaken and the spheres of responsibility of marketing and PR. This table (Table One) was used to classify the activities PAPs reported undertaking, although it could be argued that the table has some inherent bias in that many of the discrete activities represented may be interrelated. Whether it is possible to undertake many of the PR activities listed without also doing some form of market assessment and segmentation is debatable. The table however, remains the most widely used in literature on the topic (Kitchen 1998).

**Table One: Spheres of Responsibility for Marketing and PR (Kotler and Mindak 1978)**

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Marketing Public Relations</th>
<th>Public Relations</th>
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<tbody>
<tr>
<td>Market Assessment</td>
<td>Image Assessment</td>
<td>Publications</td>
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<td>Customer Segmentation</td>
<td>Customer Satisfaction</td>
<td>Events</td>
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<td>Product Development</td>
<td>Surveys</td>
<td>News</td>
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<td>Pricing</td>
<td>Media Strategy</td>
<td>Community Relations</td>
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<td>Distribution</td>
<td>Corporate Advertising</td>
<td>Identity Media</td>
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<td>Servicing</td>
<td>Employee Attitudes</td>
<td>Lobbying</td>
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<td>Salesforce</td>
<td>Atmospherics</td>
<td>Social Investments</td>
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<td>Sales Promotion</td>
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<td>Product Advertising</td>
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Performing Arts Presenters

Some organisations create performing arts products, others present them and some do both. The focus of this study was on those organisations that were involved in the presentation of performing art products. These organisations (PAP’s) were chosen because they take the financial risk for the production and distribution of performing arts products. These are the
organisations most heavily involved in the marketing and promotion of the products, compared to those who solely create productions for sale for sale to venues and other PAPs. Examples of PAP’s include the Tasmanian Arts Council, Melbourne Theatre Company, and the Bendigo Regional Arts Centre.

**Method and Analysis**

The objective of this study was (1) to gain general insight into the role that marketing and PR plays in the PAPs and (2) to identify the reasons behind their actions. As such a qualitative methodology was utilised in the first instance. The population under consideration was Professional Performing Arts Presenters (PAP) in Victoria and Tasmania. Using the Australian Performing Arts Directory (APAD, 1996), twenty organisations were randomly drawn from a total population of sixty PAPs. Of these twenty organisations approached, twelve agreed to participate in the research.

The definition of professional and organisational size is a problematic element in any research involving arts organisations. For the purpose of this investigation, the researchers defined a professional organisation as one that has at least one full-time equivalent paid staff member responsible for management and marketing of the organisation’s products.  Organisational size for this sample ranged from a professional staff of two, to a staff of more than one hundred. In the twelve organisations studied, four had a staff of less than three, five had a staff of four to ten, and three had staff numbers between ten and one hundred. This ratio is reasonably indicative of the wider population of PAPs in Victoria and Tasmania (APAD, 1996). Within the twelve organisations in the research sample, annual turnover ranged from $200,000 to $40,000,000. All organisations were non-profit, had a voluntary board or committee of management and received some form of government subsidy. The twelve participants, representing 20% of the population, were judged to be a good approximation of PAPs in these two states, particularly on two key dimensions: size and level of professionalism.

**Procedure**

In-depth interviews were conducted with the person responsible for marketing.  Open-ended questions related to marketing and PR practices in the organisation were put, thereby allowing the interviewee to use the jargon and language relevant to the industry. Questions centered around three central themes:
1. What do PAP’s do in the way of marketing activities?
2. How sophisticated/developed are their practices?
3. Why do they behave the way they do (i.e. are their actions an appropriate response to industry conditions)?

After the interview, the researcher was provided with a tour of public areas in the organisation and collected PR and marketing material such as flyers, marketing plans, research and newsletters to provide further insight into public relations and marketing activities.

**Findings**

**Marketing activities undertaken**

The most significant finding is that when classified according to the Kotler and Mindak (1978) table (Table One), the PAP’s generally conducted very little that would be considered “marketing” activities. In most cases, the majority of marketing activities took the form of PR,
advertising and promotions. In fact, few of the managers differentiated marketing from PR activities, or understood the way these activities are currently viewed by theorists. Two comments from CEOs reflect this confusion:

“I think marketing and PR are inseparable, very much so. PR is the main form of marketing we do”

“PR is the public perception of the company and how as a company we can manipulate that. So I think far more than marketing, which is about selling the product, I think PR is about the feel which is out there, the hype that surrounds the company and I think that we are in control of that, we generate that and we can manipulate that. We manage the public perception through a director’s club [where] we give them functions such as breakfasts and the opportunity to mingle with company members and artists. We’ve just relaunched the company with a new logo. We’ve spent of lot of money. It’s about corporatising the look of the company.”

Of the twelve organisations interviewed, only four dealt with any activities in the marketing sphere (Table One), while all used various combinations of activities noted in the PR column. The most commonly reported “marketing” activities were producing publications, sponsorship, fundraising, lobbying and staging events such as product launches, all of which are classified as PR (Kotler et al 1978). PAP’s undertaking marketing/PR activities mainly focused on customer satisfaction surveys, although these surveys were relatively ad hoc and were seen as a peripheral activity of the organisation.

**Sophistication**

Within the four organisations undertaking marketing activities, customer segmentation (such as identifying the youth or ethnic markets) and product development (such as presenting more contemporary works) were the most clear examples. Most PAPs had used advertising, although it was generally outsourced, and had toyed with changing pricing and distribution variables. These efforts however, were generally not reported to be part of a strategic attempt to match organisation capabilities with customer needs but rather were part of trial and error experiments. For example, one company had used a ‘15% off the ticket price’ promotion, but had not measured the success of the promotion beyond basic ticket sales. Critical to the success of price promotions is understanding whether the customers are new customers being converted to the product, or current customers who are taking advantage of lower prices (Mela, Gupta and Lehmann 1997).

Despite expressing a desire to utilise marketing within the organisation, few managers were undertaking marketing activities to improve business performance. Marketing/PR techniques (Kotler et al 1978) such as surveys had only started to be used, and in some cases was seen as too substantial a drain on other resources in the organisation, “…that’s really hard to do at the moment. We don’t have the personnel or skills to be able to go out there and do that [surveys]” In some cases, marketing was also perceived as a barrier to the creative goals of the organisation, with many organisations stating that other marketing/PR elements such as customer satisfaction with the experience were not a key element of the organisations’ goals, “the artistic director doesn’t necessarily set out to make our audience happy or satisfied. That’s not how we work,” commented one General Manager.

Whilst the marketing actions may have been limited, the PR activities were generally strategically driven and well executed. All of these organisations had long experience with PR activities and felt comfortable with their usage in their organisation, perhaps explaining why PR activities dominated the “marketing” function. Grunig and Hunt (1984) outlined four
levels of PR sophistication ranging from ‘one-way reactive’ actions through to the preferred ‘two-way proactive’ PR. Typically the PR activities of organisations similar to PAPs, i.e. theatres, are identified by Grunig and Hunt (1984) as being one way and reactive. We found however, that whilst some PAPs were reactive, i.e. they only responded to change rather than created it, they more often practiced two-way communication rather than simply disseminating information. Many organisations were both proactive and two-way communicators, particularly the Tasmanian PAPs. One Tasmanian commented that “we have to be close to our publics, because we lack the infrastructural support of the mainland.” She went on to comment that stakeholders and their publics have a substantial impact on programming and product development, as well as providing feedback on community attitudes and the impact of PR and promotional activity.

**Observed Practices**

These interviews have given us a picture of PAP’s as being underdeveloped in their use and understanding of marketing practices. There was no significant difference of the uses and comprehension of marketing between large, resource rich PAPs and small, resource poor PAPs. Perhaps the only difference between large and small organisations was the ability of larger organisations to undertake audience research. However, this research did not inform the overall strategic planning of the organisation.

Marketing is often confused with PR activities, and when marketing practices are performed they tended to be piecemeal and responsive rather than part of a larger strategic plan. PR activities, being far more familiar to the marketing managers of PAPs, were heavily relied on to communicate with the marketplace. However these activities tended to be performed at a level of sophistication above that which such organisations had been previously credited with (Grunig and Hunt 1984).

It can also be concluded that these practices have less to do with the atypical environment of Arts Organisations than with poor levels of training, a lack of funding and strong historical precedents. A strong desire to undertake more genuine marketing practices was expressed but was widely believed to be beyond the resources and capabilities of the organisations interviewed. Interviewees felt that they had been forced by funding bodies to undertake other forms of marketing beyond PR and advertising, even though they didn’t have the skills, resources or time to do so:

“Because we are [funded] by a number of different government funding bodies we have lots of markets to serve and lots of reporting mechanisms. We now use marketing so that we can tell the funding bodies that we are heading down the right path.”

None of the managers in the organisations researched held marketing qualifications. In addition, none of the managers had held previous marketing positions in other jobs, although three managers had public relations/publicity experience in arts organisations, perhaps indicating a lack of applied experience in traditional marketing areas. Prior to their current position, all of the interviewees had worked as an artist or manager in the arts industry, or in two cases had been primary school teachers. It is common in the arts industry for managers to be recruited on product skills rather than business skills (Radbourne and Fraser 1996).

**Discussion**

Performing Arts presenters in this research were characterised by a strong reliance on Public Relations practices, with the majority employing both two-way and proactive activities.
Marketing was not well implemented. Outside of advertising and some price discounting, only one third of the organisations undertook any sort of marketing activity as defined by Kotler and Mindak (1978). Those that did practice marketing tended to do so in experimental ways, without a guiding strategy or long-term planning. This strong reliance on PR over marketing was not observed to be based on a determined response to unique environmental conditions, but rather a result of low levels of training, inexperience and confusion about how marketing benefits the organisation. PR was preferred due to historical precedents, and because of the simplicity of many PR activities. PAPs acknowledged that marketing would be beneficial to their respective organisations, and some move towards adopting marketing techniques was evident. This movement can be concluded to be a response to both increased demands from funding organisations and increasing competition in the entertainment and leisure industry (Nugent, 1999).

**Managerial Implications**

Managers of PAPs would benefit from a heightened understanding of the benefits of marketing beyond public relations activities. Although the findings indicated that some PAP directors believed that customer satisfaction *per se* was not necessarily a goal of the organisation, it could be argued that in the organisational environment other marketing activities such as ongoing customer research, segmentation, pricing review and market assessment (see Table One) would benefit the organisation (Nugent, 1999). As identified, none of the managers held marketing qualifications. PAPs may benefit through the recruitment of managers and marketing managers with marketing qualifications or experience, rather than PR or purely product experience.

**Limitations and Future Research**

It is important to recognise that despite the interesting findings and implications of this study, the data is restricted by its methodology and future research would be justified in a number of areas. The intention of this research was to gain general insight into the role that marketing and PR plays in the PAPs and to identify possible reasons for these actions. To this end, a qualitative methodology employing open-ended questions was utilised. Testing these initial observations with a quantitative methodology would be the obvious next step.

Due to the nature of the PAPs business, which is to “sell” a product after it has been developed, the following questions regarding the role of marketing and PR warrant future investigation: Would PAPs benefit from the more extensive use of marketing techniques, or does PR provide all that is required? Would a heightened understanding of PR be more beneficial than a heightened understanding of marketing *per se*? If marketing were seen to be beneficial, what particular elements of marketing would be most advantageous?

**References**


