

Strategic Marketing Planning

SOUTH WEST ARTS MARKETING

APRIL 2002

STRATEGIC MARKETING PLANNING

Introduction

Strategic Marketing Planning is one of a series of publications produced by South West Arts Marketing for South West Arts and Bristol City Council.

The guides are intended as an introduction to arts marketing and as a practical guide for artists and organisations working with very limited resources.

Further information and advice on any of the topics covered in this guide or any other issue related to arts marketing, training, audience profiling, research or regional support networks are available from South West Arts Marketing on 0117-927 6936.

South West Arts Marketing is an independent agency established to add value to arts marketing activity in the South West by providing strategic services and support to artists and arts organisations wishing to increase and broaden their arts audiences.

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STRATEGIC MARKETING PLANNING

What is Marketing?

To be successful, an organisation must constantly try to match its own capabilities to the needs of its customers both current and potential as well as all of its stakeholders.

Over the years marketing has been defined in many ways:

"Marketing is the management process which identifies, anticipates and supplies customer requirements"

Malcolm McDonald

"A co-ordinated process which makes the best use of available resources to present a product proposition to a target market in order to achieve objectives, and then evaluating how successfully this has been done"

Peter Verwey, TMA Marketing Manual

"We live in an age when methods of communication are changing more rapidly than ever before....a time when the traditional arts must work harder than ever to secure their audience and when the emerging arts must think imaginatively to develop the crucial relationship between art and audience."

"That relationship is never static. Audiences cannot be taken for granted....The wider audience is out there—it is up to us to tempt them in"

Andrew Motion, Poet Laureate.

The true challenge of marketing and audience development is planning strategically in a way which will ensure that the plan that emerges is realistic to the needs, wants and resources you have to hand as an individual or an organisation. An unrealistic marketing strategy or plan is not worth the paper it is written on.

What is Strategy?

There is an inherent problem of defining strategy: strategy means different things to different people.

" There is no single, universally accepted definition".

Mintzberg & Quinn (1991)

The Roots of strategy come from- Ancient Greek military usage 'strategos':

Initially it was a role - the general in command of an army. Later strategy became "the art of the general".

By the time of Pericles (450 BC) it had become a recognised "managerial skill";

By the time of Alexander (300 BC) strategy was: *"the skill of employing forces to overcome opposition and create a unified system of global governance"*

Evered (1980)

Modern business usage i.e. 'Corporate' Strategy has become a metaphorical extension of the ancient & modern (military concept).

There are many comparative definitions of strategy, here are just a few:

"(strategy) is the determination of the basic long-term goals and objectives of an enterprise, and the adoption of the courses of action and the allocation of resources necessary for carrying out those goals."

Chandler, A.D (1962)

Business historian Chandler subscribes to the view that strategy is as much about defining goals and objectives as it is about providing the means for achieving them.

Kenneth Andrews (1987), distinguishes between corporate strategy which is the lead strategy, and business strategy, a secondary, yet vital, aspect of corporate strategy:

"...a pattern of decisions ... (which represent) ... the unity, coherence and internal constituency of a company's strategic decisions that position a company in its environment and give the firm its identity, its power to mobilise its strengths, and its likelihood of success in the marketplace."

By comparison, Ansoff and McDonnell (1990), separate strategy (concerned with means) from goal-setting (concerned with ends). They define strategic management as :

"a systematic approach for managing strategic change which consists of the following:

- 1. positioning of the firm through strategy and capability planning;*
- 2. real-time strategic response through issue management;*
- 3. systematic management of resistance during strategic implementation."*

Cole, (1997) proposes a working definition of strategic management to be:

"a process, directed by top management, to determine the fundamental aims or goals of the organisation, and ensure a range of decisions which will allow for the achievement of those aims or goals in the long-term, whilst providing for adaptive responses in the short term."

Definitions of strategy fall into five categories with differing areas of emphasis:

- **A plan:** "a consciously intended course of action".
- **A ploy:** "a manoeuvre intended to outwit a competitor".
- **A pattern:** underpinning "a stream of actions".
- **A position:** a deliberate stance taken in relation to the environment.
- **A perspective:** an all embracing way of thinking about the organisation and its approach to the world.

Most 'strategies' mix elements of the five aspects at one and the same time.

"A strategy is the pattern or plan that integrates an organisation's major goals, policies and action (s)...into a cohesive whole".
(Quinn 1980)

Strategic Marketing Management

- The management of the process of making strategy and of making strategy happen.
- *"a systematic approach to a major and increasingly important responsibility of .. management: to position and relate the firm to its environment in a way which assures its success and makes it secure from surprises"*
Ansoff & McDonnell (1990).
- Underlying purpose: to maintain **fit** or **alignment** between the organisation's activities and its operating environment
- Staying in **fit** means managing the organisation so as to stay aligned with changes in the surrounding world.

Strategic marketing management's primary focus is that of ensuring that an organisation's marketing operations and activities align with its environment, both external and internal.

Strategy—Some Distinguishing Qualities Strategy is:

- Concerned with the scope of an organisation's activities:
 - What business is it in?
 - How does this find practical expression? (i.e. concentration vs. diversity)
 - About matching activities to the environment.
 - About matching activities to the resource capability.
 - Will usually have major resource implications.
 - Will usually affect and inform operational decisions.
- Will be affected by values and expectations of those holding organisational power.
- Usually complex & multi-disciplined in content.

The need for strategic marketing management and planning in the arts:

There is a defined need for all organisations and individuals involved with the arts to become strategic in the management of all their operations including marketing, this stems from:

1. The 'new' political stance on the role of subsidy and the rise in market forces, which in turn means that for arts organisations, there is:
 - a) an increased emphasis on earned income.
 - b) an increased accountability for, and effectiveness in, the use of scant resources.
2. The growing need to balance the artistic urge with the financial imperative and also with socially inclusive government policy.

The logic for this model of strategic management is as follows:

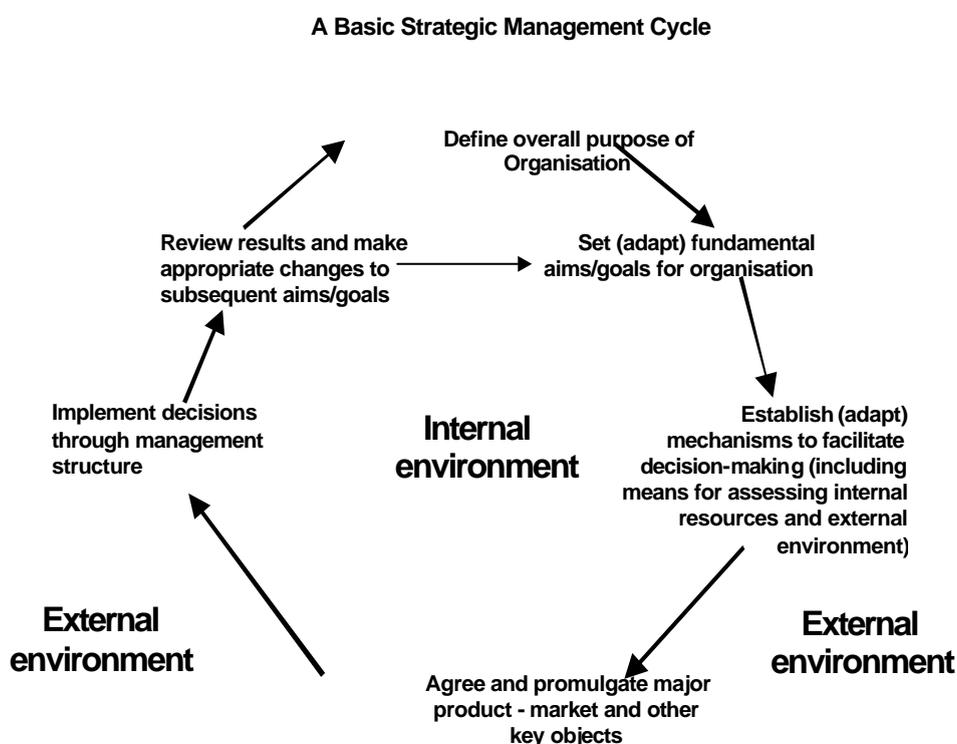
1. The overall purpose, or mission, of the organisation is defined; such a task will be undertaken only infrequently.
2. The fundamental long-term aims and goals of the organisation are agreed (i.e. the 'core business'); these aims/goals may be changed, or added to, from time to time.
3. Mechanisms are established to ensure that the strategic thinking process does take place; these will include data collection mechanisms and consultation arrangements as well as decision making meeting; the key investigations at this stage will relate to the organisation's position in its market and especially to its competitive situation.
4. The key product-market, resourcing, quality and other major decisions are agreed by the senior management.

5. Appropriate organisational structures are put in place to ensure that strategic decisions are promulgated throughout the organisation and implemented in accordance with agreed policies.

6. Results are reviewed and appropriate changes made as necessary to aims/goals and objectives, which completes the cycle

Strategic marketing management: a working model

STRATEGY = a cycle of decisions where each set of decisions has a 'knock on' effect on subsequent decisions. The cycle incorporates a review element which enables decisions to be questioned and changed if need be.



Adapted from Cole, 1997

Strategic marketing management language—uses and abuses

Used carelessly aspects of strategic marketing management terminology (such as 'Mission', 'vision', 'goals', 'objectives', 'tactics' and the term strategy itself) can sometimes seem interchangeable. Here John L Thompson (1997) draws some useful distinctions:

Vision:"... describes what the company is to become in the (long-term) future".

Mission:"... the essential purpose of the organisation, concerning particularly why it is in existence, the nature of the business it is in, and the customers it seeks to serve and satisfy".

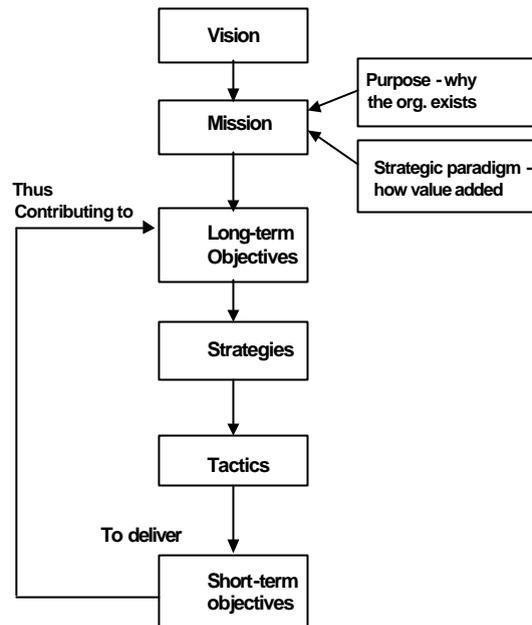
Objectives:"... are desired states or results linked to particular time-scales and concerning things such as size or type of organisation, the nature and variety of the areas of interest and the levels of success... the term goals is synonymous with objectives".

Strategies:"... are means to (overall) ends, and these ends concern the purpose and objectives of the organisation. They are the things that businesses do, the (broad) paths they follow and the decisions they take in order to reach certain points and levels of success".

Hence =

Tactics:"... are the particular operational or functional approaches and activities which serve to realise an organisation's chosen strategies and thus form the 'component' actions that contribute to the achievement of its objectives".

There is also an implied hierarchy within this terminology...



Put another way: **Strategy vs Tactics = a matter of level**

- One person's strategies are another's tactics ... what is strategic depends on where you sit"

Rumelt (1979)

- However, at an organisational level:

ASPECT	TACTICS	STRATEGY
Perspective	The quick fix	The wider game
Focus of intention	Means to achieving Operational goals	The underlying ends
Time-frame	Short-term	Long term
Extent	Localised (e.g. Departmental)	Global (e.g. Corporate)
Navigational emphasis	Minor adjustments (take the second turn on the left)	Overall direction (driving to London)
Focus	Specific to immediate needs and issues	Adapts to changes on a continuing basis
Outcomes aspired to	Negotiation of temporary problem/obstacle	Achieving policy objectives

In summary:

Strategy = the art of the general, the art of the long view.

Strategic Marketing Management = managing the process of making strategy & making strategy happen, to keep the organisation in fit with its environment & to achieve its overall aims.

It is an integrative management function, as the capstone of all others.

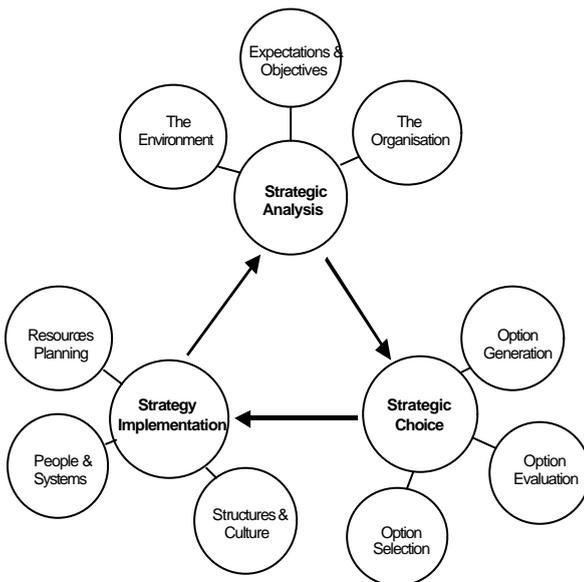
It is an iterative, 3 stage process;

- Strategic marketing analysis
- Strategic choice
- Strategy implementation

The strategic management process

Johnson & Scholes (1989) suggest a three stage, iterative or cyclic model for the process of strategic management:

The strategic management process - a cyclic model



After Johnson & Scholes (1989)

This is the thought and application that needs to be applied to all marketing planning. The three stages are all equally important to the marketing process. The marketing plan is the end of the process.

Strategy is essentially about being: **Proactive** vs. Reactive
Strategic vs. Tactical

And thinking about:

Long term benefits vs. Now.

Marketing Plans and Planning

A marketing plan has been defined as:

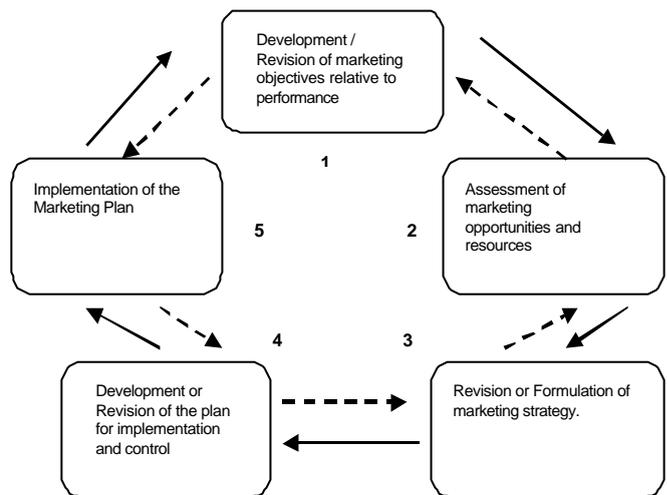
“A written statement of the marketing aims of a company, including a statement of the products, targets for sales, market shares and profits, promotional and advertising strategies, pricing policies, distribution channels etc. with precise specification of timescales, individual responsibilities etc”.

(Masner, 1988)

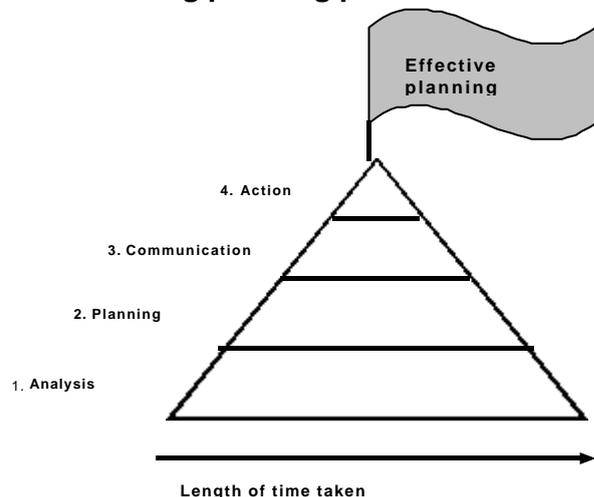
To achieve this marketing plan, the organisation will have to go through a number of stages which take the form of questions, as follows:

- **Where are we now?** - the analysis of the current marketing situation.
- **Where do we want to be in the future?** - setting the objectives.
- **How are we going to get there?** - creating the strategy
- **How will we know when we get there?** - monitoring and evaluation.

Marketing Planning



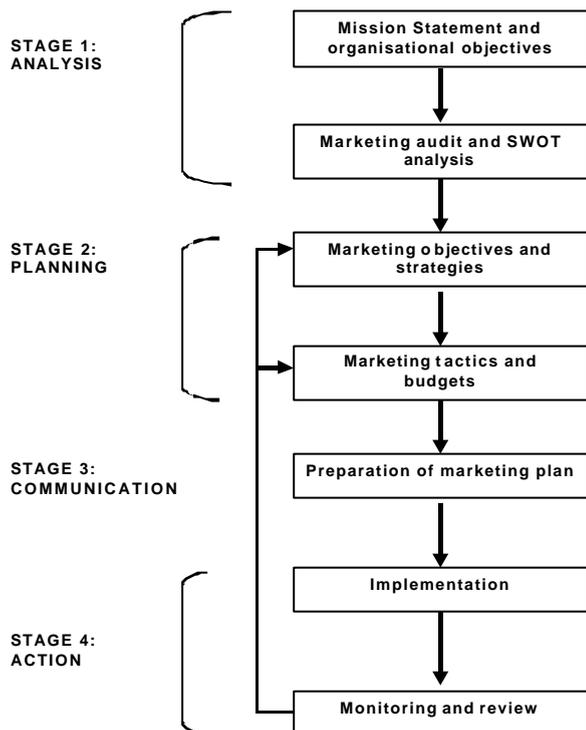
The marketing planning process



The marketing planning process

Strategic Marketing Planning takes time, but is well worth the effort the process can be split into four clearly defined areas, it is useful to think of the effective marketing process as a triangle. The more time spent at the beginning on the foundations of the strategy, the analysis and planning stages, the stronger the top of the triangle, the communications and action that ensue.

This can be further broken down into defined actions:



The marketing plan is achieved at the end of the planning process and should be a short, working, summary document of all the environment analysis which proceeds it. The methodology for undertaking this 'backbone' of analysis is examined later in this guide.

Format of a typical marketing plan

1. INTRODUCTION

2. OBJECTIVES—Company mission statement. Aim = the ends, Objectives = the means.

3. PRODUCT / SERVICE MARKET BACKGROUND—present market overview (marketing audit). Sales summary, market research and analysis.

4. SWOT / PEST ANALYSIS—company SWOT and competitor SWOT. SWOT analysis is sometimes presented as a situational analysis (of where would we like to be in the future?).

6. MARKETING STRATEGY—target market segments, basis of competition USP (unique selling point). Detailed plan of action, tasks, measurable outputs with timescales and responsibilities.

7. MARKETING MIX—promotional objectives, promotional plan and budget / costs. Pricing strategies and distribution arrangements.

8. STATEMENT OF EXPECTED SALES—sales forecasts for each target market.

9. CONTROL AND EVALUATION—a statement of action necessary if things are going out of control. It is possible to evaluate results for each market / product sector under the following:

- Weekly flow of bookings
- Sales response to advertising
- Market analysis on the response and perception of advertising and promotional campaigns
- Sales response to any price discounts
- Customer satisfaction with product quality measured by surveys, focus groups etc.

The communications role

This relates very much to the role of the marketing manager and his or her skill at conveying a message.

Ways of involving as many staff as possible in contributing to the process of setting objectives and drawing up plans, is an important aspect of securing willing, enthusiastic participation in their implementation. Poor communication can result in de-motivated staff who are unwilling to help achieve desired objectives.

The benefits of marketing planning

The benefits of marketing planning can be both at the organisational level and individual level.

Marketing planning takes place within the context of the aims and objectives of the whole organisation.

It can help to clarify them; reinforcing the artistic policy and providing a sense of direction and purpose to the activities in which arts organisations and individuals are engaged.

When the organisation is clear about what it is and where it is going, audiences too will be more certain as to the organisation's role and position, reducing the likelihood of disappointed expectations.

For the organisation, the benefits of marketing planning stem from:

- Better anticipation of change and less vulnerability to the unexpected.
- A long term perspective and proactive responses to environmental changes.
- Acceptance of the need for change and preparedness to meet change.
- Fewer bad decisions when taken by surprise.
- Greater inter-functional co-ordination
- Better communication and less conflict between individuals.
- Minimum waste and duplication of resources.
- The existence of a structure around which to manage.

For the individual—the planning process can create a sense of belonging to / ownership of the organisation and create personal motivation by creating opportunities for achievements to be formally recognised.

We have now examined the culmination /ends of the strategic marketing planning process—the structure and content of the marketing strategy / plan. Now we will examine Strategic Marketing Analysis the building blocks on which every effective marketing strategy and plan is based.

Strategic Marketing Analysis—The first stage of strategic marketing management and planning

- **Remember:** a key and continuing act of strategic marketing management is to keep alert to the needs and capabilities of the organisation whilst monitoring the state of the environment.
- Strategic Marketing Analysis is therefore about assessing the organisation's current situation, history, concerns and any other pertinent issues in relation to the environment (*situational analysis*).
- A simple but practical approach might involve seven broad steps:

1. Considering the overall **mission, purpose, values, expectations, objectives** and **current strategy** of the organisation;

2. Considering its past performance and **history**;

3. Assessing the **environment** in relation to the organisation (External Analysis);

4. Assessing the **organisation** in relation to its environment (Internal Analysis);

5. Structuring the findings (**SWOT** and **TOWS** analysis);

6. Assessing the resulting findings in terms of the **stakeholders**; and

7. Coming to conclusions, and identifying the principal **strategic issues** as a basis for the next stage of the strategic marketing management process: marketing strategy selection and marketing planning.

Using analytical tools and techniques

- The choice of tools and techniques for analysis is extensive. This guide contains just a selection, there are numerous publications which will give you further insight, some of these are listed at the end of this document.
- There is no single 'right' combination of tools.
- Tools should be selected and used on the basis of 'fitness for purpose' i.e. their appropriateness to the job in hand and the specific organisation under consideration. They don't all need to be used at once.

Strategic Marketing Analysis—Step 1: Mission, Purpose, Values. Expectations and Objectives

- At its most basic, to understand and establish the organisation's mission, purpose, values and expectations means answering these questions:
 - What is the organisation's whole *raison d'être*?
 - What is it FOR?;
 - What does it believe in, what truths does it hold 'self-evident'?
 - What does it wish for its members, stakeholders and clients?
 - What does it aim to do?

The answers to these questions are frequently expressed in the form of a 'mission statement', e.g.:

- *"We will be the lowest cost producers of energy in the UK market"* (National Power);
- *"We will absolutely annihilate Reebok"* (Nike);

- *“To develop audiences for music in the Northern Arts Region and to expand the Northern Sinfonia’s role as an ambassador for the region within the United Kingdom & world-wide” (Northern Sinfonia);*

The three Companies of the Royal Opera House, Covent Garden, are the Royal Opera, the Royal Ballet and the Birmingham Royal Ballet. They are supported out of public funds provided through the Government through the Arts Council of Great Britain.

Their ‘Mission’ =

- *“ They aspire to be at the heart of the nation’s artistic and cultural life.”*
- *...(They) seek to serve the following purposes:*
- *To provide the widest possible access to British audiences for opera and Ballet;*
- *To extend as widely as possible public understanding and enjoyment of opera and Ballet;*
- *Through tours by the three Companies overseas, to act as cultural ambassadors for the nation;*
- *To preserve and develop the art forms of opera and ballet for the audience of today and tomorrow.*

Source: The Royal Opera House, Covent Garden -‘Putting our House in Order’, Progress report, April 1993

A good mission statement:

- Is specific;
- Is brief;
- Is emotive;
- Generates commitment from staff, stakeholders and funders;
- Is realistic, credible and not pathetically ridiculous.

NB. A mission statement does not = an organisation’s strategy.

- **It sets the principles and conditions the dimensions** for the overall strategy.
- Hence it is the outward decision of the organisation’s strategic intent.

How to write a mission statement

Writing a Mission Statement is a complex activity involving every level of the organisation. Here’s how to get started. A mission statement should be the last thing you write as it should be shaped by the analysis not shape it! It should be undertaken after the TOWS analysis (see page 19).

Here’s How:

1. List the organisation’s core competencies; its unique strengths and weaknesses.
2. List the organisation’s primary customers, internal or external, by type, not by name.
3. Review how each customer relates to each of the organisation’s strengths. Ask them if possible.
4. Write a one-sentence description of each customer/strength pairing.
5. Combine any that are essentially the same.
6. List the sentences in order of importance to the organisation’s vision, if one exists.
7. Combine the top three to five sentences into a paragraph.
8. Ask your customers if they would want to do business with an organisation with that mission.
9. Ask your employees if they understand and support it and can act on it.
10. Ask your suppliers if it makes sense to them.
11. Incorporate the feedback from customers, employees and suppliers and repeat the process.
12. When you have refined the paragraph into statements that clearly articulates the way the company wants to relate to those it effects, publish it to everyone. Post it on the wall, email it to everyone, etc.

Tips:

1. A good mission statement provides strategic vision and direction for the organisation and should not have to be revised every few years. Goals and objectives are the short-term measures used to get there.

Mission Statement Tips cont:

2. Revise the organisation's mission statement when it is no longer appropriate or relevant.

Strategic Marketing Analysis—Step 2: Past Performance and History

- The present and future situation of the organisation needs to be put in context.
- It is difficult to know where you are, (or are going) if you don't know where you've been. If you don't know who you are how can you possibly judge who your audiences are and to whom you should be marketing.
- This can generally be done by way of a short but pertinent analytical review, highlighting particular factors & events, which have contributed to the current circumstances.
- An analysis of the organisation's history, achievements and failures might typically be structured according to the various areas of organisational activity e.g.:

1. Origins, development and growth;

2. Artistic track record (achievements and failures);

3. Aspects of functional management which have a bearing on the current situation and might influence the application of your marketing strategy:

- Structures of corporate governance;
- Management structure and performance;
- Funding structure and financial performance;
- Marketing and fundraising performance;
- Education and outreach performance;
- Staffing and other personnel/HRM issues.

Strategic Marketing Analysis— Step 3: Assessing the External Environment

When preparing a marketing strategy and plan it would be foolhardy for an organisation to think of itself in total isolation and concentrate solely on its own internal operating environment.

Thus it is important to assess the external environment to examine the feasibility of operating in the 'real world'. External environmental analysis is key to this.

- Assessing the environment means identifying factors, which either constitute opportunities or threats. Looking at the external environment is an essential element of an organisation's marketing research, which should provide tangible intelligence to inform the marketing strategy and plans.

- A variety of techniques are available, each one providing a means of structuring analysis. Just three will be offered here (further reading in respect of other techniques may be of use in the completion of your marketing strategy and thus your ensuing plans):

1. PEST Analysis;

2. Five Forces Analysis;

3. Competitor/Strategic Group Mapping.

1. PEST ANALYSIS

- As an outcome of scanning the environment it should be possible to list factors that may effect, or are effecting, the organisation in four categories:

1. POLITICAL TRENDS (e.g. The possible election of a Liberal Democrat/Tory Government. Legislations passed.);

2. ECONOMIC TRENDS (e.g. A reduction in discretionary spending, increased constraints on Local authority spending / Recession / stock market crash);

3. SOCIAL TRENDS (e.g. increased unemployment, growth of 'couch potato syndrome/ cocooning as City Centres are increasingly perceived as dangerous places at night);

4. TECHNOLOGICAL TRENDS (e.g. Developments in 'home' entertainment reduce the attractiveness of going out for an arts experience, automation potentially reduces employment costs/the home office reduces the distinction between work and leisure time squeezing the latter/improved transport and communications links world wide e.g. the Channel Tunnel - enables people to experience the art forms/cultures overseas, expectations are thus affected).

- In an attempt to see the wood for the trees, it can be useful to rank the various factors by allocating a notional score according to their **LIKELIHOOD** and **RELEVANCE** (i.e. 10 = very likely or very relevant to the organisation, 1 = Not very likely or not very relevant to the organisation). When undertaking a PEST analysis don't be a generalist – make sure that your analysis is relevant to your organisation specifically.

In addition to a standard PEST analysis it is advisable to examine other external factors that may have a bearing on the success or failure of proposed strategies. These include factors such as work and leisure patterns of your publics, public transport provision and parking. Also consider and list your direct competitors within the arts and indirect competitors, such as those within the leisure and tourism industry. The Five Forces analysis can be used to analyse these competitors and your strengths.

2. FIVE FORCES ANALYSIS

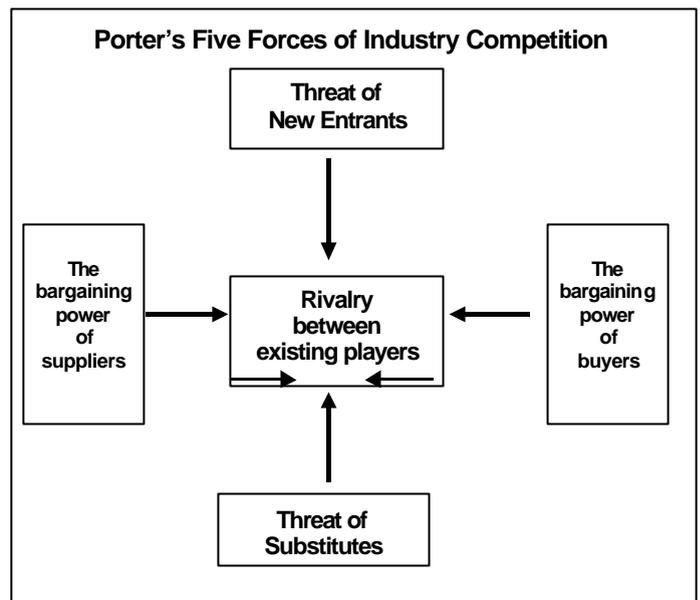
- Devised by Harvard Professor Michael E Porter. (See his 'Competitive Strategy' (1980)).
- This was initially used to analyse the competitive forces affecting an entire industry, where an industry = *"the group of firms producing products that are close substitutes for each other"*.
- Can however be used to assess competitive forces as they impinge on a single organisation.
- Based on the notion of competition as anything which denudes overall profitability:

"Competition...continually works to drive down the rate of return on invested capital toward... (what) would be earned by the economist's 'perfectly competitive industry'" (Porter (1980)).

- In not-for profit/arts organisations, the idea of competition can be translated into anything which denudes **goal efficacy**.
- The strength of any particular competitive force is a result of:

1. The actual strength of that force; and

2. The strength of the barriers that exist or can be erected against it.



Michael E Porter: Competitive Strategy (1980)

- The forces of rivalry between existing players in an industry will be strong (or intensifying) if:**

- There are numerous or equally balanced competitors (cf the London Orchestras);
- There is slow growth or the industry is static (e.g. Regional Repertory Theatres);
- There is low differentiation between products as perceived by the customer, or it costs little to switch from one to the other (e.g. the Pantomime circuit or Museums & Galleries where there is no change for admission).
- Large increments or 'chunks' (e.g. the arrival of multiplex cinemas) are adding to capacity;
- Competitors have diverse characteristics & personalities, especially where this amounts to players being 'rogue' competitors who do not play by the same rules (Huge multiplex cinemas vs. small independent cinemas);
- There are high strategic stakes (e.g. the cost of failing to compete can be survival itself);

Or

- The barriers to exit are high, so that it is difficult to leave an industry and move into another one (e.g. can a touring dance company be anything other than a touring dance company?)

- **The threat of new entrants is reduced by the following barriers to entry:**

- Existing players enjoy the benefit of economies of scale (i.e. cost advantages that come from having a large operation that shares certain resources - i.e. the RSC);
- There is a high product differentiation and thus high customer loyalty (e.g. Again the RSC or Scottish Opera in Newcastle, Bristol Old Vic);
- Becoming part of the industry entails large capital (i.e. funding) requirements. (i.e. The capital requirements of setting up a new Orchestra or building a new museum are so high as to be prohibitive);
- There is a lack of access to distribution channels for new entrants (e.g. the Arts Council touring circuit);
- There are cost disadvantages irrespective of scale (e.g. government subsidy, the cost of experience, access to prime locations);

Or

- 'Government' policy prohibits new entrants (e.g. established Arts Council patterns of provision/ State ownership of arts/media e.g. Singapore prohibits satellite TV usage by non-elite.

- **The threat of substitutes is strong if:**

- Substitutes are becoming more attractive in terms of price, performance or both (e.g. home video rental in relation to the Cinema market);

Or

- The substitutes are being produced by an already profitable industry or player, which can afford to engage in a price war (e.g. the washing powder wars).

NB Substitutes should be thought of as anything which serves the same or similar **customer need**.

- **The power of suppliers is strong if:**

- The industry relies on a small number of suppliers and therefore are more concentrated than the industry being supplied (i.e. there are fewer sup-

pliers than there are customer organisations);

- The industry is not an important customer of the supplier group (e.g. the arts and sponsors);

- The supplier's products are highly differentiated or extensive switching costs are built in (e.g. the EMI empire / Murdoch / BT);

- The supplier group represents a credible threat of moving into the industry itself: 'forward integration' (e.g. the direct promotion of Contemporary Music by Arts Council's Touring CMN).

- The supplier's product is an important input to what the industry does;

- There are few substitutes for the suppliers products (i.e. it holds a virtual monopoly).

NB Remember that since funding is a key resource for subsidised arts organisations, then funders are a key and powerful supplier group. The supplier power of a RAB is strong because a funded organisation:

- has few alternative suppliers;
- the costs of switching reliance are almost absolute;
- funding is a crucial input;
- there are few alternatives.

- **The power of buyers is strong if they can 'compete' with the industry to force prices or goal efficacy down because:**

- They are concentrated or take up a large proportion of what the industry or organisation produces (e.g. a touring theatre company which relies on one theatre chain for all its engagements);

- The products purchased are a significant proportion of the buyer's costs;

- The products purchased are undifferentiated and entail few switching costs;

- The buyer earns low profits (and is therefore more sensitive to price);

- The buyer poses a threat of moving into the industry: 'backward integration' (e.g. receiving theatres that set - up as producers in their own right).

- The product purchased is unimportant to the quality of the buyer's final product. (e.g. Think of a gallery visitor's final products as the overall experience of a day out. How important is the quality of that gallery to the entire trip?)

- The buyer has access to considerable information on possible alternatives to the industry's products.

NB Arts Buyers can be members of the public, engagers or sponsors.

USING FIVE FORCES ANALYSIS

• The whole point of the Five Forces Analysis is:

1. To identify where and which forces are strong, and therefore indicate where consideration should be given to measures intended to act against them; i.e. what marketing strategy might be appropriate to counter the impacts you discover.

And

2. To identify where and which forces are weak, and therefore show where some strategic thought should be devoted to measures intended to take advantage of them; i.e. how you can gain competitive advantage over your rivals.

The process should provide you with 'intelligence' to inform your marketing strategy and the ensuing marketing plan.

• Hence Callon (1996) summarises the uses of the Five Forces Analysis as being to help to identify or carry out some of the following:

1. Build barriers to prevent an organisation entering an industry;

2. Build in costs that would make it difficult for a customer to switch to another supplier;

3. Change the basis of competition within an industry;

4. Change the balance of power in a relationship that an organisation has with its customers or suppliers;

5. Provide the basis for new products and services, markets or other new business opportunities.

3. STRATEGIC GROUP MAPPING

• Strategic Group Mapping is a tool for charting an organisation's 'position' in relation to its competitors and peers, and of identifying the clusters that share the same strategic features. This helps an organisation identify its USP (Unique Selling Point / s).

• First select four or five qualities or aspects that differentiate your arts organisation e.g.:

- being an innovator;
- commitment to high quality;
- being perceived as approachable and friendly;
- having a populist approach.

• Next express these qualities as a point on a two-ended scale, e.g.:

- innovator vs. conservative;
- high quality vs. cheap and cheerful
- approachable vs. forbidding;
- populist vs. elitist.

• Then select two of the scales at a time, and map your organisation's position against them together with those of its competitors/peers.

• Lastly identify the clusters of the organisations that fall in close proximity to each other (a strategic group). These will represent immediate competitors to each other. You should also look for any 'mobility' barriers that currently stop an organisation from leaving one group and joining another.

• A list of useful scales for mapping arts organisations might include:

- Funding Structure: from subsidised to commercial;

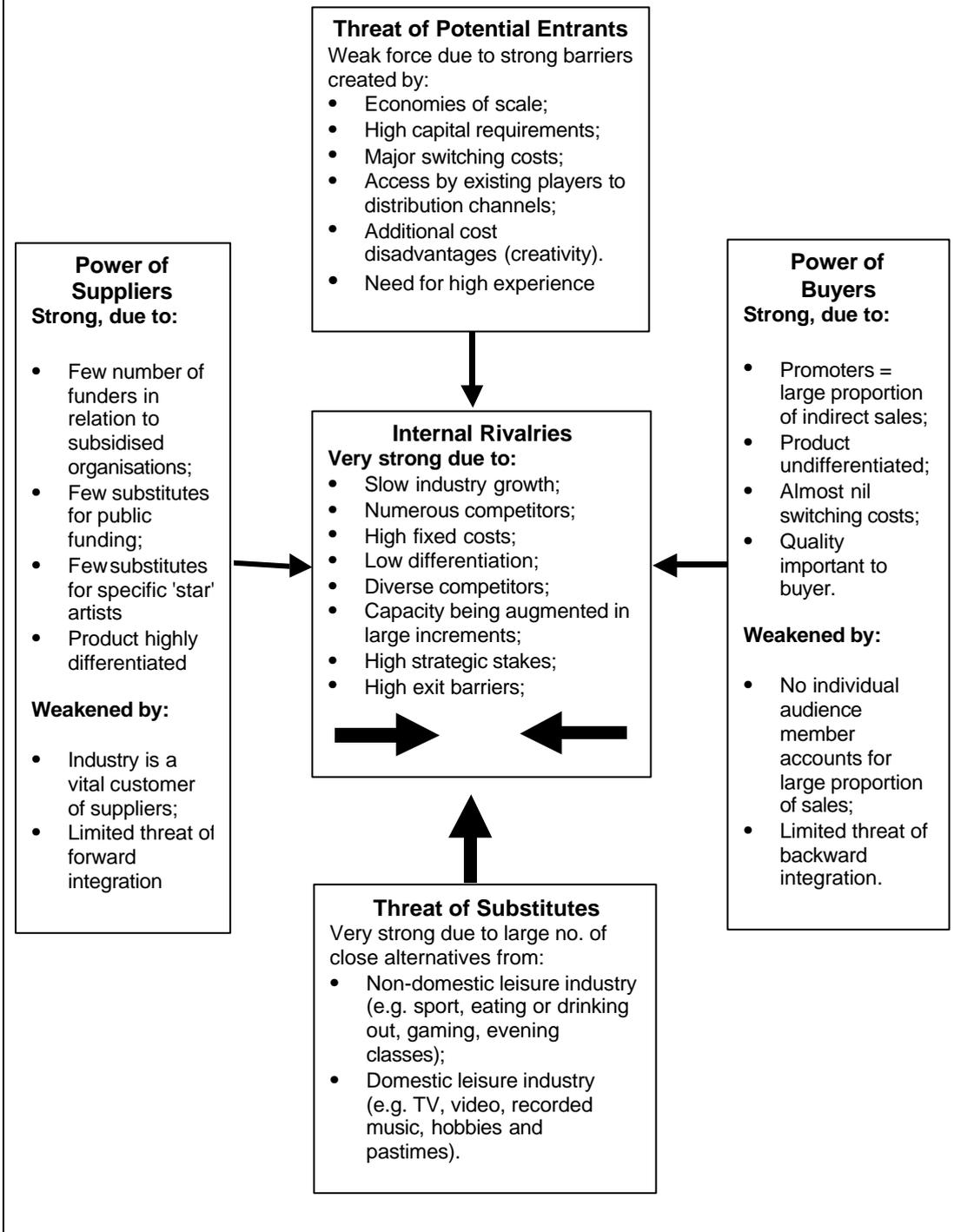
- Specialisation: from one art forms to many art forms;

- Distribution channels: from direct delivery to the end user to reliance on intermediary promoters/engagers, or agencies (or from building based to touring);

- Artistic Policy: From populist to elitist (or from cheap/accessible to expensive/challenging);

- Market Scope: from Regional to National;

A possible five forces analysis of competition in the UK non domestic entertainment industry



- Pricing policy: from pricing driven by access goals to pricing driven by income goals.

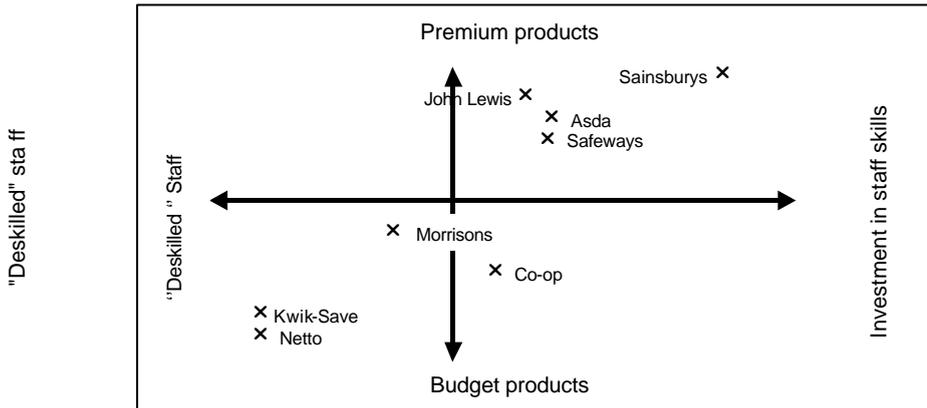
This list makes no claims to be comprehensive, and you are free to invent additional scales if they seem relevant to your organisation.

- Beware of mapping against scales which are virtually analogies for each other (e.g. pricing policy and level of subsidy).

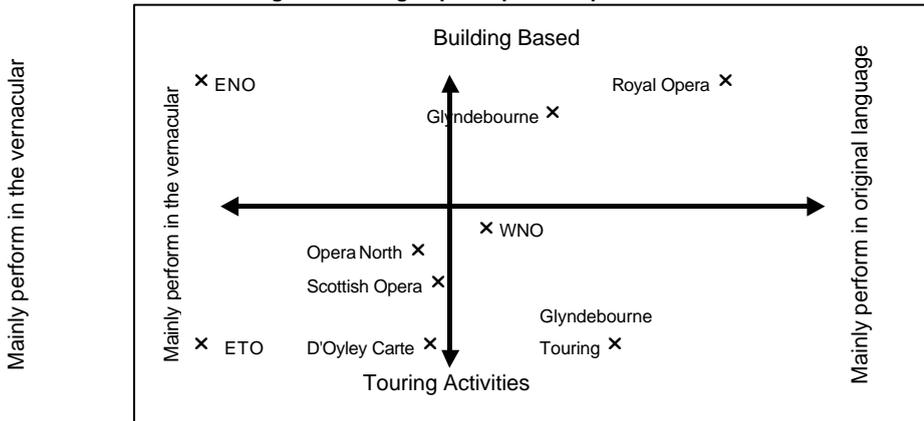
and elements with a view to identifying its distinctive competencies (i.e. what it does well or better than its competitors or peers).

- At the same time such analysis will help isolate areas where the organisation has a shortfall in its distinctive competence and therefore areas where these weaknesses should be dealt with.

A Strategic Positioning Map for Supermarket Chains:



A Strategic Positioning Map for Opera Companies:



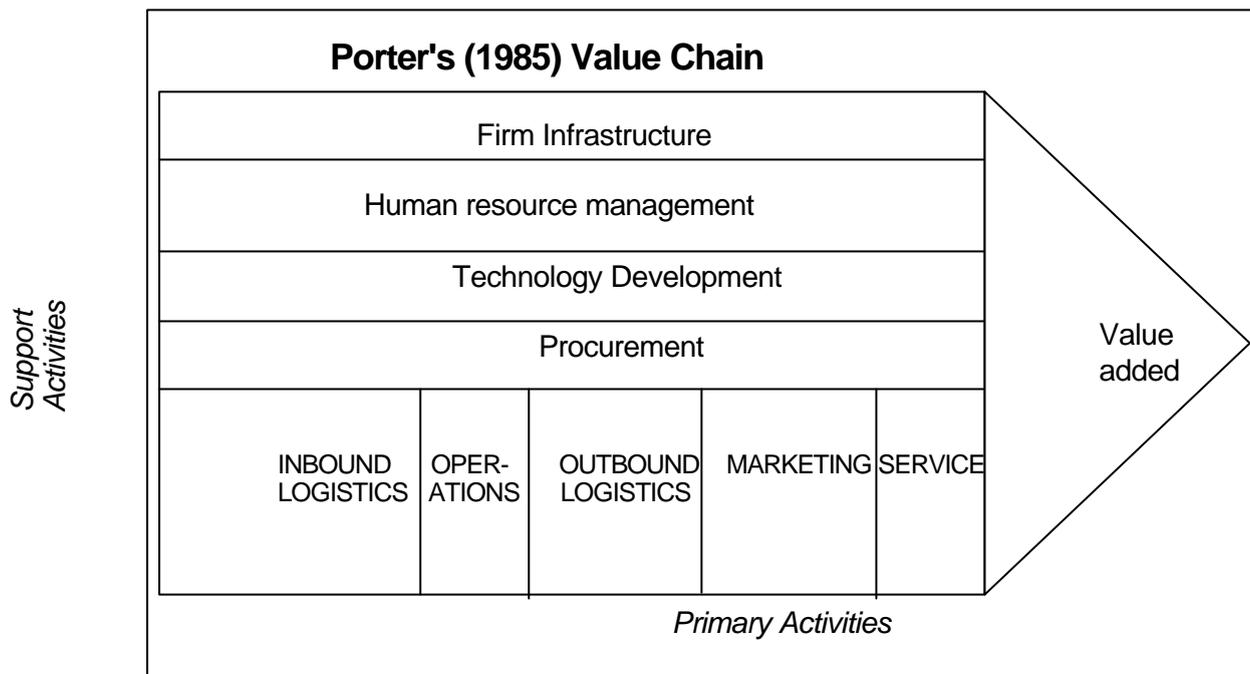
Note—in the lower diagram that the ENO has identified its Unique Selling Point (USP) and the map shows that it has unique characteristics, differentiating it from competitors. This can be a useful tool for organisations as it can be used in presentations effectively.

Strategic Marketing Analysis - Step 4 : Assessing the Internal Environment

- Internal analysis is about assessing the organisation in relation to its environment, in order to identify strengths and weaknesses. Thus one needs to understand the external environment before progressing to analyse the internal environment.
- This entails considering it's various aspects

Locating distinctive competence

- Porter's other principal contribution to strategic analysis is the notion of competitive advantage (first set out in his 1985 book "Competitive Advantage: creating & sustaining superior performance".)
- Porter argues that organisations can be thought of as 'value chains': i.e. mechanisms, which have been set up to deliver value to an end-user.



The primary value chain activities:

- **Inbound logistics:** the reception, storage and handling of inputs to the product or service;
- **Operations:** turning the inputs into a finished product;
- **Outbound logistics:** storage and distribution involved in getting the product to the buyer;
- **Marketing and Sales:** persuading the buyer to purchase and making it possible to do so;
- **Service:** all those activities intended to maintain or enhance the value of the purchase.

The value chain support activities:

- **Firm infrastructure:** Usually supports the entire chain, and involves administrative functions such as finance, accounting and planning, together with the workings of the overall management & governance structure;
- **Human resource management:** Activities associated with the management, selection, development and pay of all types of personnel;
- **Technology development:** Not meant merely in the sense of gadgets, electronics and machinery but in the sense of the state of relevant knowledge of the industry and the effectiveness of its practical application. Consequently, an arts organisation with a high level

of programming experience that is adept in translating it into innovative events could be said to have a high degree of technology development;

- **Procurement:** The activities involved in identifying, acquiring and securing resources and inputs for the business. (For instance generating funding might be thought as a procurement activity for arts organisations in addition to the more obvious activities of obtaining exhibits for a gallery or recruiting particular performers for events).

An organisation has competitive advantage when it is more effective in delivering value to the end user than its competitors. The source of this advantage (or superior performance) comes from the **linkages** that exist between the various activities making up the chain.

- Applying the actual value chain to arts organisations is often a difficult and far from mechanical task. However Porter does say:

“ Value activity labels are arbitrary, and should be chosen to provide the best insight into the business”

Porter (1985)

- Consequently a pragmatic internal analysis of an arts organisation might:
 - Identify the organisation's overall actual or desired distinctive competencies;
 - Assess each functional area of operation in terms of how it contributes to (or acts against) the creation of its particular distinctive competence;

And

- Identify both how the presence of linkages between the different functional areas (e.g. operations, production, marketing and finance) enhance or magnify the distinctive competence, or alternatively conspire to undermine it.

Strategic Analysis - Steps 5, 6 & 7: Structuring the findings, assessing them in terms of stakeholders, and identifying the principal strategic issues.

SWOT ANALYSIS

- As a result of considering the organisation's mission and history together with the detailed external & internal analyses you should now be in possession of enough information to structure your findings in a summarised form.
- **Strengths** or **Weaknesses**, and external factors as either **opportunities** or **threats**.
- However, **SWOT** is not as easy to use as its apparent simplicity implies.
- Furthermore, it has a number of problems and failings:
 - It can easily become just a list of factors without encouraging the elaboration of their implications; when preparing a SWOT it is equally important to state why and how the factors are important and what are the implications for the organisation. Used in isolation the factors themselves mean very little to the lay person without further elaboration.
 - It can be difficult to decide whether something is strength or a weakness, an opportunity or a threat - it can all depend on context and circumstances.

- It carries the temptation of evaluating potential strategies for various strengths, weaknesses, opportunities and threats. This should be resisted at all costs, with SWOT being used to evaluate the current situation, and conclusions arising from being used afterwards to suggest potential strategies.

TOWS ANALYSIS

- An extension of SWOT which solves some of its problems. (See Weirich (1982)).
 - The first stages of TOWS are the same as SWOT, i.e.:
 - Identify mission and historical background;
 - Identify & evaluate external Opportunities and threats;
 - Identify & evaluate Internal Strengths & weaknesses.
 - However the next step is to identify potential strategies based upon the factors found so far according to four categories:
 - SO Strategies: Use the identified strengths, as appropriate, to take advantage of opportunities;
 - ST strategies: Use identified strengths, as appropriate, to overcome, defend against or avoid threats;
 - WO strategies: entail minimising or overcoming weaknesses by, (or in order to be able to), take advantage of opportunities;
- And
- WT strategies: which seek to minimise the effect or impact of weaknesses and avoid threats.

By this stage, analysis has already started to shift into the realm of strategic choice...

EXAMPLE

Read the following extract and undertake a TOWS analysis of the situation surrounding the potential move of Northern Stage to another location within the city of Newcastle and the marketing implications.

Identify at least four examples each of strengths, weaknesses, opportunities and threats to utilise within your analysis.

Extract from a report by Gillian Jones (1999)

1 NORTHERN STAGE

Northern Stage is an ensemble company, producing theatre at their home Newcastle Playhouse. The ensemble employs a unique way of working, and has been funded by the Arts Council through the Arts for Everyone scheme. The ensemble also receives capital funding from Northern Arts, Appendix (1a) shows a breakdown of the grant income as found in the financial reports for the period March 1997 - March 1998. Over 65% of the total funding is from Northern Arts in the form of revenue, international and specific grants. Appendix (1b) shows the sources of income for the year 1997/8, indicating that box office and fees income provide over 30% of the income, but that subsidy is the main form of income, at 62.3%.

Appendix (1c) contains the directors report (annual report) for the year 1997/8, and summarises the year's activities.

1.2 THE REGION

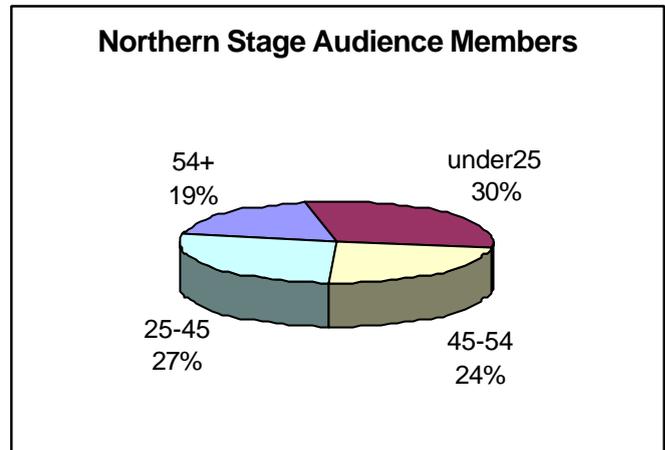
The North East of England is unique in many ways, and it is important that in order to understand fully the environment in which the organisation operates, some information about the region is included.

The North East has a smaller middle class than any other region. The level of university educated inhabitants is only 72% of the national average, and the average annual income is the lowest in the country, at around £17,000. Hence, the stereotypical middle-class, well educated, financially comfortable theatre-goer is less likely to exist within the region.

Regional trends in arts attendances show the North at the bottom of the list. Traditionally, this has been partly attributed to the comparatively small number of arts venues in the region. However, in recent years, the provision of the arts has begun to increase rapidly in the Newcastle and Gateshead areas. With the openings of The Bal-

tic Centre for Contemporary Art and the Music Centre, Gateshead in the future, and the cultural regeneration of the west-end of Newcastle, the region is establishing itself as a cultural centre worthy of national and international recognition.

1.3 THE AUDIENCE



The energetic and innovative nature of Northern Stage's work attracts a significantly younger audience than many theatres. The audience's age can be profiled as follows:

Appendix (1d) describes the dominant mosaic categories amongst Northern Stage's audience. They represent a diverse range of well-educated people, ranging from students to the retired.

Northern Stage's work is particularly successful in attracting new attenders, with some of the recent performances - notable *A Clockwork Orange* - attracting up to 60% first time attenders. This is made possible through the education and outreach projects that support the work, along with the aggressive pricing structures that allow on average 60% of attenders to obtain reduced tickets either through concessionary discounts or special offers.

1.4 EXTERNAL INFLUENCES

Appendix (1e) uses two models to consider the external issues that are likely to influence Northern Stage, Porter's five-forces analysis considers the forces that act upon the organisation and their relative strength. The strongest force is the power of buyers, and this is mainly due to the fact that Northern Stage's audience are younger than average, and are likely to be more fickle and less likely to remain loyal to the region and therefore to the ensemble.

The weakest force is the threat of potential entrants. As Northern Stage are a well-established organisation, who tend to cater for a specific market, the risk of entry would be high, as would the cost. The PEST analysis considers the political, economic, social and technological issues that are likely to effect the ensemble. The main issues here are the ever-changing arts funding system and the uncertainty of National Lottery arts funding, which will of course effect any arts organisation.

2 NEWCASTLE PLAYHOUSE

The building that is Newcastle Playhouse is owned by Newcastle University and is adjacent to the university campus at the North of the city centre. As Northern Stage does not have ownership of the building, there are restrictions as to what can be done with it and to how much money can be invested in it. The current lease expires in 2003 and Newcastle University have announced that it will not be renewable. Newcastle Playhouse and Northern Stage must therefore relocate.

2.1 THE PERFORMANCE SPACES

The building contains two performance spaces. The Playhouse itself is a 500 seat auditorium with raked seating, whilst the Gulbenkian studio is a smaller venue, seating a maximum of around 120. The Playhouse is a comfortable theatre with plenty of leg room and a good view from most seats, which means that there is little need for varied price bands. However, the theatre going public demand different price bands and so they are offered, but are altered according to the performance and the expected income, providing a useful element of control over the ticket revenue. The seating in the Gulbenkian is not so adequate, being very old, uncomfortable and shabby looking. The space is therefore more suited to shorter performances and those which require less physical space, due to the smaller performance area. It is however a versatile space that is used for drama, dance and music, as well as an occasional meeting room. Appendix (2a) shows the performance schedule for the two performance spaces, from the spring 1999 season brochure.

2.2 OFFICE FACILITIES

One of the major disadvantages of the building is the lack of adequate office facilities. In fact, only the front of house, marketing and technical staff are based in the main theatre building. The rest of the administrative staff, including the executive, artistic and associate directors, are based at St Luke's church, which is a good ten minute walk

from the Playhouse. This places obvious limitations on the staff which will be discussed at a later point. The offices at St Luke's offer a reasonably spacious environment, but those at the Playhouse - particularly those used for marketing and front of house staff - are very cramped, and are shared by up to five people. This puts an obvious strain on staff, and along with the fact that the offices are actually converted cupboard space and do not have any natural light, does not help to create a very relaxed working environment.

2.3 FRONT OF HOUSE

The Playhouse Café Bar is situated in the large foyer of the main building. It is open from 9am - 11pm daily and offers a good facility for pre and post performances, as well as during the day for the general public. There are also two small kiosks in the auditorium which sell coffee and ice-creams during the intervals of performances and offer an alternative to the bar. The bar is also used for pre and post show events, such as live music and DJ's, and is hired out for a variety of functions. However, the front of house facilities in the Gulbenkian studio are poor. The Gulbenkian has a separate public entrance which leads into a very small area with tables and chairs. There is a small box office, containing one computer, which is opened only when there are performances in the Gulbenkian. There is also a small bar and toilet facilities. The area is not large enough to cater for a full house of 120 people and is in a poor state of decoration. The best option for customers is therefore to use the café bar and walk around to the Gulbenkian in time for the start of the performance.

2.4 ACCESS

The Playhouse is just a few minutes walk from the Haymarket Metro and bus stations, and is therefore very easily accessible in terms of public transport. It also has it's own car park.

The building itself is not particularly attractive and is not eye-catching, meaning that it does not appear to be very inviting. The doorways are similarly neither obvious or inviting, being hidden on either side of the front of the building.

Disabled access is very poor and is one of the major problems with the existing building. There are ramps leading to the doorways, which are not only awkwardly positioned, but are not the recommended gradient for wheelchair use.

In order to enter the auditorium, wheelchair users must use a side door at the back of the building. Facilities for partially sighted or blind people and deaf people are also poor.

The main issue that has contributed to a lack of improvement in access, is the fact that Northern Stage does not own the building and will only be in it until around 2003. It is therefore impractical to spend a lot of money on improving facilities, which will not prove to be any sort of investment.

However, access is likely to be an important issue for Northern Stage when moving to a purpose built building, which is intended to be as accessible as possible inline with the ensemble's mission.

2.5 TECHNOLOGY

The computers that are used by staff are a mixture of AppleMacs and PCs. The PCs are in the process of being networked so that any individual's files can be accessed at either the Playhouse or at St Luke's, and are also linked via e-mail.

However there is a reluctance amongst some of the staff to 'convert' to PCs from Macs, which means that the network will not be used to its full potential. There is also a limited number of machines available, for example in each of the marketing offices, there is one PC and one Mac, with one laser printer that is connected to one of the computers.

The computers in the Box office contain only the PASS ticketing system, meaning that marketing staff needing to use it must go into the box office, and the box office staff wishing to use other programmes must use different machines. As mentioned, the box office uses the ticketing system PASS, version 1. The system is becoming dated, is not particularly user-friendly and needs upgrading. It is planned that a funding application will be made in the near future in order to upgrade the box office system to either PASS 2, Databox or enta. Any of these three systems would offer vast improvements and are more user-friendly, being windows based. However, cost will ultimately be the deciding factor, along with the long term potential of the system.

2.6 THE FUTURE OF THE BUILDINGS

Northern Stage's future will not be in Newcastle Playhouse, as mentioned above. It is hoped however that the ensemble will move to a purpose

built venue in the west of the city as part of the Grainger Town regeneration scheme, which will become the cultural centre of the city.

The opportunity of a purpose built building offers an excellent opportunity for Northern Stage to overcome the many problems outlined in this section caused by the current buildings. The publicity associated with the move will also attract customers to try the new facilities on offer. However, for some of the older audience members, whose loyalty lies with the Playhouse buildings, the move may be less welcome.

The location of the playhouse is excellent and Grainger Town, at present, has a reputation for being the 'rough' part of the city. It is likely to take some time before this view is changed, and in the meantime, it may form a barrier to some attenders and potential attenders.

THE TOWS MATRIX— PUTTING SWOT INTO PERSPECTIVE

		INTERNAL FACTORS	
		STRENGTHS	WEAKNESSES
		1. 2. 3. 4. 5 Etc.	1. 2. 3. 4. 5. Etc.
EXTERNAL FACTORS	OPPORTUNITIES	SO Strategies Use strength to take advantage of opportunities	WO Strategies Overcome weaknesses by taking advantage of opportunities
	1. 2. 3. 4. 5. Etc.		
	THREATS	ST Strategies Use strengths to avoid threats	WT Strategies Minimise weaknesses and avoid threats
	1. 2. 3. 4. 5. Etc.		

Once all internal factors have been identified and strategies created from the findings, it is then time to prioritise and choose which strategies are those to take forward for adoption by the organisation and which are those which are less feasible and should be ignored or made a lower priority.

Then these along with the recommendations from undertaking the complete internal and external analysis are taken forward to become the objectives on which the practical marketing / communications strategy will lie.

Example for Northern Stage:

The TOWS Matrix – putting SWOT into perspective

REMEMBER ANALYTICAL TOOLS SHOULD ONLY BE USED IF THEY ARE RELEVANT TO WHAT YOU ARE TRYING TO ACHIEVE. IF THEY CANNOT BE APPLIED TO A PRACTICAL SITUATION THEY ARE OF LIMITED USE. WHEN USING THEM ALWAYS EXPAND ON YOUR ANALYSIS AND STRATEGIES TO EXPLAIN ‘WHY’, ‘HOW’ AND ‘BY WHEN’.

INTERNAL FACTORS

STRENGTHS

- 1. Northern Stage very successful at attracting new attenders.
- 2. Strong education and outreach programmes.
- 3. Aggressive pricing structures = increase in access opportunities.
- 4. Northern Stage is a well-established organisation that tends to cater for a specific market.
- 5. Current front of house facilities – café bar and foyer as another income stream. etc
- 6. Current location of Northern Stage – very central.
- 7. Strong reputation within the region
- 8. Parking facilities at current venue etc.

WEAKNESSES

- 1. Northern Stage does not have ownership of current building – lease expires 2003.
 - 2. Power of Buyers due to age of audience being younger than average, likely to be more fickle and less loyal to the region and the ensemble.
 - 3. Quality of current office facilities, team currently split between two sites.
 - 4. Current building uninspiring and uninviting.
 - 5. Disabled access is very poor in current building...
 - 6. Mixture of PC's and Macs – threaten efficiency of IT.
 - 7. Staff reticent about changes of any kind e.g. IT.
- etc

OPPORTUNITIES

- 1. The region establishing itself as a cultural centre worthy of attracting regional, national and international recognition with new arts venues.
 - 2. Regeneration of the west end of Newcastle.
 - 3. Relocation - lease expiring in 2003.
 - 4. Move to a purpose built building.
 - 5. Funding opportunity to upgrade box office and IT facilities.
- etc

THREATS

- 1. The opening of the Baltic Centre for Contemporary Art and The Music Centre in Gateshead – more competitors.
- 2. Possible loss of income stream if the new venue doesn't have the equivalent front of house facilities i.e. café bar.
- 3. Grainger Town currently perceived as being a rough part of city – may put off potential audiences.
- 4. Loyalty of the older audience to the current Playhouse buildings.
- 5. Student population not as easily targeted if based in another part of the city. etc

WO Strategies

Overcome weaknesses by taking advantage of opportunities

e.g. the enforced relocation to a new purpose built building will enable Northern Stage to provide office space for all staff in one location, enhance disabled access, and make the venue more inviting. This also provides opportunity to replace IT and box office equipment in one go. (Opportunities 1,2,3,4 & Weaknesses 1,3,4,5,6,7)

SO Strategies

Use Strengths to take advantage of opportunities

e.g. form links with the new arts venues to provide collaborative education and outreach programmes to develop new audiences cross art form. (Strengths 1 & 2 Opportunity 1)

ST Strategies

Use strengths to avoid threats

e.g. Utilise success at achieving new attenders via outreach and development work to counter the effects of the new venues opening and encourage people to the new building and change perceptions of Grainger Town area. (Strengths 1&2 Threats 1&3)

WT Strategies

Minimise weaknesses and avoid threats

e.g. Provide consultation with staff and the appropriate training in the new IT. (Weakness 7)

Ensure new building is designed with consultation of all key staff to include key facilities front of house including facilities for the disabled. (Threat 2 & Weakness 5)

EXTERNAL FACTORS

STAKEHOLDER ANALYSIS

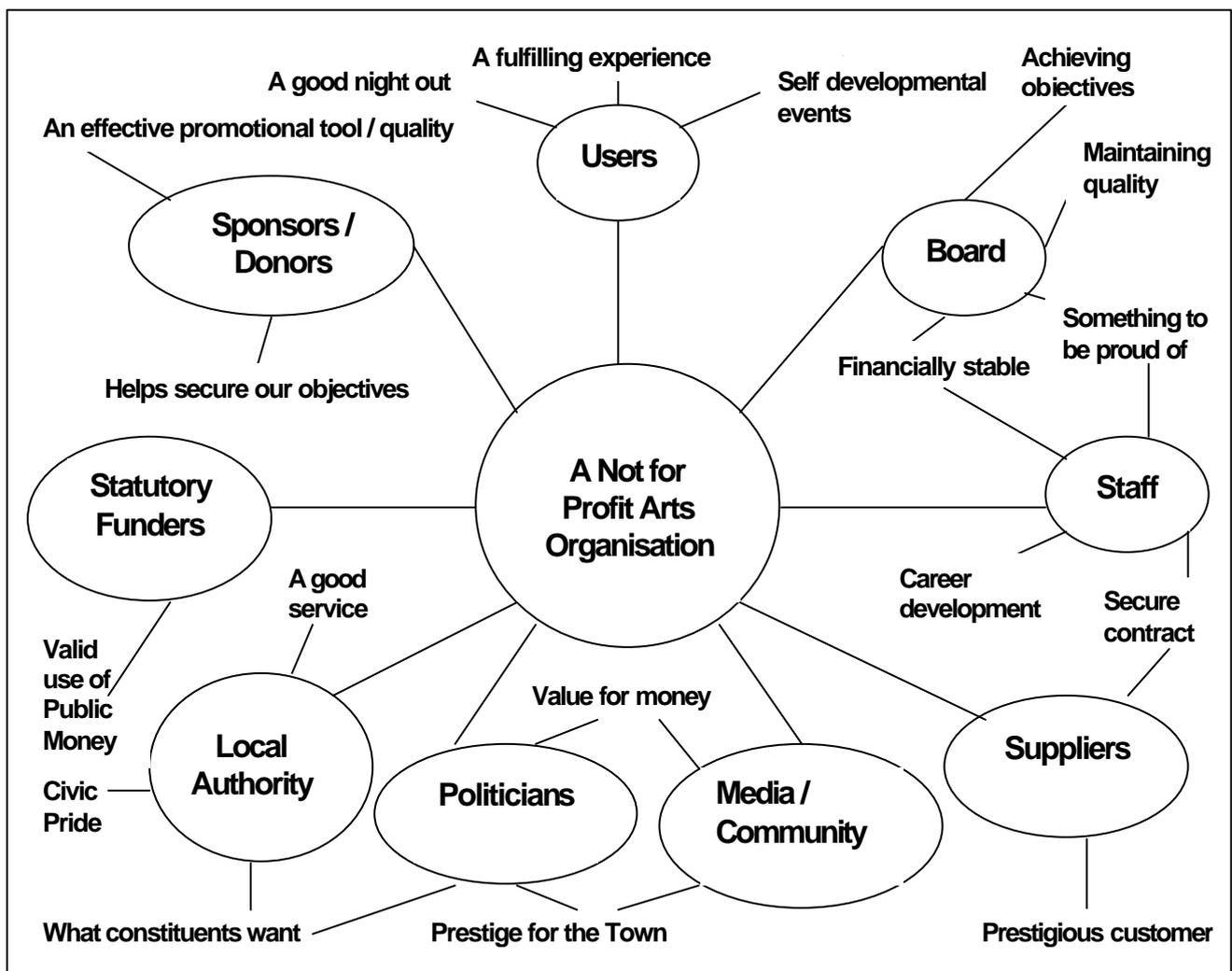
- Although the commercial sector has now become attuned to the notion of an organisation's stakeholders, staying aware and aligned with stakeholder expectations has always been an important issue for Not for Profit organisations because the typical NfP tends to have so many diverse stakeholders.
- Joyce & Woods (1996) suggest Stakeholder Analysis has two stages:

- "The analysis begins, essentially, as a listing technique. All those individuals or groups who can affect the organisation, or are affected by it are listed."

- "If the stakeholder analysis is being undertaken prior to the analysis of strategic issues, the next step is to analyse the expectations of the stakeholders. (If appropriate), these expectations can also be divided into their current and future expectations".

- Stakeholder analysis can be set out as a sort of 'spidogram' as can be seen below. When adapting this model to examining stakeholders for marketing one needs to ask:
 - Who are my stakeholders? - anyone who is a colleague, customer, supplier, audience member, funder etc. Basically anyone who may come into contact with you.
 - What do they want from me? - in terms of product, service or other non-tangible 'value' related goods.
 - How do you currently communicate with them? What media do you use? Are you communicating with them?

- Stakeholder analysis can be set out as a sort of 'spidogram':



SUMMARISING FINDINGS AS 'STRATEGIC MARKETING ISSUES'

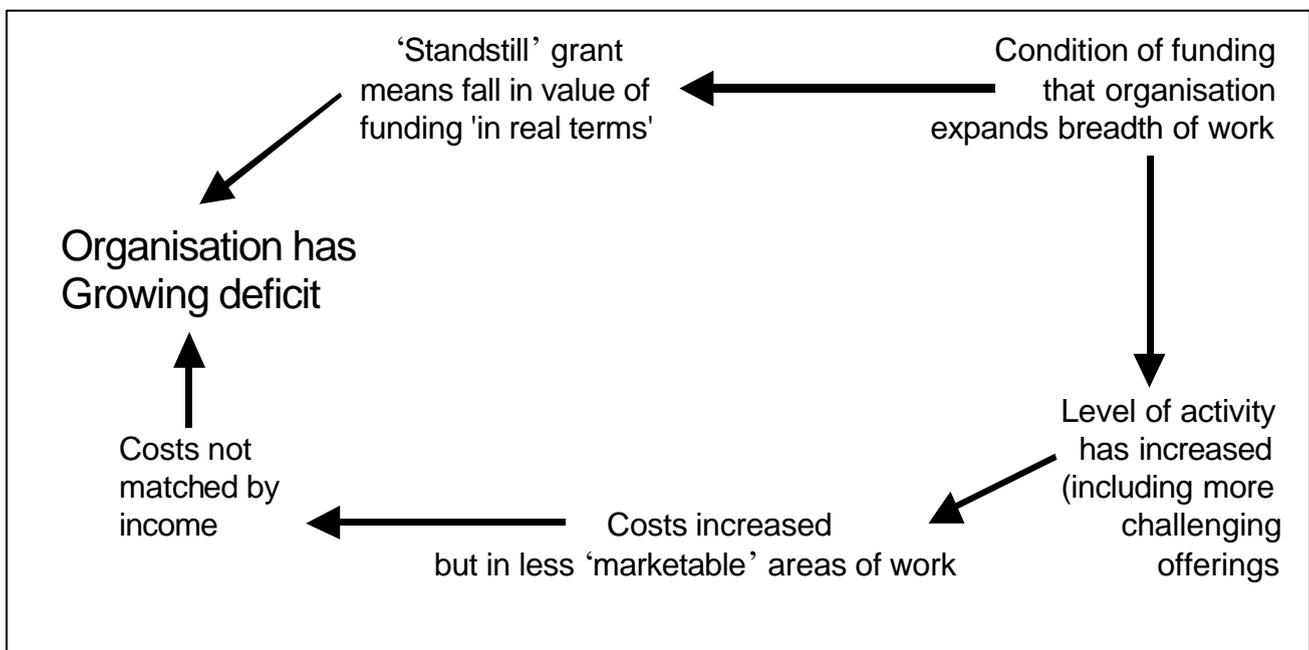
- As a conclusion to the process of analysis, it can be useful to group factors together to form 'strategy sets' or in terms of the overall 'strategic issues' they combine to create.
- Here the use of influence or cause and effect diagrams can be useful in representing how a range of factors combine to underpin a particular strategic issue.

(But note also how 'influence diagrams' can be used to unpack the root causes of symptomatic problems.)

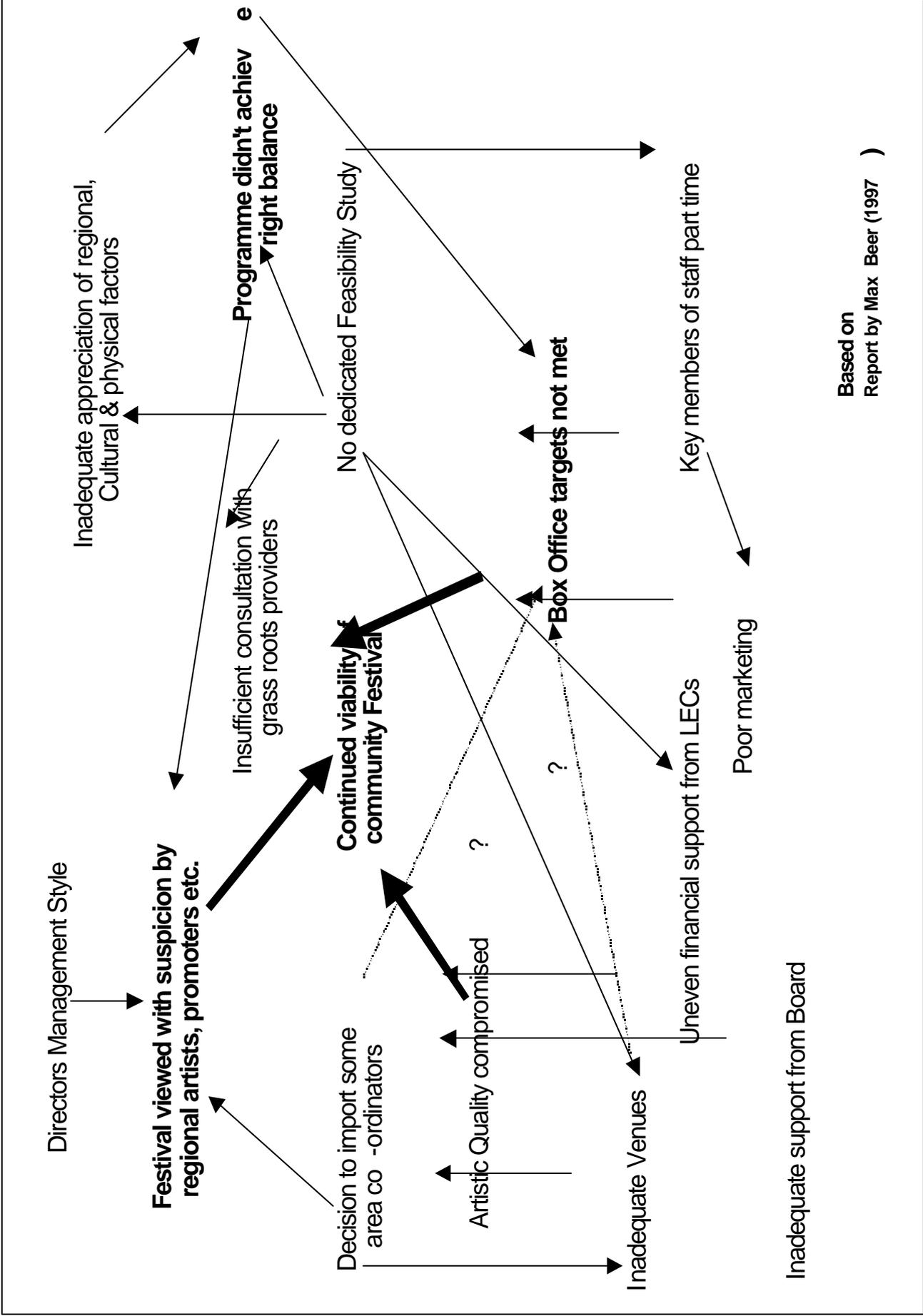
- Intriguingly as long ago as 1982 Ohmae suggested the key importance to strategic analysis of concentrating on "the critical issue in the situation".
- Unfortunately, again there is no single accepted definition of what constitutes a 'strategic issue'. However the one offered by Joyce and Woods (1996) might be considered useful:

"A strategic issue is something which causes concern because of its expected impact on the aims of the organisation... and which requires urgent action if the organisation is to survive and prosper"

From Joyce & Woods (1996) *The Essential Strategic Management* (p. 58)



- A key aim therefore, in summarising a strategic marketing analysis is to list the main and overall strategic issues facing the organisation. And align the marketing objectives, tasks, measurable outputs, timescale and responsibilities accordingly.



Based on Report by Max Beer (1997)

EXAMPLE CONTENTS LAYOUT / FOR AN ORGANISATIONAL ANALYSIS REPORT TO LEAD TO A MARKETING STRATEGY AND PLAN

1. Introduction
2. Terms of Reference
 - 2.1 Brief
 - 2.2 Process
 - 2.3 Methodology/Evaluation Criteria
 - 2.4 Definitions
3. Market Analysis
 - 3.1 The Bristol Context – an overview
 - 3.2 Arts Provision in Bristol - incl. arts policy, PEST.
 - 3.3 XXXXX's role in the arts infrastructure
 - 3.4 Markets for XXXX's work – current and potential – including as much info as poss on characteristics of core attenders / audiences.
4. Organisational Analysis
 - 4.1 Introduction to analysis tools
 - 4.2 Structures & Processes
 - 4.3 Internal communications
 - 4.4 Recommendations
5. Training Needs Analysis
 - 5.1 Methodology
 - 5.2 Key Findings
 - 5.3 Motivations & Barriers
 - 5.4 Recommendations for future training requirements
6. Marketing Audit
 - 6.1 Structure and status of marketing within xxxx
 - 6.2 Current Practice including protocols, procedures for press etc – analysis of cuttings for example.
 - 6.3 Budget / pricing
 - 6.4 Monitoring & Reporting
 - 6.5 Recommendations
7. Branding
 - 7.1 Overview
 - 7.2 Current Perceptions
 - 7.3 Future Identity
 - 7.4 Recommendations

The Appendices of the report will be essentially the working marketing / communications strategy document . This should be a practical working document.

The format of which Could be something like this:

Draft Three Year Marketing Strategy

Background Information

In developing this outline marketing strategy, South West Arts Marketing have used the recommendations and conclusions reached through the process of research and analysis contained in the main consultancy report.

Target Groups

An audience or market for xxxx's work consists of everyone whom the organisation wishes to buy into their work – whether as funder, participant, spectator, supporter or commentator. The study of audience behaviour leads us to the conclusion that potential audiences consist of sub-groups of individuals with similar needs, characteristics, motivations and buying practices. Thus the potential market can be divided into key target groups with whom it is appropriate to communicate using the same strategies as they are RELEVANT to all parties. South West Arts Marketing have identified the following as key target groups for xxxx to address:

- Staff & Board
- Funding Bodies
- Community Groups
- Transport operators
- Town/Parish Councils
- Social Services
- Youth & Education Services
- Local businesses
- Media
- Trusts/Corporate Sponsors
- Arts community—arts organisations and individuals
- Public

Note: an organisations target groups will be specific to their own priorities and stakeholders. Some organisations may hold detailed socio-demographic information so that more specific target groups could be given e.g. young men, 15-24, C1.

Communication methods, tools and procedures for all these groups are included in the marketing strategy attached. xxxxx need to agree priorities for addressing these target groups in line with the resources (human, time and financial) they have available and plan to become available.

Investment Needs

Once again investment needs will be specific to each organisation.

In order to communicate effectively with the target groups and deliver the marketing strategy, South West Arts Marketing have identified the following areas where financial investment is needed by the organisation.

- Rebranding – design of logo, stationery, etc
- Production of a new quarterly brochure which is of high quality
- Staff training
- Investment in a computerised box office system
- Digital camera and software
- Commissioning/printing training materials

All other recommendations require a significant input of human resources rather than financial investment as they can all be achieved without major outlay. It should, however, be noted that this is an issue that must be addressed as staff are already working beyond capacity to deliver the existing programme and would find it hard to address new areas of responsibility within their core hours. Issues of time management – working smarter not harder – do need to be addressed but this requires investment at the outset in order to put the new protocols and procedures in place for more effective working in the future.

NOTE: The recommendations from each section of your analysis should then be adapted to become the overall marketing objectives of the organisation – you should have no more than 9 objectives with one overall – overarching aim.

Strategic Objectives

The strategic marketing, partnership and learning objectives identified in the business planning process that inform and provide the focus for this proposal are:

1. To ensure that marketing is seen as central to the activities of xxxx and its value recognised
- 2, 3. etc etc

Aim

To promote the ethos and activities of xxx to the widest possible base of potential participants and key opinion formers.

- Emphasise the range of creative opportunities in participatory, educational and presentational activities and the links between them.
- Develop a unified brand that reflects xxxx's mission statement and pulls together the core values inherent in xxxx as an organisation.
- Underline the artistic integrity and quality, and participatory aspects of the artistic and services.
- Achieve a high level of stakeholder satisfaction.

The organisation will then prioritise, cost and implement the strategy, allocating tasks accordingly.

The objectives are then further defined and listed in terms of the task that will fulfil them under the heading Key Objectives e.g.

For objective 1

1. To ensure that marketing is seen as central to the activities of xxxx and its value recognised

Formalise structure of internal communications
 Central coordination of the marketing and communications function
 Ensure the marketing budget is in line with the agreed strategy
 Introduce a programme of marketing and customer service training for all staff

Etc etc.

This can then be turned into the work plan which details tasks, measurable outputs timescales, responsibilities etc:

Objective 1. To ensure marketing is seen as central to the activities of xxxx and its value recognised

Tasks	Measurable output	Expected outcome	Responsibility	Timetable
Formalise structure of internal communications	Draw up internal communication policy Formal and informal communication e.g. meetings, photo-board, circulated minutes	A greater understanding of all aspects of xxx's work throughout the organisation.		
Central coordination of the marketing and communications function Ensure the marketing budget in line with the agreed strategy	A greater understanding of all aspects of xxxx's work throughout the organisation and key stakeholder groups. Return on marketing spend	More effective use of resources and delivery of marketing functions. More effective use of resources		
Undertake a programme of marketing and customer service training for all staff	Training sessions in all aspects of marketing and customer service (repeated for new staff)	Increased staff awareness of all aspects of marketing the arts		

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Further Information

You can get further information and advice about arts marketing from a number of local, regional and national organisations.

Contact the following for specific information:

South West Arts Marketing

St Nicholas Church, St Nicholas Street, Bristol BS1 1UE

Tel: 0117 927 6936/41 Fax: 0117 927 6936
email: info@swam.org.uk

South West Arts

Bradinch Place, Gandy Street, Exeter EX4 3LS
Tel: 01392 218188 Fax: 01392 413554 Minicom: 01293 433503
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Arts Council of England

14 Great Peter Street, London SW1P 3NQ
Tel: 020 9333 0100
www.artscouncil.org.uk

Arts Marketing Association

Boltons Warehouse, 23 Tenison Road, Cambridge CB1 2DG
Tel: 01223 578078 Fax: 01223 578079
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Date Protection Registrar

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