

What is relationship marketing and why do I need to know?

The 'work hard' way: selling each show from scratch, individually

If your campaign plan for every event looks pretty much the same, you might be doing things the hard way. If you always put posters and/or flyers in the same locations, always mail and/or email your whole database, always try to get an article and/or take advertising space in the local paper, you could be doing a whole lot of marketing activity that isn't really getting you anywhere long term.

What if, over time, you could refine your marketing for some events so that you only had to contact the people you knew would come?

Are you still using the older transactional approach?

Building an audience for each single event, the same way every time, without taking the longer strategic over view, means you're starting from scratch every time. It presumes you know nothing about anyone's previous attendances, or their preferences, and you contact them as for the first time, over and over again. It's what is called the transactional view of marketing. You're not developing relationships with your audience members; you're just repeating a series of transactions with them.

So what's the newer more effective relationship approach?

Relationship marketing takes a different approach, and over the longer term, aims to build relationships by recognizing people's individual preferences and purchase behavior. Once they're on your database and you know what they buy, how they buy and when, you get to know what they like. Does that family only come to comedy and musical theatre events? Does that couple only attend theatre? What do they think of you sending them all the information for everything else all the time? Have you become spam in their email inbox, or junk mail that goes straight into their recycling bin?

The 'work smart way': relationship and package marketing

With a relationship marketing approach, although still trying to maximize ticket sales for each show, you take a longer-term, more strategic approach. Rather than 'selling shows', your aim is to 'build audiences', by looking at how often each person attends, what they attend, and how long they've been coming. Instead of selling each individual show from scratch, the same way each time, you look at a whole year in advance, and your whole database. You encourage people to buy more than one show at a time, by offering them 'choose your own' packages across the whole year, and the ability to pay in installments. You welcome first-time attenders, and encourage them to come back for a second experience by offering them a free drink or 20% off if they buy two tickets. You track their response and if they come that second time, you make them another offer to come back a third time. You only need them to come four times before they're kind of hooked. Your focus is on encouraging repeat attendance, building relationships with people, not on 'selling tickets to the next show', although the effect of these methods will be just that.

Advantages of longer term planning

Some marketing methods that are cheap, easy to use and effective require longer term planning and preparation. For example, if your Council is happy to include a flyer with the rate notices, you could use it as a way to advertise your e-news and ask people to sign up. Provide an incentive, like 'the first 20 new people to sign up and book a ticket to our next event will get one ticket free'. This will require some advance planning to implement, but you'll save on postage and increase your e-news list.

It's a 'getting to know you' process

As your audience members come to more shows, they build trust in your ability to present shows that they'll enjoy. As you come to understand who goes to what, and what they enjoy, you become more confident in your ability to predict how particular shows will sell, and who will enjoy them. For your audience, it's about managing the risk of having a bad night out, and for you it's about managing the risk of not making your box office revenue target. 'Getting to know your audience', through relationship marketing, works both ways to build trust and manage risk. Everyone wins.

Get to know your audience even more

You can increase your knowledge and understanding of how and why different people react to different shows, through audience research. For example, through focus group research, we have heard people relate that the more they experience 'having a good time' at a show they didn't really expect to enjoy, the more they'll be prepared to take a risk in the future. Could repeating these experiences over a number of years result in a more adventurous arts attender? Some frequent attenders tell us they like new experiences: theatre subscribers will say 'no more David Williamson, give us something new'. Contrary to some opinions you will hear, it's usually the less experienced arts attenders who are more conservative or risk-averse in their choices. Frequent attenders have often 'been there, done that', and are looking for their next new experience.

What do the frequent attenders in your audience feel about the experiences you offer them? Are they looking for something new? What do the less frequent attenders like? Can they even tell you, if they don't know what's available? You are their guide to the world of arts experiences, and if you win their trust you can take them on some great adventures.