A New Perspective of Theatre Going in England

A Comprehensive Study

Based on trends over 2012 & 2013

/PURPLESEVEN/

A New Perspective of Theatre Going in England

This report is a comprehensive study of ticketing data covering 110 organisations for performances in the period 2012 – 2013. This represents 5.6m individual ticket buyers across 11.4m visits totalling 36.9m tickets worth £994m.

Whilst invariably consumers do not readily differentiate between funded and non-funded arts venues, this report brings into focus the role those different organisation types play in the wider arts ecosystem.

Interestingly, non-funded organisations are acting as the primary 'entry' point for new ticket buyers, before they continue their journey in the arts with the funded organisations.

It also highlights the role London has compared to the regions, which again highlights that Independent venues in London have a far greater national reach than the NPO London venues

The NPO organisations however have a far greater ability to attract and retain regular arts attenders, although their ability to draw large numbers from large geographical areas is less strong.

Because of London's rich and hugely diverse theatre scene, people who have easy access to these venues have a more frequent and varied attendance highlighting that a concentration of arts facilities, both funded and non-funded is an important part of developing and engaging a wider audience.

Purple Seven has used its new Arts Dimensions dataset to bring these findings to life. Arts Dimensions is a highly powerful set of key measures aggregated to every small areas in the country covering choices made, venues attended, seasonality and even price paid. Using this data and working in a collaborative way with Arts Venues and Promoters will create a better understanding of the arts attending dynamics which will in turn result in better communications and customer experiences.

Author Clive Humby: Director & Investor

Clive's work is deeply rooted in data, ever since he began his career as a programmer in Bermuda for the geo-demographics firm CACI, innovating in what has become the site location industry.

Quickly rising to be CEO of CACI's UK business, Clive soon saw the power of using data to inform relevance and personalisation for customer.

After co-founding dunnhumby in 1989, Clive was responsible for customer strategy, from analysis through to the implementation of client merchandising, store operation, marketing and communication strategies.

Clive is a Patron of the Market Research Society and Honorary Life Fellow of the Institute of Direct Marketing. Clive Humby and Edwina Dunn invested in and became Directors of Purple Seven in May 2013.

Purple Seven is proud to announce the launch of its first comprehensive ticket buyer analysis study and findings. The findings are both powerful and highly descriptive.

This study examines the behaviour of the English theatre ticket buyers across 110 participating venues. The data explores 5.6m ticket buyers for 11.4m visits, 37m tickets and a combined spend in 2012 and 2013 of £994 million.

We believe the implications of the study will be far ranging and have the capacity to reveal new opportunities for development and collaboration for theatres and producers alike.

Purple Seven anticipates launching a series of solutions and services that will drive creativity and value for arts organisations and consumers alike based around improved audience understanding.

110
VENUES

5.6m
TICKET BUYERS

37m
TICKETS

11.4m
VISITS

£994m
COMBINED SPEND

PURPLE SEVEN / A NEW PERSPECTIVE OF THEATRE GOING IN ENGLAND

Background

This ticket buyer analysis builds on Purple Seven's 2013 UK wide study *"Theatreland – but not as you know it",* which showed the importance of Theatreland and assessed the holistic needs of ticket buyers across multiple venues.

The earlier paper on the true size of the UK theatre market highlighted that ticket buyers have relationships with multiple venues and that viewing them through a single lens of a single theatres booking system is likely to give a misleading picture of attendance patterns and the number of people new to the arts.

Our objective is to show venues and promoters the different journeys ticket buyers take when attending the arts for the first time as well as the consumers need for a diverse program.

In this report we have focussed on comparing London and regional arts venues and looked at the difference between whether they are an Arts Council England 'National Portfolio Organisation' NPO or an Independent organisation. To that end we use the following terminology:

NPO: A venue that, as at January 2014, held 'National Portfolio Organisation' status by Arts Council England.

Independent: A venue that, as at January 2014, was not an NPO. These include commercial organisations and those who may be in receipt of other forms of funding (e.g. from Lottery or their local authority)

London: A venue located within the M25

Regional: A venue located outside the M25

It is important to understand that the findings in this report are based on the collective ticket buying data across participating arts venues segmented by the above categories. Therefore the results should be read as the collective categories described above and not applied to individual venues.

The accurate analysis of ticketing data requires the identification of different consumer types. The main consumer types identified are:

Large Agents: Ticket-buyers who appear to be major business and resellers of tickets.

Small Agents: Ticket-buyers whose behaviour suggests the ticket is purchased by them on behalf of the attender e.g. Hotel Concierge, travel companies etc.

Block Bookers: Ticket-buyers who often appear to be academic establishments and other large parties.

Consumers: Ticket-buyers who appear to be buying tickets for themselves, friends and family.

Box Office: Where the data in the ticketing system is insufficient to identify the actual Ticket-buyers and thus link their behaviour across multiple venues. In this instance, each transaction is treated as an individual ticket buyer. This segment is entirely excluded from any customer behaviour analysis in this report.

Additionally we categorise frequency of a ticket buyer:

Once: Details of only one visit in three years.

Twice: The customer has come back a second time in three years

Occasional: The customer has made between 3 and 5 visits in the last three years

Regular: Between 6 and 10 visits in three years

Very Regular: The customer has made more than 10 visits in the last three years.

Who are our consumers?

Purple Seven's venue partners are particularly interested in the "addressable" theatre market; where it is a private individual making the ticket purchase. We will be focusing on those consumers who buy their own tickets in this section.

A holistic understanding of consumer behaviour in the arts is one of the key determining factors of how venues should engage with their consumers.

Engagement

Engagement differs by consumer segment and by regional factors; actual behaviour is the determinant of future behaviour and therefore simply communicating to a customer based on their age, modelled demographics or regional location alone is, at best, crude.

So what do we know about our consumers?

Consumers to Independent London venues use these facilities as a gateway for their first experience with the arts (as a ticket buyer).

NPO venues tend to satisfy Very Regular theatregoers both in London and the regions. There is evidence to suggest that a key driver for this behaviour is driven by the program, with Independent venues tending to stage events with broader appeal. Another potential driver for this behaviour is the NPO's superior potential to communicate directly with its consumers as discussed later in this report.

The chart to the right illustrates how the "First Time – Once Only" consumer is more than twice as likely to visit a London Independent theatre. This behaviour is clear and distinguishable by quite some margin.

Conversely, the Very Regular consumer is much more likely to use funded facilities (especially at London venues) to satisfy arts need. When considering these findings it must be remembered that, typically, Independent venues, both Regional and London have longer runs and therefore there is less opportunity for repeat visits.

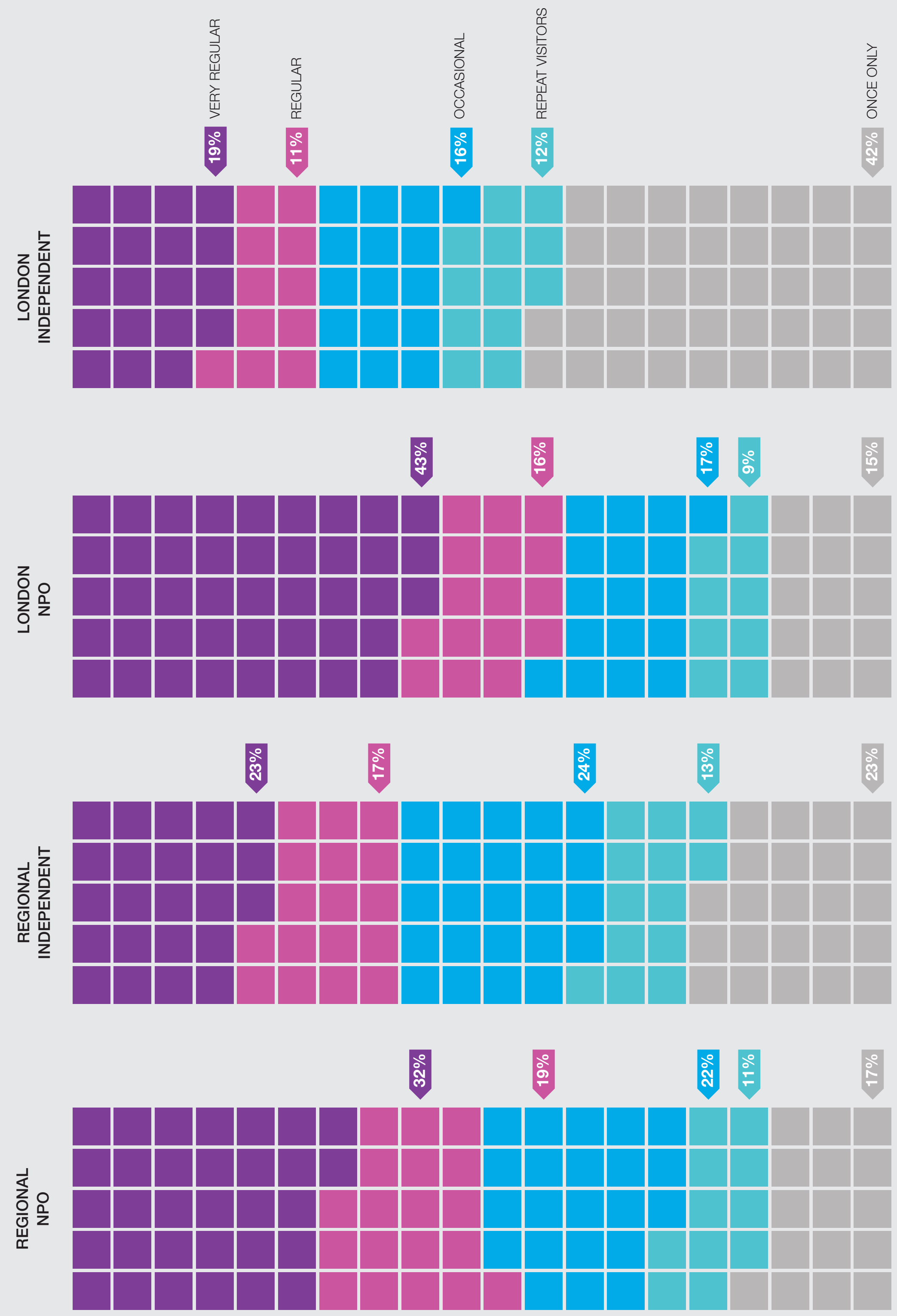
Summarising the chart further it can be seen that at least 50% of visits to funded venues in both London and the regions were by consumers who have visited at least 6 times in the last 3 years.

Geographic spread

Examining where sales come from geographically show some key insights. 20% of all revenue to London venues comes from just 37 inner London postcode districts (plus TW9 and TW10 in outer London). Whilst this inner core accounts for 20% of box office income for London venues there are differences between NPO and Independent venues. These 37 postcode districts account for:

- 25% of revenue at NPO venues in London and
- 15% of revenue at Independent venues in London.

Even when expanding the percentage of box office income the trend is consistently that Independent London venues have a larger geographic reach than London NPO venues.



Percentage of visits

How do they behave?

Now we know how engaged the consumers are in the arts, should we assume that a Regular/Very Regular arts consumer will visit lots of different venues? Well, yes and no….

The top chart examines the behaviour of consumers who had attended 6 or more times in the last 3 years and it tells us that 32% of all Regular and Very Regular spend has actually come from those who only visited 1 venue in the last 3 years despite making at least 6 visits. There are, therefore, some venues that are able to satisfy very engaged arts attenders in one place.

London Venue consumer in more detail
Further examination of the crossover dataset shows that consumers at London venues provide a very different perspective. Just 15% of the spend for London venues came from those Regular and Very Regular consumers who have only visited 1 venue and, at the other end of the scale, 10% of their revenue came from those visiting more than 7 venues in 3 years.

London venues, be that NPO or Independent, must have sight of how "their" consumers are behaving more broadly because they are simply not "their" consumers and are potentially visiting another 6 venues in a 3 year period.

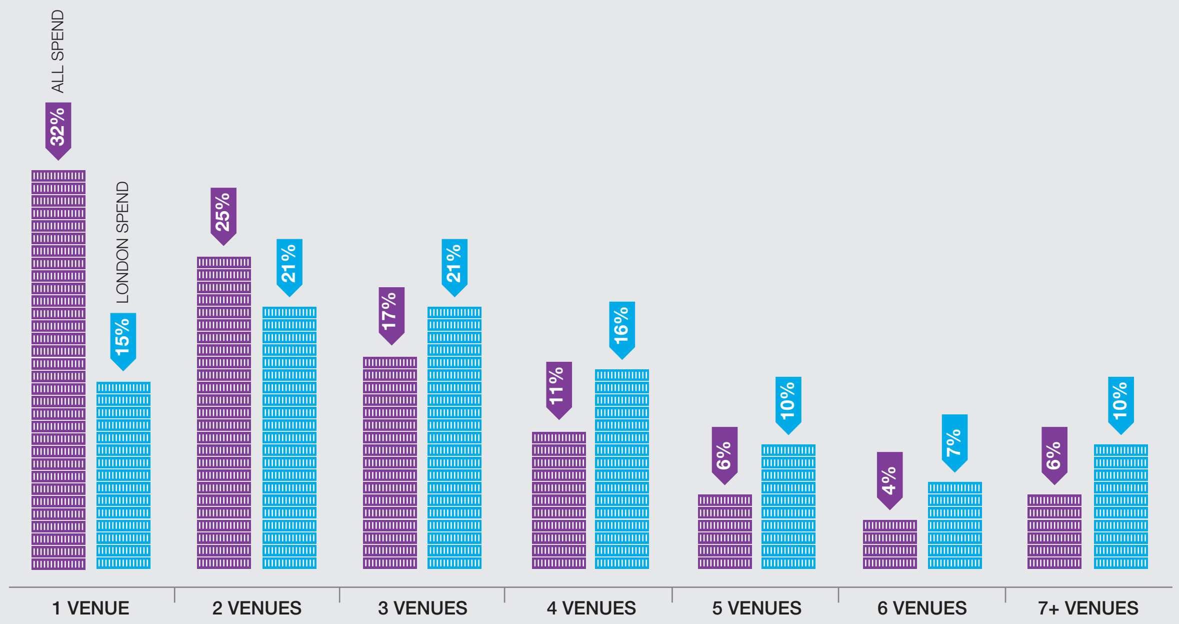
Would a visitor loyal to the NPO venues be likely to visit an Independent venue? Maybe, maybe not, but we can only know this by looking at their overall arts engagement.

The bottom chart highlights the crossover of the Regular and Very Regular consumers at London venues across the Independent and NPO venues and those who were consumers of both.

The results are fascinating. They clearly show just over a quarter of the Regular and Very Regular consumers are 'loyal' to Independent [London] venues compared with just over a third at NPO venues. It also shows a high level of crossover (38%) to both Independent and NPO venues.

So we know that in London, Regular and Very Regular, consumers have a wide range of venues available to them to cater for their tastes, and, half of all of London venue revenue (across both Independent and NPO) is generated by those consumers who visited both types.

Understanding how consumers engage with the different venues should inform how we, as theatres and arts producers, engage with them.



Percentage of spend (Regular & Very Regular)

Venue repertoire (Regular & Very Regular)

What is the role of ticketing?

So we know who they are, in terms of engagement, how many venues they visit, and the importance of understanding if they are likely to go to an Independent or NPO venue (or both). Now let's look at the role of ticketing.

London venues
The routes to getting tickets into consumers' hands are markedly different between London and regional venues, and indeed within London.

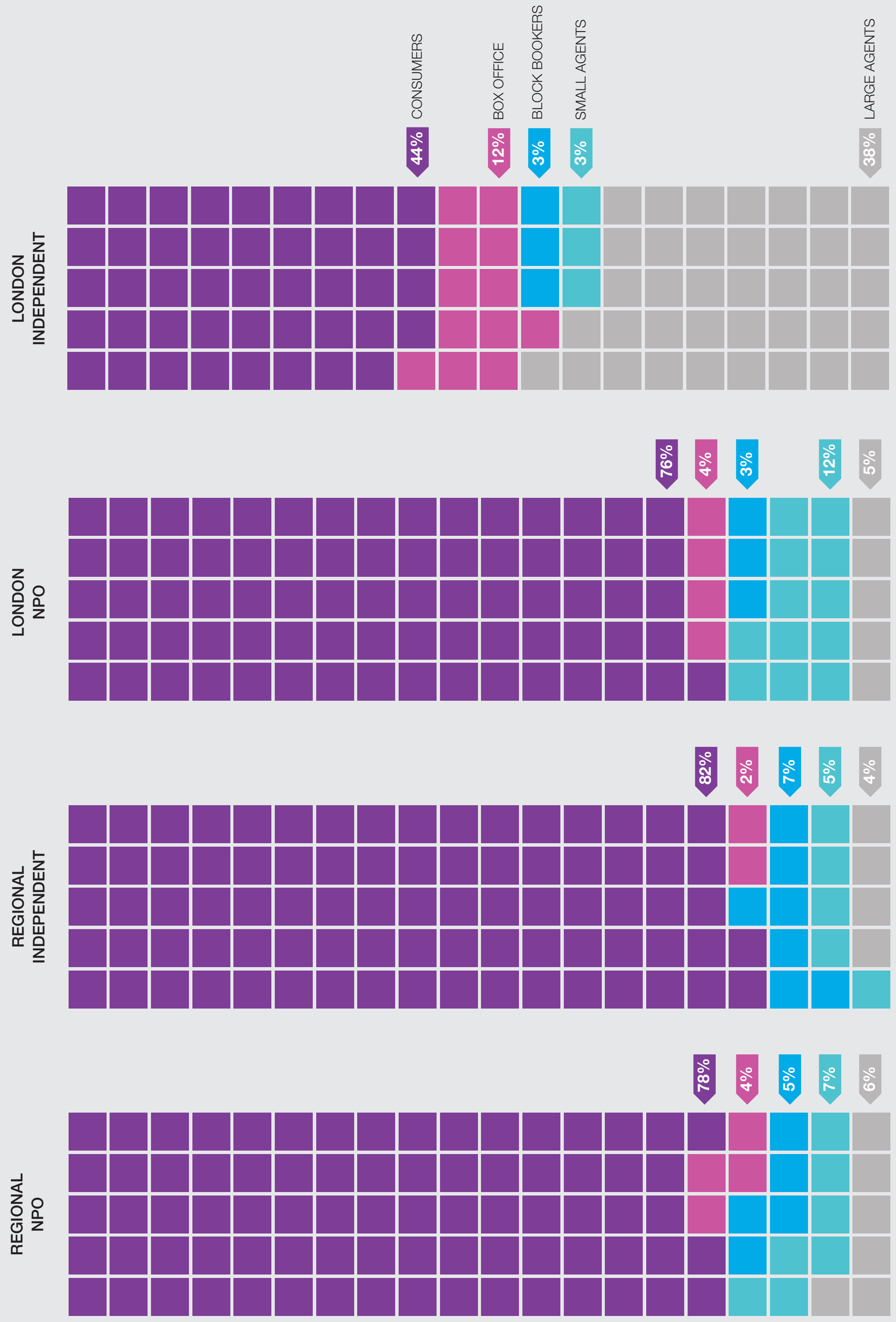
London Independents: These theatres rely heavily on 3rd party resellers for their ticket sales with almost 40% of ticket sales coming from Large Agents alone and only 44% of tickets were generated directly by consumers. Remaining sales were predominantly generated 'Box Office' sales (12%).

London NPO's: This picture looks very different when looking at NPO venues in London where 76% of ticket sales come from consumers booking their own tickets, and a small role played by Small Agents (12%) showing that London NPO's have much greater potential and ability for direct communication with its consumers which could be partially attributed to the higher levels of engagement described above.

Regional Venues
Outside of London, there is little or no difference between Independent and NPO venues in how consumers obtain their tickets . At least three-quarters of ticket sales are from consumers directly, with Agents (small or large) playing a far smaller role.

These figures clearly illustrate how important the direct to consumer market is to even the most successful of shows and naturally, pricing and profit consideration will play a big part in the strategy of working with ticket resellers and agents.

Relevancy to consumers is absolutely critical for all NPO venues given that three-quarters of their tickets come directly from consumers. This is especially important given the proportion of Regular and Very Regular consumers that make up the NPO venue consumer base.



Percentage of ticket sales

Conclusion

There is strong evidence that Theatreland should continue to develop more co-operative ways of working. Regular and Very Regular consumers are dominant; understanding, developing and engaging these consumers is key to future success.

Independent venues rely on shows with broad appeal and the evidence clearly shows that a greater proportion of First Time visitors to the theatre start their journey at these organisations rather than at an NPO venue.

There is no question that for those who are fortunate enough to access to the hugely diverse London Theatre scene have a more frequent and varied attendance. To reach out to a regular audience demands a repertoire of different venues and shows. The study shows clearly that the majority of regular Theatregoers repertoire between NPO and Independent theatre.

The key to future success lies in how audiences can be developed for the product that is available. This is made possible by now by understanding the holistic attendance journey through the arts of individual consumers to ensure that our communication is both personalised and relevant. NPO organisations are clearly capitalising on their consumer database that is rewarding them with a more loyal and frequent consumer base.

One way to help with the issues discussed in this report is to use the highly powerful small area aggregation method Purple Seven have employed to produce the statistics within this document. It allows a rich and detailed set of insights of the local audience and the venues they choose based on actual attendance data without disclosing any personal data.

Purple Seven now has a Dimensions Directory with key measures for every small area in the country, covering the choices made, number of venues attended, frequency of attendance, genre, price paid, seasonality and weekend behaviour.

Using this data and tools and working in a collaborative way with Arts Venues and Promoters should create a better understanding and reach – and a better customer (audience) experience.

For more information contact Purple Seven at enquiries@purpleseven.com or 01926 203040.

Head Office
Purple Seven
Midway House
23A Coten End
Warwick CV34 4NT

London Office
Purple Seven
H&D Studios
10/11The Peoples Hall
2 Olaf Street W11 4BE

Telephone: +44 (0)1926 203040
Email: enquiries@purpleseven.com
LinkedIn: linkedin.com/company/purple-seven
Twitter: @PurpleSevenUK

This publication is available at
www.purpleseven.co.uk

Written, edited and produced by Purple Seven.

Designed by ripe