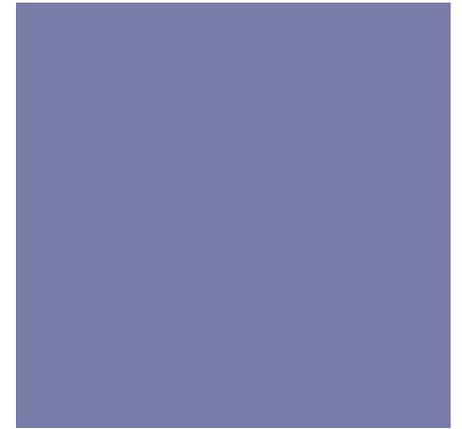
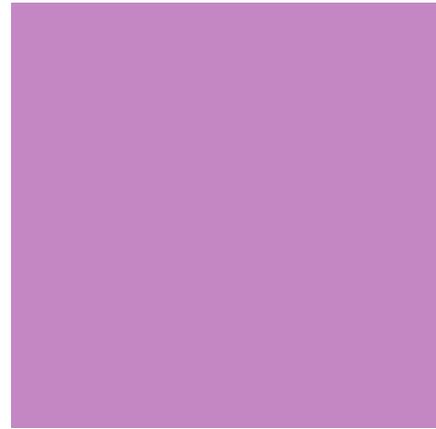


Katy Raines

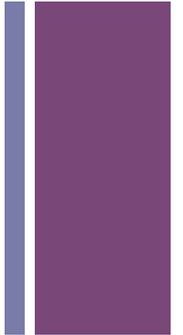
Do we need to talk to Customers differently?

October 2014



Indigo-Ltd

Who we are



- A specialist arts consultancy
 - A reputation for getting things done and making a difference
 - Clients work with us again and again
-

- Music Graduate, Cambridge University
- Spent 15 years running Marketing departments in UK theatres
- Consultant since 2004, specialising in Customer Loyalty and data-driven marketing.
- Only UK CRM specialist in the Arts



CANOLFAN
MILENIWM
CYMRU
WALES
MILLENNIUM
CENTRE

Birmingham
MUSEUMS

TRP | THEATRE
ROYAL
PLYMOUTH



Clwyd Theatr Cymru



 **ULSTER
ORCHESTRA**

THSH

TOWN HALL BIRMINGHAM SYMPHONY HALL BIRMINGHAM

**TURNER
SIMS** Southampton



MAC
THE
MAC
LIVE
.COM

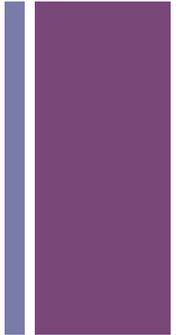
mac
birmingham

Royal
Exchange
Theatre

**Belgrade
Theatre**

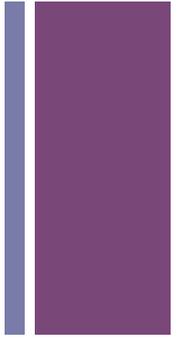
BBC *Philharmonic*

Do we need to talk to our customers differently.....



-from the ways we've been talking to them in the past?
-from each other?

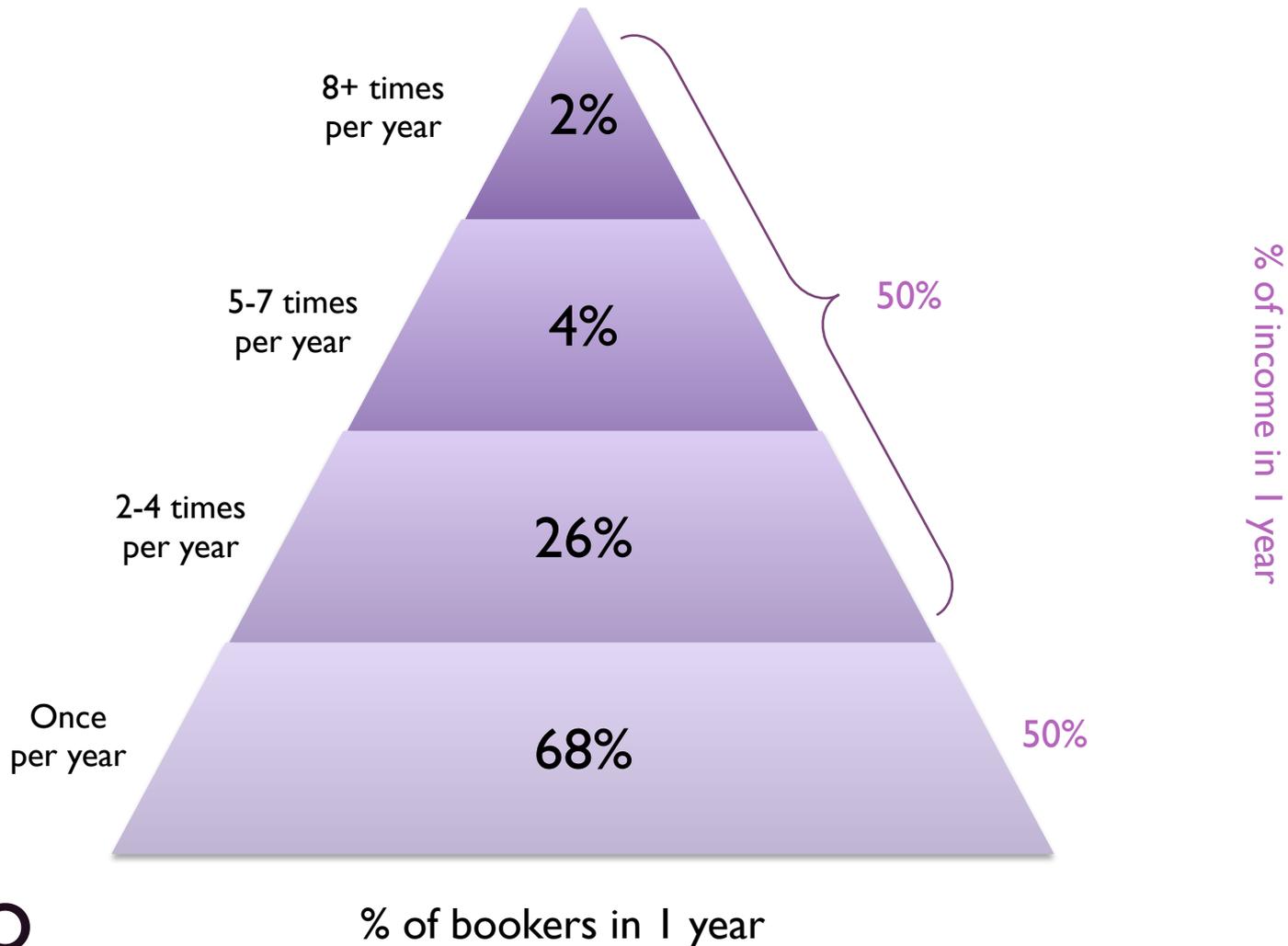
Yes! 3 Reasons:



1. Customers are not equally valuable
2. Customers have different needs, which need to be reflected in your marketing communications with them
3. The marketing world is changing

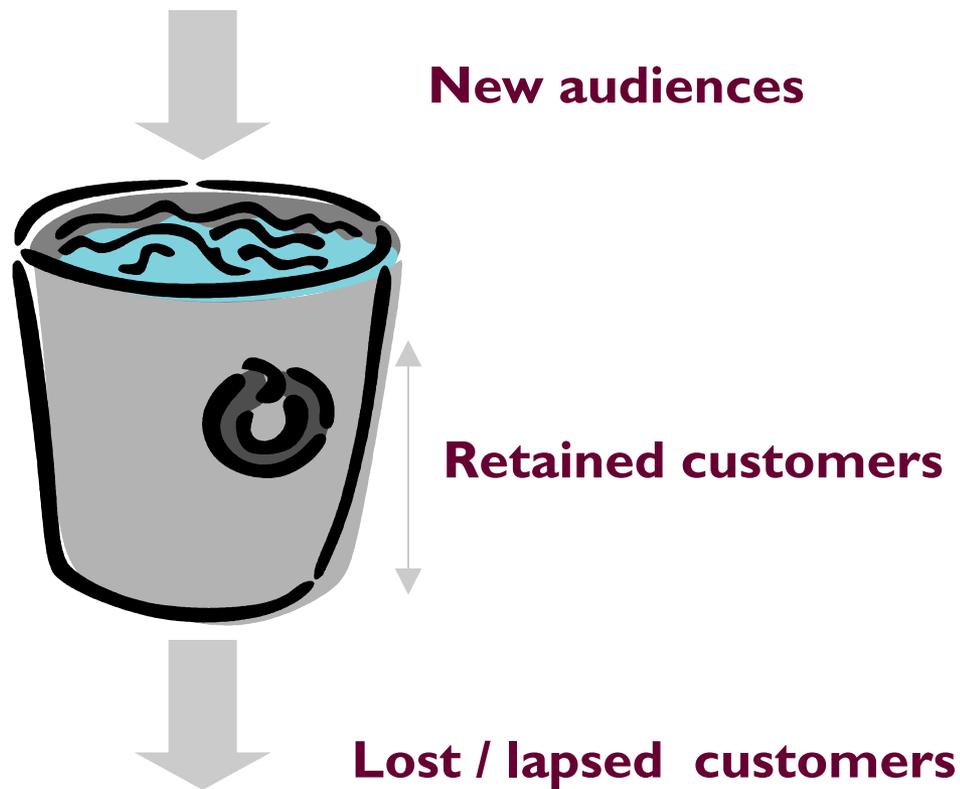
I. Customers are not equally valuable

eg. Frequency



I. Customers are not equally valuable

Retention



UK Performing Arts
Average annual % = 40%

I. Customers are not equally valuable

It costs less to retain an existing customer

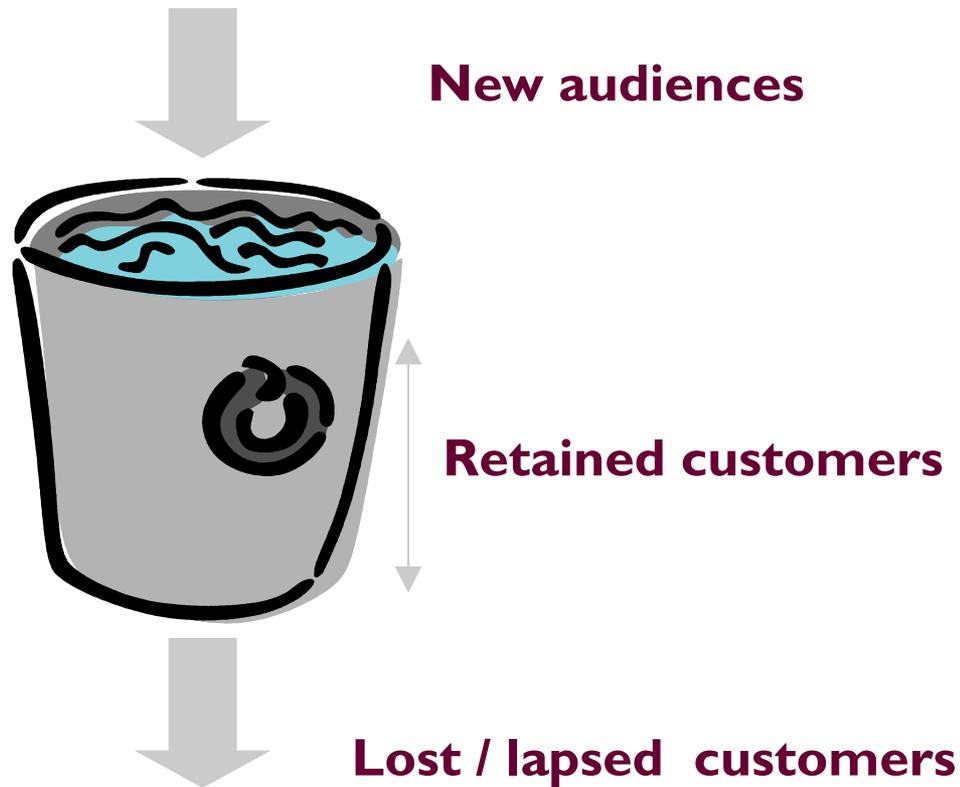
5 times more expensive to acquire a customer than to keep one

(Peppers and Rogers, 1993)

Acquisition emphasis		Retention emphasis	
Acquire 6 customers	€120	Acquire 3 customers	€60
Retain 5 customers	€20	Retain 20 customers	€80
Total cost	€140	Total cost	€140
Total customers	11	Total customers	23

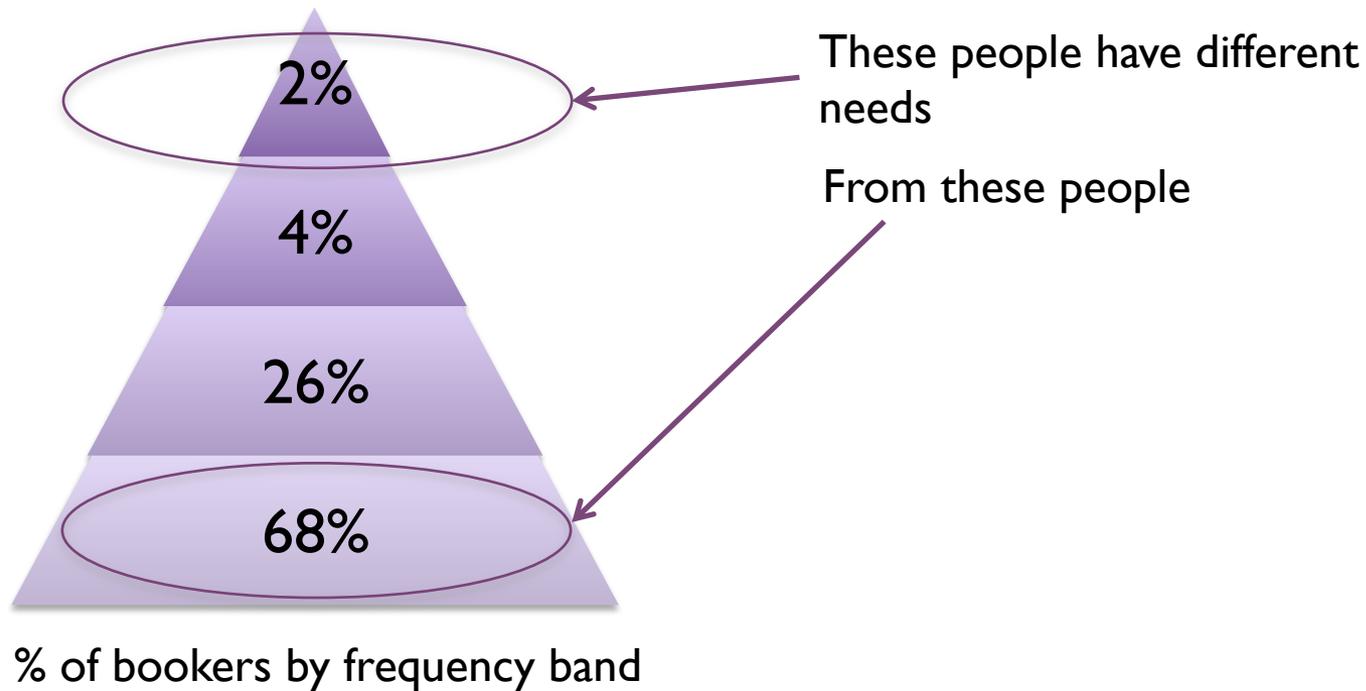
I. Customers are not equally valuable

Retention



2. Customers have different needs

Segmentation



Ulster Orchestra, Belfast

■ 'Old' model

- Were sending all their customer the same thing – a large 32-page season brochure, costing €1.30 per issue
- **Return on investment 1.6:1**

■ 'New model'

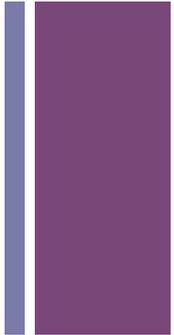
- Sent different customers different things
- For 90% of the customers this meant sending them LESS information, but more RELEVANT
- Return on Investment increased to **21:1**

3. The marketing world is changing

- Digital explosion = Consumers bombarded with content
- Growth of tools and sites to ‘aggregate’ and make sense of content for consumers to digest
- **Expectation** of content matched to need and preference

NB. This is no longer a ‘nice to have’ – it’s essential!

email content - relevant



General message to everyone

Email a Wine Specialist | View web version

WaitroseWineDirect

Wine | Fine Wine | En Primeur | Mixed Cases | Champagne | Gifts | Offers

Free standard delivery within 5 working days on all orders

January Savings

Dear Mrs Rami

As temperatures continue to fall, add some warmth to winter evenings with our latest special offers, including 25% off Waitrose Sauvignon Blanc.

Plus, for the perfect selection to match hearty winter suppers, don't miss your chance to save £22 with our January Saver Mixed Case.

[See our latest offers ▶](#)

▶ Save 25% on Sauvignon Blanc

Save £22 with our January Saver Mixed Case or pick your favourites and mix your own...

▶ Case of 12 (2 of each): £62

Cuvée des Vignerons Beaujolais NV, France	Nederburg Shiraz/Pinotage 2011 Western Cape, South Africa	La Vielle Ferme 2010 Rhône, France
▶ <u>Save 16%:</u> <u>Bottle price £4.75</u>	▶ <u>Save 16%:</u> <u>Bottle price £4.75</u>	▶ <u>Save 20%:</u> <u>Bottle price £5.69</u>

Tailored to match my previous purchases



Web content - relevant

amazon.co.uk

Hello Mrs Katy Rami. We have [recommendations](#) for you. ([Not Katy?](#))

[Katy's Amazon.co.uk](#) | [Today's Deals](#) | [Gift Cards](#) | [Gifts & Wish Lists](#)

Shop All Departments

Search All Departments

- Books >
- Music, Games, Film & TV >
- Kindle >
- Electronics >
- Computers & Office >
- Home, Garden & Pets >
- Toys, Children & Baby >
- Clothes, Shoes & Watches >
- Hobbies, Sports & Leisure >
- Grocery, Health & Beauty >
- DIY, Tools & Car >

Accessorise Your Kindle



[Shop accessories](#)

3. The marketing world is changing

- Opportunity – to build loyalty and affinity by reflecting their needs back to them with relevant (and personalised) content
- Threat – customers will ignore your content as it isn't relevant, and you will lose them

3. The marketing world is changing

Customer Relationship Management

= An approach which gathers intelligence about customers and uses that information to provide relevant content to them in a targeted way

= The 'One to One' Future (1990s) is now a reality thanks to Big Data

<https://www.youtube.com/watch?v=uiDMIFycNrw>

Personalised content works

- Customers DO respond better to personalised communications and content

- Personalised promotional messages

- **29% higher open rates / 41% higher unique click rates**

- Personalised emails

- transaction and revenue rates **6 times higher**

(Experian, email marketing report, 2014)

- Where product recommendations are made based on previous purchases **86% said it influenced what they purchased** (*Infosys study into retail consumers 2014*)

So how do we DO this stuff?

Collect relevant and meaningful **data from customers**

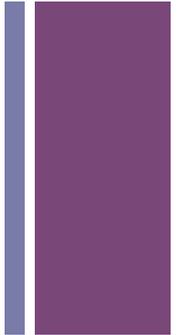


Use what you know about them to create relevant and **meaningful communications** with them



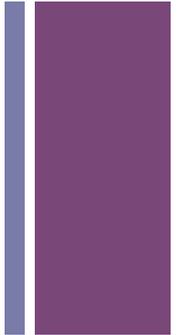
Measure the results and learn how to improve it

3 Examples from the UK



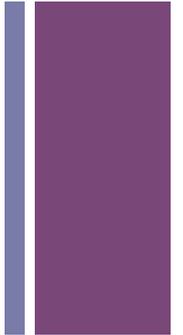
- Large Scale Arts Centre in England
- Large Scale Arts Centre in Wales
- Large Concert Hall in England

Large Scale Arts Centre



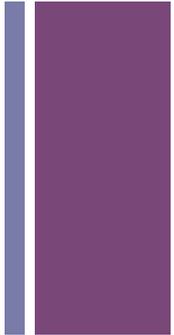
- Large Arts Centre in North of England
- 3 theatre spaces, 2 galleries
- Mixed programme including theatre, dance, visual arts
- Companies such as Royal Shakespeare Company and National Theatre regularly play here

Segmented and targeted



- Sent season brochure with same content
- Followed up with highly personalised email
 - **just** featuring shows from that Artform Strand
 - Based on knowledge of behaviour and motivations
- Reduced marketing costs by €80,000 per year
- Response rates more than doubled

Targeted content works



% response	Un-targeted	Targeted
All	7%	13%
Populist	4%	11%
Contemporary	4%	20%
Classical	4%	19%

↑
The same content to
different segments

↑
Highly personalised content
to different segments

Large Scale Arts Centre, Wales

- Large Arts Centre in capital of Wales
- One large auditorium, one studio
- Home of Welsh National Opera
- Mixed programme including music, drama, musicals and dance

Large Scale Arts Centre: Brochure mailings

- Created segments based on frequency and value
- Most valuable segments continued to receive brochures
- Developed 'cheaper' communications for the mid-value segments
- Stopped mailing many of the low value segments with season brochure

Large Scale Arts Centre, Wales

- Return on investment has increased from 1.3:1 to 4:1

This represents a 211% improvement

- Annual brochure costs have **reduced by 60%**
- **Sales have increased year on year**

Large Concert Hall, England



- 600 events per year
- Mostly 'one night' shows
- 2200 seats
- over 1/2 million audiences each year

Segmenting the audience

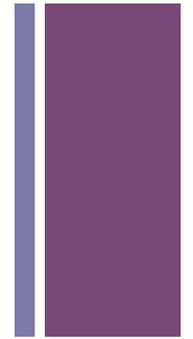
- 'Old' model – one size fits all
 - Same brochure sent to everyone every 2 months
- 'New model'
 - Sent different customers different things based on their preferences and past behaviours

Classical

Rock/Pop/ Entertainment

Jazz, Folk, World, Roots

Family



What's on **Classical**

THSH
TOWN HALL SYMPHONY HALL
BIRMINGHAM BIRMINGHAM

February – March 2012
Box office
0121 780 3333
www.thsh.co.uk
Supported by Birmingham City Council

What's on **Highlights**

THSH
TOWN HALL SYMPHONY HALL
BIRMINGHAM BIRMINGHAM

February – March 2012
Box office
0121 780 3333
www.thsh.co.uk
Supported by Birmingham City Council

What's on **Jazz, Folk, World & Roots**

THSH
TOWN HALL SYMPHONY HALL
BIRMINGHAM BIRMINGHAM

February – March 2012
Box office
0121 780 3333
www.thsh.co.uk
Supported by Birmingham City Council

What's on **Family**

THSH
TOWN HALL SYMPHONY HALL
BIRMINGHAM BIRMINGHAM

February – March 2012
Box office
0121 780 3333
www.thsh.co.uk
Supported by Birmingham City Council

Increasing Relevance

- 'Old' model – one size fits all
 - **Return on investment 1.5:1**
- 'New model' – more relevant communications
 - Costs reduced by 23% in 1 year
 - Average income per item sent increased by 25%
 - **Return on investment 2.5:1**

Things to think about

Data Collection

How can I collect this data?
What data do I really need?



Segmentation and
Targeting

What marketing tools do I need
to deliver these messages?
How will I use the data to
create targeted and meaningful
communications?



Analysis and Evaluation

How will I know if it has worked?

How do others do it?

1) The 'traditional' way (eg. Uk theatres)

Data Collection

Name, address, email at point of sale

Good box office system to prevent duplicates and track booking history

Segmentation and Targeting

CRM or box office system allows for analysis of customers to identify segments with similar needs.

Analysis and Evaluation

Integrated email system to send personalised communications

Email system gives stats on opens and clicks

Box office system 'knows' that someone has booked and creates ROI figures

How do others do it?

2) Via an app (eg. I'm@app)

Data Collection



Segmentation and Targeting



Analysis and Evaluation

Basic contact data taken at download point eg. email

Other geo-location data gathered by the app as festival takes place

App provides tips and hints

Database behind it analyses behaviour over festival and pushes further relevant content via app.

Pilot stage

I'm@App (pilot in Liverpool 2014)

- Maps
- Info about exhibitions they're looking at
- Alerts for events about to start

“Its power lies in its simplicity. As you approach an exhibit or even a painting within a gallery, the app will automatically deliver relevant and interesting content. For a visitor to the area or as a resident of the city, this is a truly helpful use of technology aimed solely at enhancing the visitors’ experience. The app will contain unique content that can’t be found on the web, so visitors will not only get the content delivered automatically at the relevant time, they will also get access to content unavailable to non-app users.”



How do others do it?

3) *Via a Loyalty Card (eg Art Cinema)*

Data Collection



Segmentation and Targeting



Analysis and Evaluation

Basic contact data taken on joining (online or in cinema). Purchase data eg. film choice, numbers in party, concessions gathered for each booking

Integrated email system to give basic weekly email info, but also target particular groups with relevant messages (eg. Seniors for daytime screening offers)

Can track purchase frequency and value, types of film attended, response to emails

Things to think about

Data Collection

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What data do I really need?



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Targeting

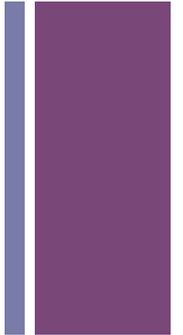
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How will I use the data to
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communications?



Analysis and Evaluation

How will I know if it has worked?

Thanks!



Katy Raines

Partner, Indigo-Ltd

www.indigo-ltd.com

katy.raines@indigo-ltd.com

twitter: @katyraines