

Finding Your Audience Through Market Segmentation

This Chapter . . .

- Defines market segmentation and discusses how finding the right audience segments can enhance artistic freedom;
- Provides a process for identifying and defining audience segments your organization can attract; and
- Identifies research methods to use in target audience selection.

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To paraphrase Abe Lincoln . . .

*“You may please all of the people
some of the time, you may even
please some of the people all of the
time, but you can’t please all of the
people all of the time.”*

Part I: Why Audience Segmentation is Important

For many in the artistic community, marketing is a nine-letter dirty word. To some artists, marketing seems to represent the ultimate compromise of their creative principles. Marketing, they believe, means pandering to the tastes of the audience, rather than expressing their own artistic vision.

Experienced marketers, in and outside of the arts, recognize this fear as a narrow and incorrect interpretation of marketing principles. In fact, appropriate and insightful market segmentation analysis can help artists thrive. When arts organizations find and attract the right audience for each artistic effort, more artists can connect with audiences that appreciate and value their individual talents and ideas.

Market segmentation analysis and the selection of the particular audience segments you will target are essential parts of a strong marketing plan. When you analyze your potential audience to identify key segments, you consciously select groups of people you will try to attract to your organization. Your marketing goal is no longer just filling seats or getting people to walk in the door, but attracting the right people with the right message through the right media at the right time with the right product at the right price.

When you commit to target marketing, you tell yourself, your artists, your management and your board that some potential audience members are more important than others. Excluding anyone may strike some as a risky and controversial strategy. However, when target marketing succeeds, you don’t just sell tickets. You build a strong and satisfied audience that values the artistic product you provide, and keeps coming back for more .

In the arts, successful market segmentation is based on the premise of “different strokes for different folks.” It begins by recognizing that every person is not equally drawn to every work of art. The purpose of audience segmentation analysis is to identify those in the over-all population who will be most likely to appreciate and value the particular art in question so you can promote the work directly to them. In other words, in arts marketing, the goal of segmentation is to find audience members who will be most satisfied by the artistic product you have to offer. Market segmentation protects artists from pressures to shape works to fit the needs and tastes of an undefined mass of potential audience members.

Another word for segmentation is grouping. When you look for segments of your overall audience, or your potential audience, you are searching for groups of people who are similar in some way to each other, and different from everybody else. For a segment to be meaningful for your marketing strategy, the ways the individuals are similar should relate to your organization or artistic product. Your goal in market segmentation is to appeal to each group's particular needs and interests in much the same way you would if you were meeting and talking to one person at a time.

As soon as marketers began to use television as a major advertising medium, they realized that “mass” communication must direct itself to a particular target consumer or it is lost in the clutter. In today's world, potential audiences are besieged with information everywhere they go. They see flyers on their doorsteps, brochures in their mail boxes, ads on their grocery carts, e-mail at their jobs, TV channels at airports when they travel, as well as the television, radio, newspapers and magazines they invite into their homes. We've all developed an ability to “tune out” most marketing, and devote our energy and attention to the things we find interesting, intriguing or otherwise worth our time.

Market segmentation lets you see and know your audience members as individuals, so you can identify their needs and more effectively communicate the ways they can benefit from what you have to offer. Armed with this knowledge, you'll find it easier to develop creative marketing strategies that reach and motivate your target, making the most of your always too-scarce promotional resources.

“There is no such thing as a Mass Mind. The Mass Audience is made up of individuals, and good advertising is written always from one person to another. When it is aimed at millions, it rarely moves anyone.”

— Fairfax M. Cone, 1952

Founder, Foote, Cone & Belding Advertising

“Segmentation is saying something to somebody instead of saying nothing to everybody.”

—Jay Conrad Levinson

Guerrilla Marketing, 1994

CHECKLIST OF IDENTIFYING CHARACTERISTICS

Demographics —

Age

Gender

Race/ethnicity

Income

Education

Family Status

Geography —

Residence location

Work location

Place of origin

Choice of recreation area

Usage/Behavior —

Frequent/Infrequent

Subscriber/single ticket

Plan-ahead/impulse

Stated Intentions —

Plan to come more,
less, the same

Will/will not renew

Attitude/Belief/Opinion —

Likes/Dislikes

Preferences

Values

Part II: How to Find Important New Audience Segments

Before you begin your search for new audience segments, make sure you understand the characteristics of your current audience and any segments it may already include. Then, you can look beyond your present audience to find new people to target with special marketing efforts.

How would you characterize the people who now support your organization? Who comes to your performances? Who are your donors? Your volunteers? Think about these groups, refer to any research you may have done in the past, consult with others in your organization, and try to formulate a current audience profile, using the checklist of IDENTIFYING CHARACTERISTICS as a guide.

Demographics Are a Good Place to Start

One of the easiest and most obvious ways to describe an audience is in terms of demographic characteristics. How old are your typical audience members? Are they mostly female, mostly male or an even mix? Are they married or single? Do they have children? Where do they live? Where do they work? What races or ethnic groups predominate? What is the typical occupation? The typical level of income? The level of education?

You probably have a general idea of the demographic characteristics of your audience. Some demographic traits are easy to observe just by looking at your audiences or the people who visit your facility. You may even have a written profile that describes your audience members demographically. But, demographics are only a start. They can provide a broad general outline, but don't really help you pinpoint the qualities that turn undifferentiated people into individual persons.

Here 's a typical demographic profile. It might be similar to the one you use to describe your audience, your donors, or your board members:

Age 45 to 64	College Graduate
Male	Upper Level Executive
Caucasian	High Income
Married	

Who's the individual you picture as you read this description? Can you imagine a person who fits this profile? Who is the first person who comes to mind?

Do you picture an individual when you read this description? Can you imagine a person who fits this profile? Who is the first person that comes to mind? The second? The third? In fact, many individuals fit into this profile: Steve Jobs, CEO of Apple. Tech geek. Design innovator. Beatles fan. But so does Arnold Schwarzenegger: Governor, film producer, fitness buff and “The Terminator” himself.

Get the picture? The point is, you only get part of the picture. While Steve Jobs and Arnold Schwarzenegger are alike in some ways, they are different in many other ways. Demographic profiles are so broadly drawn, that they describe many people -including people who don't fit into your customer segments. Demographics are only a starting point. They can provide a broad general outline, but don't really help you pinpoint the qualities that make people into individuals. Demographics can sketch the outlines of an audience, but if demographics are your only tool, you won't be able to fill in the finer details.

For Real Insight, Reach Inside to Identify Needs

To get beyond demographics, you need to think about what makes one person different from another. For the most part, the demographic facts are not what really distinguish us. What makes each of us an individual is what goes on below the surface in our hearts and in our heads. That's where you'll find the most powerful information about your present audience and the groups you can target to develop new audiences.

In defining audience segments, your primary goal should be to identify a group of people who share a common need that your organization or your programming can satisfy. The need might be expressed in terms of the artistic product you deliver, i.e. you might be looking for people who seek out “innovative presentations of classic dramas” or “modern music from around the world.” The need can also be expressed in non-artistic terms, such as opportunities for socializing with friends, family entertainment, relaxation or other end benefits. When you define segments based on their needs, you remain focused on how your artistic product can find the audience most likely to appreciate and value it.



Target Marketing: Effective targeting builds from what's inside the prospect's head.

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By trying to understand why people behave as they do, you may be able to identify the important needs your marketing program should address.

Mining for Underlying Needs

To begin your journey below the demographic surface, think about other “facts” you know or can find out about your audience or your prospects. What are their behavior patterns relative to your organization, or relative to the arts overall? Are they frequent arts participants, or do you attract people who are not very involved in the arts? Do you get repeat attendance, or is most of your audience attending only once? Do different programs or performances attract different types of people? Do you have a core of subscribers or members? Are your audience members subscribers or members of other arts organizations? Which ones?

What Are They After? Then ask yourself what underlying needs may be motivating these behavioral patterns. Is your audience seeking variety? New experiences? Reliable entertainment? Exposure to the classics? Opportunities to learn? By trying to understand why people behave as they do, you may be able to identify the important needs your marketing program should address.

What Will They Do Next? Consider, too, what audience members or prospects are likely to do in the future. Analyze your historical records, or ask directly. Do they intend to come again, or do they plan to move on to something new? Are they willing to consider a membership or subscription? If not, what other kind of commitment are they willing to make?

What Are Their Beliefs? Another way to understand prospect needs is to look for the attitudes, opinions and beliefs that motivate what people do. Ask yourself what your existing audience members or your prospects like about the arts. What do they expect from their arts activities? Are they looking for education? Inspiration? Social status? Could their expectations provide a basis for meaningful segmentation?

What Are Their Priorities? Think about what role the arts play in your prospects’ lives. *How much do they know about the arts?* Is art a high priority, or are other things more important? Where do the arts “fit” into their leisure time and other life responsibilities?

What Do They Think of You? What do your audience members or prospects know or believe about your organization? What do they like about what you do? What do they believe you do best? What don’t they like? Are the differences in what people know or believe about you enough to create genuinely different audience segments?

Hone in on Identifying Characteristics

As you consider the differences in behavior, attitudes, opinions and beliefs you may find among potential audience members, you need to focus on the key differences that distinguish between good prospects and those who are less likely to be attracted to your organization and the work you present. These key differences are the Identifying Characteristics that can be used to divide the total universe of people you could potentially attract into segments with more or less potential for success.

For example, you might decide, based on research or insight or a combination of both, that people who have attended your performances at least three times in the past two years are likely to value your organization as an important presenter of new works by established dramatists, and would consider subscribing in support of your efforts. Attendance becomes your identifying characteristic, and the new work on your schedule is the benefit you provide. First-time attenders and first-time repeaters are excluded from your target audience for subscriptions, although they may represent a good target for other marketing efforts. Your subscription marketing effort focuses on people who have attended at least three times in the past two years, and emphasizes the “world premiere” performances that will be included in your season.

To attract a new audience, you could target people who live in your immediate neighborhood. The identifying characteristic is the person’s zip code, and your appeal might be an invitation to a special “neighbors only” reception before or after a performance.

Richly Detailed Prospect Portraits Help With Targeting

Once you have identified a target segment, your next task is to find ways to separate people who fit into that segment from people who do not. Sometimes, you can identify specific individuals based on records you keep of their behavior. For example, if your primary target for special subscription renewal efforts is first-year subscribers, your own database will provide the information you need to identify those who fit within your target audience definition. In other situations, however, you will be unable to identify target prospects on an individual name-and-address basis. That’s when you’ll need to learn more about the traits that target prospects have in common—traits that will help you single them out with your advertising or other marketing efforts, by “talking” to them as if you were talking one-on-one to each person individually.

The kinds of characteristics or traits that help you visualize the individuals in your target audience are called **ENRICHING CHARACTERISTICS**. Use these traits or

Identifying Characteristics divides the total universe of people you could potentially attract into segments with more or less potential for success.

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CHECKLIST OF ENRICHING CHARACTERISTICS

Interests

Related Behavior

Personal Values

Psychological Characteristics

Life Stage

characteristics to help “paint a portrait” of your target that everyone in your organization can use to fully understand exactly what kind of people you are trying to attract.

Enriching characteristics include whatever you can find out about people in a particular audience segment. These can include their interests, their behavior related to your organization or to arts participation overall, their personal values, psychological characteristics, or stage of life. You can gather this information from formal audience surveys, from discussions in focus groups, or from systematically asking a few key questions when you have an opportunity to meet and talk with prospects. In any of these methods of analysis, you should not expect perfect separation between those in your target group and those who are not included. Instead, look for tendencies that make a particular trait more or less common in your target segment than in the general population.

For example, a museum might decide that new members who joined during a major exhibition period should be targeted for a special renewal effort different from that aimed at longer-term members. The identifying characteristic for this segment is the period of the exhibition—all new members who joined during this time would be considered part of the target for the special renewal effort.

To guide development of a marketing campaign inviting these members to renew, you need to think about them as people, to make a meaningful appeal. What motivated them to become members in the first place? What benefits can you provide that will convince them to stick with you? What tone of voice, or style of advertising, are they likely to find most appealing? What media will be the most effective ways to reach them?

To answer these questions, think about what these new members are like. Do they come from any particular demographic group? What life stage(s) are they in? Are they married or single? Do they have young children? Are they empty-nesters? Does their life stage provide clues about what might motivate them to renew membership? What interests or values do they share? Is art an important part of their lives? Are they looking for family entertainment? Education? Variety? A way to meet new people? A way to be involved in their communities?

Do people in this segment share any particular personality traits? Are they more or less likely than others to be happy? Optimistic? Introspective? Self-confident? How might their personality traits affect your marketing message, or the way you try to reach them? How are people in this segment the same, and how are they different, from longer-term members who faithfully renew, year after year? How can you allow for these similarities and differences in your marketing?

You won't find the answers to all these questions about every audience segment you identify. However, the more information you can gather, and the richer you can make your audience profiles, the easier it will be to develop marketing targeted to them. Developing target audience profiles is part of the "art" of marketing. Research helps form the basis for your ideas, but you will also need to use insight and creativity to complete the portrait. The best approach is usually to start with as many facts as you can find, and then flesh it out based on experience and an understanding of how the facts fit together.

EXAMPLE: Identify specific individuals based on records kept of their behavior.

Dance Company Y's primary targets for a special Subscription renewal effort are first-year subscribers. The Company refers to its Database to provide the information needed to identify the people who fit the definition of the targeted customers (i.e. all the people who are listed in the Database as first-year subscribers). Note: Your Database records must be clean and up-to-date for the customer information to be accurate. In other situations you won't be able to identify Target Prospects on an individual name-and-address basis. That's when you'll need to learn more about the characteristics that prospective customers have in common. These details will help you single out these prospective customers with advertising or other marketing efforts, by "talking" to them as if you were talking one-on-one to each person individually.

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PSYCHOGRAPHIC EXERCISE:

A good way to pull segmentation information together is to create “stories” about hypothetical customers who fit into each customer segment you have identified. The purpose of the exercise is to get your creative juices flowing toward understanding your customers’ perspectives. This is an example of what a Chicago-based chamber ensemble came up with:

“Drs. Wayne and Jean Smith are an affluent professional couple who have lived in the Hyde Park neighborhood since 1966. Their only child, Samuel, has long since moved away. Wayne and Jean love their community and plan to continue living there after they retire from their jobs at the University of Chicago. They are also classical music fans and began subscribing to Music of the Baroque concerts when the organization first started in Hyde Park in 1972. Wayne and Jean know quality when they hear it, and they were thrilled to have such fine performances in close proximity to their home (within 1 mile). When the organization made the decision to leave Hyde Park in 1999, Wayne and Jean felt betrayed, and they decided not to subscribe to the downtown Chicago series that was offered in exchange. Maybe Hyde Park wasn’t good enough for Music of the Baroque, but it’s good enough for Wayne and Jean. Two years later, they’re starting to miss the concerts a little, and their friends who still attend say that the series at Old St. Patrick’s Church in the Loop is convenient.”

EXAMPLE: Using psychographic research in a practical way.

Based on a combination of research and insight your organization decides that people who have attended your organization’s performances at least three times in the past two years are likely to value your organization as an important presenter of new works by established dramatists. You can reasonably assume that these people would consider subscribing to your season program to support your efforts.

Now match demographic information to the needs of each group you are targeting. Attendance, in this case, is the demographic behavior of this particular segment. Your organization’s brand new season is the benefit provided by your organization that fills that segment’s need.

First-time attendees and first-time repeaters are excluded from the customer segment targeted for subscriptions. Hold on to these segments—they may represent good targets for other Marketing efforts.

Since your organization knows what motivates its returning customers, it focuses its Subscription Marketing effort on customers who have attended its performances at least three times in the past two years. To further entice this segment your organization emphasizes the “world premiere” performances that will be included in its season.

SOURCES OF AUDIENCE DATA

General Population Statistics

- U.S. Bureau of the Census
- Local economic development agencies
- Local media outlets
- Statistical Abstract of the United States
- State Departments of Finance

Arts Information

- National Endowment for the Arts
(www.arts.endow.gov)
- Major foundations
- The National Arts Marketing Project
(www.artsmarketing.org)
- Environmental Systems Research Institute (ESRI) Tapestry Segmentation
http://www.esri.com/data/esri_data/tapestry.html
- Local arts organizations
- Colleges and universities

New Research

- Internal databases and other records
- Current audience surveys
- Surveys of the general public
- Informal one-on-one interviews
- Focus group interviews
- Observation

Part III: Interpreting Facts to Build Audience Profiles

To help with new audience development, you need to look beyond your current audience to people who are not already part of your base. This means learning as much as possible about the general population of your area, the people who participate in other arts activities, and the casual participants who may drift in and out of your audience, but could become a more reliable part of your constituency.

Library Research is a Good Place to Start

To learn about people outside your immediate sphere of influence—people not now a part of your audience—you will need to draw on research data, either from existing sources or from new studies. Since new research can be complex and expensive, you should start by looking for information you can use from secondary research sources. In this search, your greatest ally could be an experienced reference librarian. Visit your local public library, and try to find someone who will point you to useful sources of data.

A good place to begin defining potential prospect audience segments is with general population statistics about your area. The United States Census Bureau publishes information on a localized basis that can help you determine the number of people in your immediate marketing area, their age, income, education and other demographic traits, what kinds of jobs they do, what kinds of homes they live in, and even things like how long it takes them to commute to work. Any or all of these factors might be important “facts” with which you can start to profile your ideal target audience.

Most large public libraries will have some census data available. You may also be able to get information from your municipal government. Check with your city’s economic development office to see if it has put together a community profile or other information that will be of help. Or, if you have some experience working with census data, you might want to look up information yourself. One easy way is to access the U.S. Census Bureau site at www.census.gov.

Local media outlets also may be good sources of basic demographic and economic information about your region. Local newspapers, radio and television stations, and local or regional magazines usually have media kits that give potential advertisers profiles of the areas and audiences each particular medium reaches. Contact the advertising sales people at media outlets that serve your area to find out what information they can provide.

To go beyond general information about the overall population, you will need to find sources of arts-related research. Again, a good reference librarian is probably your best resource in the search for relevant information. You might begin with another Census Bureau publication, The Statistical Abstract of the United States, which is an annual compilation of data on just about every social, economic or political area of interest. Arts-related information is in the section on “parks, recreation and travel.”

The National Endowment for the Arts has conducted arts participation research on a national basis, which you can probably find through your local library and online. Local arts groups or universities may have more localized data available, as may foundations that are active in funding arts and cultural organizations. You should also check the resources available at www.artsmarketing.org, a website of the National Arts Marketing Project. Many local ABC affiliates have many resources available, including syndicated research studies used by major marketers to build their target audience profiles. Check www.Americansforthearts.org for your local site.

Use New Research to Fill in the Blanks

Once you’ve thoroughly searched for available research from outside sources, you may need additional information. That’s when it’s time to think about conducting your own original research.

If possible, seek out someone with research experience to help plan and execute your study. You may find volunteers with this knowledge (try Business Volunteers for the Arts), or you can hire a research firm with the expertise you need. If funding is an issue, one way to make research affordable is to cooperate with other arts organizations in your area to conduct research jointly that will benefit all. You may be able to get help from a nearby college or university, where students could conduct a survey as a class project. A corporate or foundation donor might also fund a research effort if it is carefully planned and you can demonstrate how the research will contribute to your audience development efforts.

Start With What You Know. One place to start your original research process is with the records you may already keep. Do you have a database of subscribers, members or donors? Do you have a guest book for visitors? A mailing list? What other information can you glean from existing sources? From analysis of your records, you can probably determine certain characteristics of your audience segments, like where they live, how long they have been associated with your organization, and perhaps whether different

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From analysis of your records, you can probably determine certain characteristics of your audience segments, like where they live, how long they have been associated with your organization, and perhaps whether different events or activities attract different kinds of audiences.

events or activities attract different kinds of audiences. You may also be able to conduct new research among the people whose names and addresses you have on file, to collect basic information about your present audience, or contrast your audience with the general population profile you developed from secondary sources.

Quantitative and Qualitative Surveys. New research can take the form of a formal survey, or can be a less formal, more qualitative exploration of your audience. A formal survey uses a questionnaire that asks structured questions on the issues you want to learn more about. In putting together your questionnaire, refer to the checklists of Identifying Characteristics and Enriching Characteristics as guides to the information you'll need to describe your audience segments as individuals, not an undifferentiated mass. The Arts & Business Council of Miami developed a customer survey for a Marketing workshop in 2000. Executive Director Laura Bruney reports, "Several of our groups have used it to great success." Use this survey as a template to develop a survey for your own organization. See Worksheets 3.4 and 3.5

Observational Research. If you are unable to conduct a formal survey, or you need to understand your audience segments in a more hands-on way, you can conduct observational research or talk informally with members of your audience, either on a one-on-one basis or in small groups.

Observational Research is a slightly more formal way of simply looking carefully at your audience and taking note of what you can directly observe or infer. An obvious use of observational research is to learn the approximate age, gender and race of the people you appeal to. However, you should also look for things like the kinds of groups who attend together. Do you attract families? Married couples? People on dates? Groups of women friends? Larger groups of men and women? Look at what people do during intermissions, or as they walk through exhibit areas, or take refreshment breaks. Do they notice or pick up the written material you provide? Do they read it? Do they seem to be involved with the art or with each other? At intermission, are they discussing the program, or making small talk? Is socializing an important part of the experience, or are people more absorbed in the performance or artistic presentation? Make these kinds of observations over several different programs, days of the week, and seasons of the year. Look for both differences and similarities in the individual audiences you observe.

Informal Interviews. As an extension of your observations, you can also conduct informal interviews with audience members by approaching them individually during intermissions or at other appropriate times during their visits, or by inviting them to participate in focus group discussions. When you conduct these interviews, you'll want to have some specific questions in mind, but also be ready to pursue other ideas as they come up during the conversations. Use interview situations like these to explore the feelings and motivations of audience members, paying careful attention to both what they say and what they leave out. Ask people what they like about what you do and what drew them to attend. Find out what you do that is less interesting to them, or less important. Ask about the other kinds of arts programs or events they attend so you gain a better understanding of what they are looking for when they participate in the arts, and how your organization fits into their overall arts and leisure patterns.

Combine Facts and Insights Into Meaningful Analysis

After you have gathered the raw data from your research, your goal in analysis is to use the bits of information you have accumulated to create a meaningful picture of audience segments you can target. The trick in analysis is to consider how the individual findings fit together into an overall pattern—a larger picture that is both consistent and meaningful.

Play the “If... then” Game. To perform this kind of analysis, some people find it useful to consider each fact, and ask themselves, “If this is true, then what else is likely?” This question can help identify the implications of your research, and also test the validity of your findings. For example, suppose your study shows that many of your audience members are married couples in their thirties. This age group is likely to have children. Did you ask that question? What does it show? Do these findings point the way to any new ideas? Do you, or could you, offer family programs, or special children's performances, or appeal to family groups in some other way?

Another way the “If ... then?” question can be useful is as a way to go beyond the research findings, or to draw together bits and pieces of information from many different sources. For example, suppose you find that the people you are targeting are likely to live in certain neighborhoods. When you consider this fact, ask yourself what else you know about those neighborhoods and the people who live there. Are there lots of young families? Older retirees? Working couples? Stay-at-home moms? A cultural mix,

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Analysis combines individual bits of data into a coherent picture. Can you see the horse and rider?

or a concentration of one racial or ethnic group? How do people spend their time? Are people active in the community? What leisure-time activities are common? What kinds of shops cater to residents? Which of these insights might relate to your organization? By asking and answering these kinds of questions, you go beyond the raw data to build a meaningful profile of your target group.

Another technique of analysis is to continually ask the “why” behind a particular fact or set of facts. If you find that your programs appeal to a particular age group, for instance, ask why people of that age benefit from your programming or why other age groups may be staying away. An important consideration is whether you are happy with the finding, or if you would like to change it. If you want to start attracting a different audience, you need to understand what you are currently doing that draws the people who now come, and what might keep others from coming. That’s when asking “why” may be of particular value.

Project a New Reality. Once you feel you understand the basic findings of your research, you are ready to start asking “What if” questions to guide marketing decision making. To attract a new audience segment, you may have to make changes in your programs, your marketing, or your support efforts. Use your research to anticipate what might happen if you make these changes.

Suppose you identify an audience segment you are interested in attracting, whose need is for programming at a different time of day than the schedule you now maintain. Before going after this audience, ask yourself “What if?” questions about the schedule changes you would have to make.

What if you moved your performance time to meet this segment’s needs? What would happen to your current audience? Would they stay? Would you lose them? What could you do to minimize the loss? What if you added a second performance, instead of changing times? Is the new segment large enough to support a second show? Are there other segments you might reach with the new time schedule? What if you made the change on only one day a week? Would that be enough to attract the new audience? If not, what else might you have to do?

Asking and answering these “What if” questions will help you decide whether going after a new audience segment is worth the effort. You’ll be able to see what resources you’ll need to attract each of the potential audience segments, and what risks and rewards are involved. Use that information to help set priorities, selecting new audiences that offer the best potential for success, given the resources available for attracting them.



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EXERCISE

Read the following case study for “OurTown Cultural Center.”

Pretend you are the Marketing Director and identify potential target market segments for the Cultural Center and its various programs. Use the margins for your notes.

Describe each segment in terms of its Identifying Characteristics (what makes it a definable segment) and its Enriching Characteristics (other things you know or can infer about lifestyle, interests, behavior or motivations).

Be sure to identify at least one potential audience group for each of the five major program components.

Case Study Exercise

OurTown Cultural Center

The OurTown Community Arts Council (OCAC) is a small, community-based arts organization located in OurTown, an established suburb bordering on the city of Chicago. The organization was established as part of a drive to prevent the demolition of a turn-of-the-century mansion located near the suburb’s downtown, which had been vacated by the previous owners, a religious organization that had received the home as a donation from the original family.

The Organization. When the building became vacant, community activists banded together to Save the Mansion by forming the OCAC to prevent the building from being purchased by a developer who planned to demolish it and build townhouses on the property. After three years of work, the OCAC was able to convince the local park district to purchase the property and lease it to the OCAC, which took on responsibility for restoration and ongoing operation of the OurTown Cultural Center. The restoration was completed five years later, and was funded about 70% from foundation grants and 30% from donations by the local community.

The mission of the OurTown Cultural Center is defined as “celebrating the multicultural diversity of OurTown through all forms of art.” The organization strives to bring a variety of arts experiences to the community, serving all ages, from children, to the area’s large senior citizen population.

Since reopening, the Center has experimented with a wide variety of programs, and has now identified several offerings that make up the core of its ongoing program:

- Five visual arts exhibits per year, each running about five weeks. Some of these shows are by a single artist, and others are organized around central themes to incorporate the work of several artists in one show. At least one show per year is the work of artists who live or work in the community, and one is a children’s art exhibit held in conjunction with a statewide PTA art contest.
- A play that runs for three weeks, Thursday through Sunday, beginning around the Fourth of July, presented by the OurTown Players, a professional theatre company also based in OurTown. The play is performed on a temporary stage put up each year on the grounds of the Cultural Center, and the event is called OurTown Theatre in the Park. It is a joint production of the theatre company, which is responsible for all artistic aspects of the produc-

tion, and the OCAC, which handles administrative and marketing tasks.

- Summer Arts Day Camp for children ages 6–12, which runs for six weeks (mid-June through the end of July) to provide a wide range of artistic experiences for children in the community. The camp operates in half-day sessions Monday through Friday. There is a fee for participation, but the OCAC has established a scholarship fund that allows for participation in the Day Camp of children from low-income families as well as from the town’s middle class.
- Evening and weekend classes, and workshops for teenagers and adults in a variety of artistic pursuits. There are three terms annually, each lasting about 12 weeks. Ongoing classes include Drawing, Painting, and Beginning and Intermediate Piano and Guitar. Other classes and weekend workshops have been offered on a variety of topics, including Jewelry Making, Weaving, Acting for Non-Actors, Journal-Writing and Paper Making.
- The Sunday at the Mansion series, which presents programs from October to April on alternate Sunday afternoons. One program a month is a chamber music performance, featuring a variety of groups. The alternate program is usually built around a literary theme, and has includes poetry readings, lectures on literary topics, i.e. “The Relevance of Jane Austen to 21st Century Society,” and appearances by local authors.

While participation in each of these activities is adequate to justify their continuation, none of the programs operates at, or even near, capacity. Since this core program requires considerable staff time and administrative energy, the Board has decided that the organization must concentrate on building audiences for its current offerings before initiating any new programs. In keeping with this decision, the Executive Director and Marketing Director have been directed to concentrate for at least the next year on audience development activities for these five programs. They are currently participating in a series of workshops on marketing sponsored by The National Arts Marketing Project.

The Community. OurTown is an established community with a multicultural population representing a wide range of incomes and lifestyles. Racially, the community is diverse: 60% Caucasian, 20% African-American, 12% Hispanic, 7% Asian and 1% other. Students at the local high school speak a total of 22 different languages.

Finding Your Audience Through Market Segmentation

Case Study Exercise, cont'd.

Neighborhoods in the community range from working class to wealthy. There is a mix of residential types, including large, older rental apartments interspersed with condominiums, single-family homes, and several high-rise residences near the downtown area, which is served by commuter rail connections to a major urban area. The wealthier area of town is the neighborhood immediately surrounding the Cultural Center, where elegant homes have been restored and maintained by their largely professional, upper-middle-class owners. The high-rise neighborhood tends to house a combination of younger, single people who work downtown, and older retirees who had moved into apartments from larger homes within the community. Other neighborhoods in the community include a mix of three, six and twelve-unit apartment buildings interspersed with blocks of single-family homes. The average household size in these areas is 2.2 individuals, and 70% of households in these neighborhoods have incomes ranging from \$20,000 to \$60,000 per year. Residents work in a variety of blue- and white-collar occupations.

The business community of OurTown includes four major employers, a large research hospital affiliated with a university located in a neighboring suburb, and three large manufacturers, one of which also has its corporate headquarters in the community. Each of these organizations employs more than 1,000 workers, about 25% of whom live in OurTown. Other businesses are much smaller, and tend to be concentrated in retail and service categories, but also draw about 25% of their employees from the community.

The downtown area of OurTown is located about one-half mile from the Cultural Center. Between downtown and the Cultural Center is a coffeehouse known throughout the area for holding poetry slams and other activities, and several antique shops. Downtown OurTown is the commercial center, with small retail stores surrounding the commuter rail stations, which are located across the street from each other, and are about a half block from City Hall and the OurTown Public Library. About one-half mile in the opposite direction from the Cultural Center is the OurTown Players theatre building, which used to be a movie house. Between downtown and the OurTown

Players building, there are several small art galleries and restaurants, and a bookstore known for inviting authors for signings and special events.

The Local Community Development Organization is trying to build downtown Our-Town into an arts and entertainment hub for the surrounding city and suburban areas. In keeping with this goal, the group has formed an OurTown Arts Consortium, a committee of representatives from all local arts-oriented groups and businesses, including the OCAC. So far, this group has met only a few times, and has not yet agreed on an overall strategy, but has agreed to a design for street banners advertising OurTown as “Your Town for the Arts.”

Potential Target Segment: Art Museum Occasional Fans

- Have visited an art museum once in past year, plan 2.3 visits in next year
- Participate in all arts about 10 times a year. Arts represent 8% of all leisure activities.
- Average number of times participated last year in:

Art museum	1 . 0	Non-musical theater	0 . 7
Historical museum/site	2 . 1	Musical play	0 . 7
Art gallery	1 . 1	Dinner theater	0 . 8
Art or craft fair	1 . 8	Opera	0 . 2
Classical music	0 . 9	Other dance	0 . 5
Jazz performance	0 . 6	Ballet	0 . 2

- Spend 1.1 hours per week on personal artistic pursuits
- Generally average arts and leisure profile, but. . .
- Go to more movies, bookstores, community meetings than the average person
- Play sports more
- Attend religious services less often
- Watch less television, read fewer hours. Listen less to radio, recordings.

Demographics

- 78% attended college, 38% have graduated
- 55% female
- 45% married
- 1/3 have children under 18
- 16% are Hispanic
- 70% live in Cook County

Values/Personal Philosophy

- Feel less money pressure than the average person
- Place above-average importance on:
 - excitement
 - knowledge
 - appreciating beauty
- place lower-than-average importance on:
 - security
 - sense of belonging
- Feel pleased with the current state of their lives
- Like to solve puzzles and deal with intellectual problems
- More likely than the average person to call themselves politically liberal, but tend to consider themselves political Independents, not Democrats or Republicans

Overall, how satisfied would you say you were with your experience today? (Check one response)

☐ Very satisfied ☐ Somewhat satisfied ☐ Neutral ☐ Somewhat dissatisfied ☐ Very dissatisfied

What one improvement or change could we make to so that your experience is more enjoyable?

Potential Target Segment: Art Museum Favorable Prospects

- Did not visit an art museum last year, plan to go 1.5 times in the next year.
- Participated in arts about 7.2 times in last year. Arts represent 6% of leisure activities.
- Average number of times participated in the past year in:

Art museum	0 . 0	Non-musical theater	0 . 3
Historical museum/site	1 . 4	Musical play	0 . 5
Art gallery	0 . 7	Dinner Theater	0 . 8
Art or craft fair	2 . 1	Opera	0 . 1
Classical music	0 . 3	Other Dance	0 . 4
Jazz performance	0 . 6	Ballet	0 . 0

- Participation in other leisure activities is about average
- Less likely than the average person to buy lottery tickets
- Go to the movies less than average, spend less time playing sports
- TV watching, radio listening and time spent reading newspapers and magazines is average
- Readership is higher for:
 - Women's magazines
 - *Country Living*, *Country Homes*, *Colonial Homes*, *Midwest Living Travel and Leisure*, *Conde Nast Traveler*
- No other differentiating interests or values

Demographics

- Tend to be younger, less educated
- 56% female
- 57% are married
- 39% have children under 18
- 45% live outside Cook County

Attitudes Towards Art Museums

Rating on 7-point scale: 7 Strongest Agreement, 1 Strongest Disagreement

	Loyal Core	Occasional Fans	Favorable Prospects	Critical Core	Casual Drop-ins	Low Potential Mass
Educational	6 . 7	6 . 4	6 . 4	5 . 4	5 . 3	4 . 6
Enjoy/Appreciate	6 . 4	5 . 9	5 . 6	5 . 0	4 . 7	3 . 6
Good Value	6 . 0	6 . 0	5 . 5	4 . 5	3 . 9	3 . 7
Easy To Get To	6 . 0	5 . 4	4 . 6	3 . 4	3 . 1	3 . 4
Friends Like	5 . 8	4 . 9	4 . 9	4 . 2	4 . 0	3 . 4
Parents Liked	5 . 5	4 . 8	4 . 9	4 . 2	4 . 2	3 . 4
Requires Planning	3 . 6	3 . 6	4 . 2	4 . 5	4 . 5	4 . 3

Attitudes Toward Classical Music

Rating on 7-point scale: 7- Strongest Agreement, 1 Strongest Disagreement

	Loyal Core	Occasional Fans	Favorable Prospects	Critical Core	Casual Drop-ins	Low Potential Mass
Enjoy/Appreciate	6 . 5	6 . 1	5 . 4	5 . 4	4 . 2	3 . 6
Educational	6 . 3	6 . 1	5 . 8	5 . 0	4 . 3	4 . 4
Requires Planning	5 . 8	5 . 8	6 . 2	4 . 7	4 . 4	4 . 5
Parents Liked	5 . 4	5 . 3	5 . 1	3 . 7	3 . 4	3 . 7
Easy To Get To	5 . 5	4 . 6	4 . 0	4 . 0	4 . 1	3 . 6
Friends Like	5 . 2	4 . 6	4 . 3	3 . 7	3 . 7	3 . 2
Good Value	5 . 0	4 . 1	3 . 5	3 . 3	3 . 1	3 . 1

Attitudes Towards Theater

Rating on 7-point Scale: 7- Strongest Agreement, 1 Strongest Disagreement

	Loyal Core	Occasional Fans	Favorable Prospects	Critical Core	Casual Drop-ins	Low Potential Mass
Enjoy/Appreciate	6 . 5	6 . 5	6 . 1	4 . 8	5 . 5	4 . 6
Educational	6 . 2	6 . 1	5 . 2	4 . 4	4 . 9	4 . 6
Easy To Get To	5 . 7	6 . 2	4 . 3	4 . 4	3 . 7	4 . 0
Friends Like	6 . 0	5 . 9	5 . 3	4 . 0	4 . 8	4 . 3
Requires Planning	5 . 7	5 . 3	5 . 7	4 . 7	5 . 4	5 . 0
Parents Liked	5 . 5	5 . 7	5 . 1	4 . 0	4 . 5	4 . 4
Good Value	4 . 1	4 . 8	3 . 8	3 . 6	2 . 9	3 . 4

Worksheet 3.1 MARKET SEGMENTATION

Directions: Choose a target customer segment that might represent a new marketing opportunity for your organization's artistic product. **Complete a separate worksheet for each new customer target you choose.** State the source you use for any collected data.

TARGET SEGMENT NAME (use a descriptive name, for example: "Gen X single adults working in downtown area")		
NEEDS & BENEFITS 1. What traits do people in this segment have in common with each other that makes them different from others in the potential customer?		
2. What "needs" do members of this segment have in common?		
3. What specific "benefit" is this group seeking?		
DEMOGRAPHIC INFORMATION		
Age	Gender	Marital Status
Occupation	Income range	Education level
Family Composition/Life Stage		
Geography		
Residence location	Work Location	
Origin	Preferred recreational area	
Usage & Behavior regarding your organization		
Attendance	Frequency	
Occasions/Performances	Subscription/Membership	
Other:		
PSYCHOGRAPHIC DETAILS		
Attitudes/Expectations about:		
Art		
My arts organization		
The competition		
Other		
Values in Common		
Common Psychological Traits		
SIZE AND MARKETING POTENTIAL		
How large is this target group? (Estimate in actual numbers/ percent of total potential customer/or percent of the total area population.)		
How easy or difficult will it be to attract these customers? (What do you have to change or add to your product to serve their needs?)		
SUMMARY DESCRIPTION: Describe the target customer in 25 words or less		

Worksheet 3.2
CUSTOMER PROFILE – DEMOGRAPHICS

	Segment 1 <i>Current Customer Group</i>	Segment 2 <i>Prospective Customer Group</i>
Age		
Gender		
Race/ethnicity		
Income		
Education		
Family status		
GEOGRAPHY		
Residence location		
Work location		
Place of origin		
Choice of recreation area		
USAGE/BEHAVIOR		
Frequent/infrequent		
Subscriber/single ticket		
Plan-ahead/impulse		
Stated Intentions		
Plan to come More/less /the same		
Will/will not renew		
ATTITUDE/BELIEF/OPINION		
Likes/Dislikes		
Preferences		
Values		

Worksheet 3.3
CUSTOMER PROFILE – PSYCHOGRAPHICS

Psychographics	Segment 1 <i>Current Customer Group</i>	Segment 2 <i>Prospective Customer Group</i>
Interests		
Related Behavior		
Personal Values		
Psychological Characteristics		
Life Stage		

Worksheet 3.4

AUDIENCE SURVEY TEMPLATE PART 1

Audience Survey - XYZ Dance

We are in the process of developing a long-range marketing plan. By completing this survey you will provide us with essential information to focus our message and increase the effectiveness of our promotions. Thank you for participating.

Age ☐ 18-25 ☐ 26-40 ☐ 41-55 ☐ 56-64 ☐ 65+

Sex ☐ M ☐ F

☐ White, ☐ Hispanic ☐ African ☐ Caribbean/ ☐ Other
 non-Hispanic American Haitian

I consider myself... ☐ bi-racial ☐ multi-ethnic ☐ does not apply

What is your _____
Zip Code?

How many
times have
you attended
an XYZ Dance
performance,
including today? _____

How many
are in your
party today? _____

What 3 words
best describe
your personality
or values? 1 _____ 2 _____ 3 _____

Do you have
children 17
years or
younger living
with you? ☐ Yes ☐ No If yes, what ages? _____

How well do each of the following describe you?	Exactly	Somewhat	Not at all	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I donate time and/or money to causes I support
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I research all my options before buying anything
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I'm loyal to my "favorites"
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	I'm always open to new things and experiences
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	My family is the center of my universe
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	My circle of friends is like my family
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overall, I'm satisfied with my life just as it is

What is your zipcode? _____

Worksheet 3.5

AUDIENCE SURVEY TEMPLATE PART 2

Listed below are events and programs. For each one please indicate your interest, if you have attended, and if you subscribe:

How interested are you in the event?				Attended in past 12 months?		Subscribe?	
	Very	Somewhat	Not at all	Yes	No	Yes	No
Festivals	1	2	3	1	2	1	2
Museums	1	2	3	1	2	1	2
Theater - Drama	1	2	3	1	2	1	2
Theater - Comedy	1	2	3	1	2	1	2
Theater - Musicals	1	2	3	1	2	1	2
Theater - Contemporary	1	2	3	1	2	1	2
Art Gallery	1	2	3	1	2	1	2
Modern Dance	1	2	3	1	2	1	2
Ethnic Dance	1	2	3	1	2	1	2
Classical Ballet	1	2	3	1	2	1	2
Contemporary Ballet	1	2	3	1	2	1	2
Concerts - Classical	1	2	3	1	2	1	2
Concerts - Jazz	1	2	3	1	2	1	2
Concerts - Pop Music	1	2	3	1	2	1	2
Concerts - Ethnic Music	1	2	3	1	2	1	2
Caribbean Entertainment	1	2	3	1	2	1	2
African Entertainment	1	2	3	1	2	1	2
Gay Oriented Entertainment	1	2	3	1	2	1	2
Professional Sports	1	2	3	1	2	1	2
Recreational Sports	1	2	3	1	2	1	2
Movies	1	2	3	1	2	1	2

Circle all geographic areas where you attend arts events and performances. Circle all that apply:

Miami Beach Coral Gables South Dade North Dade/Aventura Coconut Grove Hialeah Downtown

Where do you get most of your information about arts performances and events, in general?

- ☐ Newspapers Which papers?
- ☐ Television Which stations?
- ☐ Radio Which stations?
- ☐ Magazines Which magazines?
- ☐ Websites Which websites?
- ☐ Direct Mail ☐ Friends, Relatives ☐ Posters ☐ Billboards ☐ School ☐ Pick up in stores & Restaurants

What is your favorite restaurant? _____

What year, make and model of car do you own? _____

We'd like to make sure you get early notice of our programs, events, discount tickets and freebies before the general public. Please provide the contact information for your preferred source for early notice, below:

<input type="checkbox"/> Email List	<input type="checkbox"/> Text Only List	<input type="checkbox"/> Mailing List
First Name: _____	First Name: _____	First Name: _____
Last Name: _____	Last Name: _____	Last Name: _____
Email Address: _____	Cell Phone: _____	Address: _____
_____		City: _____ State: _____
Cell Phone: _____		Zipcode: _____
		Cell Phone #: _____

Thank you. Please turn survey in at the table in the lobby and receive a small gift as our thanks.