

**Report from the AMA Conference 2002, Changing Worlds  
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'Filling the disappointment gap' explored the contexts in which customers and potential customers decide to walk through the door of an arts organisation.

The Henley Centre offered a snapshot of the customer in the 21st century. They are:

- More affluent. Disposable incomes have doubled since 1971.
- More educated. 35% of 24 year olds are graduates.
- More feminised. 40% of the workforce are women.
- Fewer children. 1 in 4 women born in 1972 will not have children.
- More fragmented households. Only 1 in 3 households contain a 'nuclear' family.
- Less happy. Over half of adults are 'unhappy with their standard of living'.
- Older. 40% of the population will be over 50 by 2010.
- Value quality of life. 38% of people would take a pay cut for less stress.

Effectively customers are moving up Maslow's Hierarchy of Needs.

This is evidenced by a downturn in 'happiness' despite an increase in consumer expenditure over the last ten years. In 1990, 55% of people agreed with the statement that 'I am happy with my standard of living'. By 2000 this had dropped to 45%. Set against this is the fact that, while consumer expenditure on all goods has grown by an index of 135, expenditure on leisure services has grown by an index of 170. Therefore, people are spending more and more on leisure services, perhaps in a quest for experiences, but it is not succeeding in making them happy. Even though customers are richer than previous generations there is something missing in their lives and aspirations have shifted from wealth, in the 1980s, to happiness in the 2000s.

So where is it all going wrong? Customers want our experiences in pursuit of happiness so why aren't they flooding through our doors? This can be explained in the context of what you wanted for Christmas. This is the stuff that you got:

- clothes,
- books,
- electricals,
- toiletries,

- humourous novelties,
- fattening food,
- alcohol.

This is the list of what you wanted:

- time,
- sleep,
- holiday,
- a rest,
- sex,
- calm and quiet,
- fun.

However, most of us are still thinking about marketing stuff rather than experiences.

As a result of pressure on time, time has become a currency. It has become a precious resource that is carefully spent, invested or saved. Consumers now make choices based on what offers the best value for time. Consequently some of the most successful businesses of the 1990s were those that gave time back by enabling you to do more things at once or to save you time.

Time can be divided in four:

- Work.
- Chores. Tasks which have to be done.
- Pottering. Recuperation or less demanding leisure activity
- Quality Time. Chosen activity, often more demanding leisure activity.

In the 1990s our time got stolen away: people were working longer hours, as a result of which they were spending more time pottering. They wanted to buy their way out of chores and quality time was being squeezed.

Effectively this means that the arts are not only competing for someone's disposable income but also for their time. This meant we started to see product propositions for those people short on time, such as the Royal Academy's 24

hour exhibitions.

So how do arts organisations operate in this context? After all, the squeeze on time means that customers have a lack of knowledge about what we have to offer as they do not have time to find out about it. Furthermore, they have so little time that when they do decide to spend time on something they have to be certain that they are investing their time wisely and that an activity will deliver on expectations. Finally, as time constraints make time more precious, so expectations are higher. Decisions in terms of how to spend leisure time take on an emotional importance. If other people are involved, self-confidence can also be on the line, by taking on the burden of determining how others should spend their valuable time. Disappointment of expectations results in a loss of trust. In this situation people turn increasingly to brands where there is a guaranteed offering and, effectively, a partner that the consumer can trust.

Some arts organisations argue that 'people are less willing to take risks and so we are losing audiences'. But this effectively suggests that it is the responsibility of the public to change and become more willing to take risks. Organisations can mitigate risk by offering a trusted environment or brand. Brands offer reassurance about an uncertain consumer experience. Names such as Pavarotti; Shakespeare; Monet; David Hare; Old Vic; Almeida; Tate are all brands that offer reassurance. The same can be true of genres such as opera, ballet, music, drama. The use of genre can offer clues to the audience about what an uncertain experience might hold. Effectively, the point is that the art doesn't have to be less risky – artists can still innovate around the genre – it just has to be presented to the audience in a less risky way so that audiences feel able to invest their time in the activity without too great a risk.

This was the argument of *Towards 2010* but since the 1990s customers have been getting better at dealing with their time deficits. When asking people now what they value the most we find that energy is almost as valued a resource as time: while 32% of people most value their time, this is followed by 28% who value energy the most, compared with only 12% who value money most.

So how does this manifest itself in what customers do with their leisure time? Well, leaving aside frequency, in the last year 99.6% of us watched television; 56% went to the cinema; 26% went to the theatre; 20% of us went to a pizza place and 4% of us went to the opera. Effectively there are five core 'out-of-home' activities:

- Big night out. This involves meeting lots of new people; lots of drinking, some dancing and a bit of food; dressed up; usually takes place between Thursday & Sunday and may be a long session including a variety of activities. Examples include hot dates or going out in a big group.
- Specific hooks. This is an occasion anchored by a 'specific hook' such as the arts, cinema, sports (as a spectator, not going to the gym); seasonal

events e.g. bonfire night or one-off events such as a motor show or a garden show.

- After work. This is about socialising after work with a mix of colleagues such as drinking after work, socialising with clients, leaving dos. It may be the launch pad for a 'Big Night Out'.
- Catching up. This is leisure time focussed on the people you're with and can be about maintaining relationships with friends or family. Examples include catching up, quality time with partner, chill out, hang out for coffee, slow drinking on a sunny afternoon.
- Family day out. This is a day out for families, usually with kids that run around. Typically this might include theme parks, ice skating or the beach.

The most frequent 'going out' activity is 'catching up'. For the average adult in the UK there are fifty-five going out occasions per year. Of these, twenty-five will be 'catching up'; twelve will be 'specific hooks'; nine will be a 'family day out'; five will be a 'big night out' and four will be 'after work'.

Variances occur according to life stage: mothers' leisure gravitates away from friends towards their family so 'catching up' drops from twenty-five to eleven occasions per year while the 'family day out' increases from nine to eighteen. Young, free and singles are out and about much more (although they often won't be spending as much): their 'big night out' increases from five to sixteen per year, with everything else also up except the 'family day out'. Empty nesters meanwhile (the late middle aged) are big on catching up and specific hooks: catching up increases from twenty-five to thirty-two and specific hooks from twelve to fourteen occasions per year.

Arguably the way people make decisions about which type of 'going out' activity to engage in depends on how they feel about time. While most people feel that they have too little time 'for me', this only becomes significantly more important than having too little time 'for friends' in the years between 25 and 54, with time 'for my family' also becoming relatively more important with age.

So what opportunities are presented for arts organisations? Well, the combination of the 'specific hook' and 'catching up' through themed events, for example, could fulfil the needs of many potential customers by offering the 'specific hook' and 'catching up' through space and place in addition to the promise of experience.

Most importantly arts organisations need to remember that money or price is not the issue. Most leisure decisions are not dominated by price and the arts are no exception.

It is only 15% or less of purchasing decisions where price becomes a factor.

This returns us to the issue of presenting art to customers in a less risky way, in order to provide confidence in the decision to expend valuable time and energy on a particular experience. Cultural innovation, unlike washing powder, is built on risk and audiences respond to risk. Audiences impose their own sense or meaning, even where there is none; audiences respond to a sense of live performance and the fact that some things are unique and cannot be reproduced or even that they may go wrong; audiences respond to moments of resonance or moments in which creativity touches their lives. There is an inherent sense of risk in all these elements which make the arts successful for audiences because these responses cannot be controlled. Because audiences want these responses consequently they want to take risks: they just want to know that that is what they are doing before they do it. Audiences don't need a perfect promise of exactly what will take place but just a sense of what may be involved.

The arts have an opportunity. Returning to the increasing spend on leisure services against the decreasing number of people who agree they are happy with their standard of living, we can see a gap called the disappointment gap.

This disappointment gap cannot be filled by the commercial world because as people and environments mature, desires become more abstract. In a similar vein to Maslow, Eric Kuhn has argued that, with the increasing maturity of a customer and a city, desires move from food to retail ('things') through to leisure, then on to culture and enlightenment. Global brands are now trying to sell enlightened culture. However, these brands can only really fill the space between retail and culture because they want to maintain control and do not want to undertake risks which might damage the brand. But enlightenment, as evidenced in those audience responses to unique live performance, to moments and in the imposition of personal meaning, cannot be controlled. The opportunity to offer 'enlightenment' it is an opportunity for the arts as commerce can't inhabit this gap.

In summary:

- Money isn't the obstacle: people make leisure decisions to fill social needs and are more cautious about the investment of time and energy than about financial cost.
- Social needs are not necessarily about avoiding risk.
- As desires become more abstract brands reach their limits.
- The arts should seize the opportunity to fill the disappointment gap.