

Principles of segmentation

Culture segments: the quest for the holy grail

10 top tips for successful segmentation



> Segmentation in practice: getting started



> Friends, fans and followers



> So I think I've got a segmentation ... but how do I colour it in?

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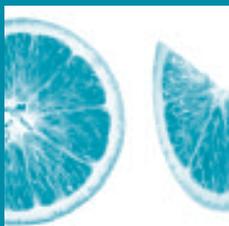


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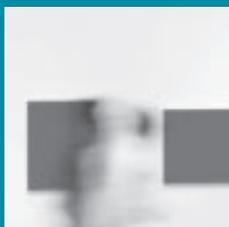
A rough guide to the segmentation toolkit



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Just a minute



AMA museums and galleries marketing day



Culture segments: the quest for the holy grail



10 top tips



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Segmentation for the next decade

Very few people will remember this, but this is not our first *JAM* on segmentation. If you go to the AMA website and scroll all the way down to the bottom of the publications list, you'll find the other one: *JAM* 1, published in March 2001.

Nine years is a long time – in 2001, Google was only three years old and things like MySpace, Facebook and YouTube didn't even exist. However, I suggest you go and have a look at that very first issue, because many of the ideas and principles outlined there are still valid. Many others, of course, are not; but it's good from time to time to remind ourselves of what's changed, why it's changed and how funny the clothes we used to wear made us look back then.

So what you have in your hands is the much-awaited update on how marketing segmentation has

changed over the last nine years. Inside you will find: a rough guide to the segmentation toolkit by Heather Maitland (page 4); Katy Raines makes segmentation seem easy on page 6 and presents a new segmentation project she's developing with Joanna Sigsworth at Town Hall Symphony Hall (page 9); and Andrew McIntyre writes about a new, universal segmentation system for the cultural sector (page 14). On page 18 Millicent Jones illustrates how to target and personalise digital marketing communications; Penny Mills and Bryony Duncan examine five steps to put your segmentation into action (page 20); and on page 22 we give 10 top tips for segmenting successfully.

Jane Donald is our spotlightee this month, Tracey-Anne Gill tells us more about marketing a carnival arts organisation (page 11) and finally

Katherine Dimsdale gives us a preview of this year's museums and galleries marketing day (page 12).



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> SPOTLIGHT

Spotlight on Jane Donald

I'm the new girl on the board of the AMA, and here I am in the spotlight ... I'm quite enjoying the attention, suggesting that I'm one of those arts admin types who hankers after the glamour of a life front stage.

I listened carefully to my careers teacher's advice regarding choosing a sensible vocational career, before deciding to study Moral Philosophy and Scottish History. In the summer before my finals, I worked for the Royal Scottish National Orchestra on a project to recruit students as ambassadors – bizarrely this piece of work never did make case study status. However, it did give me a taste for arts marketing and a realisation of the buzz of media relations. I couldn't comprehend there were jobs where you could read the newspapers and actually get paid for it.

After graduating I worked in the box office at the Theatre Royal in Glasgow (selling subscriptions for Scottish Opera circa '97 required a basic grasp of philosophical logic – so perhaps my degree wasn't completely wasted). I decided to get out of the frontline selling game, and accepted a job as Marketing Assistant for the Glasgow Royal Concert Hall. This involved looking after the marketing requirements of

hirers of The Hall, and becoming the proud guardian of the bright blue leaflet trolley.

After 11 years I'm still at The Halls (yes, we're plural now), and I'm not the Marketing Assistant any more (the leaflet trolley is in safe hands). My Concert Halls job titles count is at seven: my favourite role was a three-year stint as Media Relations Officer – after year two the daily joy of cutting up newspapers wore off somewhat. I'm fortunate to work with a fun, ambitious and downright talented set of people. Highlights of life at The Halls have included: rebranding the venues, developing a music festival, integrating and exploiting the event and sales databases (yes, it's a major highlight), and discovering that mulling wine in a kettle is ruinous for both wine and kettle. ●



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A rough guide to the segmentation toolkit

Heather Maitland takes us on a tour of the segmentation tools most readily available to cultural organisations

The easiest way to segment people is to use obvious and unambiguous characteristics: their age, gender or occupation, for example. But there is a world of difference between a married 16 year old in their first job and a 16 year old who is looking forward to university and plays Grade VIII violin.

Target Group Index (TGI) surveys these obvious demographic characteristics in an annual sample of 25,000 people across the UK, alongside what they buy and how they live. Since 1986, it has asked which broad art forms people attend and how often they attend them. It is important because it allows us to see patterns of attendance over time. However, the information readily available to arts organisations is pretty basic: age, gender, socio-economic group, newspaper readership, etc. so it is used mainly as a benchmarking tool. Other sectors, though, have the budgets to buy much more TGI data and see it as an essential starting point for segmenting their customers.

Put 400 different descriptive characteristics together and you begin to get a picture detailed enough to be useful. That is what lies

behind the two geo-demographic segmentation tools most often used by arts organisations in the UK. ACORN and Mosaic are based on the idea that similar kinds of people live in the same neighbourhoods. Both combine information from the 2001 Census with consumer, financial and lifestyle information to give each postcode in the UK a classification. As there are 1.78 million postcodes in the UK, usually containing around 15 addresses, they can pinpoint people fairly accurately. Both ACORN and Mosaic have versions specific to Scotland and Northern Ireland. There are also versions that segment people at household and even individual level.

If your organisation has at least 1,000 customer records with accurate postcodes, you can use ACORN or Mosaic to see what kind of people engage with its activities. You can also profile the population within your catchment area to find more people of the same types. Your regional audience development agency can help you with this (you'll find contact details at www.audiencedevelopment.org).

These types of tool are all limited because we have to fit our audiences into segments that are based on





To persuade new audiences to get involved we need to understand people's attitudes and beliefs about the arts.

socio-demographic description. How our audiences behave gives us a much better picture of their engagement with what we do. Lots of cultural organisations analyse box office or survey data about visitors, participants or audiences to set up their own made-to-measure segmentation system. Some of these are robust enough to be used across different organisations.

Alan Brown, for example, has profiled audiences for orchestral music through a questionnaire that asked about musical tastes, knowledge about classical music, attitudes to music by living composers and to different ways of presenting concerts, motivations for attending and what influenced the decision to actually buy tickets. He then helped the orchestras relate this to demographic factors and ticket-buying behaviour. The result was four segments that have changed the way many orchestras in the US programme and present concerts (you'll find more information and useful downloads at www.wolfbrown.com).

The team at Morris Hargreaves McIntyre has developed a segmentation model for museums and galleries that is also based on responses to questions about motivation. Another model uses a combination of questionnaires and observation to divide visitors into Browsers, Followers, Searchers and Researchers. (Andrew McIntyre talks

about their new segmentation model on **page 14**.)

But audience behaviour only tells us about people who already engage with what we do. To persuade new audiences to get involved we need to understand people's attitudes and beliefs about the arts. And that is exactly what Arts Council England's segmentation system is for. Each year for the past three years, the Taking Part survey has interviewed around 24,000 adults aged 16 and over about their involvement, if any, in sport, heritage, leisure and culture. The research team have used the resulting data to divide English adults into 13 segments. They have then used ACORN to create a profile of the attitudes, lifestyles, purchasing behaviour and demographics of each segment.

For the first time, we have a segmentation tool that starts with engagement with the arts rather than bolting it on as an afterthought. It embraces all types of engagement: participation and attendance, including individuals' informal engagement at home as well as in specialist spaces. And, most importantly, it includes people with little or no experience of the arts. This segmentation system is known as *Arts Audiences: Insight*. You can download profiles of the segments at www.artscouncil.org.uk/about-us/research/arts-based-segmentation-research/downloads to get vivid

pictures of the likes and dislikes of the people in each. Use them to deduce what might persuade each segment to engage more with what you have to offer.

Segmentation area profiles will help you develop new audiences by pinpointing where you are most likely to find people from each segment. These are available from your regional audience development agency. If you have at least 1,000 customer records with accurate postcodes, the agency can also help you identify which segments your existing audiences, visitors and participants belong to so you can find more of the same.

Arts Audiences: Insight is not meant to replace your made-to-measure segmentation of audiences, visitors and participants. Instead, it provides the missing link that allows you to put this internal view into an external context so you can see the potential for growing your audiences. And that's got to be a good thing. ●



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Principles of segmentation

Katy Raines finds out what dandruff has got to do with the arts

If you're really sophisticated, you could get your database segmented using 'cluster analysis', but it's also quite possible with a good box office system and an inquisitive mind.

Segmentation seems to be the thing (apart from social networking) that everyone's into at the moment – partly, I suspect, since Arts Council England published their *Arts Audiences: Insight* segmentation findings last year, and we all want to make sure we're on track.

So this short article is an attempt to demystify segmentation and show you that you're probably already doing it, but may not know it (more about the dandruff later ...).

What is segmentation?

Segmentation involves splitting customers or potential customers into groups (or segments) within which customers are likely to share a similar level of interest in your product or service. This is either to offer them a different offering, or to communicate with them about the same offering in a different way.

Why do we segment?

There are two main reasons that organisations segment the market and their customer base: cost and effectiveness.

Cost: most organisations don't have the resources to tell the whole world about what they do, and even the big global corporations would segment the market before undertaking any promotion.

Effectiveness: by understanding more about your customers and talking to different segments in the most relevant way (possibly with different product offerings) it is more likely that they will respond and make a purchase. This means that your small marketing budget can go a lot further,

as you're increasing the 'hit' rate of the people you are talking to.

Another key benefit of talking to your customers in a more targeted way is that you will build better relationships with them. This can help in building their psychological loyalty, as well as their behavioural loyalty, which can demonstrate itself in their advocacy of your organisation to others they meet, as much as by increased visits or purchases. For more information on customer loyalty, you can refer to *JAM* 34, April 2009.

Who do we segment?

It's really important to get one distinction clear from the outset: which set of people are you interested in segmenting?

Market segmentation is where you look at the *whole population* and segment it in order to find the most likely people to use your product.

Usually in the arts this means finding the 'best bets' to try to attract new audiences for what we do.

There are many pre-existing market segmentation tools such as ACORN and Mosaic which can help you segment the market without spending a fortune. Arts Council England's *Arts Audiences: Insight* segmentation is one of the most useful for identifying potential new audiences.

Customer segmentation is where you look at only *your customer* base and segment people on the basis of what you as an organisation know or want to know about them. Usually in the arts this is where you analyse your customer database (if you have one) and decide on ways of communicating differently with customers in order to encourage



repeat attendance. If you're really sophisticated, you could get your database segmented using 'cluster analysis', but it's also quite possible with a good box office system and an inquisitive mind.

On what basis do we segment?

In theory, you could segment people on any basis in which they may differ from each other which is useful to you: age, gender, hair colour, height, weight, ethnicity ... and the list goes on. You only need to take a look at the range of shampoos on the shelf in Boots to see how many segments the shampoo companies have identified: people with red hair, blonde hair, dandruffy hair, brittle/dry hair, coloured hair, frizzy hair, curly hair, etc. By segmenting the market into these different types they can offer specific products to meet an individual segment's needs, and hence sell

much more shampoo than they would if they simply made one 'all purpose' shampoo.

In the arts world, we've largely concentrated on three main bases of segmentation: demographics (e.g. over 65 or under 25, with/without children), behaviour (visitor's frequency of attendance, how much they spend, when they attend) and attitude/motivation (people who share the same views, attitudes and beliefs). Segmentation is about deciding which aspects of the customers' demographics, behaviour and/or attitudes are worth pulling out as a common group of people.

Technology is now making it possible for segments to be much smaller, and to target people much more accurately based on their behaviour, rather than grouping them into segments where certain assumptions have been made.

Amazon.com, for example, offers recommendations based on your behaviour, but which are specific to you. This customisation of content, especially in websites where you are recognised (either by a login or a cookie) is particularly powerful in building relationships with customers, and is often talked about as the concept of a 'segment of one', implying that each individual customer can receive their own customised communications and offerings.

The segmentation process

Once we have divided our customers up into these clusters of similar types, we need to decide which of the segments to approach, and design a particular communication that best meets their needs. This is called targeting.

One mistake that I see many organisations make is that they

segment and then forget to prioritise – they try to communicate with all the segments equally (albeit in different ways). This is going to bleed you dry financially, and wear you out at the same time. You need to select the segments you're going to concentrate on, and design communications accordingly. The following three-step process shows you how to do it.

Define the criteria on which you will segment and create the possible segments. What your purpose is will determine on what basis you segment your audience. For example, if your purpose is to sell more tickets for the forthcoming contemporary dance production, you will probably create a segment of people who have attended similar productions before. However, you may also create other segments based on previous attendance. For example, your 'dance' segment could be split into people who have seen the forthcoming company before and people who have not.

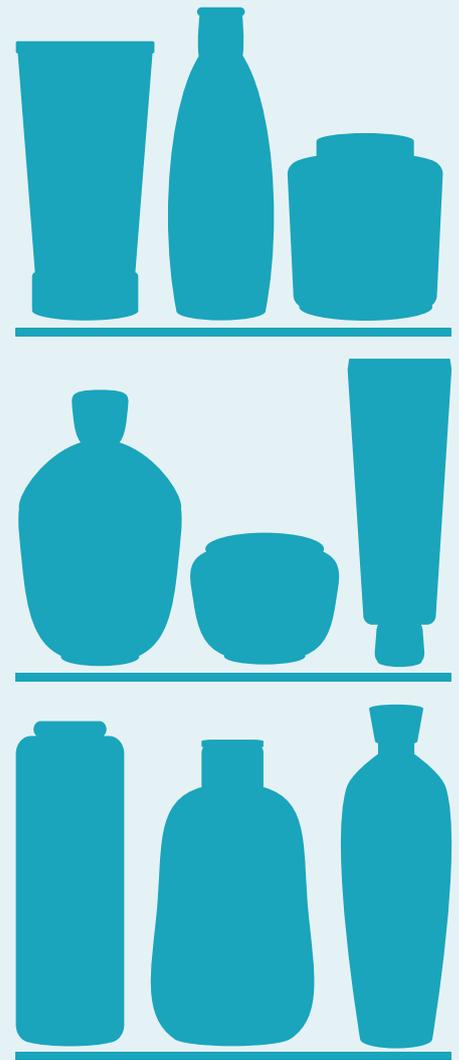
Assess the segments you have for size (are there enough people to merit targeting them?) and attractiveness (are they likely to respond?), and decide which ones you will target.

Develop customised communications or offerings to suit the segment. So, you can either customise your marketing communications (create different direct mail letters or adverts, choose different media channels, etc.) or your products – for example, you might create a package for families that includes a free workshop for the whole family with their tickets for a production.

How often should you segment your audience?

Some organisations segment their audiences annually. Tyne and Wear Museums have an annual benchmarking survey, which includes both demographic and behavioural information about their visitors (collected via face-to-face interviews). They use this to both monitor their performance against targets, and to inform how they prioritise their segments for future communications. In other cases, segmentation is often 'fit for purpose', i.e. a new segmentation for each campaign or season you are communicating.

If you're interested in a practical case study of how one organisation has begun the segmentation process, see the Town Hall and Symphony Hall case study in this issue of *JAM*. In the meantime, I'm off to check which shampoo I should be using ... ●



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Segmentation in practice: getting started

Joanna Sigsworth and *Katy Raines* outline a pragmatic approach to customer segmentation

Town Hall and Symphony Hall (THSH) in Birmingham are two large-scale receiving venues presenting over 620 varied performances a year, focused largely on music. Since the re-opening of Town Hall in October 2007, the organisation was keen to undertake a comprehensive segmentation of its customer base to better understand its audiences, and to further develop its audience-focused approach to its communications. Despite still being in the early stages of this project, the initial segmentation has fleshed out a whole set of factors about audience attendance patterns, which will now inform a tailored new approach to our marketing and communications.

The basic stages of the segmentation project were: creating the segments, understanding the segments, selecting and testing the segments and monitoring the segments. So far, THSH have completed stages 1 and 2 of this process, and are about to embark on re-modelling their communications in order to test and monitor.

1. Creating the segments

We began by undertaking behavioural segmentation through data analysis using the box office system. This helped us to define broad segments, based firstly on art form and then on frequency. As we have found that the best predictor of a person's likelihood of re-attendance is their past behaviour, it made sense to begin the segmentation at this point.

Art form

Key to this segmentation was re-categorising all THSH's events into three broad 'interest strands' based on



the motivation for attendance at the event, rather than a technical art-form definition of it. We found that people were attending largely in one of three interest strands:

- **Serious Classical:** Western classical music events that appeal to classical music fans, but that have a lower likelihood of appealing to crossover audiences.
- **Populist:** Mainstream events in all genres that have mass/populist appeal.
- **Serious Non-Classical:** This is incredibly mixed in terms of genres, but was broadly serious non-Western classical music.

Ninety percent of the audience attended within one of these interest strands (i.e. didn't cross over to another strand), which gave us confidence that we had identified specific clusters of customers.

Frequency

By looking at typical customer frequency patterns, we then defined what a 'oncer', 'irregular' and 'regular' attender were for THSH.

The segmentation model

By combining the interest strand profiles with the frequency profiles, we were left with 11 unique customer segments.

One of the key findings of this exercise was for THSH to understand its large Populist audience better – we knew relatively little about them in comparison with the smaller but more loyal Serious Classical attenders.

Once we had clusters of customers based on their behaviour, we needed to understand more about each cluster so that we could test our assumptions, and begin to create communication approaches appropriate to each cluster.

		INTEREST STRAND PROFILE			
		Serious Classical	Populist	Serious Non-classical	Crossovers (2+ of the other standards)
FREQUENCY PROFILES	Oncer	Segment 1A	Segment 2A	Segment 3A	
	Irregular	Segment 1B	Segment 2B	Segment 3B	Segment 4B
	Regular	Segment 1C	Segment 2C	Segment 3C	Segment 4C

2. Understanding the segments

In order to obtain a detailed understanding of each segment we undertook secondary and primary research.

Profiling the segments (secondary research)

For each segment we identified:

- size and value to the organization (from box office system)
- typical art forms/genres attended and any crossovers
- typical purchasing behaviour
- geographical profile
- demographic profile (from ACORN)
- Arts Council *Arts Audiences: Insight* comparison

We found that the interest strand profiles we had created corresponded very clearly to other similarities between the people in those segments. For example, Serious Classics were different from Populists in many ways: they were a different age and had different ACORN and *Arts Audiences: Insight* profiles.

Understanding the segments (primary research)

The one bit of the jigsaw that was missing for us was the specifics of

each segment’s attitudes to and perceptions of what THSH had to offer, as well as their attendance at other arts organisations and communication preferences, so we undertook some primary research.

This took the form of a simple web survey to assess current attendance at other arts organisations in the region, other leisure behaviour, perceived frequency/loyalty to THSH events, and media consumption.

Again, what we found was that people in the same segment had very similar preferences, habits and behaviours in relation to these areas, but were considerably different from the other interest strand segments. For example, Serious Classics read completely different newspapers from Serious Non-Classicals; they had different interests in their leisure time, and frequented different cultural establishments.

We also conducted in-depth focus group research with four key segments for which we had very little information. What we found reinforced everything we’d learned about the segments so far, and confirmed that they were indeed quite distinctly different groups of people, while being largely similar to the others in their segment.

Through the segmentation process, we are confident that we have a bespoke and robust model that has identified real clusters of people who share similar behaviours, profiles and attitudes. THSH is now planning stages 3 and 4 – the selection of segments, testing, monitoring and refining communications – aiming to complete them by December 2010. The project is still in its early stages, but is already paying dividends with much more to come. ●



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60

Just a minute

A column to get to know other AMA members in just *six questions*

10 What is your first memory of the arts?

I think that my first memory of mainstream arts would be seeing *The Nutcracker on Ice* at Radio City Music Hall; but my first memory of carnival arts would be seeing Peter Minshall's mas band *River* on the Queen Park's Savannah stage, in Port of Spain, Trinidad.

20 How did you get into arts marketing?

I would have to say that my secondary school foundation has been preparing me for my arts marketing career. Bishop Anstey High School has a reputation for being a strong supporter of the arts and for encouraging their students to not only take their academic learning seriously but also to embrace the rich culture that it is embedded in. I was always drawn to PR and marketing but it is when I joined the Copyright Music Organisation of Trinidad and Tobago (COTT) as their Communications Officer that I knew that I had found the sector I strongly wanted to not just work in but advocate for.

30 What attracted you to the arts sector?

The attraction to the arts sector is the fact that I get to work and socialise at the same time. It is a fantastic feeling to be able to work in a sector that I am passionate about and be able to make contributions for its growth and development.

40 When and why did you join the AMA?

I joined the AMA last year to learn more about arts marketing in the UK, as I recently started my new job at the UK Centre for Carnival Arts. I was recommended to join by mentor Emma Courtney who is also a member.

50 What is your proudest moment?

From a work perspective my proudest moment is being part of history in the making and having the opportunity to do the PR and marketing for the launch of the first national carnival arts centre, which is based in Luton.

60 And what is your greatest indulgence?

My indulgence has to be a savoury snack from my home country – Trinidad and Tobago – called mango chow. This is prepared with half ripe mangoes with salt, black pepper, garlic, hot peppers and coriander.



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Exploring relevance

Museums and galleries marketing day

16 March 2010 at the Wellcome Collection, London

Sponsored by **Blackbaud**.

The AMA's annual day conference for museums and galleries professionals will examine such questions as:

- How do we remain relevant in a fast-changing world?
- What can we do to make sure our offer doesn't get overlooked or left behind?
- How do we reach people in the places they are hanging out, in private and public, in virtual and real spaces?

In an ever-changing society, where technological advances and political and economic factors are shaping visitor expectations, experiences and behaviour patterns, the sector faces a wide range of challenges and opportunities. This conference sets out to explore the trends that are having the most impact on the sector and to generate a range of responses to ensure that our organisations and our marketing practices are relevant to today's society.

The morning will focus on how to make sure your marketing planning is relevant and up to date. The keynote will present a round-up of the trends that are having the most impact on the sector and develop our understanding of the implications in terms of practical and strategic planning, with some top tips on how to translate the latest theories into actionable plans.

The afternoon will focus on how to make sure that your organisation remains relevant. With so much change going on, how do we ensure that our cultural establishments maintain their position in today's society? How do we use our knowledge of social behaviour to adapt the way we communicate with our potential visitors and participants? How do we measure our relevance and use it to demonstrate our value in a way that our colleagues, visitors and funders cannot ignore?



There will also be the opportunity to attend practical seminars about reviewing and refreshing your marketing strategy and integrating the latest technology into your campaigns, in the light of all this insight.

By the end of the day you should be able to match your strengths to relevant trends and opportunities and go away with some practical ideas of how to refresh your message and deepen your dialogue with your visitors, participants and the wider community. ●



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Culture segments: the quest for the holy grail

Andrew McIntyre of Morris Hargreaves McIntyre (MHM) on the development of a new, universal segmentation system for the cultural sector



Us marketing types are optimists by nature. It's what makes us go back into work each day. We honestly think we can make a difference. But even the most cheerful among us can't ignore the creeping crisis. Our box office databases are clogged up with so-called 'bookers' that don't seem to book. Our mailings are forensically targeted yet often produce frankly underwhelming response rates. And our campaigns and media buying can sometimes be a tad predictable.

From best practice to common practice

The best practice of 1999 that produced stellar results has become the merely common practice of 2009, producing run-of-the-mill results. For most of us, it has become more and more difficult to sell tickets, attract attenders and engage audiences. And if we're being really honest, the cost of marketing has, in many cases, grown faster than our audiences. This is an uncomfortable truth and is enough to test most optimists' resolve.

So, what can rescue us from this malaise? What can help us to better

target, reach, attract, meet the needs of and develop relationships with our audiences? The prescription calls for large doses of audience insight, swallowed in handy segment form. Segments are the perfect compromise between the audience as a great big homogeneous mass and the audience as a million individuals. Segments group people together in ways that make sense of the market.

Different objectives, different solutions

Segmentation should, in theory, give us a shared understanding of our audiences and a common language to describe them. But nothing's ever as easy as that, is it? In practice, marketers and programmers have different objectives and, inevitably, have adopted different and completely incompatible segmentation systems.

Marketers started with the simple question, 'how can we find more audiences?' To answer this they turned to external, UK-wide industry standard systems like Mosaic, ACORN and TGI. These segment the whole population into broad types and, crucially, are

used in the media planning and advertising industry to target, reach and attract new customers.

Programmers and educators, on the other hand, started with a very different question: 'how can we engage existing audiences more deeply?' To answer this they asked agencies like MHM to create bespoke segments based on audiences' needs, attitudes and behaviours. The resulting segments have helped the organisation to meet those needs and to build strong relationships.

Each approach can be phenomenally successful at addressing its own objective. But each is pretty useless at addressing the other objective. So using one of the various external marketing segmentation systems on offer from Target Group Index (TGI), Ark Leisure or even the Arts Council can certainly help you plan your next media campaign, but can't really help you to develop your next exhibition. Many have tried, and failed, to take these external systems and use them in their internal planning. Invariably, they are too generic and lack essential detail.

As Penny Hamilton, Head of Public



and Regional Marketing at The British Library, says, 'this sort of generic information is completely irrelevant to our programme planners who need to gain a better understanding of the visitor experience on the ground – i.e. what are the motivations and needs of the people who come to our venues and how we might be able to develop programmes and services that would appeal.'

Conversely, the bespoke internal engagement segmentation systems that Morris Hargreaves McIntyre has developed for Tate, British Museum, Southbank Centre and others help them to meet visitors' every need but can't tell them where to advertise. When briefing media planning agencies, there is no easy or obvious bridge between the subtleties of sector-specific, internal visitor segments and the generic nature of commercial systems like TGI.

Claire Eva, Head of Marketing at Tate, explains the dilemma: 'The MHM segmentation revolutionised the way we understand our audiences at Tate, and has had a huge impact on how we plan our visitor services, interpretation and marketing creative. Although it

works well for visitors who are already at Tate, we've had trouble identifying future visitors, or targeting specific markets using the original model as all our media planning is based on TGI.'

Incompatible

The reality is that these different systems were designed to do fundamentally different jobs. They can't be cut-and-shut together into strange Franken-segments. They can't easily be bridged, overlaid or grafted onto each other. They don't align and it's not even that easy to compare them.

But, when we use these incompatible segmentation systems in different departments to pursue different objectives, it does nothing for shared audience focus across the organisation. In fact, in practice, it often serves to further alienate marketing from other departments and means we don't even have a shared language.

A shared language

What we all need is a shared segmentation system that gives the whole organisation, and indeed the

whole sector, a shared language for its audiences. Instead of external *marketing* segments and internal *engagement segments*, we need universal culture segments.

We need segments that cover the audience we've got and also the audience we'd like to get – segments that are defined by our sector-specific audience needs but still link to industry-standard profiles like TGI. We need segments that keep the faithful coming but that swell their ranks with new converts – segments that maximise brand loyalty inside while raising brand awareness outside. We need segments that tell us the why and how as well as the who and what.

Our sector needs its own segmentation system instead of borrowing the one used to sell fridges. But we need to bridge the gap between our insightful but incompatible segments and their standardised but often irrelevant segments. Achieving this will require us to go back to the drawing board and design a whole new system from the ground up.

This is the elusive Holy Grail of segmentation in our sector and a hugely ambitious objective.



Join the quest

But cometh the hour, cometh the ambitious organisations. In the autumn of 2009, we began to put together a partnership of over 30 of the UK's leading organisations from the arts, culture and heritage sectors – from the British Museum to the British Library and from the Wales Millennium Centre to the Wildfowl & Wetlands Trust.

Led by Morris Hargreaves McIntyre, the partnership will undertake a major, fully representative UK Population Survey combining nuanced questions about cultural behaviour and motivations with TGI-style questions about attitudes, lifestyle and media consumption and underpinned by full demographics.

It will go way beyond the basic questions asked in previous surveys like the DCMS's 'Taking Part' and be far more sector-specific than basic TGI. It will, for the first time, explore and map the public's motivations and propensity for engagement across the cultural sector and map the best ways of targeting and reaching them. To ensure TGI compatibility, we are working with arts media planning partners, Total Media and Telmar,

using multi-basing and super-weighted profiles to map our internal segments to external TGI.

Culture segments

The resulting *Culture Segments* system will be a national sector-specific segmentation, backed by a national primary data set. It will be compatible with the proprietary systems widely used in media planning like TGI and Touchpoints while being unequivocally sector-specific.

It will take account of the differences between museums, galleries, theatres, orchestras and heritage sites while providing a common base. It will be further modifiable to become even more bespoke for individual organisations.

This will allow organisations to measure, identify and target market potential, to calculate penetration and to benchmark against peers and the wider sector while having segments that make sense across departments within their own organisation.

In short, the *Culture Segments* system will answer both of the fundamental segmentation questions: How can we find more audiences?

And how can we engage existing audiences more deeply?

The grail may be within our grasp. ●

Find out more about Culture Segments at www.lateralthinkers.com



Andrew McIntyre

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Case study: segment evolution at the Southbank Centre

We've gone through a series of segmentation models in our past life at Southbank Centre. When the organisation was a very different beast, working in art-form silos, we naturally had models that reflected this. So, while our internal classical music segmentation model was very robust with excellent insights, it sat alone, assuming our audiences' relationships existed in art-form bubbles (which we know to not be the case). It missed a key trick: encouraging audiences to cross over and engage with our wider programme.

We then set about mapping the external marketplace, prospecting for new audiences. Initially, we used the Mosaic system heavily. It's a UK marketing industry standard but in the end we felt it wasn't specific enough to arts and culture and in practice we're not really akin to the finance sector.

We first brushed with Target Group Index (TGI) three years ago. This was a huge step forward with much more relevance for our product and audiences. TGI includes questions about attitudes and about culture in its broadest definition. The organisation's understanding of the wider audience took a leap forward. But we struggled with TGI's lack of granularity. The top-level power of the system externally was difficult to map back to our internal box office database. TGI was simply not specific enough for individual campaign planning, media buying, target setting and product planning. In the context of the complexity of our product offering, TGI was not deep enough.

Meanwhile, in parallel with the external work with Mosaic and TGI we'd used a straightforward internal segmentation model based on the recency and frequency of ticketing transactions. While this has

certainly been successful in driving up ROI, its inherent weakness is that it is reactive rather than proactive. It tells us who bookers are, rather than why they book, what they think and how we can develop them.

In search of the grail

So, having reached the inherent limits of external systems like TGI and of internal systems based on the box office, we had to look elsewhere for our holy grail ...

Working with MHM, we developed a bespoke segmentation model that delivers the arts focus we require and links our internal database to the external environment: a system that combines attitudes and behaviour and that can inform our internal programming and our external campaign planning and media buying.

This has been quite a journey for the organisation. We have learned from our experiences and used them to inform each step we have taken. This means that internal buy-in for every step of that journey has been very strong, with everyone from marketers to programmers adopting a common language to describe a shared understanding. And that, in the end, is what makes segmentation successful.



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**SOUTHBANK
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Friends, fans and followers

Millicent Jones illustrates how to target and personalise digital marketing communications

The Royal Liverpool Philharmonic manages a 1,750 seat venue, Liverpool Philharmonic Hall (which presents 250+ events annually), the Royal Liverpool Philharmonic Orchestra (the UK's oldest surviving professional symphony orchestra) and its associated ensembles, and an extensive learning and engagement programme connecting thousands of local people to the organisation.

Facebook

The Phil has been actively using social media (Facebook and Twitter) for around 18 months. Due to the fact that we are both a venue and an orchestra, we started with a Facebook page for the Royal Liverpool Philharmonic Orchestra, then added a page for Liverpool Philharmonic Hall. We currently have 804 orchestral 'fans' and 1,349 Philharmonic Hall 'fans'.

We use these pages to list all our events with accompanying promotional images and to post video trailers and video footage from live

concerts. Our updates are primarily around events going on sale, awards we've won, press reviews, etc.

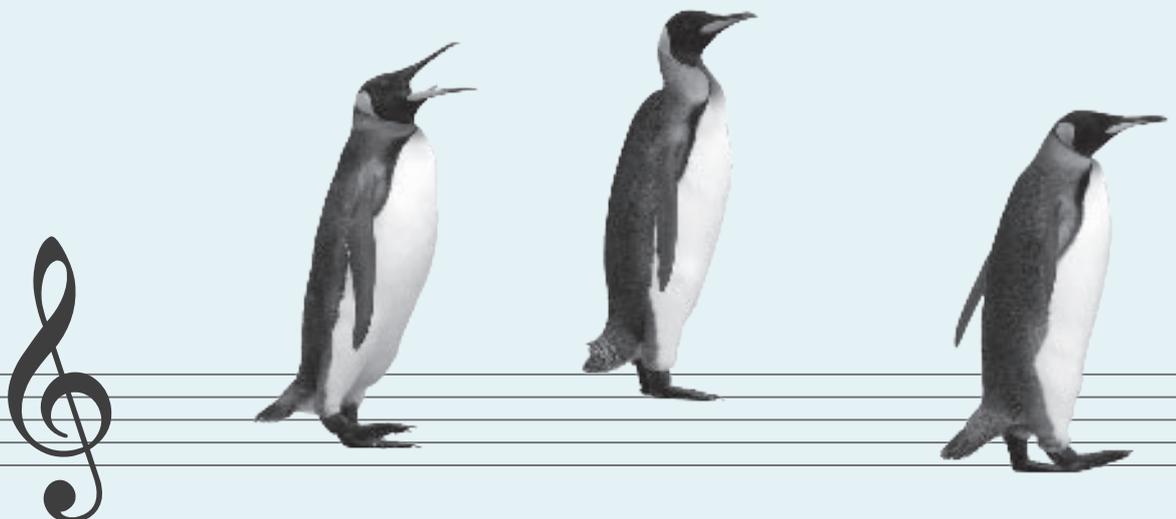
We've recently reviewed our strategy around using these tools as there were a few things that were bothering us: the fact that we had two pages (which made us appear somewhat schizophrenic as a brand – and which is part of a wider issue for the organisation) and the fact that we were using these pages to communicate to our fans in a 'press release' kind of way. We also clarified our objectives in using Facebook, namely to deepen engagement with existing audiences, engage new audiences and drive ticket sales.

We're currently in the process of consolidating our Facebook presence to a single page with fans – The Liverpool Phil. We've decided to do everything we had been doing previously, but change the way we post updates to the page, so that these updates become a way to let people 'into' the organisation. This might include talking about what's

going on in the building that day, or what we're working on at the moment, or who's having lunch in our café bar.

We also decided to try using a small team of people to update the site on a rotating basis, to give it a more varied flavour and to make it more personal and less a press release outlet. This will be tricky in terms of maintaining a consistent 'tone' but it will also allow people outside to come into contact with different members of staff rather than the monolith of the organisation. We will also ask some of our orchestra musicians to provide Facebook updates when it makes sense (when they are on tour, for example).

The process of moving all of our existing fans into the new page will be tricky, but we're planning several promotions to drive existing fan sign-ups and create new ones. These include inviting the first 200 people who 'switch' to a pre-concert reception, then running a competition to win a night's hotel stay, and tickets for all fans once we've reached the 2,000 mark.



Twitter

As well as becoming a source for people to find out about shows (we tweet every time a new performance goes on sale), Twitter is a great way to monitor buzz and respond to queries. The 140 character restriction to a certain extent prevents formal language: Twitter seems to encourage spontaneous queries and comments. Recently we've had everything from questions about upcoming recordings, feedback about hall acoustics and 'Meeps!' of excitement over the upcoming Debbie Reynolds' show.

Previously we could assume that the people who followed us on Twitter were probably the most tech-savvy of our audience, but as Twitter becomes more popular this assumption has become redundant. However, it seems that our Twitter audience is different from our email audience. On Google Analytics, the click-throughs from email newsletters have two peaks – the Friday when we send them out and the following Monday. This

suggests that a lot of people are using their work email accounts to receive our monthly newsletters and that perhaps this is the only account they check regularly. This is the total opposite to how our Twitter audience behaves – looking at Bit.ly stats it is clear that tweets have a very short shelf life of only a few hours.

Trying to figure out who Twitter users are could be really useful but, as the service changes and becomes more understood, the make-up of our audience on it may change very rapidly.

Emails

In addition to Facebook and Twitter, we have a robust programme of email marketing that is driven by audience segmentation in terms of event attendance history; and we use the date-of-birth information we collect to send out emails on patrons' birthdays, offering them a free ticket to a selection of concerts (a two-for-one offer in disguise). We also have

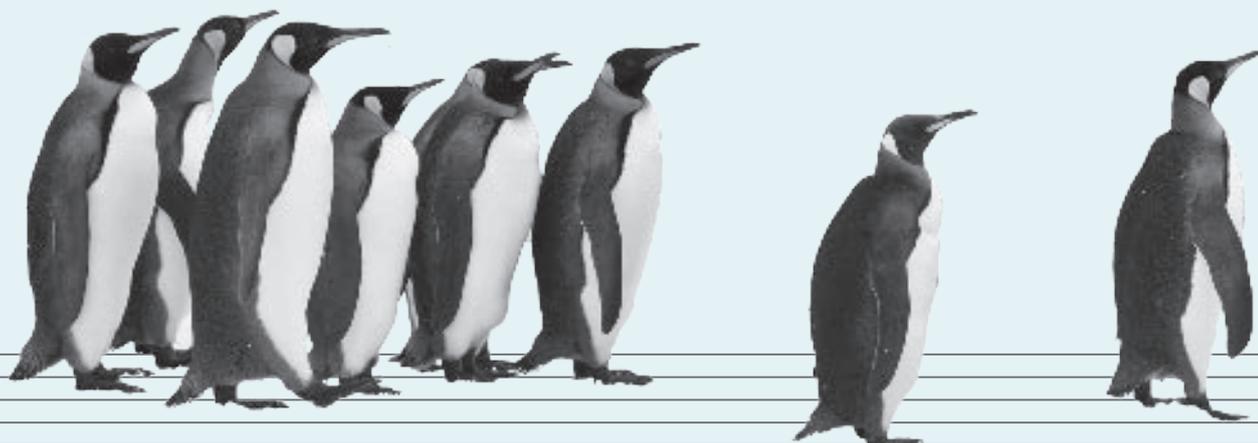
a 'live chat' feature on our website which is regularly used by patrons to ask questions about what we do.

All of these tools help us to communicate with our audience in a more personalised, direct fashion. They also enable us to have two-way rather than one-way conversations and enable us to increase the transparency of the organisation. More conversations and involvement with our audiences can only be a good thing! ●



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So I think I've got a segmentation ... but how do I colour it in?

Penny Mills and Bryony Duncan outline five steps to put your segmentation into action

You've done some database mining, audience profiling or primary research and observed patterns that indicate audience groups you're interested in, giving you the bones of a segmentation model. The groups have passed the first tests of segmentation – each is distinct enough and reflects shared needs and a common response to an offer. So, what next?

Here we suggest how you can colour in your sketches of each group, engage your colleagues in recognising them and keep your new segmentation live and relevant. We consider two kinds of segments and describe the steps you might take. Included are some quotes and examples from Sound and Music (SAM), a pioneering contemporary music organisation, combining producing, programming, information and services.

Segment one: dabblers

Maybe a familiar group to you, but they attend only one kind of event or very occasionally. Your challenge is to find ways of deepening their engagement or building their loyalty or frequency by getting to know them better. For example, at Sound and Music they identified a group called 'experience seekers' who'd come to the weird and wonderful, but not in a more mainstream venue.



Step 1

Colour in the picture and get to know your segment better using existing information or by generating new insights. Some of the kinds of information that can bring your picture to life are outlined in the following table.

Type of information	What it can contribute	How to use/access it
Geo-demographic profiling using Mosaic or ACORN	Geographic information related to lifestyle, behaviour, socio-economic and socio-cultural preferences, consumption patterns and media usage	<ul style="list-style-type: none"> • Mosaic or ACORN profile the postcodes of your identified group • Compare the profile to benchmarks • Use the detailed group and type information to inform the offer, message and communications channel • Map the postcodes by group or type
Demographic and geographic information from Target Group Index Area Profile Reports	Information about age, socio-economic status, income, education, media preferences, ethnicity, etc., related to art-form attendance by postcode sector	<ul style="list-style-type: none"> • Reports come as a radius around your venue, for particular postcode sectors or a local authority area • Match characteristics of your segment to postcode sectors and check all characteristics for more insight
Segment matching using ACE Arts Audiences: Insight population segmentation	Information about attitudes towards the arts, predicted level of engagement and preferences	<ul style="list-style-type: none"> • See which segments most closely match the characteristics of your own segment and draw out additional useful information about arts attendance behaviour
Enhanced understanding through audience research	Information on any aspect of the segment, typically preferences, identity, perceptions and attitudes	<ul style="list-style-type: none"> • Include questions in your regular audience monitoring to learn more about your segments • Identify individuals in your database/dataset that fit your segment criteria to involve in qualitative research, e.g. a focus group • Or commission some qualitative research using a sample from your database

Sound and Music used a range of information to develop their segments:

- Geo-demographic profiling and analysis of box office, mailing list and member data to identify different behaviours and characteristics compared to benchmarks
- An e-survey of members and face-to-face audience research at events providing quantitative information about demographic characteristics, motivations, preferences and information sources
- Depth qualitative research to dig deeper, e.g. into lifetime experiences of new music and expectations of new audiences



Where can I find this information?

Mosaic or ACORN profiling: audience development agencies can advise on or provide this profiling – visit www.audiencedevelopment.org.uk to find your nearest agency.

TGI Area Profile Reports can be requested through audience development agencies and are free for ACE funded organisations.

Population Statistics are accessible at www.statistics.gov/neighbourhood

Arts Council England's Arts Audiences: Insight population segmentation can be found at www.artscouncil.org.uk/audienceinsight.

For more information about the terms used in this article visit www.aduk.org and use the **jargon buster**.

Finally, Audiences London's guide to audience monitoring is free to download at www.audienceslondon.org/freesources.

Step 2

Involve your colleagues

to make your segment real and clarify your offer. Get as many colleagues together as possible, show them the pictures and tap into their hunches, feelings, expertise, knowledge and creativity. Explore ways in which your organisation can engage them and respond to their needs. Build up collages of the segments (what they do, like, think and where they live), or give them names.

Step 3

Define your messages and marketing channels.

Think benefits (not features). Consider whether the message is about customer service, accessibility, price incentives, added value or simply a more personalised communication. From your information, how and where are they most likely to engage with your message – at home, online, in venue, on the street, in a social media community or reading a particular publication?

Step 4

Now test out your conclusions and refine your picture. If you can select

people from your database according to your segment criteria you can use direct marketing. Try out two different approaches to see which is most effective and track the campaign through your box office system or a 'call to action' which you can monitor. Remember to consider what kind of response rate would be a success. Or you may have identified an organisation, magazine, website or social networking site appropriate to your segment where you can put a call to action. Alternatively, if you know which streets they live on, pop something through the doors. Finally, you might consider trying a new kind of event or picking a new venue which you feel would particularly appeal to the group. Once you've tracked the impacts of these activities, go back to Step 2 and accessorise your picture with your new insights. Ask yourself whether the return on investment has been worth it.

Step 5

Define marketing objectives for your segment. Keep your objectives

SMART, i.e. how much and how many. Check that these marketing objectives align with your organisation's overall objectives. And, finally, put setting objectives for your segments at the heart of your marketing planning.

Segment two: lurkers

Another group could be more speculative, but you think they'd be interested in engaging with your organisation. You have an idea about their characteristics and the offer you'd make, but little concrete information. So, now you need to check out your assumptions.

You can follow the same steps as outlined for the 'Dabblers', but you'll find that colouring in the picture takes longer and might require more primary research and some more intensive consultation. Finding out about and engaging with this segment will require extra resources, so you need to be sure that they're important enough and relevant to your organisation. Also, consider whether you are able to do or offer something different to attract them. Successfully engaging them could involve outreach work, community engagement, partnering with other

organisations or experimenting with new marketing channels. Finally, your return on investment will probably be lower and slower, so be realistic with your SMART objectives.

Once you've done some investigation, go back to the drawing board and redo your sketch ... Happy segmenting! ●



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And thank you to Johnny Gibson and Shoel Stadlen of Sound and Music.

10 TOP TIPS

for successful segmentation



1

Don't do it unless everyone agrees it is needed. It's vital to get whole-company buy-in from the outset as the implications extend beyond the marketing department.



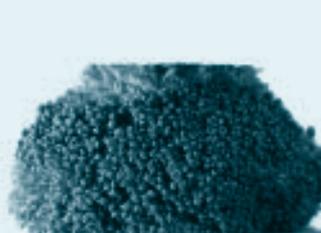
2

Don't expect your usual research agencies to be able to cope with segmentation. These studies require different skills.



3

The data won't give you all the answers. It is critical that you have a hypothesis about how some of the segments might look so that you can judge the output against them.



4

Qualitative and quantitative segmentations rarely match perfectly. While broad groups identified in qualitative research should emerge, the nuances of a qualitative segmentation will often be lost.



5

There is no such thing as the 'statistically right answer'. Different software and methodology produce different answers.



6

Segmentation is as much an art as a science. Politics and pragmatism will often have as much of an effect on the solution as statistics.



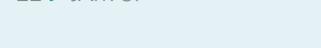
7

If you need to segment more than one group, make sure that they link together. The only way anyone is going to understand and embrace a segmentation is if it is simple and useable.



8

Be prepared to delete lots of respondents. Survey data relies on producing an overall 'average' score. And while we would hope that all respondents answer the surveys correctly, the reality is that many don't.



9

If you want staff to engage with the segments, you have to bring them to life. Anything that moves is better than anything that is static, and 3D is better than 2D.

10

The segmentation solution is only the start of the journey, not the end. Segmentation should only ever be a tool, not an end product in its own right.

Resources

Advertise in JAM

Promote your organisation or your professional services to over 2,000 arts professionals and industry leaders in the UK and internationally.

Place an advert here for as little as £150 + VAT (1/8 page advert on single issue) or enclose an insert for just £250 + VAT.

For the full price list and to get a quote email andrea@a-m-a.co.uk

Mosaic or ACORN profiling is available through audience development agencies for reasonable costs – visit www.audiencedevelopment.org.uk to find your nearest agency.

TGI Area Profile Reports can be requested through audience development agencies and are free for Arts Council England funded organisations.

Population Statistics are accessible at www.statistics.gov.uk/neighbourhood

Arts Audiences: Insight segmentation is available on the Arts Council England website: www.artscouncil.org.uk/audienceinsight

For more articles on audience profiling, segmentation tools, box office data and area profile reports, visit the Resources pages of the **ADUK website**: www.aduk.org/resources

To read issue 24 of **JAM on audience and visitor data**, go to www.a-m-a.org.uk/images/downloads/ADUKjam.pdf. All back issues of JAM are accessible at www.a-m-a.org.uk/publications_category.asp?id=1

A report of Alan Brown's conference seminar '**Segmentation – a potential new model for arts organisations**' is available on the AMA website at www.a-m-a.org.uk/images/downloads/PartThreeSeminars08ConferenceReport.pdf. You can find other reports at www.a-m-a.org.uk/publications_category.asp?id=5

Museums and galleries marketing day Exploring relevance

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- Making sure your organisation is relevant
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Sam Evans, Head of Marketing, Big Lottery Fund
- Integrating new media into your marketing plan
Charlotte Sexton, Head of New Media, National Gallery and Jenny Brown, Consultant

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Marketers must lead on sustainability

Like a latter-day Johnson and Boswell, Dr Ben Todd of Arcola Theatre and I have been out on the road performing a green marketing double act at AMA network meetings and other choice locations across London and the South East.

The idea has been to inspire discussion on the different ways a green marketing mix can benefit broader audience engagement and, as Ben pointed out, take advantage of the biggest and best networked marketing team we possibly can to help test out our theories.

One of the main questions we've been posing is whether a venue's marketing team should be the ones taking the lead on green initiatives. Unfortunately there is no one-size-fits-all simple solution to the problem of sustainability. Rather, there's a need to navigate any number of different positions. You'll want to encourage investment in meaningful change, avoid the slippery greenwashed slopes of a quick carbon neutral cop-out, seek out new lines of communication and explain what you've learnt so that others can follow in your footsteps.

During our mini-tour one theme has become increasingly apparent – if you really want to position sustainability as a central part of your venue, it needs to be embedded right through the corporate identity. In other words, we're back to brand – the natural home of the modern marketing team.

Talking about the Arcola's own experience, Ben outlined how evolving their own sustainable strategy has been a long, slow burn in direct contrast to the quicker promotional 'splash and dab' of selling theatre tickets.

The first lesson they learned after deciding 'We're all going to be sustainable – yeah cool!' was to start asking what that really meant to them as an organisation. The answer was to go right back to Arcola's corporate branding and mission statement, so the place where long-term work on building company identity and relationships with stakeholders, funders and audiences becomes the

home for sustainability as well.

According to Ben, there are two divergent approaches to adoption. Treat sustainability in the same way you would Health & Safety (forms and tick boxes, basically) or position it directly as a strand of your core programming. For Arcola their three main strands of programming – Professional Productions, Youth and Community Work, and Sustainability – are now all intrinsically linked, cross-pollinating creative ideas and creating new and exciting ways to engage with Arcola's audiences. As Ben explains it, 'We're identifying a whole new way of engaging audiences, building loyalty and accessing new markets.'

We think you'll agree that rather than just viewing this as adding another task to the teetering pile of to-dos, the opportunity to engage with new ideas and talk to our audiences in new ways is precisely why we became marketers in the first place. At its best, arts marketing is about capturing people's imagination and inspiring them to try new experiences. It's exactly this kind of engagement we need to encourage a cultural shift towards more sustainable practices, and this is precisely where the arts are in a prime position to reach people and help create real change for the better.



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