

How is the cost of living crisis affecting the arts industry?

**A report responding to the Arts
Marketing Association's lunchtime
forum on the cost of living crisis**

Setting the scene

Arts, culture and heritage sectors in the UK have been hit hard by the pandemic. With the advent of the cost of living crisis, our sector is facing a new challenge. As a digital agency that provides design, website and marketing services to organisations in these sectors, we became interested in how this crisis affects audience booking trends and accessibility to attend events in this sector.

In April 2023, the Arts Marketing Association (AMA) hosted a lunchtime forum on this topic. Speaking was Andrew King from Liverpool Everyman and Playhouse, with some interesting insights into how their venue is adapting to combat the cost of living crisis. In the room, professionals from the arts and culture sector shared their challenges, thoughts and tactics.

The discussion centred on how arts venues and organisations can implement and adapt various offerings to make arts experiences more cost-effective for audiences. Many attendees reported that the introduction of dynamic pricing felt necessary, and that they have seen little to no negative feedback from bookers about the pricing changes. Although an attendee noted that otherwise-audience-members, not able to book due to pricing barriers, may not have fed this information back.

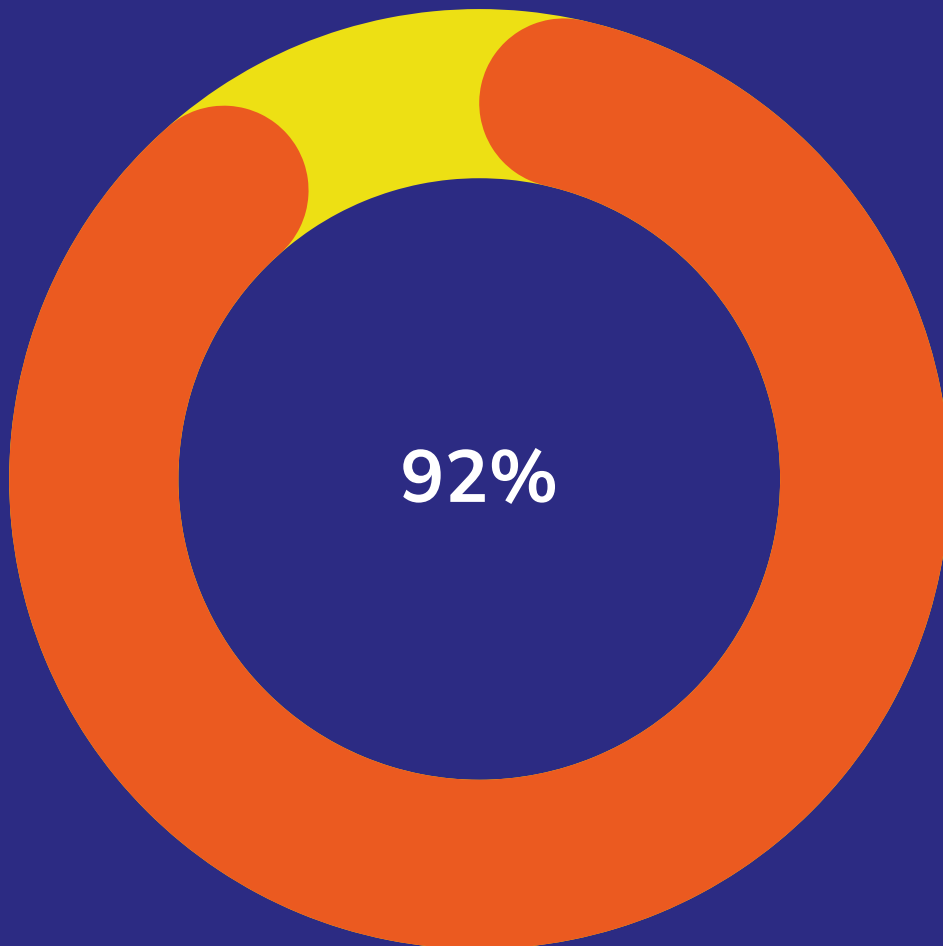
Andrew King noted that for a commercially successful show like SIX, 42% of audience members traveled from outside the Liverpool City Region and many stayed overnight. This willingness to travel for arts experiences rang true with our research and network survey - Andrew noted that a lot of it is down to programming the right work. Interestingly, however, in the forum discussion a few attendees noted that travel barriers have been the key reason some audiences not engaging in their arts offerings.

Following the discussion, we put it to our network. HdK asked 10 professionals from a range of arts organisations to share their insights for adapting to the future.

These organisations were: Alexandra Palace, Dance Umbrella, Emma Brunjes Productions, Fuel Theatre, Music in the Round, Sadler's Wells, Spitalfields Music, The Auckland Project, The Bowes Museum and Trafalgar Entertainment.

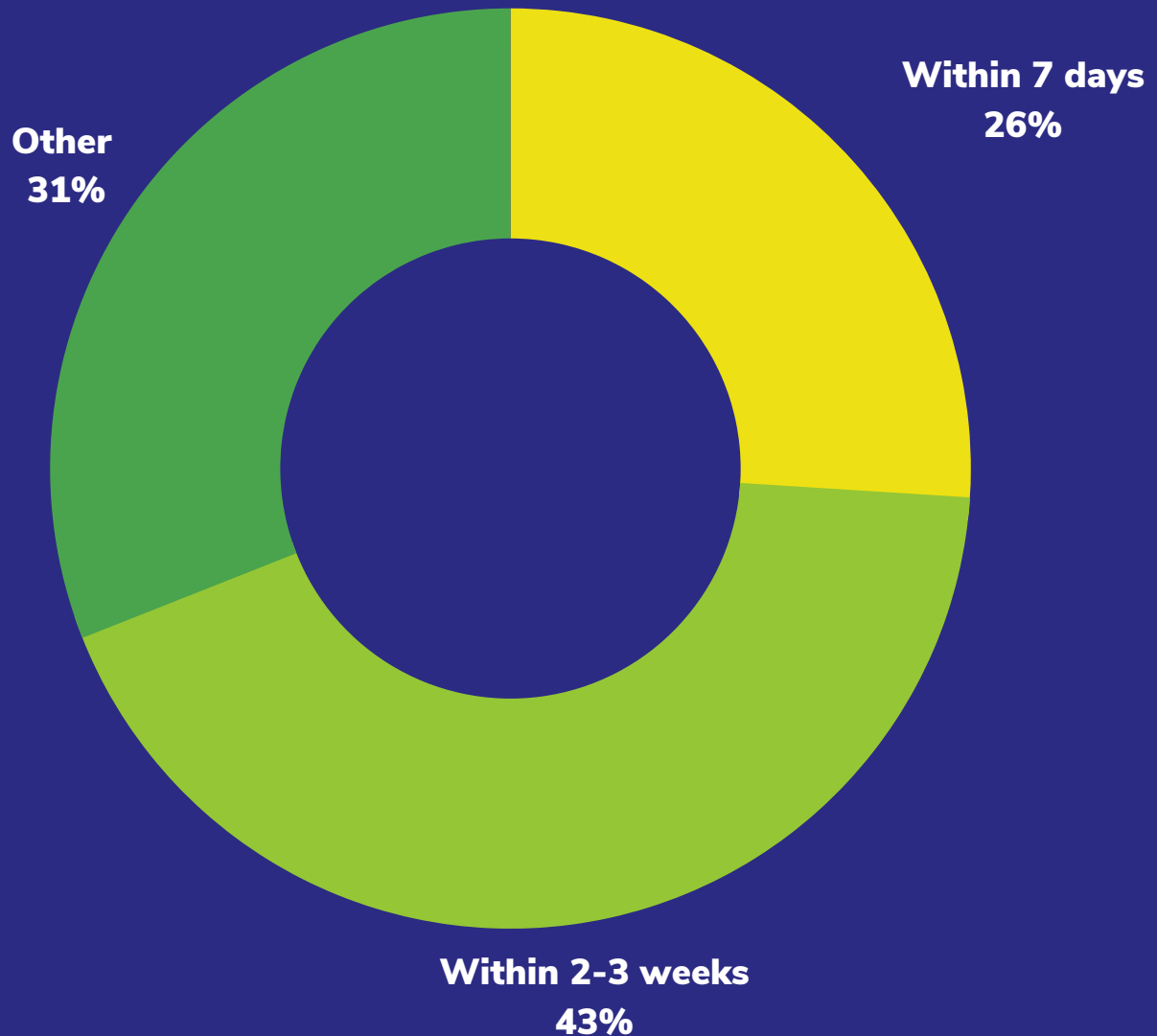
Scaling back

According to the Audience Agency, **92%** of people intend to scale back on entertainment spending outside of the home



This is especially prevalent among mid-engaged, middle-aged and less urban groups. See more at [The Audience Agency](#).

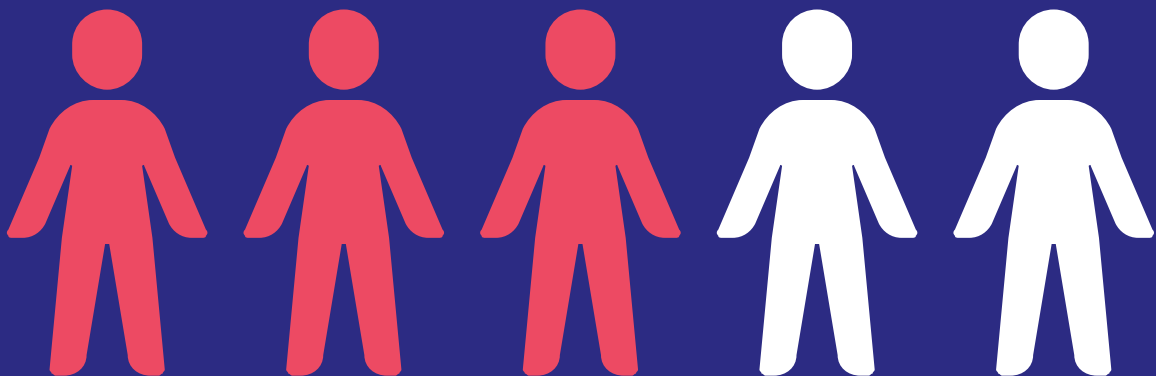
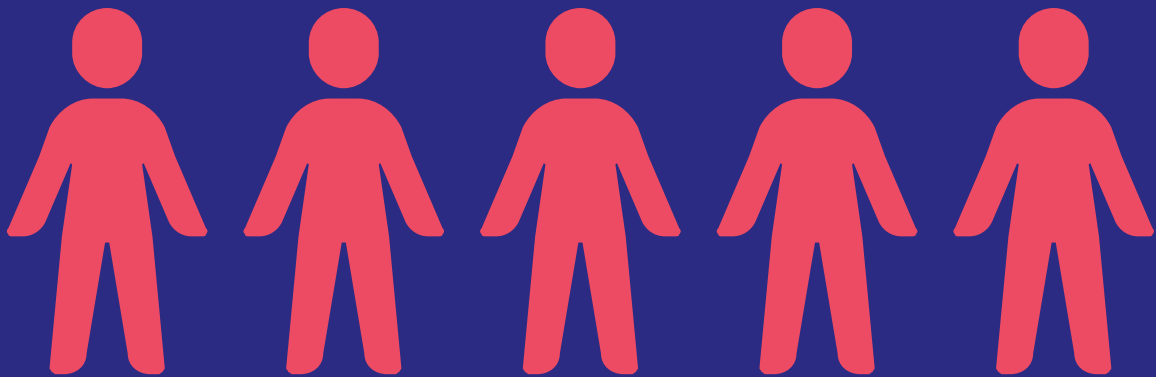
Late booking



Audience members book events later and feel comfort in making last-minute decisions, as people continue to struggle with commitment according to [The Pattern Makers](#).

The HdK survey

80% of responding arts organisations reported audiences are booking closer to the event



Tactics from arts organisations, to remove barriers in place as a result of the cost of living crisis

- **Continually evaluate pricing**
- **Tactical use of ticket agents and offers**
- **Using Audience Development providers to find out more about what key audience groups want and need in this time**
- **Detailed year-on-year data comparison to drill down into booking behaviour**
- **Market shows up until last minute (because of last-minute bookings)**
- **Offering free or reduced priced admission on specific days**

Tactics continued

- **Dynamic pricing**
- **Bigger discounts for those under 30 and/or working in the arts sector**
- **Digital marketing and social media ads, to achieve more with less money**
- **Lowering ticket prices across the board**
- **Introducing an annual pass**
- **Introducing a Pay What You Can pricing scheme**
- **At the AMA forum, a 'Pay it Forward' scheme was discussed - supporting the cost of a ticket for a friend you don't know**

Key takeaways

1

Price sensitivity is a barrier to accessibility

Price sensitivity affects 40% of audience members. While the cost of living increases, wages remain stagnant. Theatre and the arts are in danger of being perceived more widely as a luxury that only those with higher incomes can afford to partake in. Larger arts organisations are likely to be better equipped to adapt during the Cost of Living crisis, and will be in better financial positions to offer affordable rates than smaller organisations.

2

People are booking much later

80% of responding arts organisations expressed that audiences are booking up to the day of the event. Some organisations claimed up to 1/3 of tickets for their best-selling shows are often sold in the week before the show.

3

Young people want to engage in arts and cultural experiences

According to The Audience Agency, 90% of under 35s have attended an arts and culture event in the past 12 months. However, respondents from all age groups reported that they are attending arts and culture less than before the pandemic. 56% of all those attending arts and culture events less than they used to said that it was because of money, much more than any other reason.

4

Arts organisations are working to remove price barriers

Arts, culture and heritage organisations in the UK are adapting their offering to make their experiences more affordable and accessible. Simultaneously, they are introducing dynamic pricing to support the organisation during this time, and encourage earlier booking.



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