

CASE STUDY – Auckland Theatre Company: Segmenting the theatre audience.

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Auckland Theatre Company was established in 1992 and swiftly rose to become a flagship creative organisation for Auckland and New Zealand. Through producing over 15 years of professional theatre, Auckland Theatre Company has established itself as a professional, creative and proudly New Zealand company, with an equally creative and sophisticated marketing strategy.

Auckland Theatre Company produces a range of plays from New Zealand and overseas, including works that are new and classic, dramatic, comedic and musical. Through its mainbill season of seven or eight plays (over 170 performances annually), the Company has audiences of over 75,000 drawn from throughout the Auckland region and beyond.

So how does a professional theatre company attract thousands of people to their performances? Traditional segmentation strategies, such as demographic and geographic segmentation are useful, but Auckland Theatre Company has learnt that beyond these variables, understanding their audiences' genre preference is the key to effective marketing.

The information needed to segment the theatre audience is obtained from transaction data, as well as online sign up forms (as Auckland Theatre Company moves to greater online interactivity). This data is firstly analysed in terms time and motivation, the result being the grouping of the theatre audience into four segments:

1. Season Ticket Buyers
2. Public Single Ticket Buyers
3. Public Groups
4. Corporate Clients.

The season ticket buyers (subscribers) account for approximately 40% of the audience base. Public and corporate groups are considered in terms of size and value, and are assigned to 'account managers'. Each of these target markets (subscribers, public groups, and corporate clients) are significant, but together are not enough to fill every

seat in the auditorium. Therefore, targeting the single ticket buyer, and growing that segment, is essential for the success of Auckland Theatre Company.

With an eye on the single-ticket buyer segment, geographic and demographic profiling is therefore performed. In terms of the single ticketing buying target market, Auckland Theatre Company has found they are primarily 45+ woman, who attend one show per year in groups of 2 or 3, or 35+ woman who attend in groups of 4 or more. The core audience lives in central Auckland, inner Eastern suburbs and Takapuna. While such demographic and geographic profiling is useful, Auckland Theatre Company has found adding yet a further filter of genre preferences to this data offers the most valuable information for designing an effectively targeted marketing campaign. Segmenting by genre is therefore further applied to the single ticket buying group.

Segmenting the audience by genre preference basically means finding out if they prefer a comedy, a drama or a musical. Knowing which genre a ticket buyer prefers ensures that specific targeted information about their preferred genre can be sent to them throughout the season. Rather than blanketing the city with marketing material which may go unnoticed in our media-saturated world, Auckland Theatre Company has recognized that by segmenting their audience so precisely by demographic, geographical as well as preference data, then matching each segment with appropriate and relevant marketing material, they are ensuring their marketing efforts are not in vain.

A clear example of moving from mass marketing to targeting specific segments occurred last year when Auckland Theatre Company removed their street posters for up-and-coming productions. The effect was negligible. Rather than spending their limited marketing funds on mass marketing material like street posters, Auckland Theatre Company has become sophisticated in their segmentation strategies, and targeted in their advertising (via direct marketing campaigns to each segment). Such targeted marketing efforts means the marketing costs per patron have dropped from \$11 to \$7.50. Beyond these reduced marketing costs, the full houses also offers evidence that segmenting by time, then demographic and geographic profiling the

single ticket buyer market, followed by segmenting by genre preference, is an effective marketing strategy.

The marketing efforts towards segmenting and targeting their audience are ongoing for Auckland Theatre Company. At present, they are considering adding a further filter that segments the theatre audience based on risk (do they prefer a new work, or an established classic etc). A research campaign is also currently underway investigating the most effective means of communicating with their audience: either via direct mail, email, or phone. The results will further help target their marketing efforts, with the ultimate aim of bringing their marketing costs down to an impressive \$5 per patron.

While Auckland Theatre Company has built a reputation as producing high quality, and artistically adventurous productions, they could equally be praised for their creative and sophisticated marketing efforts. Intimately understanding their audience has become a strength of Auckland Theatre Company – a strength that will help ensure they continue, for another 15 years and beyond, to be a flagship organisation for the creative sector in New Zealand.

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Case Study Questions

1. Auckland Theatre Company segments their audience based on geographic, demographic and genre preference data. On what other basis could they segment the 'single ticket buyer' market?
2. Discuss how the genre preference segmentation strategy might impact on the direct mail marketing campaign for Auckland Theatre Company?
3. Beyond the transaction data, and the online sign up forms, how else could Auckland Theatre Company research its audience in order to gain relevant segmentation information?