

State Theatre Company of South Australia and Square Holes

Knowing and Reaching an Engaged Audience

Executive Summary

Square Holes and the State Theatre Company [STC] have built and enjoyed a meaningful and collaborative partnership since 2008. In 2012, STC was faced with structural changes and a consumer market lacking in economic confidence, which culminated in a significant decline in subscribers who were shifting their purchasing to single tickets.

Qualitative and quantitative research with key subscriber groups was identified as a means to provide insights to increase the number of subscribers and secondly, to increase single ticket buyers.

From the outcomes of the research and follow up consultation with Square Holes, STC changed the structure of marketing programs, re-designed the layout of the subscription forms and booking process, and crafted the new State Theatre Club for group subscriptions. STC also engaged with mass media channels [i.e. out-of-home media such as bus shelters and posters] to reach non-subscribers.

The impact of the changes was significant and included exceeding box office targets, a new all-time box office record, sell out shows, and subscription numbers growing by 15% from 2013 to 2014. Ultimately, the dire trend was reversed and the subscriber base is now building towards a strong future for the State Theatre Company.

The Issue

Square Holes and the State Theatre Company [STC] have built and enjoyed a meaningful and collaborative partnership since 2008. From 2008 to 2011, this partnership explored issues and revealed insights such as the means to convert single ticket buyers to future subscribers, segmentation of the theatre going market, brand logo testing, sponsor attraction strategy, and profiling arts donators. However, in 2012 STC was faced with structural changes and a consumer market lacking in economic confidence, which culminated in a significant decline in subscribers who were shifting their purchasing to single tickets. This trend was ultimately leading to lower overall attendance and declining revenue.

"The Company has been going in a negative direction numbers-wise for about five years and last year represented the bottom of that slide" [2013, Rob Brookman, CEO]

Client problem: State Theatre Company's subscriber base and single ticket buyers are on the decline and there is a need to reverse this trend.

Research objective: Firstly, to provide insights to increase the number of subscribers and secondly, to increase single ticket buyers.

Sub-objectives to achieve the research objective:

- Gain a detailed understanding of the audience base and their relationship with STC
- Define the drivers to ticket purchase
- Understanding the channels that influence the purchasing decision
- In response to the already identified trend of group ticket buying, further investigate how and why they purchase tickets this way

SA State Theatre Company hits tough times

TOM DOUGHERTY SUNDAY MAIL (SA) JULY 09, 2011 11:00PM

THE State Theatre Company says a "scary" drop in membership has left it searching for more income to stay afloat.

The organisation has lost a quarter of its subscribers since 2006 and needs to sell tickets to a younger crowd.

The Solution (including marketing outputs)

Crucially, the 2013 research had to build on the existing research conducted by Square Holes and paint a more detailed picture of the current STC customer and environment in order to understand why the subscriber base was suddenly in decline. Each year the research has been able to build upon factors emerging either from the previous year's research or to economic and/or environmental factors influencing the outcomes of the Company. The issues explored in the lead up to the 2013 research are as follows:



A synthesis of qualitative and quantitative research was identified as the way to gain a better understanding of STC customers and the current environment that was driving or hindering ticket sales and subscriptions.

2013 Research Methodology Overview:

Qualitative: Focus groups with key segments, including long-term subscribers of over 20 years, under 30's, and group ticket buyers.

Quantitative: A total of 826 survey responses were collected via an online survey. The survey was distributed by Square Holes utilising patron lists supplied by State Theatre Company of South Australia.

The Result (marketing outcomes)

A range of insights emerged from the research and their combination helped to build the remainder of the 2013 and start of 2014 seasons.

Key Insights & Recommendations

- **Long-term subscribers of over 20 years:**
 - Likelihood of remaining a subscriber in subsequent years increases with length of time as a subscriber.
Marketing outcome: Monitor and reward recent or short-term subscribers.

- **Under 30's:**
 - Attend with their mother or family – it is difficult to find friends who enjoy the theatre and/or can afford to go.
 - Attend the theatre alone – it's their little secret.
 - Are excited about receiving direct mail – everything else is on email or social media.
Marketing outcome: Send more personalised direct mail to younger subscribers.

- **Group ticket buyers**
 - The theatre is more fun with friends, but there are enormous barriers for the person making the group booking, including organisation [hassle getting confirmations, clashes] and monetary [people don't pay up].
Marketing outcome: Craft a new subscription category and simplify the booking process.

- **Key Insights influencing all potential subscriptions and ticket sales**
 - A night at the theatre is an experience which includes pre/post drinks/food and importantly, debate and discussion of the play amongst like minded people. The venue needs to encourage this as it increases overall value of a night at the theatre.
 - Word of mouth is critical for subscribers, with 93% sharing something about STC via word of mouth. However, mass media is more important for reaching non-subscribers.
Marketing outcome: Support the pre and post play congregation environment. Engage with mass media channels to reach non-subscribers.

 - The yearly program, articles and reviews in the media are the key communications that encourage ticket purchases. Key factors in an enjoyable play and season include high overall quality, a balance of old and new, new plays from Australia, and international plays that have received strong reviews. Comedies are most liked.
Marketing outcome: Support the pre and post play congregation environment. Engage with mass media channels to reach non-subscribers. Consider genre preferences and variety.

The Key Outcomes that contributed value to the organisation

“Better understanding of the ticket purchase drivers and genre preference assisted the marketing of the 2014 season. It has been one of the drivers in State Theatre Company exceeding expectations with both subscriptions and the first four shows in 2014”

[Kriskty Rebbeck, Marketing Manager, State Theatre Company of South Australia]

From the outcomes of the research and follow up consultation with Square Holes, STC changed the structure of marketing programs, re-designed the layout of the subscription forms and booking process, and crafted the new State Theatre Club for group subscriptions. STC also engaged with mass media channels [i.e. out-of-home media such as bus shelters and posters] to reach non-subscribers.

- *The Seagull* was the **first complete sell-out show in eight years**.
- *The Long Way Home* **exceeded its box office target** even though it was an add-on show and not part of the core subscription campaign
- *Neighbourhood Watch* **broke State Theatre Company’s all-time box office record** and was the first one of the Company’s productions to gross in excess of \$400K
- Our Education show *Jesikah* **exceeded the box office target well before the show opened** and is a **complete sell-out**.
- **Subscription numbers grew by 15%** from 2013 to 2014



“Gathering a better understanding of influential elements and channels in influencing purchasing decision and preferred communication methods changed the way that we structure marketing campaigns. Understanding how our customers share information has encouraged us to look at our communication methods and alter how and what we say”

[Kriskty Rebbeck, Marketing Manager, State Theatre Company of South Australia]