The Thirst for Knowledge – Audience Data in the Arts

A report for Arts Council England, the Scottish Arts Council and the Arts Council of Wales

By **Catalyst Arts**

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EXECUTIVE SUMMARY

0. Executive Summary

0.1. Introduction

In January 2003, the officers responsible for audience development at Arts Council England, the Scottish Arts Council and the Arts Council of Wales commissioned a study to look at the way audience data is currently used throughout the arts infrastructure, and to consider both how it might better be used in the future and what benefits might then flow. This report is from Catalyst Arts – Beth Aplin, Kieran Cooper and Sarah Denner Brown.

This executive summary outlines the background to the study, the findings of the consultation and the set of recommended actions. The main report contains more detail behind this, and the appendix has descriptions of each of the recommended projects written to form the starting point of consultancy briefs.

The main report and appendix are available to download from
http://www.catalystarts.com/ **or by emailing** info@catalystarts.com

This executive summary also includes responses from the audience development officers of the Arts Councils which outline how they intend to proceed with the recommendations and within what timescale. These response sections are included in boxes (such as the one below) to distinguish them from the main report.

> Although there is not intended to be a formal consultation process about the findings of this study, the Arts Councils (and Catalyst Arts) are interested to hear from anyone who would like to comment on the report in any way. Comments should be addressed by email to datascopingstudy@artswales.org.uk or by post to Ann Kellaway, Arts Council of Wales, 9 Museum Place, Cardiff CF10 3NX

0.2. Background – the Thirst for Knowledge

Throughout the arts infrastructure – funding bodies, arts organisations, agencies, consultants or individual artists – there is a thirst for knowledge to help people do their jobs better. This is not unique to the arts and indeed, there is a standard model that describes the process by which data is gathered, turned into information by analysis and combined with understanding of the context to create knowledge. The process of using that knowledge inevitably creates a need for more knowledge and so the cycle continues.
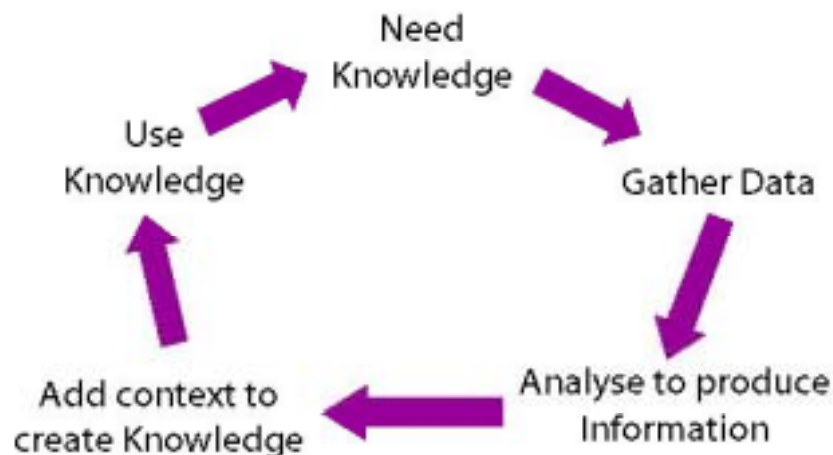
However, there are a number of problems that can get in the way of organisations using this knowledge effectively. Gathering data can often be difficult. Arts organisations which do not run their own box offices or provide activity for which tickets are not sold often find

themselves at a disadvantage over those with ticketing systems and years of customer transaction data. The tools for analysing data are then often difficult to use and the process can easily become very time consuming. It is quite difficult to know whether other organisations have faced similar needs in the past so there is a great potential for duplication of activity. The process of adding context to information can also be difficult – it is one thing to have discovered a particular statistic about audience behaviour but this can only become significant once it is clear how significant that might be in relation to other organisations or past trends.

0.3. Audience Data Scoping Study

In the light of these difficulties, there has been much discussion about the issue of building knowledge about audiences in the arts over the last two years (although many of the issues have actually been around since the early 1990s when Box Office computer systems with integrated customer database first came onto the market in the UK). In 2001, NETWORK (the umbrella body for UK audience development agencies) commissioned a study from Sarah Bedell and Richard Whitehouse into the concept of developing a 'data culture'. This echoed much of the thinking that was also going on within the three Arts Councils and it was decided to combine the two approaches and commission this scoping study to recommend a practical way forward against the background of the daily challenges faced throughout the arts in using data and turning it into usable knowledge.

This report has two main sections. The first considers the issues that arose from a programme of consultation amongst representatives of the various groups of organisations and individuals who have a stake in the way audience data is used in the arts. The second section proposes a number of projects designed to address these needs and some of the underlying issues. Together these projects form a three-year programme of activity across the UK. The main report contains summaries of each project and there is then an appendix which has detailed descriptions of each section of work.

The study was commissioned by the Arts Councils in England, Scotland and Wales but the Arts Council of Northern Ireland was consulted before and during the process. Recent developments in establishing a structure for audience development activity in Northern Ireland will ultimately develop the capacity for organisations there to be in a better position to respond to, and benefit from, the outcomes of this report and it is strongly recommended that Northern Ireland, through ACNI, is included in the implementation process at the earliest possible stage (without holding up any of the immediate priorities).

0.4. Consultation – needs and demands of stakeholders

Eight key groups were identified which have a stake in how information is used currently and might be used in the future:

➢ Arts organisations

➢ Arts Councils

➢ Local authorities

➢ Audience Development Agencies

➢ Consultants

➢ Umbrella bodies

➢ Academic organisations

➢ System suppliers

Consultation was undertaken with eighty-five organisations, and four key points emerged:

- There is a clear lack of a business planning culture within most arts organisations which manifests itself in a lack of demand for audience data which would otherwise have been needed to inform planning. Conversely, those managers who are keen to have information about audiences often find it difficult to access what they need.

- The biggest lacks were training (both in skills and understanding), and mechanisms for sharing information and knowledge.

- Audience data is frequently pigeon-holed as only relevant to marketing which means that it is not considered useful for any wider tasks such as business planning or programming.

- There is clear frustration, particularly on the part of those who have worked in the arts for some years, that the same problems are encountered by organisations over and over again and that lessons are not learnt. There is a clear need for both existing and past expertise to be drawn upon and shared so that wheels are not being re-invented.

0.5. Programme of work

In order to begin to change this situation, a **programme of work is recommended** which would be undertaken in a number of discrete and manageable parcels ranging in scope duration and cost – some of which would run simultaneously. The overall initiative would be a major intervention with long-term effects and implications and the separate sections would be planned so as to maximise the cumulative impact. There are five broad areas which would be covered – the first four of which relate to the priorities set out in the original project brief:

0.5.1. Agreed protocols and guides to good practice

It is recommended that four separate tasks are undertaken:

- **Standard Protocols and Best Practice Guides.** The production of definitions, terms and concepts relating to audience data with clear protocols for processes and guides to best practice. These would be adopted by the Arts Councils, and publicised throughout the industry.

> The Arts Councils plan to publish best practice guidance in the key areas suggested. These will build on established industry protocols and guidelines where possible. This activity will begin in 2004/5.

- **Standard system reports.** Working with key users and with ticketing systems suppliers to produce a set of standard reports which would look similar and function in the same way, regardless of the system on which they were running.

> The Arts Councils will work with the system suppliers and users to develop standard system reports. This activity will take place during 2004/5 and 2005/6.

- **Specific research to validate box office data**. There are two key issues which have been frequently cited as immediate flaws in any analysis based on box office transaction data – the effect of door sales (transactions where name and address detail is not captured on the box office database) and the relationship between bookers and attenders given that there are some customer who regularly attend with other people but whose records on the ticketing system are incorrect because the tickets are bought by someone else. This work would establish the size of each issue, find whether a standard measure can be applied to data projects to correct for them and to make suggestions about how these factors can be overcome when data is collected.

> Research into the areas suggested will be commissioned during 2004/5.

> **Data Ownership**. This issue has got in the way of many organisations using audience data well. This work would propose a policy position for the Arts Councils to adopt, as well as seeking to create change by using examples of good practice.

> These guidelines will be commissioned during 2004 with the aim to publish good practice guidance in early 2005

0.5.2. Sector-wide classification system

An enormous amount of time and effort has been spent over many years to compile classification systems for the arts. Various systems have been devised which range from the very high level, to the very detailed and precise. Despite some disagreement about the most desirable level of detail, there is almost total agreement that an 'official' Arts Councils approved system is required.

The original project brief asked for consideration of a comprehensive and detailed system which could be used across all the arts to cover all needs. What this report, however, recommends that a **high-level system is developed** which could then be used as the basis for any audience research, analysis or data collection in the future. There are a number of factors which drive the need to work at this level:

> The inherent problem with a detailed subtle system is that classification becomes too subjective thereby counteracting the advantage of a detailed system in the first place. Experience seems to show that detailed classification systems only work well when applied consistently by the same person

> The majority of users for sector wide systems are funders, agencies and consultants engaged with cross -organisation comparison. In many cases these activities actually only require high level systems, because the aim is to compare 'types' rather than 'specifics'

> Many excellent industry sector schemes have been designed which serve the purpose of that sector well. Combining these into one global classification would create a complicated and overwhelming system.

> The practicalities of all three Arts Councils adopting the same top-level classification system will be investigated. This will take place during 2004.
>
> The Arts Councils will identify preferred detailed classifications in partnership with the industry, building on established systems where possible. This process will take place in 2004/5.

0.5.3. A publicly-owned data set for benchmarking

There has been much discussion about the concept of benchmarking in the arts – to what extent it is possible to increase the level of knowledge about patterns of attendance and activity across the arts as a whole, and to provide organisations with an effective way to compare their performance with others, across a wide range of indicators.

The original brief proposed a system based on attendance data, largely taken from box office systems. The additional option of combining existing region-wide data pooling and benchmarking exercises, and commissioning new ones to fill the gaps, was also considered but both were rejected because it would not provide significant benefit to the majority of organisations for the following reasons:

> With the current lack of data sharing it is felt that a large number of organisations would be reluctant to submit their database of bookers and sales into a national pool. Regional projects have succeeded because of the existing relationship between venues and local agencies

> The lack of standardised data capture protocols mean that much data is not truly comparable

- Most large scale benchmarking projects have taken longer and more resources than originally anticipated – a national scheme could completely founder on the sheer scale of the undertaking

- Organisations without a computerised ticketing system or ticketed admission or touring companies simply don't have detailed booking history information

- The sheer amount of time that would be necessary to gather detailed database information on a national basis would inevitably cause the data to be spread over some years – this would compromise the comparison

The report proposes the development of a web-based data collection and benchmarking system. The system would allow organisations to enter various items of data about their activities using a form on a web site. The data would be 'top-line' figures about the organisation's work and would include details on key operating indicators as well as summary information about attendance levels and audiences / participants.

After an organisation had submitted its data, it would then be able to see benchmark figures which compared its own performance against an average of other comparable organisations. These benchmarks would be calculated and updated in real time, and it would also be possible for organisations to choose the grouping that they wished to use as the comparator. It would therefore be possible to benchmark an organisation against all others that had entered data in a geographic area, or all those which presented a certain artform, or those on the same scale. The only restriction would be that the categories would have to be large enough to prevent individual organisations from being identified.

There would be a number of advantages to this process:

- All information could be gathered by any arts organisation regardless of whether they have a computerised ticketing system, or ticketed admission. This could create a truly industry-wide benchmark.

- It would be possible to obtain some idea of total arts provision, which would then place specific research into a real framework.

- That data would then be of key use to organisations in comparing their performance across a wide variety of indicators – not only attendance. It could help organisations to gauge whether a dip in dance audiences was reflected across the country, or whether their level of marketing spend per ticket sold was the same as other organisations of the same scale.

This kind of benchmarking information is currently being collected and analysed in a number of key projects around the country, including the TMA member survey, the various 'How's Business?' surveys run by audience development agencies, and in some ad-hoc systems set up independently by groups of organisations. The fact that these systems exist, and that organisations seem keen to take part, even to the extent of paying something to participate, would seem to indicate that they recognise the kinds of benefits that can flow from this sort of arrangement which would only be magnified by running a national project which would ensure the comparability of information.

Once this system is established, there is a major spin-off benefit that could arise. Various funding bodies, such as local authorities and Arts Councils, are currently collecting information from their client organisations on an annual basis. Once the benchmarking system were set up, it would be possible to combine it with some or all of these data collection exercises. This would have a number of advantages:

- ➢ Organisations would have a real incentive to enter information into the system (and consequently into their funder's survey) because they would be getting back meaningful and useful benchmarks in return
- ➢ Because part of the benchmarking system would be clear best practice guides as to how organisations should collect and summarise data then the quality of data collected by funders could potentially increase significantly
- ➢ Many organisations find it extremely vexing to have to present the same information in subtly different ways to different funders (and sometimes to different departments of the same funding body). So, as the process of setting up this benchmarking system would include getting funders to agree on which information to collect and in what format, organisations would then have a great deal of time and aggravation released in only having to submit information once. There are already examples of this sort of approach in action, including in Edinburgh where the city council and Scottish Arts Council are working together to streamline their information requirements of funded organisations.

The third aspect of this benchmarking system is that the system could very easily work across any existing boundaries set down by funding bodies. If the benchmark data were of use to organisations then there is every reason why a major commercial theatre in a city would be keen to supply data alongside the funded organisations, and the benchmark would consequently be much more realistic and up-to-date as a result. Indeed, in all the existing benchmarking projects, non-funded / commercial organisations have taken part because they see the potential for using the resulting benchmarks themselves. This could be a virtuous circle – the more organisations take part, the better the benchmark information which would then encourage more organisations to take part. The guiding principle is that only organisations which submit data can then access the benchmarks.

In addition, the virtual warehouse web site (see below) would contain case studies and 'how to' guides to demonstrate the potential value of this kind of benchmark information to organisations and to describe exactly how the data should be collected and summarised.

> We support the assessment of the issues and the general recommendations. However we need to begin by establishing a clear need and feasibility. It is crucial that we do not duplicate existing mechanisms for gathering audience data such as surveys of regularly funded organisations. We also need to be sure that any benchmark data that is produced, as well as being statistically robust, is of practical use to the industry. We plan to commission a feasibility study into the specific recommendation of an on-line benchmarking tool during 2004/05.
>
> We also wish to make better use of existing data for benchmarking purposes and will begin by collating and disseminating audience data currently held by the Arts Councils (whilst respecting client confidentiality). We plan to produce digests of key facts and figures whilst developing guidance on the practical usefulness of this data to programmers, venue managers and marketers. This will include Arts Councils funded data-merge and analysis projects where possible. This activity will commence in 2004/05 and will be on-going.

0.5.4. Virtual warehouse

The consultation showed that there is surprisingly little information sharing at present. Despite the appearances of being a very close-knit industry, there are few formal ways in which people can keep in touch with what others are doing or find out what lessons others have learnt.

It is therefore recommended that an infrastructure is set up to enable the process of knowledge sharing to take place, based on an Internet web site. The programme has a number of elements:

➢ It would need to become a one-stop-shop for information about audiences, accessible to anyone, whatever their discipline or level of understanding

➢ It would be a publishing house for key information about arts audiences commissioned by the Arts Councils

➢ It would be a clearing house through which case studies and projects can be published and other relevant information can be gathered

➢ It would be a forum for contributions from a wide variety of individuals – funders, practitioners, academics, consultants etc. However the site would be aimed primarily at practitioners and consultants – having a very hands on feeling. Its aim is to be *useful* rather than (merely) *interesting*

➢ There would be strong opportunities for a community of interest to develop around the site where individuals would help each other by providing comment, examples of their own work and so on. The online retailer Amazon is a very good model – anyone could comment on studies and there would be sophisticated search and linking systems (for example 'other people who consulted this document also looked at …..' or 'I'd like to put a particular project onto my wish list in case researchers or agencies are looking for interesting projects'

➢ The site would have an editorial voice and everything on the site would be categorised, indexed and commented on. A user who looked at the write-up of an audience development project, for example, would get a clear understanding of what the editorial team believed to be the key successes and failings of the project, in addition to the information supplied by the organisation which wrote the project report. This doesn't mean that there would be a single point of view – it would be desirable to combine comments and input from a wide variety of people but there needs to be a feeling that the site is more than just an unmediated library of content. The Australian site fuel4arts.com is a very good example of how this balance can be achieved

➢ It would aim to combine 'official' definitive content from the Arts Councils of England, Wales and Scotland (and possibly Northern Ireland at a later date) with contributions from a variety of people – content specifically written for the site and information previously published elsewhere

➢ The site would become the place where anyone would expect to turn to find information about audiences. It would contain all the content generated by other projects recommended in this report (standard protocols and case histories for example). It would not, however, need to replace the number of existing information outlets (such as the New Audiences web site, the Arts Marketing Association or Fuel4arts). The real advantage of Internet technology is the way that a site such as this can aggregate content and present it in a usable way without duplication.

We agree with the assessment of the key issues and the recommendation that we establish a one-stop-shop for information about audiences that is easily accessible. We recognise the need to provide comprehensive yet interpreted information. We also recognise the importance of distinguishing between anecdotal evidence, case-study information and independently verified research and information though we believe all can be of use to arts practitioners.

We favour a partnership approach that will begin by exploring opportunities to harmonise and pool existing industry audience research. We would like to explore practical ways of allowing independent comment and analysis of information held and for the application of systemised approaches to the sorting of data. We believe that it is important to draw on as many perspectives as possible on the usefulness of existing audience research.

We plan to investigate the recommendation in more detail, beginning in 2004, by testing the financial and practical implications of this approach

0.5.5. Increasing skill levels and advocacy

Many of those consulted identified a real lack of training on data issues. This report therefore proposes that a fifth priority should be added to the list set out in the original brief.

Change will not happen without raising the general levels of skills in using audience data. The emphasis must be on the word 'general' – the whole base level needs to be raised across all sectors of the arts infrastructure. This doesn't mean that everyone need become statisticians overnight. As well as developing technical skills in data manipulation for people who need them, there also needs to be an increase in levels of understanding about what is possible with audience data.

Three specific areas of work are recommended:

➤ **Skills development programme**. The task involves commissioning a suite of training courses aimed at staff who come into contact with audience data within ticketed and non ticketed organisations. The courses would cover three levels – Introductory, Basic and Advanced. This does not commit the Arts Councils to being training providers – the aim is to create courses which any suitable body can then deliver with the training materials provided to them free of charge. There would need to be a quality control process that began with the development of the courses and continued to monitor the delivery process. It may be possible to link with an existing validation authority such as a university in order to ensure that the quality control systems related to the wider national training and qualifications picture.

➤ **Management Advocacy and Development.** Managers who run organisations could benefit enormously from information about how the systematic use of audience data can help their organisation, and a strong need was identified in the consultation for audience data to be used as a management tool as well as a marketing tool. It is proposed that an 18-month action research programme be established to work with a specific group of General Managers from a wide range of arts organisations to explore and refine methods of using audience data to better inform the planning and day to day running an arts organisation. The findings of the group – both good and bad – would be used as case studies to establish and spread best practice throughout the industry. There is also the possibility to include local authority arts officers in this group.

➤ **Funding system training**. There is a large number of officers in the three Arts Councils who come into day-to-day contact with client organisations. Often these officers have a background in artistic programming, but their responsibilities mean that they need to be conversant with all business aspects of the arts too. A training programme should be set up to bring Arts Councils staff up to speed with the issues around audience data and therefore to encourage good standards within client organisations.

A significant part of the proposed virtual warehouse project also involves advocacy. This can be a virtuous circle – the more information is available that helps organisations work better, the more organisations will use the virtual warehouse, the greater the demand there will be for better information on audiences and for guidance on ways to use it in practice. The role of the virtual warehouse team to publicise that project and to work to bring more people to use it will also have the knock-on effect of increasing the levels of awareness and understanding of audience data and its value.

> We agree with the assessment of the key issues and specifically that:
> ➢ Developing skills and advocating for a greater understanding of the uses of audience data is probably the single most important factor to address;
> ➢ These issues go beyond the remit of those with responsibility for marketing and audience development;
> ➢ Officers across the funding system would benefit from training in the use of audience data as a management tool.
> As mentioned in the report, the Arts Councils are not direct providers of training. A detailed assessment of potential development and delivery mechanisms is required before this recommendation can be taken forward. This assessment will take place during 2004/5.

0.6.   Delivery

There is a clear case for the Arts Councils to take the lead in addressing these issues. Attempts to get similar projects off the ground in the past have been hampered by factors such as

➢   Lack of wide, joined-up vision

➢   Lack of 'official' status

➢   Ownership issues

➢   Lack of money

Whilst it is by no means necessary (or indeed desirable) for the Arts Councils to deliver the programme of work themselves, these pitfalls can be avoided by them taking a lead in commissioning and overseeing everything that happens.

There will be a need to balance 'push' and 'pull' in undertaking this initiative. It will simply not work for anyone, least of all the Arts Councils, to be seen to be deciding on high how things will be, and then insisting that organisations embrace change wholeheartedly, simply because they are told to do so. On the other hand, it is equally unrealistic to expect change to happen from the grass roots if the objective is to adopt universal ways of doing things. The key aim is for the Arts Councils to lead the change through clear and consistent statements, and by demonstrating in practice that they themselves have embraced the concept. Conversely, by setting up ways in which organisations can be exposed to examples of how others have benefited from change, there should be a *pull* from managers demanding better access to data so that they can take advantage of some of those benefits in their own organisations.

The whole programme of work needs to be underpinned by a set of evaluation criteria so that the progress of individual sections and the initiative as a whole is monitored and measured. Given the scale and potential impact of the work proposed by this report, it will be essential to ensure that the resultant change is clearly defined and this will in turn provide ever more compelling examples to persuade individuals and organisations to embrace the underlying ideas. There will also need to be an element of project management and coordination to ensure effective delivery within the agreed timescales and budget.

> The Arts Councils are currently in discussion about the detailed management issues and are in the process of appointing a Project Administrator in order to help coordinate the initial activity outlined and to collate feedback.

0.7. Timescales

The report proposes a three-year timescale in which all the proposed work can be completed. Much of the work can happen simultaneously but the inter-connected nature of the various aspects of the proposals dictates that some elements will need to be undertaken before others – for example, the protocols and guides to good practice need to be in place before the skills development programme is rolled out.

The commissioning of this scoping study has created a certain amount of expectation within the industry, on top of the long-term underlying feeling that 'something needs to be done'. It is important to capitalise on this by starting work as quickly as possible and therefore some of the elements of work have been identified as 'quick wins'.

0.8. Conclusion

The consultation undertaken for this study showed that the majority of organisations across the whole of the arts sector were at a very early stage in their thirst for knowledge. However, the majority also recognised at least some kind of need and there was great enthusiasm for changing this situation. There are therefore two ultimate challenges which go hand in hand:

➢ To raise the awareness of the potential benefits that developing knowledge can bring

➢ To create tools, and develop skills, that make it easier for organisations to benefit from that knowledge

Meeting these challenges needs effort and determination from all sectors of the arts infrastructure. However, it is the Arts Councils that are best placed to lead this process – both by financial and practical support for the proposed programme of activity and by adopting and demonstrating the underlying principles themselves. There are real benefits to the Arts Councils from this, not least that organisations which are making better use of audience data are likely to ultimately be more successful.

This report by no means advocates a situation in which data is driving organisational decisions – the idea of running an organisation by numbers is clearly ridiculous. Data is only a means to an end – a way of supporting decisions and a cultural process of seeking to ground what an organisation does in a thorough understanding of the environment in which it works.

The use of data will not 'save' an organisation whose product, place, price and promotion (to use the traditional elements of the marketing mix) are not right. Successful arts promoters have always sought ways to ensure that the decisions they make (however 'brave') are taken in the light of as much knowledge as possible. This report proposes ways of delivering that sort of knowledge to organisations in ways they can easily understand and use, so that they can function better.

To refer back to the knowledge management model described in the introduction, better tools and skills will help organisations to go round the cycle more frequently, and making that process easier will then mean that organisations have a higher demand for information which will encourage them to keep refining, developing and broadening their levels of knowledge. This is a real virtuous circle which has the potential to bring major benefits to the arts as a whole.

In the end, the most meaningful measure of success is whether organisations are able to marry audience and art in the most effective and efficient way possible.

The report provides invaluable insight into the audience data needs of the arts. It identifies many of the limiting factors which are preventing funders and practitioners alike from making full use of the information that is already available. It outlines the benefits of change and goes on to suggest key actions that could bring about this change.

The three Arts Councils that commissioned this report will continue to liaise as we develop detailed action plans in response to this study. We look forward to including Arts Council of Northern Ireland in these discussions in future.

0.9. Acknowledgments

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