

ARTS MANAGEMENT NEWSLETTER

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EDITORIAL

Dear readers,

for most of us these days are the only time in the year to relax. The editor-in-chief hopes also to relax and get inspired in Italy right now. Nevertheless we'd like to provide you some of the latest news and developments in arts management. Even more: we have the big honor to present you an exclusive interview with Philip Kotler. Kotler is said to be one of the best marketing experts in the world, who has also co-edited books for arts marketing. In the interview with Arts Management Network, he underlined the importance of management and marketing for the arts. He also introduces some of the latest results of his research in audience development and value-based marketing.

Another highlight of this newsletter issue is the review by our correspondent James Abruzzo, who visited the annual EU Consult meeting, which took place in June in Rome. This association is a valuable network of consultants in the European Union, specialized in the nonprofit and cultural sector.

You will also find a recommendation for a new museum marketing book and a preview to upcoming events for arts managers this fall.

Have a relaxed and sunny summer-time!

Yours Dirk & Dirk

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TOPICS & BACKGROUNDS

1. Interview: Philip Kotler, Kotler Marketing Group

An article by Dirk Heinze, editor-in-chief



AMN: Prof. Kotler, you are one of only a few marketing experts, who pay attention with your management theories to the specific requirements of the arts. Does the arts sector – as opposed to the business sector - need its own management and marketing concept and system? And if yes, why?

Philip Kotler: I have had a great interest in the question that you raised about the applicability of current management and marketing theory to the arts. It is the reason that I co-authored two books on the arts, namely *Museum Strategy and Marketing* and *Standing Room Only: Strategies for Marketing the Performing Arts*. I discovered that current management and marketing theory, when read by managers in the arts, opened up their minds to new perspectives and applications.

Perhaps the major revelation is to think of art patrons as consumers (as well as potential givers) with varying needs, wants, and preferences. This leads to managing the arts organization from a "customer perspective." It leads the arts organization to develop multiple programs providing different offerings and satisfactions for different customers. Some people come to the museum to contemplate the great art, others come for a class, others come to meet their friends or to meet new people. As for performing arts organizations, they have to prioritize their market groups. A symphony orchestra must prepare different programs to satisfy the tastes of different audiences that the symphony orchestra values.

AMN: In both the business and the arts sector, there are always crises from time to time, which can lead to factory closings and unemployment. Does this happens because of wrong or missing management decisions?

PK: In the U.S., several symphony orchestras closed down because they couldn't draw a sufficiently large attending audience or sufficient funding from patrons or granting organizations. Some museums close down for the same reason. There are usually early warning signs of a declining audience, declining giving, or both. This is a crisis time that requires fresh thinking about how to improve the programs, services, and audience experiences.

AMN: What are the current discussions in marketing and management research? Are there new developments? Your speak, for example, about value-based marketing? What does it mean for the arts sector?

PK: Arts organizations should pay attention to the following developments:

1. The increasing importance of branding and differentiating the organization from its competition.
2. The use of relationship marketing strategies to build loyal audiences who not only attend but who will act as advocates and bring in new members. Arts organizations

must start to understand how to stimulate word-of-mouth and buzz about their activities.

3. Treating the audience not as passive recipients but as active partners in developing programs and experiences. This is called co-creation strategy.

Kotler Marketing Group: <http://www.kotlermarketing.com>

Kellogg School of Management: <http://www.kellogg.northwestern.edu>

Standing Room Only: <http://www.artsmanagement.net/Books-id-14.html>

Museum Marketing and Strategy: <http://www.artsmanagement.net/Books-id-770.html>

BOOKS & RESOURCES

2. Book: Museum Marketing. Competing in the Global Marketplace

Museums have moved from a product to a marketing focus within the last ten years. This has entailed a painful reorientation of approaches to understanding visitors as customers; new ways of fundraising and sponsorship as government funding decreases; and grappling with using the internet for marketing. This book brings the latest in marketing thinking to bear on the museum sector taking into account both the commercial issues and social mission it involves. Carefully structured to be highly accessible the book offers: a contemporary and relevant and global approach to museum marketing written by authors in Britain, Australia, the United States, and Asia; an approach that reflects the particular challenges museums of varying sizes face when seeking to market an experience to a diverse set of stakeholders: audience; funders; sponsors and government; a particular focus on museum marketing in the 'Information Age'; and, major case studies at the beginning and end of each section of the book, and smaller case studies within chapters. The hugely experienced author team, includes both leading academics and practitioners to ensure the book has broad appeal and is both relevant, innovative and progressive in approach.

It will be essential reading for students in museum studies, non-profit marketing, and arts management and marketing. It will also be equally relevant for professionals working in and managing museums and galleries, heritage attractions and ministries of arts. This is the most up-to-date treatment of marketing museums with a global approach. There is a blend of academic and practitioner expertise to appeal to students and professionals seeking a contemporary and relevant approach. It features a range of international case studies that demonstrate the museum experience and draw out the particular challenges that museums and galleries of varying sizes and types face in the global marketplace.

Author : Ruth Rentschler, Anne-Marie Hede
296 pages, Butterworth Heinemann (July 2007)

Details: <http://www.artsmanagement.net/Books-id-791.html>

3. Magazine Digest: Museum and Society **March 2008 , Volume 6 No. 1**

Content:

- 1) Private and public memories of Expo 67: a case study of recollections of Montreal's World's Fair, 40 years after the event, by David Anderson and Viviane Gosselin
- 2) The Micro-history of a world event: intention, perception and imagination at the Exposition universelle de 1867, by Volker Barth

- 3) On the boundaries and partial connections between amateurs and professionals, by Morgan Meyer
- 4) Gender representation in the natural history galleries at the Manchester Museum, by Rebecca Machin

Book Reviews

- 5) Paul Basu and Sharon Macdonald (eds), *Exhibition Experiment*, by Haidy Geismar
- 6) Arthur MacGregor, *Curiosity and Enlightenment: Collectors and Collections from the Sixteenth to the Nineteenth century*, by Sam Alberti
- 7) Richard Sandell, *Museums, Prejudice and the Reframing of Difference*, by Andrew Newman

More information: <http://www.le.ac.uk/ms/museumsociety.html>

Arts Management Bookstore

Arts Management Network provides the world's largest database for arts management publications. Nearly 450 books in English and even in Chinese, Italian, Russian or French language are introduced with extended descriptions, cover images and information about the authors and publishers. Easy to order via our partner, Amazon.com or its sister online stores in Canada, Great Britain, Germany, and France. If you purchase items (not only books) at Amazon through our bookstore in general, you can easily support the further growing of our information network.

More: <http://books.artsmanagement.net>

CALENDAR

4. Review on the 2008 EUConsult Conference

An article by James Abruzzo, correspondent, New York



The EUConsult conference was held in Rome from Friday June 20th through Sunday June 22nd, 2008. The leadership of the group should be congratulated for their wise choice of location - Rome was more exquisite than ever - and the hospitality of Pasquale Pesce (conference host) and Dr. Franco Pavancello, President of John Cabot University, where the meetings convened, were outstanding.

EUConsult (formally known as The European Association of Consultants to and about Not-For-Profit Organizations) is a trade association of individuals and large and small companies that provide consulting services to the nonprofit and NGO sectors in Europe. While some members are international firms with offices in and outside of Europe, and some have expanded their European operations to serve clients throughout Europe and the United States (US), by and large EUConsult is a European association serving European clients. There are forty plus members and, in the interest of full disclosure, this correspondent's company was offered an opportunity to become a member.

The speakers list included some of the EUConsult members and others from the Italian government, nonprofit organizations, cultural organizations, educational institu-

tions and a particularly enlightening presentation from Dr. Dario Disegni, the Director of the Cultural Sector of the Compagnia San Paolo di Torino, one of the largest grant making foundations in Italy. Two significant themes emerged from the formal discussions: there has been an explosive growth in the number of nonprofit organizations and, with that growth, the financial and human capital impact that these organizations are having on civil society in Italy; there is a large and growing influence from the Italian banking foundations on Italian society.

While the most recent statistics are not yet available, the number of NGOs in Italy is increasing at a rapid rate. By some measures, the sector has grown by almost 50% in the last ten years; other statistics point to a growth of more than twice that. Though not discussed formally at the conference, this increase in the number of nonprofits, similar to the situation today in the US, combined with a significant demographic trend of an aging population and a diminishing workforce, is likely to create a situation where there will be the funding to run the sector but not the people to manage it. This points to a growing need for consultants to fill these lacunae.

The conference also highlighted the importance of the major Italian grant making foundations. Many of these institutions, founded as charitable institutions in the 16th Century, have been transformed through changes in the banking laws into some of the largest, independent foundations in the world. The Compagnia di San Paolo, one of approximately a dozen of such institutions in Italy, awarded grants and services in excess of 148 million Euros in 2006. Such an institution would be equivalent to a \$4.5 billion American foundation, larger than Rockefeller and Carnegie foundations, for example. These Italian foundations today are taking a major role in creating and improving the civil society in Italy. As the Italian government struggles under growing pressure to support pensioners and to fund other social costs related to an aging and shrinking population, the future health of the society will be supported, and social policies influenced, by these institutions.

As recently as ten years ago, the nonprofit consulting industry in Europe was not mature or professionalized. There were the beginnings of fundraising consulting activities; some professionals from the field provided paid advice in their areas of expertise; and a few economic-consulting firms worked with governments on research and policy. Then, the Lottery in Great Britain created an unexpectedly large fund for new construction of cultural institutions and that, combined with budget pressures on European governments, created a movement toward a more "business-like" approach to the entire nonprofit sector. We are now witnessing the maturing of, and no doubt, an acceleration of the trend. As any sector matures it creates a consulting industry around it.

The mission of EUConsult is to establish and support an ethical and professional consulting industry for the growing NGO sector in Europe. There is no question that the need for consulting will grow and that the sector will be better served as EUConsult extends its influence.

More information may be found at www.euconsult.org

5. Preview: The Northern Urban Regeneration Exhibition and Conference Liverpool, 28-29 July 2008

NUREC 2008 - The Northern Urban Regeneration Exhibition and Conference is the key conference in 2008 that explores and discusses the challenges that face our Northern Towns and Cities as they seek to close the gap with London and the South East.

The Conference will look back on 30 years of urban regeneration policy and implementation, highlighting the key successes made in Northern Towns and Cities, in areas such as city centre redevelopment and the development of the tourist industry, whilst at the same time, examining the challenges that now face Northern Town and Cities, particularly in terms of economic development and local neighbourhood renewal.

Delegates to the Conference will be able to hear the views of key speakers in the field of urban regeneration and planning, and also network with key people involved with the regeneration of our Northern Towns and Cities.

Delegates will also be able to network with upto 50 exhibiting organisations involved within urban regeneration, which itself forms a major part of the 2 day event.

As the 2008 Conference is being held in Liverpool, delegates will also be able to witness what is going on in the European Capital of Culture and see the exciting regeneration developments taking place in Liverpool City Centre and surrounding areas, on the Official Conference Guided Tour on the first evening, prior to returning for a drinks reception.

Details: <http://www.nurec2008.com>

Skate's Art Investment Handbook

Skate's Art Investment Handbook describes a rational approach to investing in art with valuation drivers and market statistics, an analysis of how the art market compares to other investment markets, and a special supplement carrying the ratings of the world's 1000 most expensive paintings.

Another product of Skate's is its Art Valuation Letter - a unique art investment aide that focuses on pre-auction assessment of significant works of art for upcoming auctions. It gives updated ratings and segment tables for Skate's Top 1000 artworks as well as earnings reports and research updates on Skate's Art Stocks. The newsletter is published monthly with additional special issues published in the middle of each auction season.

Owners of major art collections, both in the public and private sector, art funds and art investment foundations can benefit from Skate's auditing services, provided by an experienced multinational team of specialists.

More: <http://www.skatepress.com>



6. Preview: Arts Reach Nat. Arts Development & Arts Marketing Conference San Francisco, October 4-7, 2008

Arts Reach National Arts Development Conference 2008 and Arts Reach National Arts Marketing Conference 2008 are the premier forums for entrepreneurial-minded arts professionals. This year these two overlapping conferences share the same theme: "Relationships Built to Last: Creating Communities of Audiences and Donor-Investors." The discussions at these events will focus not only on how to find audiences and donors, but also how to keep them. To emphasize the gear-like relationship between development and marketing, and to maximize efficiency for organizations or individuals interested in both of these key revenue sources, the two conferences will overlap.

The second and third days of the Development conference, delegates can choose Development or Marketing breakout sessions. The first day (Saturday, October 4) is exclusively Development. The first and second days of the Marketing conference, delegates can choose Marketing or Development sessions. The last day (Tuesday, October 7) is exclusively Marketing.

In addition, there will be a special One-Day Marketing Intensive titled "7 Hours to Full Houses" on Saturday, October 4. Led by Jack McAuliffe, esteemed arts marketing veteran and President of Engaged Audiences, this day is designed to acquaint delegates with important recent research findings and provide proven strategies and tactics (packaging, pricing, advertising, PR, direct mail, web and internet, telemarketing, etc.) to grow a large, engaged audience.

The conferences will feature keynotes, networking receptions, exhibits, one-on-one consultations, and interactive workshops, some of which invite delegates to submit their materials for review. Highlights include presentations by:

- Andy Holtz, General Manager, Arizona Theatre Company
- Bill Criss, Managing Director and Regional Manager of the Northern California Bank in San Francisco for HSBC
- Stewart Emery, co-author of the international bestseller *Success Built to Last*
- Kay Sprinkel Grace, CFRE, Consultant
- Dorothy Chen-Courtin, Principal, Marketing & Management Associates for Nonprofits
- Dave Sovie, Oliver Wyman Partner
- Robert Sweibel, Director Marketing & Communications, Berkeley Repertory Theatre

Special sponsorship sessions will reveal how to get initiatives funded, and professionals from theaters and universities will hold in-depth meetings of their unique disciplines. All functions take place at the Hotel Kabuki in San Francisco.

Arts Reach is the national membership organization of arts management professionals dedicated to sharing effective revenue-increasing strategies. In addition to these conferences, Arts Reach publishes the nation's only how-to, results-oriented magazine filled with new ways to increase audiences and donors.

Arts Reach partners with a multitude of national and regional arts associations to make this conference affordable to all who wish to attend. There are significant discounts for members of partnering associations, as well as a special "3 for the Price of 2" offer. When two people from the same organization register, they can bring a third for free.

Several corporate sponsors are lending their financial support and expertise in numerous ways, all with the goal of advancing the field of arts marketing and fundraising.

Details: <http://www.artsreach.com/conference.html>

IMPRINT

The Newsletter is for free. It has currently 6204 subscribers worldwide.

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