

# STRATHMORE MUSIC CENTER

## Marketing Plan

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## History

Strathmore's journey as an arts destination began in 1979 when the American Speech-Language-Hearing Association relinquished the then eighty year-old mansion and eleven acres of its grounds to Montgomery County, Maryland. In an agreement with the recently conceived Strathmore Hall Foundation, the mansion was renamed Strathmore Hall and renovations started to shape this structure into Montgomery County's first center for the arts. The renovation was successful and in 1983 Strathmore Hall opened its doors to the public.

In 1988, Strathmore built their Gudelsky Gazebo, designated for outdoor performances, to celebrate their fifth anniversary. In 1997, they expanded a bit more and added a gift shop. Consequently, nowadays the Strathmore mansion includes the 100-seat Dorothy M. and Maurice C. Shapiro Music Room, the Strathmore Tea Room, the Shop at Strathmore, the Gudelsky Concert Pavilion and Gazebo, and the first floor galleries and Gudelsky Gallery Suite for Strathmore Fine Art.

However, their zeal to offer the best representation of the arts didn't stop there, and in April 2001 the Music Center at Strathmore opened with a 1,976-seat concert hall and an education center that offers the quality fusion of the majestic acoustic resonance of the modern concert hall with the architectural aesthetic of the classic shoebox theatre. The following paragraph serves as their mission statement:

Strathmore presents and produces exemplary visual and performing arts programs for diverse audiences; creates dynamic arts education experiences; and nurtures creative ideas and conversations that advance the future of the arts.

Programming at Strathmore is a mixture of all selections. The Music Center hosts for the Baltimore Symphony Orchestra and other large ensembles and performances that need room for a larger audience. On the other hand, the events at the Mansion have more of a contemporary sort of ambience, heightened by the presence of visual art exhibitions and the casual style of events that happen at the Tea Room.

## Marketing Goals and Objectives

In order to have a deeper understanding of Strathmore's marketing strategies, I conducted an informational interview via email with their marketing director, Jerry Hassard. He stated that the overarching marketing goal of an arts organization is to "Sell as many tickets as possible, for the highest price possible, as quickly as possible!" (Hassard, 2014).

He indicated that a major challenge they encounter in their advertising is that their programming is so varied and unique they basically have to organize a marketing strategy specifically for each event. Originally, they had adopted a *subscription model* which consisted on acquiring ticket packages early for a discount and priority seating privileges. However, Strathmore's product line (music ranging from indie rock to classical) is so diverse that it was difficult for buyers to build enough performances in their preferred genres to receive the subscription package benefits. This discouraged buyers from becoming subscribers. Also, this tactic was very expensive for Strathmore to execute on their website, given the high number of performances and combinations offered (2014).

Consequently, Strathmore switched over to a *membership model*. This means that instead of offering subscription packages, they offer their donor members an exclusive, advance purchasing period for the best seats, and an unlimited 10% discount on each ticket purchased. The entry level to receive these benefits is quite low (only \$50 for the first seat), which also encourages participation. This program is called *Strathmore Stars* program (2014).

The advantages of this program include reduced expenses on website updates, contributed income and a new, critically important pool of invested supporters.

## Proposed Marketing Strategies

When Mr. Hassard was asked to describe the regular audience member at Strathmore, he indicated that it is a difficult question to approach because their product appeals to such different audiences. Nonetheless, their general audience member is local to the DC metropolitan region, careered, over the age of 45, and enjoying an average or above average income level. Just as with most arts venues, women tend to buy the tickets for themselves, friends and family (2014).

The case study I conducted during the Fall of 2013 revealed that Strathmore's social media methods were lacking. If we consider this observation with Mr. Hassard's definition of his most common audience member we can infer that their effort to reach spectators ages 18-30 could use some improvement. As a result, I have decided to project my marketing plan towards this age group by utilizing the following strategies:

- Loyalty and Relationship Marketing
- Freemiums and Price Bundling
- A Social Media plan focused on Youtube, Twitter and Facebook.

## Desired Outcomes

- Raise the attendance of the 18-30 age group by 25%
- Increase the amount of "likes" on Facebook to 20,000
- Reach 10,000 Twitter followers in one year

# ANALYSIS

## Finances

Strathmore's business model and service is so effective that between 2006 through 2007 alone, their annual operating budget increased from \$2 million to \$6 million.

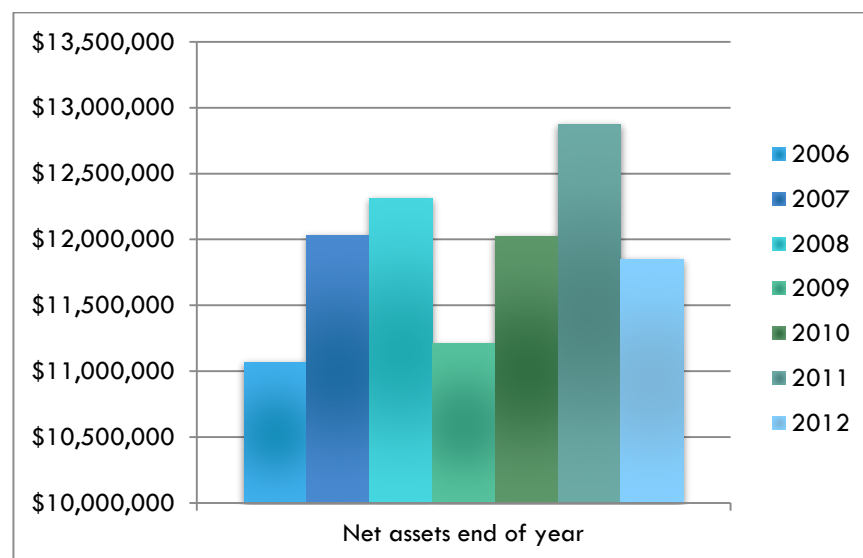
Throughout the last seven years, has averaged \$11,909,182 in annual assets. Of this, an average of \$3,558,868 is acquired through development, but 32% (\$1,137,114) is used towards the events that raise this money. The remaining \$2,421,795, constitutes about 20% of the final revenue.

The average Operating Revenue is of \$4,319,963 which is the total of Production, Rental, Sales and other revenue (this might include gift shop sales and such) makes up 36% of the final revenue.

The 2008 Concert Season started out the ideal way but by October the economy was crumbling down. Despite the effect this had on Strathmore's finances, they still provided high-level performances/services in such a way that the audience wouldn't even feel the difference in the experience.

In fact, Strathmore's strategy was so efficient that in seasons 6 & 7 (2009 and 2010) the Music Center broke ticket office records despite the challenges of an unstable economy. Attendance went from 117,000 to 145,000 and they made over \$3 million in ticket sales.

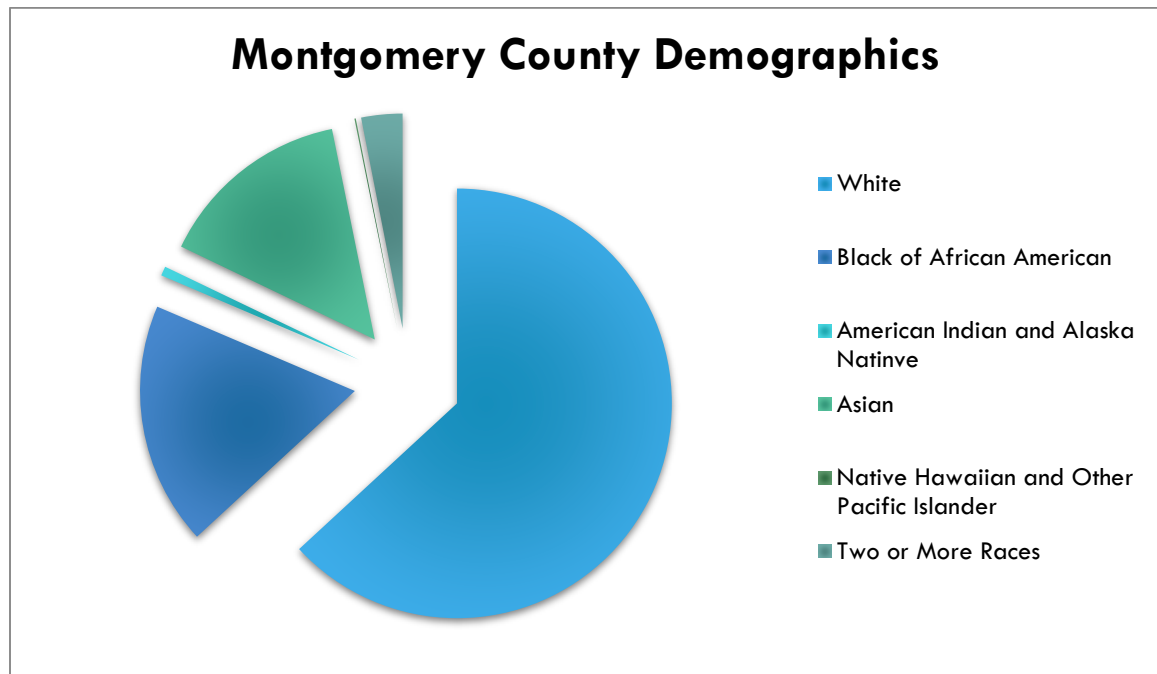
Below, you can observe how Strathmore's finances were affected; yet they were able to maintain an average income throughout the hardships:



## Demographics

As stated before, Strathmore makes a large effort to program events that will reflect the diversity of the demographics of the region. Montgomery County's population is 63.2% White, 18.3% Black or African American, 0.7% American Indian and Alaska Native, 14.7% Asian, 0.1% Native Hawaiian and Other Pacific Islander, and 3.1% Two or More Races. One hundred and thirty-four languages are spoken in this region and

Strathmore says that the size and enthusiasm of the Chinese, Hispanic, African-American and Korean audiences have been particularly gratifying.



## Culture

The Strathmore Hall Foundation's interest and efforts to enhance their staff's skills is very perceptible since it became one of their *Guiding Principles* in their recent identity upgrade.

Since they have made sure to provide programs for basically any classification of audience, Strathmore does an excellent job of approaching every market available.

Given that their involvement in the community is so strong and their reputation is well known all around, Strathmore has limited itself to traditional advertising, but their marketing strategies need to be upgraded and make use of technology progression. Their social media presence is especially lacking.

## Strathmore's 4 Ps

**PRODUCT:** Strathmore's vision to make "transcendent moments that ignite the human spirit" is certainly achieved in all of the products they offer. However, due to the pricing, their website and their programming, a college student in their late teens or

early twenties would not feel like participating in these activities. If there are opportunities for this audience, Strathmore needs to make them more obvious.

**PRICING:** As in any arts center, Strathmore's prices vary according to each performance. All the tickets found were over \$22 and children had free access to only one of the events. Therefore, one of their weaknesses and challenges is to make sure the audience is aware of the pricing options that come with differences in age and job status. This is, as well, a big flaw of their website, which is efficient yet in need of improvement.

**PLACE:** Strathmore Hall Foundation has been extremely clever about the way they exploit their location assets, reserving room space for any essentially artistic need. Their location is well centered in Montgomery County and also relatively close to several other communities in the region. Furthermore, Strathmore's accommodations for handicapped audience are the one thing that their website states clearly and vigorously.

**PROMOTION:** Strathmore's community presence is rather dynamic, and they have been visible in the community since the early ages. Most of their advertising consists of emails, newsletters, and display ads in websites and printed issues. It is understood that the Music Center won't concentrate on non-traditional advertising due to their distinguished reputation, but they are in serious need of social media activity which is probably the reason why they don't appeal to the late teens and early twenties audiences.

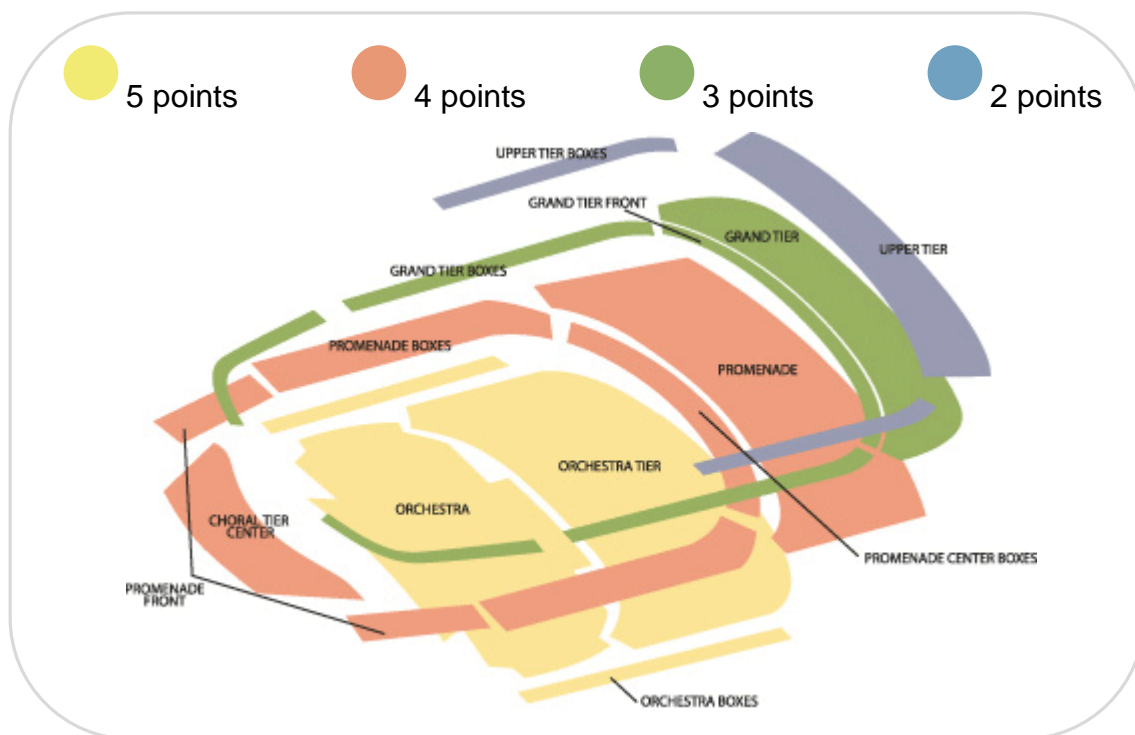
## Marketing Plan

### Loyalty and Relationship Marketing

In an effort to retain customers that come through the door, my first marketing strategy consists of a combination of loyalty marketing and relationship marketing. This strategy provides incentives for the audience to come back to Strathmore's performances. This program is targeted towards people that either cannot afford the membership or just don't attend enough performances to make the membership worthwhile, but that might still want to come back.

For the Music Center this program would require a **point system** in which according to the seat you buy, you acquire a certain number of points and once you

reach 20 points you're able to get a discount on a performance or a ticket at the price of a student-rush ticket. Student-rush tickets are sold in performing arts centers opening one hour before the performance for a price between \$10 and \$20. Although sometimes student tickets are just whichever tickets are left one hour before the performance, some performing arts centers reserve a certain amount of student-rush tickets ahead of time. For this system, I would recommend that Strathmore plans the amount of student-rush tickets ahead of time, this way they can make a budget and arrange the rest of the tickets accordingly. Reserving between 150 and 200 tickets should be plenty depending on the programmed event. The breakdown of the points would be as follows:



In the case of the Mansion, I suggest the system would be the same, but the amount of points acquired would be fixed for their **Friday Night Eclectic** events in which after 9 performances attended, the tenth one would be free.

As you can infer from the information above, the lowest point level of for the Music Center and the overall system for Friday Night Eclectic would nearly equal the same 10% discount that Strathmore offers its members, preserving the culture that they have been forming. These Loyalty Cards would be made of plastic and would have the



shape and characteristics of credit cards. The points would be kept by swiping the magnetic strip on the back of the card.

### Freemiums and Price Bundling

This strategy involves offering the patron an item that seems to be free but, ultimately, is included in the initial budget planning of said event. Freemiums would be a very ingenious way to involve the faithful patrons of one program to get involved in another program. The main ideas include that for a certain extra amount of money, you're able to attend "freely" events such as:

- Join the performing artists for a reception after the concert
- Wine and cheese party before the concert at the gallery
- A preconcert chamber performance by artists or orchestra musicians performing that day, or a performance by students from schools and universities around the area. If Strathmore embraces this idea, it would attract the attendance of students' family members.

On the other hand, the Price Bundling strategy would be in place to attract younger audience with below-average income. To implement this strategy in the most intelligent manner possible, you would bundle two different events to maximize attendance. Examples of this would be the following:

- 1 Master Class + 1 Concert= 1 ticket. When popular guest artists are programmed, they often participate in a series of events. For instance, if an acclaimed musician was playing as a soloist with the Baltimore orchestra at Strathmore, they would most likely be offering a master class as well and there would be multiple audience members that would be eager to attend both. The chances of their attendance would be even higher if these events come in a package.
- Symphony in the early evening, late night drinks with jazz music in the mansion. If you offer two events like this as one, you're offering an experience. This type of opportunity would appeal to couples that are looking for a unique and exciting date night, but the thinking and planning would already be done for them.

## Social Media

In my analysis, the major weakness that I pointed out was their lack of marketing targeted towards people in the 18 to 30 age group and I recommended strong action in terms of expanding their social media activity. Although their social media presence has become much stronger since then, I think it still has room for improvement.



For instance, I suggest they start a Youtube channel. Videos would be made of their coming attractions to advertise the most relevant performances. Additionally, since they have annual events, Strathmore could utilize footage of past events to get the audience interested. This tactic would both remind past attendees of how much fun they had and seduce new spectators to show up this year.

The trailers on upcoming events don't need to be very long; a minute or even less should be enough. Artist profiles are also encouraged, especially when they are in-residence 2 to 3 minutes videos are fine for this too. The goal is to get the audience interested, but not make them feel like their newsfeed is being overloaded.



Strathmore's current presence on Twitter is actually quite constant on a daily basis. The biggest issue with their Twitter strategy is that it does not strive to get the audience involved. Consequently, I suggest Strathmore starts a series of hashtags that help track the activities they host as well as providing the audience a thread they can follow. Such hashtags should target things that happen steadily at Strathmore. For example:

#Strathmore

#TeaRoom

#guestartist

#FridayNightEclectic

#Eclectic

#artistinresidence

#StudentsVisit

#StrathmoreMusic

#StrathmoreEducation

#StrathmoreVisualArts

#AtTheMansion



Strathmore also does a very steady job at keeping their Facebook page updated. They create event pages for each of their events and update their cover photo about once a week in order to promote one of their most significant upcoming events. The major weakness of their Facebook activity matches that of their Twitter account: they need to get their audience involved.

There are easy ways in which this organization can get its audience involved. These types of activities not only get the audience participating but augment the quantity of “Likes” on Facebook. For instance, Strathmore could give away tickets to whoever gets more people to like a comment under Strathmore’s post. The post could be a trivia question about the artist, something that was shown in one of Strathmore’s videos or simply a request for a short statement expressing their appreciation towards Strathmore. This type of tactic often results in followers asking their Facebook friends to like their comment, therefore increasing the amount of exposure exponentially and providing more followers.

Estrella Morente  
March 19

**Strathmore**  
12,757 likes · 316 talking about this

Performance Venue · Art Gallery · Concert Venue  
5301 Tuckerman Lane, North Bethesda, Maryland 2085...  
(301) 581-5100

Photos Likes Events Notes 3

STRATHMORE ANNOUNCES LOCAL PERFORMER AUDITIONS for upco

As you can see in the picture above, Strathmore currently has 12,757 likes and even though it seems like a successful amount, when you compare it to other Performing Arts Centers in similar metropolitan areas, Strathmore has a long way to go.

ORGANIZATION	Location	FB Likes	Twitter Followers
Strathmore Music Center	Bethesda, MD	12,757	5,920
Kauffman Performing Arts Center	Kansas City, MO	22,290	8,782
Lincoln Center for the Performing Arts	New York City, NY	29,950	46,100
Kennedy Center for the Arts	Washington, DC	60,566	31,100
Segerstrom Center for the Arts	Orange County, CA	33,803	6,954

Although it is obvious that institutions like Lincoln Center and Kennedy Center are unmatched in popularity, we can easily compare Strathmore's numbers to those of the Kauffman Center for the Performing Arts especially since it has been around for less than half as long as the Strathmore Music Center, yet it has almost 10,000 more followers. Doubling the number of Facebook likes in one year would be a reasonable goal for Strathmore to reach.

In my interview with Strathmore's Marketing Director, he stated that keeping up with social media was particularly difficult because it requires extensive time commitment from a member of the team. However, having an effective social media plan in place is crucial nowadays.

The Strathmore website also needs several enhancements. It takes too long to find ticket prices; making those numbers more accessible would retain more customers that come through the page. Their website also needs hyperlinks to their Social Media pages. At this point in time, most websites place the logos of the main social media channels to the side or the top, so when you click on them you're redirected to the respective page. However, Strathmore's website does not have this feature which means a customer has to go through extra hoops to reach the social media pages when, once again, the information would be more accessible with the addition of this simple feature.

## Timelines

The **Loyalty** Point Cards would start with the regular concert season, perse Fall 2014-Spring 2015. It would only be advertised throughout their social media pages and at the Strathmore site. They would begin being promoted one month before the season starts.

For the **Freemium and Discount Packages**, there would be a goal event each month at the convenience of two events already being planned and advertised as an option with the regular marketing of said events. The **Social Media** calendar would look as it follows.

### FOUR WEEK PERIOD SOCIAL MEDIA PLAN

	MON	TUES	WED	THURS	FRI	SAT	SUN
	POST Video	POST Link	POST Promote a # Link	POST Weekend Preview	POST -promote evening event	POST -promote evening event	POST Trending
	Monthly Coming Events Video						
	Post (optional) Video	Post (optional)	Post (optional) Trivia/Raffle	POST Weekend Preview	POST -promote evening event	POST -promote evening event	Post (optional)
	POST	POST Link	POST Promote a # Link	POST Weekend Preview	POST -promote evening event	POST -promote evening event Trending	POST Trending
							
	Post (optional)	Post (optional)	Post (optional) Trivia/Raffle	POST Weekend Preview	POST -promote evening event	POST -promote evening event	Post (optional)
	POST Video	POST Link	POST Promote a # Link	POST Weekend Preview	POST -promote evening event	POST -promote evening event	POST Trending
	Release Artist Profile						
	Post (optional) Video	Post (optional)	Post (optional) Trivia/Raffle	POST Weekend Preview	POST -promote evening event	POST -promote evening event	Post (optional)
	POST	POST Link	POST Promote a # Link	POST Weekend Preview	POST -promote evening event	POST -promote evening event Trending	POST Trending
							
	Post (optional)	Post (optional)	Post (optional) Link Trivia/Raffle	POST Weekend Preview	POST -promote evening event	POST -promote evening event	Post (optional)

## Recommended Assigned Personnel

Given that their team has five members with specific tasks to fulfill:

**Vice President of Marketing and Communications:**

The VP is the team leader and overall marketing visionary; responsible for strategy, planning and budgeting.

**Marketing Director:**

The director is responsible for the production of most printed materials, creative direction and coordination with ad agency, freelance support and internal departments.

**Press Relations Manager:**

The PR Manager is responsible for the placement of articles, interviews, listings, etc. on Strathmore in local and national newspapers, websites and other press outlets.

**Website / Email Manager:**

This IT specialist is responsible for website content, email production/ scheduling and database management.

**Group Services Manager:**

This position specializes in marketing outreach to groups including churches, schools, companies, tourists, etc.

My suggestion would be to have the Marketing Director be in charge of the Loyalty Point cards since he's the one in charge of the printed materials and creative direction. The Group Services Manager would promote the Freemiums and discount packages since his understanding of how to reach the community is broader. Meanwhile, the Website Manager would be in charge of the social media activity. Nonetheless, Mr. Hassard stated profusely that social media marketing involved of a lot of time from the marketing team, additionally, there is not currently anyone assigned to this duty, which complicates the issue but doesn't make it impossible.

## Materials and Supplies

My recommendation is that in order to save the most money possible, the promotion for these three tactics happens primordially via social media. However, the Loyalty card idea does require physical material and software. Therefore, you can find the details for the Loyalty Marketing material below.

### *Loyalty Cards Breakdown*

**Promotion:** Social Media and at site, so it would require no extra cost.

#### **Cards Budget Breakdown:**

Cards (0.26/card for 2000)	0.26
Magnetic Strip (+0.03)	<u>+ 0.03</u>
Total per Card	0.29
Number of Cards	<u>x 2000</u>
Total in Dollars	\$580

#### **Software:**

\$50/month	50
12 months	<u>x12</u>
Total per year	\$600

## Evaluation Plan

### Loyalty Cards

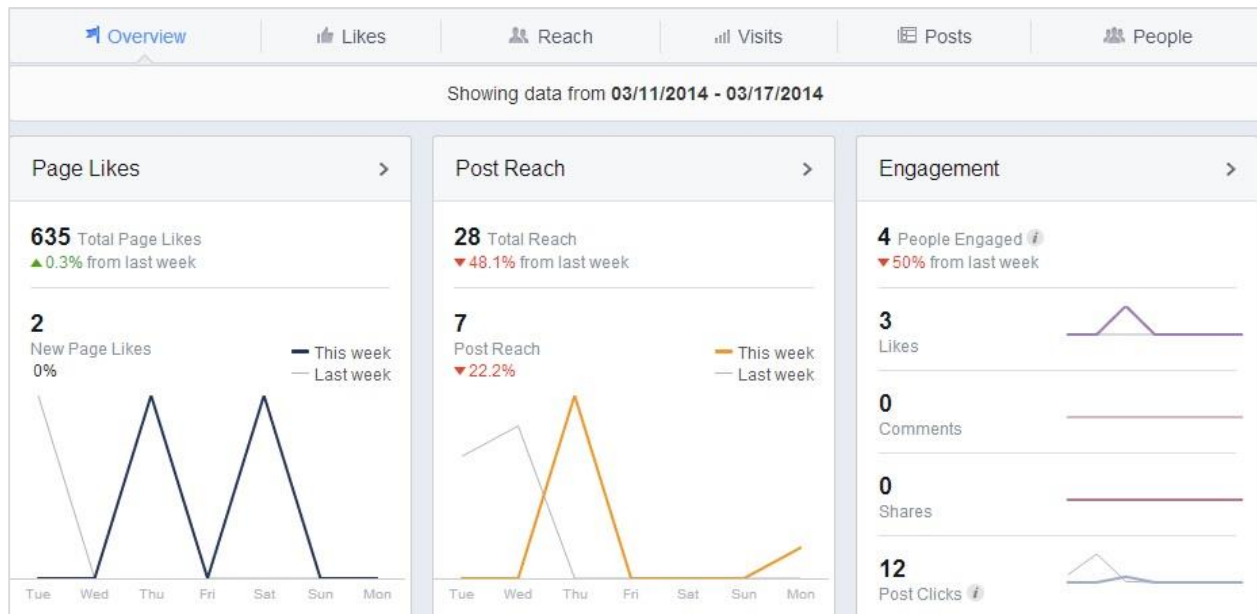
Luckily, when you use software designed for loyalty programs, you are able to track the amount of times and the regularity in which a patron comes, as well as their specific interests.

### Freemiums / Discount Packages

Each event promoted for this type of events should have a goal number of sales. If the goal is not achieved, it must discontinue. However, if the percentage of sales increases throughout the months, the program should continue until it reaches the ultimate goal.

### Social Media

Yet another way in which Social Media is notably practical is that it automatically provides the tools for you to track the traffic through your page and which activities and times of the day are more successful.





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