



Helping the Royal Shakespeare Company Achieve High Performance Through Audience Analytics, Segmentation and Targeted Marketing

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High performance. Delivered.

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Mary Butlin, Head of Market Planning, Royal Shakespeare Company

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Since its founding almost a century ago, the Royal Shakespeare Company (RSC) has grown to become one of the United Kingdom's most respected and celebrated theatrical companies in the world. As a company dedicated to keeping alive the spirit of William Shakespeare, while also staging classics and modern works, the RSC operates on an impressive scale. Over the past decade, it has staged 171 new productions, delivered 19,000 performances, sold 11 million tickets, and traveled from its home in Stratford-upon-Avon (Shakespeare's birthplace) to 150 towns and cities around the world. In fiscal year 2006, the RSC had more than 700 employees and reported total income of approximately US\$60 million (£32 million).

Business challenge

Theatre companies, like any other business, rely on customer loyalty to achieve long-term success. Accenture's ongoing research into the characteristics of high-performance businesses shows that superior marketing capabilities play a key role in boosting customer loyalty by helping the organization acquire new customers, retain existing customers, sell more to all customers, and establish a premium for one's brand.

Despite its global reputation for excellence, the RSC realized that it needed to reach a much broader and more diverse audience, while retaining its core, loyal customers. Specifically, to secure its financial future and status as a theatrical force in the 21st century, the RSC knew it needed to expand its audience base and encourage more repeat visits by theatre patrons while diversifying the artistic program. Improving audience analytics was critical to the RSC's sustained success. If it better understood

its audience, it could use this information to help plan productions and target its marketing efforts more effectively. By selling more tickets, the RSC would achieve a stronger financial return, which would bolster funding appeals to patrons and sponsors.

Gaining a better understanding of its audience posed a daunting challenge for the RSC. While the theatre company was skilled at staging complex 17th century battle scenes, it lacked the technology infrastructure, software and skills to launch marketing plans based on detailed audience analyses and segmentation. The only source of box office information was from a basic ticketing database that offered few insights into the demographics and behavior of its current and potential audience members.

As a multi-year corporate sponsor of the RSC, Accenture had already demonstrated its commitment to helping the theatre achieve high performance and thrive. Building on that financial support, Accenture offered to help develop an audience analysis capability that would help shape a bold marketing strategy and generate customer insights that would enable the RSC to retain and grow current audiences, re-engage with lapsed audience members and attract new audiences to Shakespeare. Accenture was uniquely qualified to help. As a leading provider of customer relationship management (CRM) solutions, Accenture clearly understood the value of customer analytics. And its deep technical skills, alliance relationships and global capabilities had helped clients in all industries transform their marketing functions to achieve high performance.

How Accenture helped

Accenture deployed a team of professionals highly skilled in CRM and marketing analytics to help the RSC be as successful at CRM as it was artistically. According to Mark Foster, Accenture group chief executive for management consulting and integrated markets, and RSC Governor, "This relationship was an opportunity for the best of business and the arts to join together."

It quickly became clear that the RSC's challenge was just as complex as that of Accenture's regular clients. The theatre company required the same methodologies and leading-edge analytics software that would enable a global retailer or a financial multinational to achieve high performance. Working collaboratively with the RSC, Accenture profiled the theatre company's current and potential audience. This profiling effort was important because it would serve as the foundation for a comprehensive marketing strategy for the theatre's Stratford-upon-Avon and London audiences. The Accenture team began by loading more than seven years' worth of ticket-buying data into systems at Accenture's Customer Insight Center in Milan, Italy. The data set comprised more than two million patron entries that included names, addresses, shows attended and price paid for tickets. Using data processing technology from its alliance partner, Teradata, a division of NCR Corporation, Accenture created a new RSC audience database that could be easily and quickly segmented based on customer behavior. The Accenture Customer Insight Lab in Bangalore, India, performed the necessary data checks, refreshed the data model as needed and reported on changes and results. Accenture leveraged its strategic alliance relationships with KXEN, makers of advanced data mining and analysis tools, to comb through the mounds of data and identify specific audience segments and patterns of attendance behavior.

Hidden in all that data was priceless information. For example, using the KXEN Analytic Framework™ data modeling capabilities, the Accenture and RSC team discovered that the RSC had eight different segments of bookers at Stratford-upon-Avon and six segments in London. Four Stratford segments had a significant number of return visits. These segments included "regulars," who attended performances at least four times a year and accounted for 59 percent of the RSC's revenue, "semi-regulars," Internet users and those who attended family shows. Customers within these segments became the marketing priority. Among London ticket buyers, the core audience group made up 17 percent of patrons and 45 percent of the financial contribution. Interestingly, in contrast to Stratford-upon-Avon audiences, London patrons' decisions to attend a show were strongly influenced by casting.

Drawing on its alliance relationship with Acxiom, Accenture factored in more demographics in the audience analyses. These new factors included income, profession, age of children and lifestyle indicators. This level of data allowed the RSC to understand how the characteristics of its customers differed across the various segments. Accenture is currently working with Acxiom to apply geo-demographic information to the RSC audience profiles. The goal is to understand the likelihood of audience members to attend productions based on their locations. This work will help the RSC define the optimal geographic targets for its regional and national tours.

In the most recent development in this relationship, Accenture has helped the RSC to develop propensity models for attendance at the company's new temporary Courtyard Theatre in Stratford-upon-Avon. The Royal Shakespeare Theatre closed in Spring 2007 for a major transformation and the Courtyard Theatre has become the RSC's

main temporary performing space. The goal of this initiative is to maximize and maintain audience attendance while the RSC's permanent theatre spaces are being transformed. The Accenture team has created a propensity model to assist the RSC to identify and target the customers most likely to attend performances in the Courtyard Theatre. This model will enable the RSC to fill its Courtyard capacity more efficiently by not spending money targeting customers who are unlikely to come and give more resource to attracting new audiences to the RSC.

High performance delivered

Accenture helped the RSC define and understand its priority audience segments, and also helped the company select the technology that integrates box office, marketing and fundraising data around a single customer database, based on software provided by Tessitura Software® from Impresario LLC. Tessitura Software has been leading the arts enterprise software industry since licensing to arts organizations was initiated in 2001 and now powers over 200 small, medium and large arts organizations in five countries with ticketing, fundraising, marketing, CRM and advanced reporting capability. Each license holder also utilizes Tessitura-provided technology for comprehensive, real-time Internet transaction capabilities for ticket selling, donations, memberships, select-your-own-seats online, email deployment and much more. Since selecting Tessitura, the RSC has enjoyed a system able to support and stimulate its CRM aspirations and a new way of cross-functional working.

Accenture has played a key role in boosting the theatre company's marketing productivity, and has helped to pave a course for high performance.

Based on the new analytical capabilities, the RSC marketing team produced a series of targeted mailings and initiatives that have increased the core audience base by 30 percent. Specifically, since Accenture's involvement began:

- The number of RSC's Stratford ticket buyers has increased by more than 50 percent, to more than 320,000.
- The number of audience members in the Stratford segment defined as "regulars" which makes the greatest overall contribution to the RSC—increased by more than 70 percent, from 40,000 to more than 68,000.
- The number of audience members in the Stratford family show segment increased by more than 20 percent

- Pre-season targeted mailings for London audiences sold out significantly earlier than previously. This allowed the RSC to more accurately predict its financial turnover and work towards attracting more diverse audiences.
- The RSC has identified a new and valuable London-based segment known as "newcomers."

In addition to developing effective and actionable segmentations, Accenture has helped the RSC meet its revenue target more quickly. By meeting its commercial targets faster and earlier in the season, the RSC is able to concentrate its efforts on filling capacity and building a loyal customer base for years to come.

According to Mary Butlin, head of market planning at the RSC, "Our direct mail strategy for the last London season only took about 45 minutes to plan. The audiences to target were so clear cut, and we could even tell from Accenture's analysis exactly when to communicate with different groups to maximize response. As well as the campaign planning being much faster and more fact based, it is easier to predict likely response even in London, which is notoriously difficult."

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