



Diana
Wortham Theatre | Asheville's
Finest
Theatre

2015 Market and Situation Analysis

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AAD 630 Final Project

Table of Contents

Part I: Identification	Page 3
Part II: Situation Analysis	Page 5
Part III: SWOT Analysis	Page 12
Part IV: Market Analysis	Page 14
Part V: Evaluations and Conclusions	Page 19
Bibliography	Page 24



Photo by Sandra Stambaugh

Part I: Identification

The Diana Wortham Theatre is located in Asheville, North Carolina. This 500 seat performing arts theatre hosts over 150 performances a year including music concerts, plays, comedians, dance companies, and acrobatic troupes. Performers range from local talent to world touring groups.

I selected the Diana Wortham Theatre for a market analysis because to me it represents an ideal segment of the performing arts community in the United States. This theatre is located in a vibrant community in which its members support locally sourced goods and art. People from nearby counties also travel to Asheville to explore and discover the many forms of art offered including visual art, performing street artists, and even culinary art. Being located in downtown Asheville, the Diana Wortham Theatre was built to attract these art seekers and to engage them, to connect them as a community of fine art supporters through attending performances and supporting their local theatre.

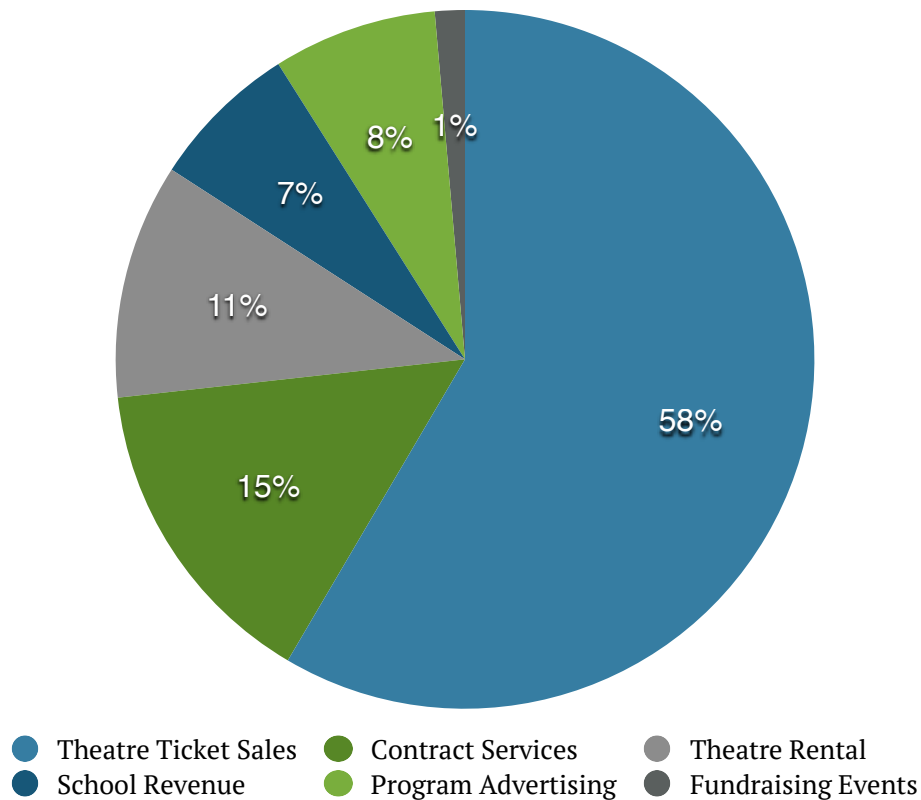
I believe the Diana Wortham Theatre could benefit from an externally produced market analysis to inspire ideas for future programming. The review could help the administration understand another aspect of the theatre's target audience, enabling marketing focus in order to reap increased ticket sales and donations. Because my knowledge of this organization has been acquired through limited channels including examining the theatre's website, I offer a unique perspective similar to that of a patron who discovers the organization primarily through its website and other online resources.

The Diana Wortham Theatre is a successful arts organization; the administrative staff have set and exceeded progressive goals from year-to-year and it is clear that through continued planning and diligence the theatre will meet success. Therefore, the aim of this analysis and report is to supplement the Diana Wortham Theatre's established plan and help propel the organization into further growth in the coming seasons.

Part II: Situation Analysis

A situation analysis of the Diana Wortham Theatre (DWT) reveals how the organization is functioning both internally and within the external community. According to the Managing Director, Mr. John Ellis, in an interview with the Asheville Area Chamber of Commerce, the theatre was built to “anchor the revival of the Pack Square area of downtown Asheville. Unlike the other spaces within the Pack Place complex, the theatre was not built for any particular organization.”¹ In other words, the original concept for the theatre was for it to be a community space, attracting various organizations to its stage. Mr. Ellis also stated “today it is the home of more than 20 local performing arts organizations, from the avocational to the professional.” The theatre serves to both enhance local performing arts culture and expose the public to nationally touring performers. The DWT carries out these tasks by producing a Mainstage Series for touring artists and functioning as a rental theatre. The following pie graph displays the income sources for 2013. Ticket sales comprise over half (58%) of the theatre’s income.

DWT FY 2013 Income Sources from DD 990



¹Asheville Business Blog, “Diana Wortham Theatre honored as Small Business of the Month,” blog entry by Erin Leonard, September 17, 2013.



Mainstage Ticket Sales

Ticket sales account for the highest percentage of income for the DWT and are the most potentially influenced by marketing efforts and therefore should be examined further. The following chart displays notable sales data from the Mainstage Ticket Sales Report.

DWT MainStage Ticket Sales Data, by season

	2010/2011	2011/2012	2012/2013	2013/2014
Number of Performances	28	29	29	30
Ticket Sales Goal	9,100	9,700	9,850	10,000
Ticket Sales Actual	7,922	9,428	10,801	10,640
Percent of Goal Achieved	87.05%	87.20%	109.65%	106.40%
Ticket Revenue Goal	\$271,120.00	\$301,950.00	\$322,785.00	\$311,710.00
Ticket Revenue Actual	\$239,851.00	\$285,145.00	\$353,922.00	\$328,735.00
Percent of Goal Achieved	88.47%	94.43%	109.65%	105.46%
Artist Fees Paid	\$190,875.00	\$214,380.00	\$229,710.00	\$218,400.00
Average AF per Performance	\$6,817.00	\$7,392.00	\$7,921.00	\$7,280.00
Ticket Revenue as % of AF	125.66%	133.01%	154.07%	150.52%
Single Tickets %	65.71%	62.24%	55.67%	55.25%
Package Tickets %	34.29%	37.76%	44.33%	44.75%
Internet tickets sold as % Single Sales	32.33%	39.87%	39.31%	47.13%
Internet Ticket Revenue as % Single Sales	32.56%	40.47%	39.04%	47.56%



Red June with Shannon Whitworth and Barrett Smith, photo by Renato Rotolo

Mainstage Ticket Sales Trends

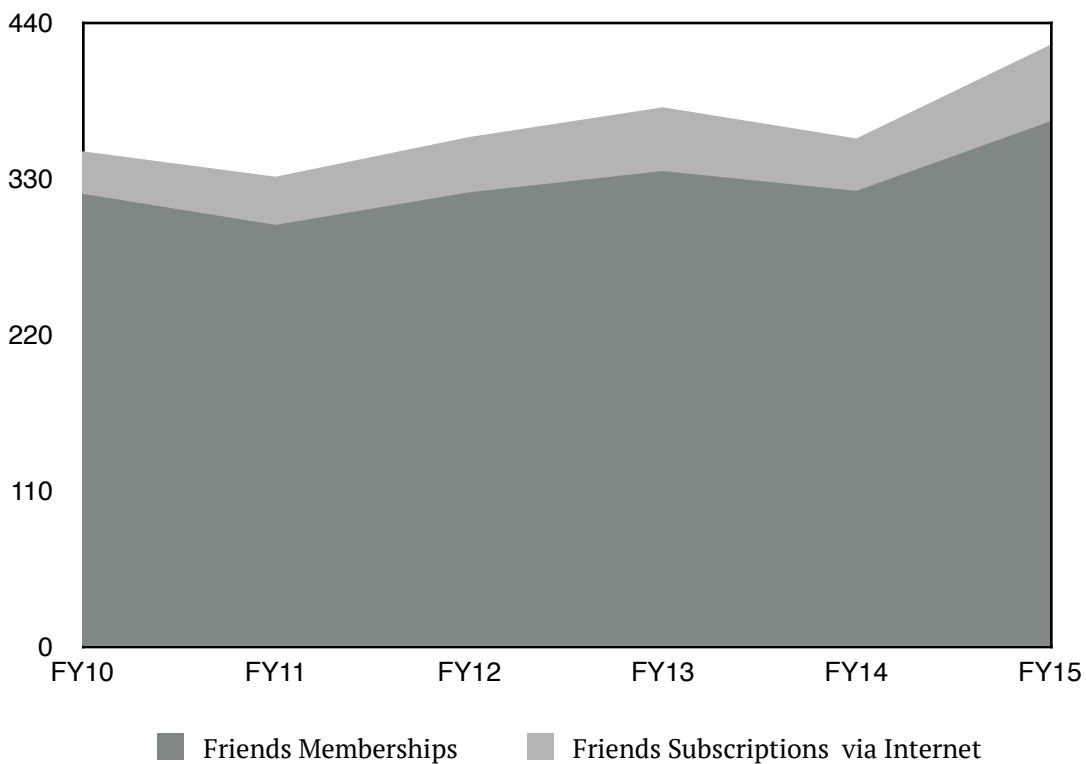
- Percentage of goals met has increased
- Ticket Revenue as percentage of artist fee has increased to 150%
- Package sales are becoming increasingly popular and could potentially surpass single ticket sales in the coming years if the trend continues
- Single tickets sold over the internet have shown an increasing trend and in 2013 accounted for almost half of ticket sales



Friends Memberships

Patrons can become FRIENDS of the Diana Wortham Theatre and each level of donation has progressively more benefits including advance ticket sales, seat choice, social gatherings, and free parking and drinks. Memberships can be purchased in-person or online. The following chart is generated from data received in an email with DWT's Managing Director John Ellis. As a trend the number of members has slowly increased over the past five years however this year has already shown a dramatic increase in memberships. Most people join or renew their membership through non-internet based methods. The following graph shows the total subscriptions with a small portion being those purchased over the internet.

DWT Friends Subscriptions





Other Revenue

The following chart shows the revenue reported for DWT on forms DD 990.

	2010	2011	2012	2013
Theater Ticket Sales	\$247,572.00	\$292,198.00	\$367,919.00	\$334,615.00
Contract Services	\$84,064.00	\$74,517.00	\$75,023.00	\$84,604.00
Theater Rental	\$50,900.00	\$49,563.00	\$51,100.00	\$62,300.00
School Revenue	\$41,807.00	\$48,858.00	\$51,648.00	\$39,449.00
Program Advertising	\$39,552.00	\$38,607.00	\$44,778.00	\$43,430.00
Fundraising Events	\$16,766.00	\$29,156.00	\$12,771.00	\$7,932.00

Other Revenue Trends

- In FY 2013 School revenue reached a low since before 2010
- Contract services has remained the same overall
- Theatre rental and theatre ticket sales show upward trends
- Fundraising Events revenue is declining



Overall Organizational Trend

The Diana Wortham Theatre's ticket sales revenue has increased over the past four years. The marketing and promotion budget has increased as well and when represented on the following graph the ticket sales line and marketing line mimic each other. However, the total organizational revenue minus expenses has declined at an alarming rate with FY 2013 showing a loss of \$32,478.00

Ideally, the increase in marketing and promotional budget would produce exponential growth in sales rather than relatively parallel growth.

It can be assumed that since the marketing and promotional budget and ticket sales are directly correlated, that expenses other than marketing expenses are driving the growth of the organization down. Potential sources for increase expenses include preparing for expansion and city-mandated payment for building maintenance². As the expenses do not appear to be marketing related an in-depth analysis of them will not be included in this report.



²Citizen-Times, "Asheville council approves Pack Place changes," by Mark Barrett, July 22, 2014.



Environmental Analysis³

Major National Trends

- Economic downturn means less money for tickets and grants/sponsorships
- Investors have become special project oriented, thereby making it more difficult for arts organizations to rely on donors for everyday operating costs

Cultural Trends

- Double income families have less leisure time
- Because families have less time together, parents try to compensate by allowing their children to plan the leisure time together. This results in last minute sales and tickets bought in groups
- The average American watches over 5 hours of TV a day⁴ and is more likely to stay at home rather than go out and therefore tv is a major competitor for arts organizations
- Even though staying home is a major trend, people still want to find ways to connect to others in their community and the arts can provide an outlet for socialization

Demographic Trends

- The average age for fine arts ticket buyers is increasing and organizations need to develop appreciation in younger audiences
- Ethnic/minority markets are increasing in size and soon will no longer be considered minorities
- Younger audiences expect online and app-centered capabilities such as information about product offerings, sales, and social interaction
- Arts education is decreasing

³ Vitale, Dona. "Chapter 3: Finding Your Audience Through Market Segmentation," PDF accessed online from the National Arts Marketing Project.

Part III SWOT Analysis

Strengths

Located downtown with convenient off-street parking and many nearby restaurants

Part of the Pack Place cultural facility

Parking connected to theatre

Intimate 500 seat theater

Diverse programming

Artsy community

Youth programs and matinees

Video featuring this year's performers online is a great idea

Certain attractions near Asheville (Biltmore Estate, mountains, etc) attract people to the area

Weaknesses

Small theater limits sales and production size

Variety of programs can cause confusion with branding and cause people to shy away from buying packages of tickets

Scheduling conflicts may arise when dealing with multiple outside organizations

Online ticket purchasing requires flash and therefore does not work with Apple products such as iPhones and iPads

Small administrative staff could make large projects difficult

Tax statements show limited fundraising revenue

Opportunities

Expansion (currently underway)

Weather - Build trust and loyalty through being lenient with tickets when the weather prevents attendance

Largest population in the area is middle-class, so the opportunity exists to sell more tickets to them and then find donors to support the theatre

The progressive attitude in Asheville which is located in a more conservative part of the country gives the opportunity for the theatre to effect social change

Threats

Other performing arts venues in the area

Poor winter weather

Biltmore Estate brings people to the area (opportunity) but also could distract people from wanting to see a concert, especially because entrance to the Biltmore estate is so expensive

Scheduling performers difficult because it is subject to the tour schedule of the performer

Micro-breweries located downtown could compete with business

The country is still in the slow recovery from the 2009 recession



SWOT Summary and Analysis

The Diana Wortham Theatre has many more strengths than weaknesses. As a small theatre located downtown, patrons look forward to unique engaging experiences and pleasant social evenings together. Among the challenges the organization faces are its limited sales due to size and the creation of branding because the theatre offers such a wide array of fine arts performances. This theatre has a unique opportunity to serve as a community-builder through interesting programming and educational programs.

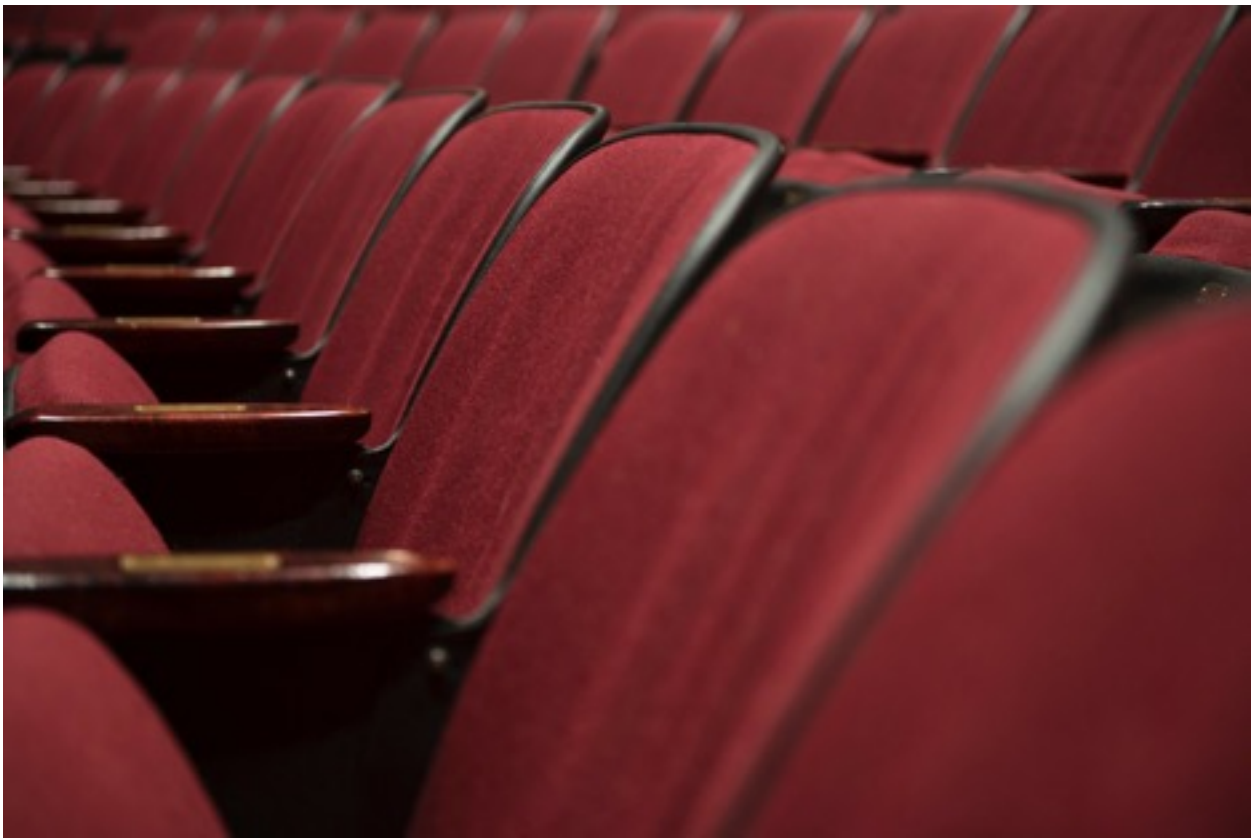


Photo by Sandra Stambaugh

Part IV: Market Analysis

The Diana Wortham Theatre is located in downtown Asheville, NC. It is well-loved for its intimacy and diverse programming. Because of its small 500 seat capacity, the DWT must maximize attendance at each performance through creative marketing and programming strategy. The programs they feature must be diverse enough to stimulate repeat attendance by patrons and not so disjunct that they risk having small audiences for each genre of performances. The Diana Wortham Theatre must also develop their future audience through their Matinee Series. Asheville, NC and the four surrounding counties represent a fairly diverse population. Table 1.1 shows the Prizm segmentation method according to zip code.⁵ The segments which appear more than once are highlighted with colors.

Prizm Market Segmentation of Counties Surrounding the Diana Wortham Theatre

	U.S. (2013)	28801	28806	28804	28803	28805
Population	318,900,000	15,659	40,984	20,960	30,833	19,543
Median Age	36.8	35.9	37.3	44.1	42.9	45.4
Median Income	\$51,100.00	\$25,400.00	\$38,800.00	\$43,100.00	\$44,600.00	\$44,200.00
Consumer Spending \$/HH	\$51,100.00	\$36652.00	\$40,027.00	\$49,977.00	\$45,372.00	\$45,160.00
Prizm 1		35 Boomtown Singles	35 Boomtown Singles	56 Crossroads Villagers	56 Crossroads Villagers	39 Domestic Duos
Prizm 2		47 City Startups	44 New Beginnings	43 Heartlanders	23 Greenbelt Sports	43 Heartlanders
Prizm 3		53- Mobility Blues	42 Red, White & Blues	57 Old Milltowns	42 Red, White, and Blues	44 New Beginnings
Prizm 4		60- Park Bench Seniors	52 Suburban Pioneers	38 Simple Pleasures	28 Traditional Times	46 Old Glories
Prizm 5		41- Sunset City Blues	24 Up-and-Comers	28 Traditional Times	48 Young and Rustic	28 Traditional Times

⁵"Nielsen Prizm," accessed May 4, 2015, www.claritas.com

Table 4.2 Demographics of Most Prevalent Market Segments in Zip Codes Surrounding the Diana Wortham Theatre
Data from www.claritas.com

	35 Boomtown Singles	56 Crossroads Villagers	28 Traditional Times	44 New Beginnings	43 Heartlanders	42 Red, White, and Blues
Social Group	City Center	Rustic Living	Country Comfort	Inner Suburbs	Middle America	Middle America
Lifestage Group	Young Achievers	Striving Singles	Conservative Classics	Striving Singles	Cautious Couples	Striving Singles
Income	Lower Mid	Downscale	Upper Mid	Downscale	Midscale	Midscale
Age Range	<55	45-64	55+	<55	55+	45-64
Kids in HH	No	No	No	Mix	Mostly No	No
Homeowner	Mix	Yes	Yes	No	Mostly Yes	Yes
Education	College	High School	College	Some College	High School	High School
Diversity	White, Black, Hispanic, Mix	White, Black, Mix	White	White, Black, Asian, Hispanic, Mix	White	White, Black, Mix

35 - Boomtown Singles

Affordable housing, abundant entry-level jobs, and a thriving singles scene--all have given rise to the Boomtown Singles segment in fast-growing satellite cities. Single and working-class, these residents pursue active lifestyles amid sprawling apartment complexes, bars, convenience stores, and laundromats.

56 - Crossroads Villagers

With a population of white-collar couples and families, Crossroads Villagers is a classic rural lifestyle. Residents are high school-educated, with downscale incomes and modest housing; one-fifth live in mobile homes. And there's an air of self-reliance in these households as Crossroads Villagers help put food on the table through fishing, gardening, and hunting.

28 - Traditional Times

Traditional Times is the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically in their fifties and older, these upper-middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles like Country Living and Country Home. But they're big travelers, especially in recreational vehicles and campers.

44 - New Beginnings

Filled with young, single adults, New Beginnings is a magnet for adults in transition. Many of its residents are twenty something singles and couples just starting out on their career paths--or starting over after recent divorces or company transfers. Ethnically diverse--with nearly half its residents Hispanic, Asian, or African-American--New Beginnings households tend to have the modest living standards typical of transient apartment dwellers.

43 - Heartlanders

America was once a land of small middle-class towns, which can still be found today among Heartlanders. This widespread segment consists of older couples with white-collar jobs living in sturdy, unpretentious homes. In these communities of small families and empty-nesting couples, Heartlanders residents pursue a rustic lifestyle where hunting and fishing remain prime leisure activities along with cooking, sewing,

42 - Red, White, and Blues

The residents of Red, White & Blues typically live in exurban towns rapidly morphing into bedroom suburbs. Their streets feature new fast-food restaurants, and locals have recently celebrated the arrival of chains like Walmart, Radio Shack, and Payless Shoes. Middle-aged or older, with high school educations and midscale



A Swannanoa Solstice, Photo by Sandra Stambaugh



Market Segmentation

Although the Prizm Market Segments can help us understand who lives near Asheville, the Diana Wortham Theatre should focus marketing efforts on reaching a primary target market of middle-class women ages 45-66. These women attend the theatre to discover new ideas and find meaning in their lives (both past and present) and their lifestyles fit within the parameters outlined by the Prizm Segments. The secondary target audience is men and women ages 25-45 who use the theatre as a social outlet to escape from the doldrums of working lives. The DWT also develops their future patrons through their Matinee Series which encourages school age children to visit the theatre. Marketing efforts to the primary target audience may also increase sales for Matinee Series because these women are likely to have school age children.

Please see chart on the following page for more details about market segmentation.

	Primary	Secondary
Age	45-65	25-45
Sex	F	M, F
Income Level	middle class	middle class
Interests	art, fine dining, outdoors, travel	sustainable living, locally made goods, fun with peer group, freedom from daily grind
Activities	reading, cooking at home with occasional night out, hiking, visiting family	work, outdoors sports, internet surfing, cooking, beer tasting
Opinions	small town values of the importance of family and community, conservative views	progressive and liberal
Behavioral Patterns	avoid large crowds, socialize in small groups, prefer to be part of community	socialize in groups of friends or in pairs for dates
Habits	watching TV	work too much
Lifestyle	work during the day and spend most of their free time at home	career oriented but still interested in having fun with peers outside of work
Perception of Theatre	friendly, warm, and helpful staff, great seating and interesting performances	fun, interesting
Hobbies	attending a variety of performances, enjoying the finer things such as dining and wine, traveling	varied entertainment including hiking, fishing, attending sporting events, drinking beer
Motivation for Attendance	remembering the past, seeking meaning to life and exposure to new ideas, family outing	social benefits including topic for conversation among peers and a fun place for date night, trying to escape working life
Preferred communication	Phone, email	social media, email

Part V: Evaluations and Conclusion



Target Market Segment Strategy

The Diana Wortham Theatre is already doing a great job programming to target audiences. My top marketing strategy suggestion is to build upon the programming by positioning three sub-series within the Mainstage series. A simple re-positioning of programming already typical at DWT could increase interest and stimulate repeat attendance. Performances grouped by series could help target audiences to find performances they would be most interest in attending and could increase perceived benefit from the performances.

In order to continue build attendance in the target market the Diana Wortham Theatre should continue to program acts which bring nostalgia to audience members such as the highly popular Arlo Guthrie show offered this year (popular as evidenced by excellent Trip Advisor reviews). These shows have the potential of attracting new audience members who feel comfortable because the artist brings back memories.



Recommendation: Reposition future offerings into three sub-series within the Mainstage Series

Mainstage World: Performances which provide worldly exposure to audiences

Examples from 2014/2015 season

A Swannanoa Solstice

Lunasa

The Peking Acrobats

Natalie MacMaster and Donnell Leahy

Mainstage American Heritage: Performances which represent American culture

Examples from 2014/2015 season

Paul Taylor Dance Company

Arlo Guthrie

Mainstage Appalachian Roots: Performances by local or regional artists

Examples from 2014/2015 season

Red June

Asheville Ballet: Awakenings



Market Needs

As technology advances, people expect ticket procurement to be simple. Online ticket purchasing platforms are more important than ever. As the importance of ease of use of technology becomes increasingly important the value of human interaction becomes more valuable. Therefore there are two important needs in this market:

- 1) The staff at the theatre must be *uncommonly* friendly and helpful
- 2) The process of selecting performances and purchasing tickets is as convenient and simple as possible.

Website Specific Suggestions

The Diana Wortham Theatre’s target audience of middle-aged and younger audiences and the fact that 20% of tickets are purchased by people outside of the immediate area⁶ suggests that the theatre’s website may be crucial in the decision to purchase tickets. In many cases, it may be the first way patrons seek more information about the Diana Wortham Theatre, whether or not they decide to buy online or through the ticket office. The following suggestions seek to improve the customer’s website experience and provide feedback directly from customers to DWT.



Recommendation: Receive Direct Feedback

The website can be used as a way for the administrators to learn more from the audience and program even more effectively. Many people may be reluctant to fill out a full survey unless they are patrons who are already supporters of the theatre. A solution to receiving feedback from even more website traffic is to have a one-question survey along the side-bar on your website. Some questions could include:

Which shows/artists would you like to see in a future season at the Diana Wortham Theatre? _____

How can we improve *your* local theatre experience?

⁶ Asheville Business Blog, “Diana Wortham Theatre honored as Small Business of the Month,” blog entry by Erin Leonard, September 17, 2013



Recommendation: Website Visual Adjustments

The layout of the website is clear and there is evidence of consistent branding with the blue and green colors. There are some adjustments that could make the home page more visually appealing and therefore attract the target audience to discover more of the theatre's offerings.

- After the heading, the first view should be an image box which flips between captivating images from your upcoming season. Link each photo to more information about that performance.
- Remove either the left or right column of information. Suggestions to condense the column information include:
 - The widgets on the left hand side could be moved to the bottom of the page along with your contact information. Mini-widgets could also be placed on the top right hand corner next to the word "contact"
 - Depending on agreement with the sponsors, their information could be moved to appear at the bottom of every page inside a special "block." The sponsors logos could be larger this way without using up valuable space on the homepage.
 - Retain Sub-headings on the left side
 - Place calendar underneath subheadings
 - Move Friends with Benefits and Dinner Deals to the Left column



Recommendation: Strengthen Branding

The Friends with Benefits logo should be designed to show the correlation between the program and the Diana Wortham Theatre. If the logo included the same star with a shadow as the DWT main logo the correlation would be much more apparent. The star could possibly be located behind the word "with."





Recommendation: Clarify the Process

The call-to-action button on the website which reads “Friends of the Diana Wortham Theatre” could be confusing to people. This should be changed to read “Click here to become a member of the Friends of the Diana Wortham Theatre”



Recommendation: Maximize Ease-of-Use

It is highly recommended to use an online ticket sales system which does not require flash due to the large number of mobile and tablet users.



Recommendation: All Fees Included

The last-minute addition of multiple fees can turn away potential buyers. Patrons may cancel online ticket purchase with intention of buying in person to reduce fees, and yet they may never end up purchasing tickets because they did not make it to the box office. Customers should be able to purchase tickets *using any method* without fear of being charged more fees. Fees should be included in ticket price even if that means prices must be raised.



Strategy and Implementation Summary

The Diana Wortham Theatre's marketing strategy should be designed to encourage current patrons to attend more events and to attract new audience members to propel the theatre into the future. Because people attend the theatre as a social event, each person who attends the theatre can compound into many more ticket sales through word of mouth recommendations. Therefore, every single ticket sale is important and should be treated with care by customer service staff. Due to a large number of outside-of-the-area patrons, online presentation is equally important as excellent customer service. The programs being offered are a large deciding factor for patrons and therefore season programming should be marketed specifically as events which evoke nostalgia, provide worldly exposure, and support local talent.



Photo by Sandra Stambaugh

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