

# Music festival market analysis



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Harmonic is a music festival launched in 2010 to showcase the best local artists in Birmingham, many of whom perform music commissioned specifically for the festival. It is the brainchild of two musicians – Chris Mapp (bass) and Percy Pursglove (bass/trumpet) who launched the festival on identifying a gap in the Midlands festivals calendar for a contemporary and cutting edge jazz performance focus.

The first festival was held on 10-13th March 2010 and was successful in that it broke-even (being a non-profit organisation). The intention is to make it an annual event, grow the audience numbers, expand the influence of the local jazz scene and develop Birmingham as a destination for artists and fans alike. This paper is an integrated market plan to achieve this.

## **Micro Environment**

### Market Segmentation

Arts Council England developed an arts-based segmentation of English adults comprising 13 distinct groups providing insight into how and why different types of people engage with the arts today. Segmentation variables used were both demographic and psychographic. This has been used in the identification of viable segments.

### Market Trends and Growth

According to Hughes (2010), consumer expenditure on live music grossed in at approximately £1 billion and has seen a steady increase since 2005. Other revenue (e. g. from drink and merchandise) generated from live shows

comes in at £300 million. Live music has outperformed other forms of outdoor leisure activities due:

Increase in and investment in venues

Willingness and ability of popular artists to tour

Musical talent shows on TV and ‘celebrity culture’ have increased interest in live performances

Growth of outdoor festivals in importance and success

Increased and more accessible distribution channels for tickets via the internet.

The paper also also put the figure of adults that attended live jazz performances in 2009 at 11.6% (out of 16.9% that attend live performances)The 16.9% represent 8 million adults that attend live performances and does not include children below the age of 16 which would make the figure much higher. She summarises that there has been a steady growth in the market since 2005 with a strong rise in parents of children aged between 5 to 9 years of age.

Target Group Index Data indicates a bias to jazz of Abs but with interest spread across most age groups whilst Key Note forecasts a 13.6% rise in live music patronage from 2010 to 2014. (Key Note, 2010)

Internal Analysis

## **Internal Environment**

Harmonic Festival a non-profit organisation, was born out of the desire of its founders to fill a perceived gap in the contemporary and cutting edge jazz market in Birmingham. The festival first took place on 10th – 13th March.

Table 1 shows the broad objectives and results for the first festival.

Table 1: Objectives table for Harmonic 2010

### **Objective**

#### **Status**

#### **Comments**

### **Strong appeal to lovers of new experiences**

Achieved

Succeeded in attracting young people.

### **To break even**

Achieved

Only through unanticipated grant coming in later

### **Presenting New music**

Achieved

Music is specially commissioned for the festival.

### **Raise the profile of local musicians**

Achieved

Performances were by the best Birmingham-based artists.

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## **Change negative perception of jazz.**

Achieved in the attendants but not in the wider public

Attracted audiences beyond typical jazz fans.

Source: Canning (2010)

## **Financials**

Harmonic's financials reveal the following;

Revenue from ticket sales was way below forecast (only 36.5% of forecasted figure). This could be a reflection of the ineffectiveness of marketing initiatives

The government subsidy (£9000) though a large portion of the funding, was not high enough and this further restricted marketing activities.

Costs which would not change whether or not customers showed up for the performances are designated fixed costs. They include the cost of the venue and hiring of PA system. This accounts for 57.2% of their total cost.

Their marketing spend was 6.6% of the total costs, further confirming the inadequate and or inappropriate marketing.

The finance figures for Harmonic in 2010 can be found in the appendix.

## **Current Marketing Mix**

Service: The service needs to be developed to offer value over and above the music. The only differentiation for now is that Harmonic's service is

strictly contemporary jazz whilst the others allow some swing, blues and world music.

Price: The price is consistent with similar organisations in the market though there is scope for some increase.

Place: Venues were expensive for this kind of event e. g. CBSO centre and The Symphony Hall Foyer, although there is no information on which venues were actually paid for. These two venues were not necessarily appropriate for the intent of Harmonic.

Promotion: The use of online channels the lowest cost and most effective promotional tool was under-utilised. The website is not updated with current details even though the second festival has been fixed for October 2011. There is no continuous engagement with the customer base – a key requirement to keep the event top of their mind due its being an annual event.

## **Competitors and Alternative Providers**

There are no direct competitors to Harmonic due to the timing of the event and the fact that one of its aims was to fill a perceived gap in the Midland's festivals calendar. It is very possible for consumers to attend all three festivals (Birmingham International Jazz Festival, Mostly Jazz and Harmonic) held in Birmingham.

Indirect competitors however are theme parks etc Alton Towers, the Dudley Zoo, Bristol Zoo, Warwick castle e. t. c. which all have far superior infrastructure, resources, brand names and higher appeal.

Harmonic will compete in this market by offering something unique (added value) over and above the regular jazz performance and by collaborating with the bigger festivals in order to widen and broaden its reach.

## **Keys to Success**

The keys to success include:

Developing a service that will offer some form of competitive advantage.

Maximising market awareness

Generating adequate funds

Building and developing strong partnerships

Delivering the expected experience to the different targeted segments.

## **Competencies and Capabilities**

From the external and internal analysis, it can be safely said that there is a lot of opportunity to be leveraged in the business however they are contingent upon some key elements being present which are linked to the keys to success. Chris Mapp and Percy Pursglove though excellent musicians, have not managed the marketing and relationship building requirements adequately probably due to a lack of business and marketing expertise. They would need to acquire those skills and competencies probably by recruitment and would have to undergo some basic training themselves.

Marketing Strategy

## Strategic Options

The strategy is based on growth through service and market development. It will be a customer focus strategy as customer satisfaction is very important to the success of this venture. In addition, there is a need for proper branding due as the service is in the early introduction phase of the 'product' life cycle.

### Table 2: Strategic Level Objectives

#### Strategic level Objectives

#### Actions

#### Retain Current Customers

Improve customer satisfaction

Increase loyalty

#### Service Improvements

Service development

Increased penetration

To convert non-users in target segments to users

Enhance service value by adding new features to benefit identified target segments

#### Market Expansion



Develop differentiated positioning focused on untapped or under-developed segments

Develop flanker services with unique features that appeal to potential

These objectives are also in line with those of Chris and Percy who intend that in the next year, Harmonic Festival will broaden its appeal.

### Marketing Objectives

By the end of Harmonic 2011 to have:

Increased customer numbers by 80% from 2010

10% return on investment

Raise £30, 000 from funding bodies and promotional partnerships

Attendance of at least 5% of population per targeted segment

Achieved 90% attendee satisfaction

90% attendees changed level of awareness due to exposure to the event.

60% of attendees attracted via the internet

### Target Markets

A differentiated targeting strategy will be employed, based on similar characteristics of target segments. Colours in the positioning and engagement table in the appendix represent the similarity in segments. The identified viable target markets are:

Urban arts eclectics

Traditional culture vultures

Fun, Fashion and friends

Mature explorers

Dinner and a show

Family and community focussed

Urban arts eclectics and traditional culture vultures are highly engaged already in the arts whilst the rest are somewhat engaged. This means it easier to attract and engage them. The target area will be Birmingham in the short term and then progressively increased to the whole of the West Midlands, The UK and Internationally in the long term.

Positioning and Messaging

Based on the targeted segments, the festival will be positioned as:

‘ At the Harmonic festival you are guaranteed an exciting new music experience that is different, vibrant, and diverse and full of incredibly new cultural notes. What’s more, this experience can be shared with loved ones in an environment of participation and sheer fun’.

This enables positioning based on the identified similarities in attitudes and behaviours in the target segments and allows tailoring the service to offer:

The opportunity for new experiences, learning and or developing new skills

Opportunity to explore culture

Tie in service offering with other experience e. g. ‘ big day out’

Endorsements by arts professionals and critics.

Opportunity to spend time with family and friends or to socialise.

Marketing Execution

This will be done via the seven P’s of marketing

### **Service (Product)**

Service Development: offering two different types of service in the two venues for 2011 making one venue a child friendly experience. Also introducing an avenue for customers to engage with the musicians e. g. guest artist from the floor or child artist from the floor, karaoke will be new features in both venues.

The MAC will be the key venue with added value for families and large groups as it already has some family facilities. Service development here will include activities and features that offer value to families e. g. a briefly play your own music targeted at children who already play a musical instrument, provision of a bouncy castle, a face painter and other children’s games to engage them etc . The MAC service geared towards families with children will be a daytime to early evening experience and then it will transition into a similar atmosphere like the Yardbird geared more towards adults.

Branding: The Harmonic Festival itself requires a total rebranding in order to increase its brand equity especially in the area of awareness. The logo needs to be revamped as it still has the year 2010 in it.

## **Pricing**

Penetration policy will be adopted with different prices based on adult and child tickets. Group ticketing will also be offered. Of all the segments targeted only the family and community segment look for good value for money, the rest are not so price sensitive. There will be:

Individual Tickets broken into Adult and Child tickets

Adult ticket = £35 (whole weekend), £8 – £12 (Individual shows)

Child ticket = £17 (whole weekend), £4 – £6 (individual shows)

Adult ticket = £25 (Saturday only)

Child Ticket = £13 (Saturday only)

Group tickets

Buy 2 adult tickets, get one child ticket free

Buy 4 adult tickets pay for 3

## **Promotion**

The incumbent promotion methods will be maintained. These are use of:

Jazz publications

Journalists for editorials

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Flyers

Website (Effectiveness to be increased)

Social Media- facebook, twitter, LinkedIn, MySpace (Effectiveness to be increased)

Word of mouth

Direct mail

In-venue advertising (new)

Posters and magazines (new – limited use due to cost)

Endorsements

However, the biggest form of engaging with the consumer will be online as that is a common thread in all the targeted segments. This will mean revamping the website in line with the proposed rebranding, linking it to other sites e. g. Birmingham Jazz, The artists' individual websites, mostly jazz (collaboration), The MAC. Activity on the internet will be increased by blogging, regular updates, some games and contests,

## **Place**

Tickets will be sold mainly over the internet and a few at the venues.

## **People**

Chris and Percy need to leverage on their relationship building skills so they can concentrate on making music whilst allowing these strategic relationships handle the customer service. A business manager would be a

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good acquisition and it could be a student with strong co-ordinating and organising skills just to ensure all is on track and chase up when it is not.

Relationships to be explored in adding value include those for:

Recruiting a planning or business manager

Musical instruments store for funding and or promotional partnerships.

Musical instrument stores may get a kiosk on the days promoting their wares or doing maintenance and repairs on people's instruments. It broadens their market.

Organisations that deliver children activities

Partnering with funding bodies like Birmingham City Council, Arts Council England West Midlands division, Birmingham jazz and Mostly jazz for promotional activity e. t. c. The case material alludes to the fact that the grant received from the BCC was not anticipated which means it was not actively solicited. The plan going forward will thus be to actively solicit for the funding required and going into partnerships with suitable funding bodies.

Food and drinks vendors

Venue managers

## **Processes**

There must be a process map of how everything will fit together seamlessly

## **Physical Evidence**

Work closely with the venue managers to ensure the right ambiance and effect at both venues. Also ensure safety and security rules are adhered to especially as children are now involved.

### Forecasts/Budgets

Tables in the appendix show the population breakdown used to calculate revenue contributions per segment.

### Important Assumptions

Promotional Target: 10% per segment.

Take up : 5% of target

Average price: £20

Funding from other sources £30, 000

Price increases on costs from last year: 20% (excluding marketing costs)

Cost increase on marketing activities : 50%

No cost to internet promotional activities except cost of time used.

Contingency cost increased to £1000

### Implementation

See action plan table in the appendix for actions to be carried out and timescales.

Control

Metrics to be used are tied to the keys to success as below and include in addition to original surveys carried out by Harmonic in 2010:

Attendee satisfaction surveys – Post event

Online engagement levels

Analytics data collection – unique visitor growth based on engagement metrics

Appendix

Table 4: Harmonic Targeting and Positioning Profiles

Filter by: Region

**% Urban arts eclectic**

**Traditional culture cultures**

**Fun, fashion and friends**

**Mature explorers**

**Dinner and a show**

**Family and community focused**

West Midlands (Birmingham)

**Profile for Positioning**

Opportunity to have new experiences, learn and develop new skills

Introduce added experience to tried and tested

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Contemporary, trendy and fun

Tie in offering with other ‘big day out’ offerings

Opportunities that fit their lifestyle

Tie in with ‘big day out’ offering

Opportunity to Explore cultures

High quality

Opportunity to spend time with friends and family

Opportunity to experience new cultures

Activities to enjoy with their grandchildren

Fun and social Family outing. Include children activities – Educational and Developmental (family friendly)

Chance to socialise

Endorsements from arts professionals and critics

Respond to endorsements

Opportunity to have new Experiences

Combine the mainstream event with one more adventurous activity

Chance to spend time with friends and family

Source: Arts Audiences Insight, Arts Council England (2008) [online]

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