



## Arts Marketing in Derbyshire Programme

# An introduction to *Developing a Box Office for Small-scale Organisations*



**Cultural Consortium**

## Developing a Box Office for Small Scale Organisations

### Introduction

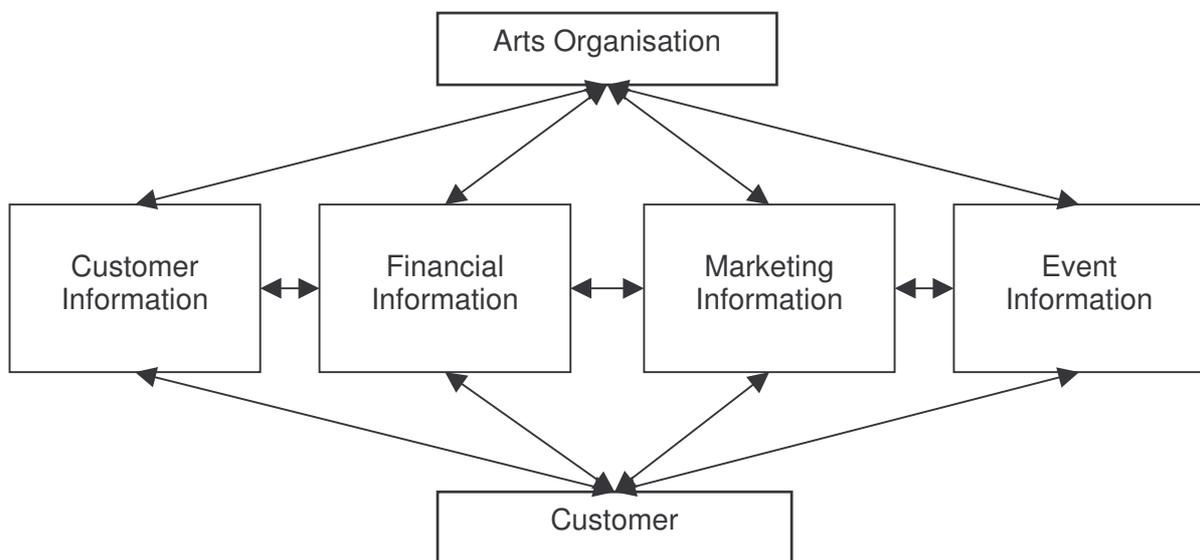
A box office is not just the way that tickets are sold or information is given about events, it is the main interface between arts organisation and public outside of the actual event. It can and should be one of the key sources of management information for an arts organisation, not just about each individual event, but about the success of the organisation from a historical perspective and as a tool for strategic planning. Equally, a box office can be time consuming for staff and provide a source of intense annoyance for the customer.

This programme is designed to look at the elements of a box office set up for small organisations who, through scale or frequency of activities, do not feel that commercially available box office systems are appropriate but where some systematic box office structure would be of benefit.

We are looking at the process from the particular aspect of box offices and how they can support organisations if given a positive and focussed role.

### Basics of the Box Office

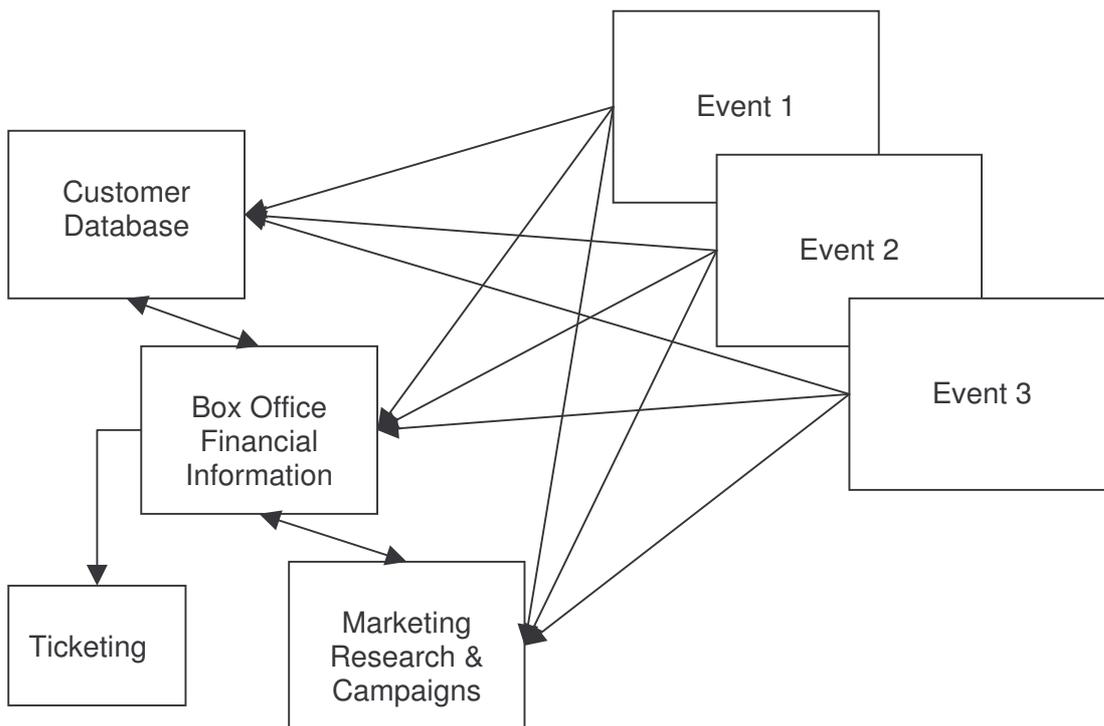
There are a number of elements that make up a box office system and although they will be of different relative importance, they will all exist even if not immediately apparent.



It is equally true that all of the elements are important to the development of an arts organisation and that box office information is a crucial part of being able to analyse and plan. If an organisation does not have its own box office set up or is not given access to the information if box office activities are undertaken by third parties, it will suffer from lacking some potentially key pieces of information.

Often a box office is considered through the hardware that it consists of – the telephone, software, printer and office but by far the most important issues for an arts organisation is how it will effect the organisation through its staff, its financial performance and its public image.

For a small scale arts organisation the most important features of a box office system, particularly one developed by the organisation, is that it should be as seamless as possible in connecting all elements - the ticketing, finance, marketing elements should be as connected as possible and the system should be simple for staff to understand and operate, particularly if volunteers or part time staff may be used.



Clearly each event (performance, show, workshop etc.) needs listing so that it is clear when booking. This is vital if there is, for example, more than one performance of a particular show or a number of workshops but there are other considerations such as booking for a season or series. Each show should be individually identified but will form part of an overall information base.

Obviously the box office must not get in the way of the customer interface but equally the box office needs to get as much information from each contact with the general public as possible.

The following sections will contain the elements of a minimum data set in order to set up a basic integrated box office system although the needs will obviously vary between organisations.

## Customers

At the heart of the system is the customer and the two crucial elements of gaining a customer and then retaining them.

There is now a growing concern over customer care and the experience of customers within any organisation. In the context of a box office, there needs to be a system developed that does not get in the way of gaining new customers or make the process of buying tickets or finding out information a trial. For this reason all organisations should have a written system and training if necessary so that a constant message is given and accurate administration of the system is provided. Even for the one person business, it is important to develop written procedures as illness or other factors can always intervene.

Central to all arts organisations should be a database of customers and other key contacts. As in all of the elements of box offices, the database is a key element but it has uses far wider than the selling of tickets. Specific Customer Relationship Management system (CRM) databases are now used by many organisations who need to maintain links with their public but a system can be set up which will both be effective and capable of significant development using generally available software such as Excel. Incidentally, Excel is a spreadsheet software programme but can be used just as effectively as a data base as the Microsoft (or any other) database such as Access. The great advantage for small organisations of using a sophisticated spreadsheet is that it will allow the creation of database, financial and analytical systems within the package that are seamless.

In developing the customer database it is essential that a format is used that will accurately tabulate the needs of the organisation and that can be analysed.

It is also important that if the database is going to be of any use to the organisation, it needs to:

- Be accurately inputted
- Be regularly cleaned

The basic set of information to be used in setting up the database will fall into a number of categories each of which will have its own cell so that it can be used to search or sort by within the software. The approach needs to be logical but not excessive so that only information that will be of use is included.

Category	Notes
Title	
First Name	
Family Name	
Address 1	House name/Number and Street
Address 2	Street Name
Address 3	Locality
Town/Area	Town or City Area
City/County	City or County
Postcode	
Telephone	At least one category essential
Email	

The accuracy needs to be reflected in details such as using the same characters or phrases throughout, such as N/A or None or leaving blank if there is no information, not a combination of both also being careful over case sensitivity.

It is useful to get as much information as possible about each customer but this does have Data Protection Act implications which are dealt with later.

It is important to understand the implications of the Data Protection Act and a set of basic questions related to the need, or not, to register is included as an appendix.

The Freedom of Information act may also be relevant in terms of needing to reveal information, directly if you are a public body but also indirectly. This is most likely for arts organisations in applications or any other submission to local authorities or ACE which may be accessed by the public.

## Finance

The financial information is driven by the particular events and the budgetary process but there are some issues that should be considered, particularly within a small scale organisation.

- Is the ticket pricing for events as simple as possible in relation to the other events
- Is the pricing policy confusing and/or multilayered

The more complex the pricing policy, the greater the problems are for the public and those responsible for selling the event. Clearly the price of the tickets is a function of the fee charged, capacity of venue, cost of the event against the income and/or subsidy but thought needs to be made of how all of the events work within the whole programme of activities of the organisation and the impact on the box office delivery should be an important input into the process.

The basic set of information required by the database with regard to financial information is:

<b>Category</b>	<b>Notes</b>
Ticket Sold - Full Price	
Ticket Sold – Concessions	
Ticket Sold – Group	
Ticket Sold – Etc	
Complimentary	
Transaction Total	Total transaction per sale
Cumulative Sold – Full Price	
Cumulative Sold – Concessions	
Cumulative Sold – Group	
Cumulative Sold – Etc.	
Complimentary	
Current Yield	Position at any given time
Target Yield	
(Tickets remaining)	
Surplus/(Deficit)	Sum of Target Yield minus Current Yield

This information will be linked to each event and assumes that the event will not have reserved seats. Reserved seats are possible but overlay a further level of complexity in the design of the box office system.

There are further sections that might be added depending on the exact sales systems that are used by organisations.

Category	Notes
Credit Card	
Credit Card	
Credit Card	Information regarding number, issue and card type etc.
Credit Card	
Credit Card	
Other Payment methods	Cash/cheque etc.
Bank Charges	
Other charges	Cost of mailing/postage
Percentage Capacity	

The information will be used for reconciling the box office accounts in relation to financial performance and any necessary security procedures. It will also be possible to link the system to the sales and purchase ledgers of accounting software or for bank reconciliation.

The transaction needs to be accurately monitored to establish when payment has actually be made and how bookings are processed. Clearly tickets booked but not paid for cannot count towards the target and, although it is not strictly financial control, if there are significant bookings preventing door sales this will need to be resolved for future events.

## Marketing

The marketing information is available from the records used as part of the normal box office procedures but can also be added to by careful choice of relevant questions that will not get in the way of the transaction process. There are several levels of information, getting evermore sophisticated but also more of an intervention that will take time and complicate the process. However, as a basic set of marketing information that will trade off usefulness against complicating the process we are suggesting the following for basic audience analysis:

- Booking history
- Geographic data
- Date of bookings
- Information source for event

The basic information specifically required for marketing are:

Category	Notes
Drama	
Dance	
Music	
Opera	Categories subdivided to suit art forms or genres
Film	
Literature	
Visual Arts	
Word of Mouth	
Mailing List	
Website	
Press	Categories subdivided to suit information sources
Radio	
Posters	
Flyers	
Mailing list/Friends/Members	

An accurate and clean box office system provides a wealth of information and data which can be analysed and help to inform future marketing decisions and direct marketing campaigns. Even the most basic and simple box office system can provide enough information to identify key characteristics of your audience, assuming that basic key fields have been included.

Through booking history and collecting details of bookings, you will be able to segment your total audience to provide smaller, manageable lists for mailings to promote individual events and shows. Organisations often conduct a full mailing once a year with a brochure but being able to segment a full box office enables smaller and cheaper mailings to be undertaken. Booking histories can enable promotion of a repeat performer or event, can target a 'type' of booker e.g. dance or world music. It can also be used in the 'Amazon' style approach with 'people who attended x also attended y'. Booking history will also enable the organisation to identify first time bookers/attendees. If bookers are first time attendees, they may well have questions about the event or facilities offered. You may also wish to contact them after the event to ensure they were satisfied. This is the start of relationship marketing. Lapsed attendees can also be identified. If permission has been sought to mail to them, they can provide a valuable group to gain information from for market research purposes.

Geographic data is most commonly collected as postcode information, this can be used to analyse where your bookers (and usually your audience) come from. This is particularly useful when assessing where to distribute information about the organization and future events. At a basic level postcode information can inform where to:

- distribute leaflets (e.g. a door-drop)
- place advertising (publications and radio stations will also have a postcode analysis of readership/distribution which can be matched to your requirements)
- display posters
- target local business and organisations for joint promotions or sponsorship

At a more sophisticated level, postcode analysis is a huge business and ACORN and Mosaic systems give detailed information about people from all postcode sectors in the UK, Europe and beyond. This information will include generalisations about buying habits, holiday locations, leisure activities and which newspapers people in these areas read. Although the information is generic it is very accurate - after all millions of pounds are spent every year collecting and buying this information by big business!

Dates of bookings are used by analysing the dates and if possible, times of bookings an organisation can work out the ideal time to promote work. For example, if bookings are usually taken weeks in advance it is not necessary to provide an early bookings discount, however if bookings usually come in late and this provides concerns over the success of the event, an early booking incentive can help to manage the process. Also, if certain events are usually walk-up purchases at the

time of the event, it is important to ensure enough staff are available to make sure tickets can be sold efficiently.

In addition to standard fields relating to name, address and event type etc, even a basic box office system can include some very straightforward fields to aid marketing for the organisation. The most commonly used form of this is to ask bookers where they heard about the event. It is helpful to have a standard list to ensure there is consistency in analysis. It is also important to remember that the information given relates to the booker and not to the whole group.

Making a purchasing decision can be a complicated process, there are generally five different buying roles identified:

- Initiator – person who first suggests the product
- Influencer – person who advises/whose opinions are valued
- Decider – person makes the final choice
- Buyer – person who makes the purchase
- Attendee/User – person who actually goes/uses the product

This highlights that the person attending the event may not always have had any connection via the box office so data should also be treated as a good indicator, rather than definitive.

The marketing check box must also include requests and permission to be put on the mailing list and could hold details of any friends and/or membership schemes if they exist

One further important consideration is that of the significance of any statistics that are gathered from which any marketing strategy may be developed. Simply, absolute statistics such as the post codes of all the audience are significant, whereas postcode information on ten percent of the audience may or may not be. It may be if the postcodes are of a random sample of a large audience but may not be if they are all from a group booking from a school. Analysis needs careful consideration but all evidence should be treated with a health warning by inexperienced analysts.

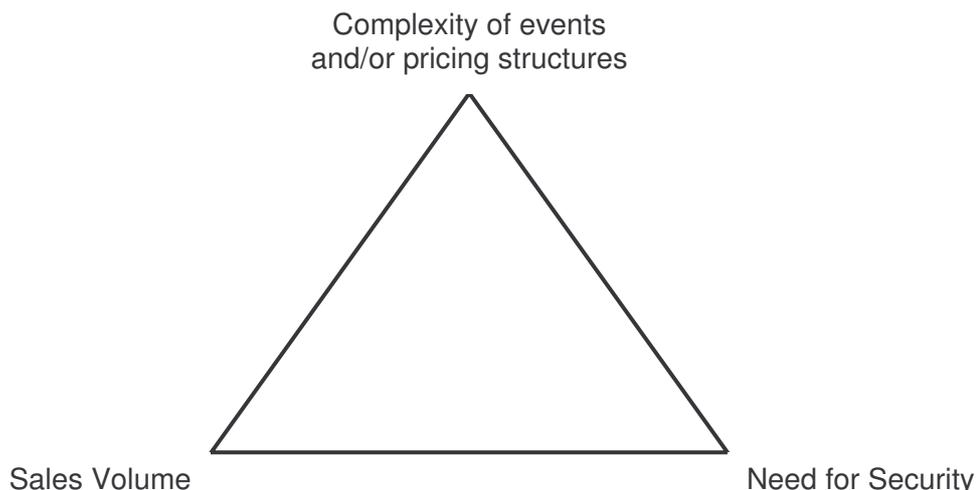
## Ticketing and Box Office Facilities

Ticketing provides both a means of control for the organisation and concrete evidence of the transaction for the public. The exact ticketing system must be able to accurately reflect the booking in terms of seat quantity, individual price and show details for the event and the public.

Tickets can exist in a number of ways, the key factors being their accuracy and security. A simple photocopy suitably endorsed is acceptable as long as the system is well defined and is operated satisfactorily. Clearly photocopied tickets for a sold out show with high demand could be problematic but ticket printers can also be expensive.

There are a number of incremental steps in ticket production, from photocopies, through commercially printed or computer generated books to printing in house. The decision needs to be taken using a cost benefit analysis but the use of a coherent computerised box office system allows for a significantly simpler process to use a ticket printer attached to the box office system. The printers can also be used to generate credit card slips and address labels as part of the process.

The decision to move to an in house ticket printing system is likely to be based on the following issues needing to be resolved



Specialist printers are available from a few hundred pounds and may be a realistic proposition for some where the issues above are significant.

The decision is also likely to be influenced by the nature of the box office set up. Where a physical box office is used in proximity to the event location, the sales of tickets on the door is significantly easier than when a remote location is used. For multi-venue or seasonal events the box office cannot help but be separate although the box office system should be capable of being portable if the security and human resource considerations are acceptable. The operation of the box office and the ease of public access need to be the primary concern, not ease of operation for the organisation.

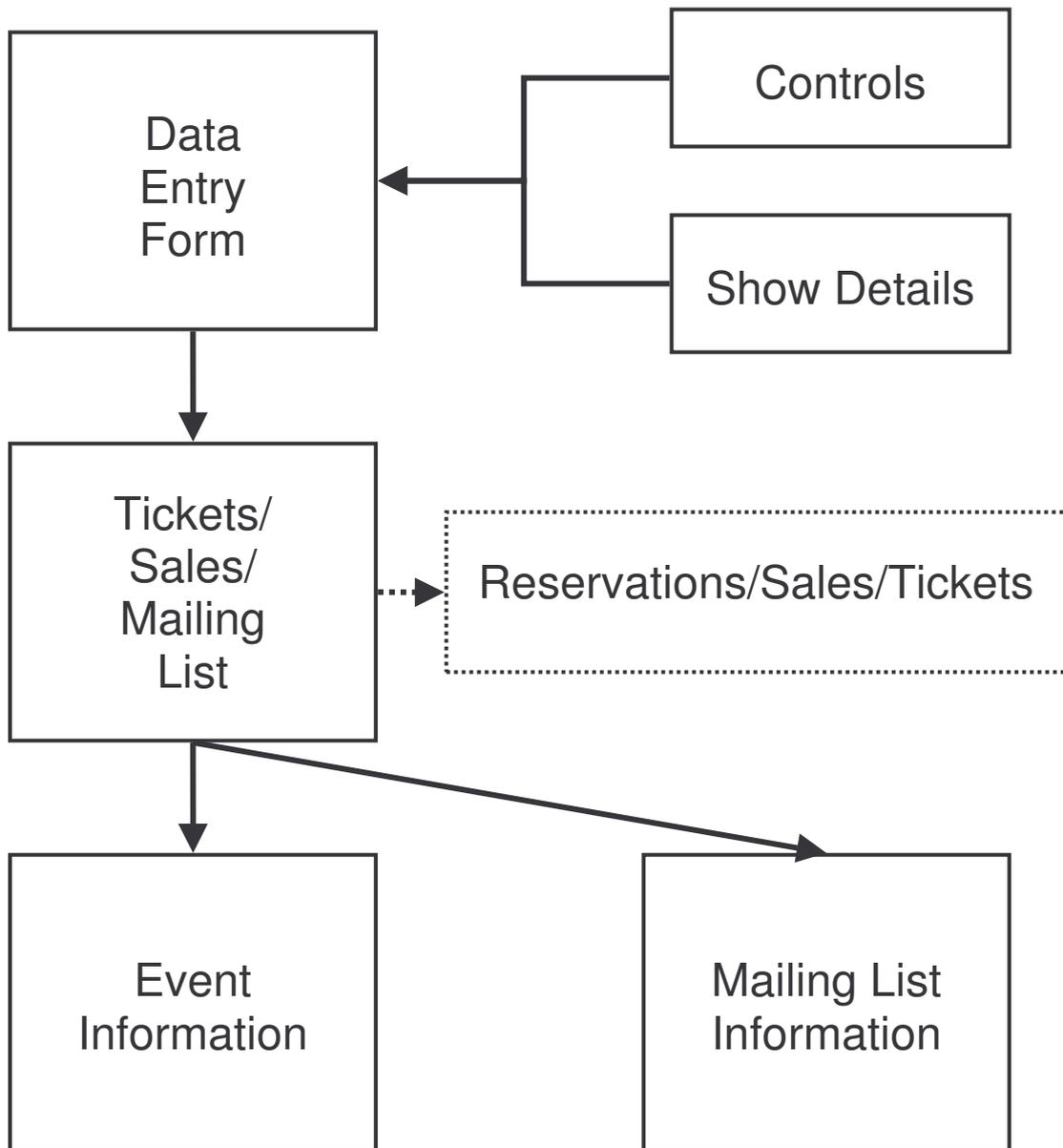
Box office services might also be franchised to another agency – either fully or in part. The obvious penalty is that the agency will take a commission on ticket sales and may even charge fees on top but there are other penalties. Using an agency also means that there is significantly fewer opportunities to have a relationship with actual or potential customers and the agency may not be willing, or indeed able, to provide accurate information that can be used for marketing the organisation and building audiences.

The other growing area is the potential for internet sales and the development of e-marketing. This will clearly become an increasingly important area for development. If an organisation does have a web site, the integration of a box office option is a relatively straightforward development and monitoring the hits should allow for an intelligent decision on its worth. E-marketing will also grow in importance, as will text and other currently innovative forms. The development of an in-house box office will only aid their developments.

## A Computer Based Box Office System

Taking all of the elements that are key to running a successful box office, when they are integrated seamlessly they both smooth the ticket selling process and capture information that will be vital for the organisation's development. Using a simple spreadsheet it is perfectly possible to devise a system that does not require massive IT investment but will give a result little different from commercially available box office systems.

The basic system will consist of the following elements:



The elements will fulfil the following functions:

- The data entry form will be the main screen seen as the box office system. It will contain the show details on screen and will deliver most of its functions through a series of prompts and drop downs driven by a set of validation rules.

- The prompts will feed through to the main list which will contain all of the information, from all of the information sources, in a way that it can be interrogated and interpreted.
- The main list will contain drivers that will allow the printing of tickets and mail merge for marketing, if used.
- The list will then produce individual reports covering individual events, mailing lists or other data sets.

The design of the system will need to be individually tailored to each organisation based on nature of:

- The audience.
- The type of events, their frequency and concentration over time.
- The venues and their facilities.
- The human and physical resources of the organisation.

Once the parameters have been established the data entry form and background data sheets can be designed.

## APPENDIX

### Data Protection Act

#### Registration Guidelines

#### 1. Are you processing personal information?

Personal information means information about a living individual that can be used on its own, or with other information, to identify them.

Processing means doing any of the following with the information:

- obtaining it
- recording it
- storing it
- updating it
- sharing it

Typical examples include:

- keeping customers' addresses on file
- recording staff working hours
- providing delivery information to a carrier

#### *The legal definition*

Personal data means data which relates to a living individual who can be:

- identified from that data
- identified from that data and other information that your business has or is likely to acquire

Processing means obtaining, recording or holding the data or carrying out any operation or set of operations on the data. It includes organising, adapting and amending the data, retrieval, consultation and use of the data, disclosing and erasure or destruction of the data. It is difficult to envisage any activity involving data which does not amount to processing.

If yes you may need to register.

#### 2. Do you process the information on a computer, or on any system that can process information automatically?

Systems that can process information automatically include - but are not limited to:

- any type of computer
- mechanical or electronic time-recording systems - clocking machines
- credit card transaction machines
- call logging and recording systems
- audio-visual capture and storage systems

#### *The legal definition*

Systems that can process information automatically include - but are not limited to:

- automatic document or microfilm retrieval systems
- audio visual capture and storage systems including some CCTV
- telephone call logging and recording equipment

If yes you may need to register.

### **3. Are you, or is your business, a data controller?**

A data controller is a person or a business who decides why and how information is processed. A data controller can be a sole trader, partnership or limited company.

#### *The legal definition*

Data controller means a person who, either alone, or jointly or in common with other persons, determines the purpose for which and the manner in which any personal data are, or are to be, processed.

If yes you may need to register.

### **4. Are you processing personal data for any of the following purposes?**

- accountancy/auditing
- administration of justice and legal services
- canvassing political support amongst the electorate
- constituency casework
- consultancy
- credit referencing
- crime prevention and prosecution of offenders
- debt administration and factoring
- education
- health administration and provision of health services
- mortgage/insurance broking/insurance administration
- pastoral care
- private investigation
- provision of financial services and advice
- research
- trading and sharing in personal information
- pensions administration
- accounts and records using information obtained from a credit reference agency

If yes you will have to register.

### **5. Are you only processing personal data for personal, family, household or recreational reasons?**

Typical examples include:

- personal address lists
- family contact information
- information relating to a hobby or pastime

If yes you will not need to register unless you work outside of the definitions above.

**6. Are you only processing personal data to maintain a public register?**

*The meaning of public register*

A public register is a body of information that a data controller is required by law to make publicly available.

If yes you will not need to register.

**7. Are you a not-for-profit organisation?**

Processing individuals' information within a not-for-profit organisation can be exempt from notification if you only:

- Process information necessary to establish or maintain membership or support.
- Process information necessary to provide or administer activities for people who are members of the organisation or have regular contact with it.
- Share the information with people and organisations necessary to do this. Important - if individuals give you permission to share their information, this is also allowed.
- Keep the information whilst you have a relationship with the people it describes or as long as necessary for the tasks described above.

**8. Do you only process data for one or more of the following purposes?**

- staff administration
- advertising, marketing and public relations
- accounts and records

Processing individuals' information for advertising, marketing and public relations can be exempt from notification if you only:

- Process information necessary for advertising, marketing or promoting public relations relating to your business.
- Share the information with people and organisations necessary to do this. Important:- if individuals give you permission to share their information, this is also allowed.
- Keep the information whilst you have a relationship with the individual it refers to or as long as necessary for your advertising, marketing and public relations.

If yes you may not need to register subject to the restrictions.

**Important:**

If you are in doubt about the information your business holds or the way in which it's processed, contact the Information Commissioner Notification Line: