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Interview

ANDREW TISDALE AND LIZ FURZE THE FUTURE OF THEATER MARKETING

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Andrew Tisdale, Managing Director of Providence Equity Partners, and Liz Furze, Managing Partner of AKA NYC, share their perspectives on the marketing of theater from the vantage point of Ambassador Theatre Group (ATG), the largest commercial producer, theater owner and ticketing provider, and AKA, a leading marketing services specialist for theater. How is marketing done these days and how might it change in the future? Everyone in the creative chain has a stake in spreading the word about a great production, yet few are aware of the scale of marketing for a typical work and how important a successful PR and marketing campaign is to filling the seats.

ANDREW TISDALE What we thought we would do is give you two different vantage points of marketing. I am not a marketing practitioner. I am an investor, but what I thought I'd do is take you through some of the thoughts that we have grappled with at the Ambassador Theatre level, vis-à-vis marketing.

For those of you who have seen *La La Land*, there's a point in the movie where Emma Stone's character has written this work that means a lot to her. She's put a few posters around, and when the evening of the show comes, there is nobody in the audience.

What we have really grappled with is this dilemma

where, for the top 10% or 15% of shows, word of mouth is going to be really powerful and people will see those shows. Marketing is spent on *Hamilton* but you don't really have to worry about it too much because there's all kinds of free advertising for shows like that. It's really the next 30% of shows—the ones that are between "B" and "A—" shows—that we grapple with, because those are the ones where you do have to tell people to go and buy tickets.

How do you get the audience for those shows that are not at the top 10% or 15% in terms of audience awareness? That's where there are constraints in terms of the amount of money that you have. If you

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are going to launch a show, you are going to spend 15-20% of the pre-production budget on marketing. You are going to spend a certain amount of the weekly running costs on marketing. But there are also structural constraints. Most theaters don't do the ticketing. They outsource that to a third party, so they don't actually know who's there in the theater, or who has gone to the theater, or what people have liked. That's why, at Ambassador Theatre Group, we are fully integrated: we own our ticketing for a strategic reason. But we are nowhere near fully utilizing the power of that database. We will sell 11 million tickets this year and in theory, we know a lot about the people who bought those tickets and what other shows they've seen, but we're not using that data anywhere near the way we should be.

Every evening we have 46 theaters; every evening we have 61,500 seats available. Multiplied by seven or eight shows a week, 52 weeks a year, that's 22 million tickets we're trying to sell a year. It's like filling the Yale Bowl every single evening. Our best theaters are about 99% occupied in a given year. Our worst theater is in the forties on average.

Marketing is an important part of the spend, but the dollars involved are actually quite small. So it's a question of how to be as effective as possible with that spend. The incremental return on good marketing is really high. We have some theatergoers who go to one show a year. Some go to two, some go to three. A big part of what we are trying to achieve with our marketing is to try to get people who go once to go twice. Just that incremental change makes a big difference in attendees.

Big picture, we're investors—and we invest in media and communications. The good news for us is that there are more media minutes every year. People are spending more minutes per day consuming media. But live entertainment is also going up. Whether it's people going to concerts or what have you, experience is becoming more and more important for people who have limited money to spend. The problem is that everything is a lot more fragmented, so the dilemma is how to

capture people's limited time and limited focus, and get them to come to experience theater at a price that is cost-effective. We are trying to gain marketing awareness without spending lots of money. Hollywood does this really well. It's a whole industry built around what stars are up to and all that. I don't mean the gossip. I mean creating excitement in the press and on Facebook, on Instagram, on any platform you can imagine. That's not a new idea necessarily, but the platforms we can use to do it are new.

With *Sunday in the Park With George*, we did a lot of communications and PR that didn't cost us anything. We were benefiting from the fact that we had Annaleigh Ashford and Jake Gyllenhaal involved. We did a trailer. Jake agreed to put it up on his Facebook page. He had a million views within days. We gave it to *Women's Wear Daily* and they got a lot of views. Then it went to YouTube, et cetera. So we had huge numbers of views. It gave a feeling of the artistry that is in the show, and it didn't cost us anything. For the first preview night and the opening night, we used Facebook Live quite a bit. With Instagram we had printer activation in the theater, and we had four times more use than is normally the case. We had lots of impressions served up in social media that evening at the opening night. We tried to use as much free advertising as we could, and it worked out really well. *Sunday in the Park With George* is doing incredibly well in terms of ticket sales.

Now I want to turn it over to Liz who is the marketing practitioner, but those are some of the things we grapple with as investors in theater.

LIZ FURZE Thank you for the introduction, Andrew. I run AKA in New York, which is a global, full-service ad agency focusing on live entertainment, primarily theater but with some museum and gallery spaces. Basically, ticketed entertainment. We've got about sixty people and they work across platforms, whether it be on marketing and partnerships, advertising, digital, creative, and so on and so forth.

We are full-service, so we deliver any single form of advertising or marketing that ultimately serves the

purpose of selling tickets, according to the following vision: “We excite, inspire, and motivate the world to experience entertainment. We innovate, we collaborate, we question the expected, we explore new possibilities, we keep moving, and we sell tickets.”

The reason that statement exists is because, as Andrew was alluding to, the theater business is a little behind the times when it comes to working out innovative new ways of selling tickets. There is a variety of reasons for that—budgets being one of them—but it is also the case that, particularly on Broadway, you are speaking to a much smaller audience that is used to being spoken to in the same ways. On Broadway, the number of people who go to the theater five, six, seven times a year is huge. The industry relies on those people a tremendous amount and has spent less time developing new audiences to come to the theater. So, that’s something we as an agency find to be terrifically important in terms of what we are doing.

So, selling tickets. That is our job. What does that mean and how do we go about it? I’ll take us through the process of what we start to think about when we have a new project come in. How do we think about how this show might sell to a theatergoing public? We start with *what do we know*. What are the market impressions that the general public, the theatergoing audience, might have about the show? Has it been in film, has it had a previous production if it is a revival, is there an Annaleigh Ashford and Jake Gyllenhaal starring in the production?

Motivate us to buy: what are the things that are going to immediately activate interest in our audience? How do we consider that alongside a competitive landscape? It would be far easier to sell this show if you were only selling one show at a time, but there are now 41 houses on Broadway. There’s a lot of shows trying to pull ticket sales every night. You have to find something that speaks to your show.

So, once we’ve thought about what we want to know, we ask: *what do we want to accomplish*? The

campaign needs to minimize negative impressions, activate any motivators to sell tickets, and distinguish this show from the landscape. Ultimately, the campaign will need to be true. It is surprising how often it comes up in an ad meeting or a marketing meeting for a show that’s perhaps not a comedy but has one or two moments in the show where people laugh, and the conclusion is: we should make sure everyone knows this is a comedy, because comedies are by and large easier to sell. It never works. It essentially starts to generate bad word of mouth. If you bring people in under false pretenses, they ultimately don’t have the experience they hoped to have, they leave the theater, and they don’t recommend it. So you need a campaign that is true to what you are selling. It needs to be compelling and it needs to be unique.

So, to put that into context, I’ll talk you through that process and how we applied that thinking to *Anastasia*. What did we know about *Anastasia the Musical* when our clients said to us, “We are going to put on *Anastasia the Musical*, and we want you to sell tickets for it”? What might a potential audience member already have in his or her mind about this story? There is, of course, the original story of Anastasia Romanov and the Romanov family in Russia: the historical reference for the story. There was also a lady by the name of Anna Anderson who, in the ‘20s, was an immigrant to the US and claimed to be Anastasia. She claimed to be the princess that had not been killed alongside her family, and it created a tremendous amount of interest and ultimately ended up in a play that I think came out in 1955. There was the Bergman movie that came out in 1956. And in 1991 there was the animated movie, which was tremendously successful. It was a 20th Century Fox animated movie, but everyone thinks it’s Disney, which has been very helpful for us—you’ve got to leverage your assets where you can.

What might the motivators to buy be? We can sell the fact that Darko Tresnjak, the director, was a Tony award-winning director. Alongside Terrence McNally, the Tony award-winning book writer, they brought in a certain amount of theatricality and seriousness to a production that might otherwise be dismissed as a children’s show or a show only for

families. Lynn Ahrens and Stephen Flaherty wrote the score for the original movie. They have also come on board for the musical. That Academy Award-nominated theme song, "Journey to the Past," was staying in the musical, and we knew that that song was fairly well-known among certain target audiences, because it had been released as a pop song in both the UK and the US. We didn't have stars. Christy Altomare has been cast as Anastasia. It is her Broadway debut. We weren't coming in with a big celebrity helming our production.

When we are approaching any kind of marketing or advertising campaign, we research, research, research. We have a database of 12,000 people who are theatergoers, so we surveyed them and got about 1,500 responses. The database mirrors the typical makeup of a Broadway musical. 68% women, slightly older. I've pulled some key takeaways. 92% of Broadway theatergoers were aware of *Anastasia* as an entertainment product, not just as the original story of the Romanovs. 46% of Broadway theatergoers had seen the 1991 movie. People 35 and up seemed to be aware of *Anastasia*. People who were partially aware of *Anastasia* are frequent theatergoers who are under 35, and people who are not aware of *Anastasia* are over 55 years old. We've just gone into performances, and we have found it much more difficult to sell tickets to the traditional theater demographic.

For those who did know of the story of Anastasia, we wanted to know what their associations were. If they had seen the original animated movie or the Bergman movie, what did they take away from it? Was there anything there that we could tap into? We tested the idea of Anastasia alongside some other princess-type characters—Belle from *Beauty and the Beast* and so on—and people noted that this character is strong, independent, courageous, determined. She's a woman who's forging her own path. She's not just waiting for the prince to come and get her. We felt that in the landscape that we're in—which was pre-November last year—there was a lot to leverage in terms of female leadership and female power.

We then considered the competitive landscape: 14

musicals and 11 new musicals this season. We were very aware of *Amélie*, which also has a strong female lead. *Charlie and the Chocolate Factory* might target a family audience. With that in mind, where does *Anastasia* sit?

Fan-astacias: as we did online research, we found that there is a huge fan base for *Anastasia*. It's been a far more activated fan base than I certainly suspected for this show. They're online, they talk about the show, they share content about the show. We have been able to leverage them a little bit.

The Disney association: we saw in our testing that a huge proportion of people think this is a Disney movie. You don't actually have to say much about the idea of *Anastasia* because there's a certain brand that Disney on stage has built around itself, which people are naturally associating with *Anastasia*, and it's helped us. We've never said it specifically: it's been an assumption people have made, and we've not done anything to hurt that assumption.

We're in a smaller house, so that provides some opportunities in terms of selling out. Nothing helps sell tickets better than the idea that you can't get a ticket. *Hamilton* is case in point. We are able to use that as a way of driving demand.

In terms of threats, some people assumed that it is too much of a family show. Family shows are notoriously difficult to sell over a longer period of time. You have peaks and troughs such that you do well over the summer and winter holidays, but then January, February, March, September, and October are really difficult times to sell.

Another threat is not delivering on the Disney expectation or the animated movie expectation. I'm not suggesting that it's not as good as a Disney musical might be, but it has not been approached in the way a Disney musical might be. With respect to the animated movie expectation, this is not a straight rip from the animated movie. We know that a tremendous amount of people bought tickets based on the animated movie.

Bearing all that in mind, we want to minimize the negative impressions, activate the motivators, distinguish it from the landscape, and have a campaign that is truly compelling and unique. The strategy that we came up with for *Anastasia* is this idea that *Anastasia* is a journey to the past. The Academy Award-nominated song that I mentioned —“Journey to the Past”—has a huge amount of familiarity with people who are familiar with that movie. It also speaks to the idea of adventure, memory, and nostalgia. We wanted to evoke the magic of old-world Russia and Paris. We decided to tell the story of a strong, capable, independent woman whose past is a mystery and whose future is an adventure.

So then what does that look like? Our logo treatment is similar enough to the animated movie logo to be able to strike that familiarity with anyone who is a fan, but it has been matured up a little bit, made a little bit more sophisticated. We’ve got Russia and Paris represented. We’re calling out our creative team, and we’re calling out the fact that it is based on the motion pictures. And we have a heroine that’s active and moving somewhere and traveling. We’re really trying to position Christy as someone who could carry this musical and lay the groundwork for her as a star. Coming back to the question of what to do when you don’t have celebrity power, we first put content online, a digital teaser. *Teen Vogue* picked it up and put it on their website. To date, that video has had 12.4 million views, which is just insane. While we don’t have celebrity in terms of the actors, the grand *Anastasia* has become a kind of celebrity for us, and we have been able to tap into that fan base of Fan-astasia to get that buzz going.

We’ve definitely found that there’s a group of people for whom all you have to say is, “*Anastasia* is a musical and it’s coming to Broadway,” and they’ll buy a ticket, which is brilliant. But that audience is not going to last forever, so we’re also working through the process of how to educate those people who might not immediately consider it for them. So we’ve put out educational videos—branded content—across our platforms. We’ve already seen they have far less pickup. That’s why

we’re starting now. We know we’re going to be really well-sold at least through summer, so now it’s about putting in the work to expand that audience out a little bit.

I am a huge believer in layering a campaign. A campaign that is purely TV is not going to be as successful as a campaign that incorporates TV and digital and vice versa. If you go purely digital, it’s a lot more difficult to brand on a digital platform than it is with TV and outdoor. So we tend to use TV, print, and outdoor as a way of initially establishing a brand, but then we use online, direct mail, social media, and email marketing to educate about the show. Print used to be a staple for Broadway. Now it’s far less so, although in *The New York Times* you will likely still see print ads for Broadway. Because 70% of the audience—particularly for musicals—are tourists, outdoor is used because it is quick way of capturing them. Such a huge amount of tickets are sold in the day or in the week so that’s how outdoor advertising has survived, but it is extremely expensive. You can negotiate deals for \$50,000 a week on a Times Square billboard, but I’ve got shows up there right now that are spending \$150,000 a month. And when you think about these limited budgets, it’s a huge amount of money that’s just taken out of the budget, and you can’t report on the effectiveness of it. There is a very famous quote, which I’m sure you’ve all heard, which is that “50% of advertising works—we just don’t know what 50%.” That is our constant and ongoing battle. I think it’s part of the reason why people are so drawn towards digital, because it is one of the few advertising platforms where you can say, “I spent this much and got this much back.” Direct mail is another that has survived for a longer period because you can report on those returns. Pretty much every play and every musical does direct mail to someone’s house. It is the most expensive form of advertising. You can pay \$1 or \$1.20 for every single one of those direct mail pieces that you send out. But they have a really reliable return on investment, and during the pre-opening period, that’s what you’re looking for.

In terms of trends, people are now feeling like direct mail is a gift, like there’s something special about

actually receiving that hard copy invitation. The amount of time and money that is spent on direct mail dropped down for a few years, but now across the industry it's picked back up again. A lot of the digital outdoor is now presented in such a way that you can interact with it—you can press a button and learn more about a show. There's been a move away from broadcast television towards online content, content, content, content, content, content—the more of it you can put out there, the better. But it needs to be quality. A litmus test I always say to my clients is: would you want to share this? If you don't want to share this, then we shouldn't be putting it out. There's been a move away from traditional online banner ads to native advertising. You see a pretty good click-through rate and return on investment for online banner ads because we now run behavioral targeted and re-targeting ads, so if any of you have visited a website lately for a Broadway play or musical and have not bought a ticket, then you are likely seeing multiple online banners for that musical or play over and over again. Likewise, if you bought tickets for *Hamilton*, you are probably also being hit by a bunch of other musicals, because we know you bought tickets to *Hamilton*.

Theater has traditionally had challenges because the ticketing platforms are not well-equipped to sell theater tickets on mobile devices. That has slowed the growth of mobile advertising for theater. They are just about getting there, so I think we'll start to see far more websites and content being built around mobile first.

A website called Show-Score is asking audience members to review and rate shows. As with Netflix recommendations, I think that kind of website is going to become a lot more sophisticated over time, so people who go to the theater regularly will be rating everything they see and then will be given recommendations. VR and 360° video are going to be fascinating as they become bigger and allow us to build experiential, custom interactions for our potential audiences to capture and share. *Charlie and the Chocolate Factory* did a whole virtual reality experience that candy-fied New York City. Willy Wonka is coming to town, and all the

buildings are turning into candy. We created that experience in a 360° environment so you can put on VR glasses and be in NY with candy growing all around you. Then there was a social media tunnel where all of your social media would pop up around you and be branded *Charlie and the Chocolate Factory*. That was not a direct ticket-selling initiative at all, but it was about engaging potential audience members with the brand. They were sharing and experiencing the brand, and I think we'll see more of that as time goes on.