



Family Arts  
Campaign



Photo: Birmingham Hippodrome

# PRICING FAMILY EVENTS: GUIDANCE FOR ARTS ORGANISATIONS

# THE AIM OF THIS DOCUMENT IS TO OFFER PRACTICAL GUIDANCE FOR PRICING FAMILY ARTS EXPERIENCES.

THIS GUIDANCE COVERS ARTS ACTIVITIES OR EVENTS THAT TARGET PARTIES OF TWO OR MORE INDIVIDUALS, INCLUDING AT LEAST ONE UNDER 16 AND ONE OVER 16 ATTENDING TOGETHER.

Whether you are planning something on a large or small scale we hope this guide will offer a framework for making your pricing decisions and offer some useful hints and tips.

## THE GUIDANCE IS LAID OUT AS FOLLOWS:

- How much will someone pay to attend an arts experience?
- Are families different from other customers?
- To discount or not to discount...?
- The importance of price differentiation
- Myth-busters
  - “If we put the prices up, no-one will come”
  - “Free events are the best way to attract new audiences”
  - “Family tickets are the best way to incentivise families”
  - “Education must be cheaper than entertainment”
  - “Daytime offerings are lower value and must be cheaper”
- Flowchart
  - The questions to answer and issues to consider when setting prices
- Case Studies
  - Birmingham Repertory Theatre
  - The Broadway, Barking
  - Hackney Empire
  - Malmö Symphony Orchestra
  - Minor Entertainment
- Further Resources
- Top Tips

We recommend reading the Introduction and Myth-busters before proceeding to the Flowchart. Case Studies and Further Resources are signposted throughout so you can consult those that are most relevant for you.

This guidance was commissioned by the Family Arts Campaign from Baker Richards – [www.baker-richards.com](http://www.baker-richards.com) - and produced following a literature review and field scan. While drawing on the available evidence in creating this guide the authors would observe that, while numerous resources on pricing are available, relatively little primary research has been conducted into the perceptions of families with regard to price in the sector.

# HOW MUCH WILL SOMEONE PAY TO ATTEND AN ARTS EXPERIENCE?

THE SIMPLE ANSWER IS, “IT DEPENDS”... ON WHAT THEY ARE GOING TO, WHERE, WHEN, WITH WHOM, AND WHY.



- Price does not operate in isolation. The decision as to whether someone is willing to pay £5 or £20 for something depends on whether they think it is worth £5 or £20, in the context of their experience and disposable income.
- Someone will only buy if they believe the price being charged is balanced by the value being offered (i.e. that the value is “worth” the price).
- Once an event or activity is programmed, conversations often then focus only on the “price” side of the scales. Before you think about price, you need to think about the value you are offering.
- Start with the three Cs of Value –
  - **COMPREHEND** the value your target groups are looking for
  - **CREATE** value to meet those needs, and
  - **COMMUNICATE** that value effectively
- The more relevant value that you can offer (i.e. value that meets the needs), the more likely audiences are to attend and the more they are likely to be willing to pay. ([see The Broadway, Barking case study](#)).
- Remember that different family experiences may be meeting different needs:
  - Spending social time together as a family
  - Providing a point of connection for different generations
  - A means of learning
  - Trips and treats, e.g. for a birthday
  - For a particular artistic experience
- You should think about how you can offer relevant value across all aspects of a family’s experience with you, including:
  - During the booking experience
  - Pre-visit information
  - Welcome and front of house or equivalent facilities, including catering
  - The experience itself
  - Follow-up after the event or activity
- When thinking about value, you need to stand in the shoes of your target audiences, visitors or participants: what a family will value is not necessarily the same as what those working in the arts might objectively value. For example, in venues families tend to value seats at the front, even when objectively these may not be the best seats. Different families will also value different elements of an experience differently ([see Minor Entertainment case study](#)).
- Remember that it’s not good enough to create relevant value - it must also be communicated effectively. If you do not communicate value effectively then, to the customer, there is no value. This includes:
  - Using appropriate language and images
  - Communicating in terms of the benefits the audience is looking for, not the features of the artistic product being delivered

# ARE FAMILIES DIFFERENT FROM OTHER CUSTOMERS?



## NO, AND YES...

- When it comes to families it's still all about value, just as it is for other customers.
- However, consideration does need to be given to the impact of party size on total cost. It is essential to consider the total cost of tickets, rather than viewing single ticket prices in isolation.

## TO DISCOUNT OR NOT TO DISCOUNT..?

- As we explored earlier, the answer to how much someone is willing to pay is "it depends". There is no "one size fits all" to willingness to pay – even the same family will have a different willingness to pay at different times/for different experiences. However, research and the wider context suggest that there may be expectations of discounts for children:
- This expectation may be driven by non-arts context – for example, the fact that no VAT is applied on young children's clothing enshrines the principle of a discount or lower prices for children in law. Other governmental decisions reinforce this principle, for example the removal of Air Passenger Duty for Under 16s from 1st March 2016.
- In research conducted by Minor Entertainment ([www.minorentertainment.com](http://www.minorentertainment.com)) 67% of parents preferred differently priced tickets for adults and children. This research supports the principle of cheaper tickets for children rather than the notion of a "family ticket".

## HOWEVER, FAMILIES SHOULD ALSO ACCEPT THE PRINCIPLE OF DISCOUNT RESTRICTIONS, FOR EXAMPLE:

- On trains "children aged five to fifteen inclusive get a 50% discount on most tickets" (i.e. not all tickets).
- The concession allowing two children under 5 to travel with an adult for free is based on the principle that they have no entitlement to their own seat: "children under five years of age who are travelling free may only occupy a seat which is not required by a fare-paying passenger".

This is not to say that offering a child discount is necessarily appropriate in all cases. It depends on what you wish to communicate and what you wish to achieve – see **MYTH: "Family tickets are the best way to incentivise families"**

The [Minor Entertainment case study](#) also illustrates how unimportant discounts are to families when relevant value is created in a "trips and treats" context (in that the company does not offer discounts for families or children).



# THE IMPORTANCE OF PRICE DIFFERENTIATION

REMEMBER THAT THE ANSWER TO HOW MUCH SOMEONE IS WILLING TO PAY IS “IT DEPENDS”.

- Consideration does need to be given to your target market and their levels of disposable income. For example, The Audience Agency’s Audience Spectrum segment “Facebook Families” (see <http://audiencefinder.org/audience/facebook-families>) represents 10% of the English population. These families are financially squeezed and stretched, with 84% of them on salaries less than £25k.
- However, perceptions of value are still individual to each customer for each event and the price that even the same customer is willing to pay will vary significantly.
- Price elasticity of demand means that with only one price there will always be some people who would have paid more, and other people who may have come had you charged less.
- Maximising both income and access therefore depends on having a variety of price points to meet different perceptions of value. These different price points should reflect differences in value ([see Minor Entertainment case study](#)). This could include changing prices by time of day or day of week (where an event is repeated), by seat location (in a performing arts context) or by added value (charging more for extras over and above the event itself).



BEST PRICE

DISCOUNT

LOWEST PRICE

**Further resource:** The bottom line? Using pricing to optimise sales and income’ published in Call it a Tenner: the role of pricing in the arts  
**In the next section** we bust some of the myths about family pricing...

# MYTH BUSTERS

## MYTH: “IF WE PUT THE PRICES UP, NO ONE WILL COME”

This myth is a particular (ongoing) favourite of journalists, despite any real evidence demonstrating a link between high(er) price(s) and low(er) sales:

- “High ticket prices I am convinced are the biggest obstacle to young people going to the theatre”  
(David Lister, *The Independent*, 7/12/2002)
- “Tickets are simply too expensive for many families to consider”  
(Mark Shenton, *The Guardian*, 3/12/2008)

### HERE ARE JUST TWO EXAMPLES THAT DEMONSTRATE THE OPPOSITE:

- Between 2008 and 2014, the average price for the Hackney Empire pantomime rose by 30%, when adjusted for inflation, (although an accessible £10 ticket price has been maintained). What has the effect been of this increase? Sales rose by 3%.  
[See Hackney Empire case study.](#)
- In 2014/15 average prices for the Malmö Symphony Orchestra’s “Nalle” or “Teddy” concerts rose by 14% from 110 Swedish Krona (equivalent to c. £9) to an average of 125 krona. The impact of this increase in price? Average sales rose by 22%.  
[See Malmö Symphony Orchestra case study.](#)



## MYTH: “FREE EVENTS ARE THE BEST WAY TO ATTRACT NEW AUDIENCES”

This myth stems from demonstrable economic theory that demand at a free or zero price is substantially higher than the demand at 1 pence.

This is because free means “no risk” – there is no possibility of loss or having made a poor decision because there is literally no “cost” attached.

The problem is that no price also equates to no value - except for those who already appreciate the value that is on offer and therefore understand that the zero price tag does not reflect the quality of the offer.

### THIS WAS THE FINDING OF MORI’S RESEARCH ON THE IMPACT OF FREE ENTRY TO MUSEUMS IN 2003.

- “Although there has been a rise in visiting among those who might be described as being ‘socially excluded’, the most significant impact on visiting appears to have been among those groups who traditionally have always gone to museums and galleries.”



## cont...

In other words – free entry did have a beneficial impact, but primarily with those groups who already valued the experience. Susie McKenna, Creative Director of Hackney Empire observes a similar effect among pantomime audiences: “When a pantomime audience includes a high proportion of people attending with free tickets, the audience is less engaged. When audience members have made a personal investment in their attendance by paying for a ticket (however large or small), the artistic and audience experience is immeasurably improved.”

The cost of “no cost” to arts organisations is not just that there is no income, but that, as Chris Anderson acknowledges, “People often don’t care as much about things they don’t pay for”. When something is free, people behave more irresponsibly. How often is it the people with complimentary tickets or places who don’t turn up? Asking people to pay means you are asking them to make a conscious commitment.

While there are examples of using free or low price to stimulate initial visits (e.g. Test Drive), it should be noted that successful initiatives are not just about price. They are usually also accompanied by additional work to reduce perceptual barriers to attendance (e.g. different information) and commonly refer to the true value e.g. “A ticket worth £20” so people understand the value of the offer in question; these schemes also often require significant work in building a customer journey for people after their initial visit. This is crucial as research in the retail sector by DelVecchio, Henard and Freling has found that reducing price to induce trial (especially where the standard price is reduced by more than 20%) does stimulate demand but adversely affects repeat sales at the higher (real) price - when the product returns to its standard price, consumers perceive this to be a price increase rather than a return to the standard price and purchases decrease.

**FACT**





## MYTH: “FAMILY TICKETS ARE THE BEST WAY TO INCENTIVISE FAMILIES”

As we showed in the section [To discount or not to discount...?](#), there is greater expectation of and preference for a discount for children than for a family ticket.

Research conducted by Kids in Museums found families wanted a flexible ticket format, recognising that families come in many different shapes and sizes. 96% of single parents said current family tickets didn't work for them. There are 1.9 million single parent families in Britain and over 24% of all children live in a single parent family.

- “Thank goodness somebody has noticed the outdated family ticket model!... it screams ‘You are not normal’ at single parent families and yet there are millions and millions of us.”
- “‘Proper’ families with two parents and two or three youngsters pay less per head than a single parent struggling on a lone income with a couple of kids. It seems remarkably unfair.”
- “It sends a message that you are not a proper family unless you fit the approved model. There are enough ways to feel stigmatised without experiencing it almost every time you go to buy tickets...”

If, for promotional reasons, you want to make a “family” offer, as distinct from offering discounts for children, you can avoid the 2+2 model by, for example, offering a flat ticket price that applies to all members of a party including a minimum of 1 adult and 1 child.

In some cases, family offers are actually the result of an organisation wanting to increase its party size i.e. it's interested in attracting groups of 4+, but is not concerned about attracting individuals that are related. In this situation, a broader “Family & Friends” description can be adopted.

This enables you to encourage larger parties while avoiding the appearance of proscribing that a “family” must be four people, by encouraging a group to expand to include non-family members. Examples of this in operation include the Family & Friends railcard [www.familyandfriends-railcard.co.uk/](http://www.familyandfriends-railcard.co.uk/)



If the objective is about ongoing engagement with families then an annual pass or membership might be more appropriate. See our [Birmingham Rep case study](#). For galleries and museums, admissions and membership pricing questions are usually related, since free or discounted admission (where charges are made) is usually a key component of a membership. This means that trade-offs need to be ascertained to maximise earned income. At the time of writing (prior to its re-opening) it is interesting to note that the San Francisco Museum of Modern Art offers a Family membership priced above a “dual” or joint membership, with additional benefits accruing to a family (over and above the benefits of individual or dual membership) including:

- Unlimited free admission for children age 17 and younger
- Membership cards for children in your household ages 13 to 17 allowing them to bring a guest for free
- Free admission for one adult caregiver when accompanying a child age 12 or younger
- Family Activity Guides sent by email
- One-time 20 percent in-store discount on kids products at the Museum Store
- Reciprocal membership at selected museums throughout North America

If you do wish to offer discounts, you may also need to consider how to protect your income. Start by thinking about applicability (who can get the discount i.e. how do you define who qualifies as a “child”) and discount rates (what size of discount will you offer?)

You should then think about applicability. Families do understand the need for restrictions. For example, the Family & Friends railcard is not available on all seats (excludes First class tickets), or at all times (excludes morning peak time in London/South East).



## RESTRICTIONS MAY INCLUDE:

- Certain performances/exhibitions or times of day
- Certain times of booking (e.g. discounts must be booked in advance)
- Using a quota system (e.g. discounts are subject to availability or a fixed number are available)
- Certain seats (in a performing arts context)

Whatever you decide about the restrictions you might need to make in order to protect your income, it is important to be as transparent as possible and enable families to make an informed purchase decision.

Note – there is no requirement to offer a discount for children or families. A decision about whether it is appropriate to do so depends on your objectives (see our [Flowchart](#)). Many organisations take the view that the value of the experience on offer is equal for adults and children, albeit potentially in different ways. They wish to communicate this by charging the same price for adults and children ([see our Minor Entertainment case study](#)). If the value is not equivalent then it may be appropriate to differentiate your prices on this basis. In theme parks such as Thorpe Park, discounts are typically offered for children who do not meet height restrictions for certain rides and thus are receiving a lesser offer.

**Further resource:** Kids in Museums Family Ticket Watch report.

## MYTH: “EDUCATION MUST BE CHEAPER THAN ENTERTAINMENT”

It is common to find activities delivered as part of education, participation and/or learning programmes priced more cheaply. Perhaps this stems from a European culture where the majority of families do not pay for education. But the value of an intimate participatory experience (and thus the price someone is willing to pay for that experience) may actually be higher. For example, New York’s MOMA offers family tours at a premium on base admission prices of, for example, \$25 for adults:

<b>Basic Group Admission</b>	This intergenerational experience allows visitors of all ages to engage in a guided tour of the collection or special exhibitions. Tours are customized to meet a family’s needs and interests. Family tours are one hour in duration and offered during public hours. A minimum of ten people or a base rate of \$340 is required.	
<b>Guided Tours</b>	The one-hour guided-tour rates, including admission, are as follows:	
<b>Private Tours Before &amp; After Hours</b>	Adults	\$34
<b>Family Tours</b>	Seniors	\$30
<b>Personal Tours</b>	Youth	\$19
<b>Gift Tours</b>	Members and Corporate Members	\$19

## MYTH: “DAYTIME OFFERINGS ARE LOWER VALUE AND MUST BE CHEAPER”

Historically many performing arts organisations have priced matinee performances more cheaply than evening performances. But this may not accurately reflect perceptions of value or patterns of demand.

A more detailed look at sales for the pantomime in the [Hackney Empire case study](#) compares matinee and evening performances that were on the same price schedule (in other words, for which the same prices were charged), and shows matinee performances outselling evenings.

# FLOW-CHART

Answer the four questions before proceeding to the flow-chart below. For help answering the questions see [How much will someone pay to attend an arts experience?](#)

## QUESTIONS

1. What needs are families seeking to meet?
2. What value are you creating to meet those needs?
3. What value could you add to serve families better?
4. How will you communicate this value to families?

Given the needs families are seeking to meet and the value you are offering to meet them, how will you create a range of different prices? See [The importance of price differentiation](#)

### CONSIDER:

Different prices according to when people are attending  
Different prices according to when people book (or how)  
Different prices for different seats (for performing arts)  
Different prices for different value (e.g. premium experiences)  
Different prices for frequency (e.g. single admission vs. annual pass)

Do you want to offer a discount at all? If yes, for children or families? See [To discount or not to discount...?](#) and [MYTH: Family tickets are the best way to incentivise families](#)

### WHAT MESSAGE DO YOU WANT TO SEND?

Do you want to send out a message about who you are for?  
Does it NEED to be a family (must people be related?) or could it include friends?  
Are you seeking to attract adults and children or just larger parties?

What are the applicability rules?

### HOW DO YOU DEFINE A CHILD OR A FAMILY?

Kids in Museums research found 'Child' is perceived to equate to Under 16.  
If your age bracket is tighter - why? If there is a reason such as age suitability, make this transparent. If creating a family ticket, ensure you have built in sufficient flexibility (e.g. a flat price for parties including 1 adult and 1 child)

What should the discount be?

### IN SETTING THE DISCOUNT:

How does the discount compare with your other prices/discounts?  
Is it the cheapest option? Should it be?  
Should other prices be lower e.g. for job seekers?  
Remember there are different ways to express the same discount, including (on a £10 ticket/admission): fixed lower price (£5), percentage saving (50% off), fraction saving (1/2 price), fixed price saving (£5 off) and multi-buy discounts ('buy 2, save £10', 'buy 1, get 1 free' or '2 for 1')

What restrictions do you need, if any, to protect your bottom line?

### CONSIDER:

Restrictions according to when people are attending  
Restrictions according to when people book (or how)  
Restrictions according to where people sit  
Restrictions on the number of discounts that will be available  
Remember to make this information transparent.

# CASE STUDIES

# CASE STUDY | BIRMINGHAM REPERTORY THEATRE

Birmingham Repertory Theatre is one of the UK's leading regional theatres. Founded in 1913, The REP maintains its vision to 'inspire the city of Birmingham to a lifelong love of theatre' through an engaging and diverse programme. As both a producing and presenting venue, The REP prides itself in supporting the creation of new work, commissioning both established and emerging theatre professionals. With strong international links, The REP has created a wide-reaching reputation, supported by the success of its touring productions.

The REP is committed to welcoming families in a variety of ways. As well as providing a range of discounts for family groups on selected performances, they present a variety of ways for families to extend their enjoyment of a show both before and after the play.

There is a programme of performances entitled **First Stages** which are specially designed to introduce young children to theatre from an early age plus **Family Days** providing drama workshops and memento making related to the themes of a show. In addition to this The REP's family microsite - [www.birmingham-rep.co.uk/families](http://www.birmingham-rep.co.uk/families) provides activities to entertain and educate children tied into upcoming family friendly shows.

The REP also offers **Family ACT**, a family membership scheme. The membership does not dictate what form a family takes but explains that "The definition of family for the purposes of this membership and the benefits offered is a group minimum of 2 up to a maximum of 7 people in total, at least one of whom must be under the age of 14."

**Although ACT members do receive reduced prices to many performances, the membership focuses on promoting added value: "There are great memories to be made at The REP and our family membership allows you to get the most out of your visit". Benefits include:**

- Free entrance to a family workshop
- One backstage tour for the family
- Up to 6 free goody bags to accompany shows
- Invites to special events
- Birthday cards for children
- Priority brochure mailing and booking period
- Supporters' newsletter
- 10% discount at our Café Bar and Restaurant
- No booking fees
- A range of fun family friendly goodies and activities

Family ACT is regularly adjusted to meet the needs of its members. There is also the option for family experiences that are not play-related as The REP organises theatrically themed children's birthday parties bringing potential new young audiences into the building.

With thanks to Trina Jones, General Manager and Paul Reece, Head of Marketing and Communications at The REP  
[www.birmingham-rep.co.uk](http://www.birmingham-rep.co.uk)



# CASE STUDY | THE BROADWAY, BARKING

In 2004 a marketing strategy was produced for The Broadway in Barking, a redeveloped 340 seat venue that was about to open its doors to the public. The Broadway faced very serious challenges with a demographic that most marketers would best describe as 'difficult', with low representation of social grades AB (14%, compared to 26% in the whole of London) and low levels of educational attainment - 37% of the adult population had no qualifications at all (compared to 24% of London adults). Only 14% were qualified to first-degree or above (less than half the average for London).



Families were seen as a key market for the venue. 40% of households in the area included dependent children: 22% were couples with dependent children (compared to 20% for London) and 18% were lone parents (significantly higher than the London average of 13%).

Below is an example of how The Broadway used the three Cs of Value for one target group - Parents/Grandparents with Kids aged 3-8.

## COMPREHEND VALUE

**This group was not felt to be looking for an arts experience.**

Rather, there was an opportunity for arts experiences to:

- Offer the opportunity to do something fun together as a family at weekends or in the school holidays
- Provide birthday parties (a market need reflected, for example, in bookings for parties at McDonalds)

## CREATE VALUE

**To meet these needs The Broadway needed to:**

- Provide appropriate programming at weekends/in the holidays, with added social interaction where possible (e.g. a Winter Wonderland was provided in the foyer to accompany the Christmas show for activities such as colouring and sticking, with refreshments provided)
- Create a birthday party offer
- Deliver friendly, welcoming and approachable customer service for families, rather than being overly professional or arts-focused
- Design a kids club brand to signpost appropriate activities and events, rather than assuming people could interpret suitability
- Create a Kids Club mascot - Barker the Bear - who (in furry costume) could host birthday parties and promote the venue at relevant events in the local community such as the Barking Festival.

**Barker's Birthday Parties**

I celebrate my birthday in the Summer and to mark the occasion I'd like all my Kids Club friends to celebrate their birthday here with me at the BROADWAY!

We can arrange a fantastic fully catered birthday party for you and all your friends in an exclusive area of the foyer. It will be dressed with birthday decorations and you can choose from two special Barker Menus. And of course I'll be there to play games, we can dance to all my favourite tunes and we'll all sing Happy Birthday to you!

If you'd like to book a Barker Birthday Party all you need to do is call the Box Office. There is a £30.00 venue fee plus your choice of menu. Remember we can only book one Birthday Party per performance so call us today to make sure you're not disappointed.



## COMMUNICATE VALUE

- In talking about the venue, messages focused less around what was on stage and more about being a friendly social place with the needs of the family at its core: **“We wanted our audience to be the focus. The quality of their time spent with us was more important than any newspaper quote or star name.”**
- Images focused on real, local families enjoying themselves.
- With Barker the Bear as the host of Kids Club shows, there was a consistent offer/message for families to understand - they did not need to interpret whether a show was appropriate for them.
- Relevant reassuring detail was provided e.g. aisle seats were reserved as “under 2s seats... for easy access”

This case study draws on Barking up the Right Tree by Ann Cooper & Howard Buckley, Journal of Arts Marketing, Arts Marketing Association, October 2006, p8-9



# CASE STUDY | HACKNEY EMPIRE



A Grade II\* listed building built in 1901, Hackney Empire is the largest organisation of its type in East London with an auditorium holding up to 1,300 and a smaller space (Empire 2) that supports youth and community programming. 40% of audiences come from Hackney and East London with the remaining travelling from across London to see performances and experience the unique atmosphere of the Hackney Empire's auditorium.



Each year the Hackney Empire produces its own, highly acclaimed Pantomime which attracts nearly 50,000 attendances each year. The Hackney Empire receives only 16% of its income in public sector grants and consequently maintains a firm focus on its earned income. Addressing historic missed opportunities through pricing, between 2008 and 2014, the Hackney Empire has increased the average price of the pantomime by 30%, when adjusted for inflation, while continuing to maintain an accessible low ticket price of £10.

So what has been the effect of this increase in price on ticket sales? Did it have a negative impact? In fact total ticket sales rose by 3%, to 78% of capacity sold for the company's recent Mother Goose. Total income has increased by 48%, after inflation, above the increase in average price by targeting price increases carefully.

A more detailed look at sales for the Hackney Empire's pantomime also busts another myth - that daytime performances should be priced more cheaply than evening performances.



The chart above compares matinee and evening performances that were on the same price schedule (in other words, for which the same prices were charged), and illustrates matinee performances outselling evening performances when charged at the same price.



With thanks to Clarie Middleton,  
Chief Executive of Hackney Empire  
[www.hackneyempire.co.uk](http://www.hackneyempire.co.uk)

# CASE STUDY | MALMÖ SYMPHONY ORCHESTRA

Malmö Symphony Orchestra was founded in Malmö, Sweden in 1925, and is one of the country's four major orchestras, providing audiences with a mix of traditional and innovative repertoire. Examples of the orchestra's more inventive programming include experimentation with computer game music and the "Nalle" or "Teddy" concerts.

The Nalle concerts are designed to introduce young children to classical music. Nalle, the orchestra's teddy bear mascot, hosts the events, providing a friendly and relaxed environment for younger listeners who are encouraged to bring their own teddy bears along.

In 2014/15 the average price for the Nalle concerts rose by 14%. This was the result of a change in pricing from a flat price of 110 Swedish Krona (equivalent to c. £9) to an average of 125 krona. The increase in price was because a new range of prices had been introduced from 140 krona to 90 krona.

The new pricing strategy recognised that having a range of prices helps to maximise both accessibility and income. And the impact of this increase in price?

Average sales rose by 22%.

Malmö Symphony Orchestra will be moving into a new home in 2015 - Malmö Live - where the Nalle concerts will continue to play an important role as the orchestra reaches out to the audiences of the future.

With thanks to Jan Axlund, Sales Director of Malmö Symphony Orchestra

[www.mso.se](http://www.mso.se)



# CASE STUDY | MINOR ENTERTAINMENT

Minor Entertainment makes spectacular family theatre events in unique spaces. On its upcoming 2015 tour the company will be staging four shows a day (10am, 12 noon, 2pm and 4pm) running six days a week, in an inflatable show-dome.

## THE THREE Cs OF VALUE

Minor Entertainment recognises the importance of value, or creating a relevant offer. For parents, the value lies in sharing a formative experience with their young child(ren), creating a memorable day together as a family. Recognising that memories depend on the whole experience being a positive one, the company considers the entire experience holistically, curating it from start to finish. The customer experience is seen as starting when they first arrive at the website, with the physical visit starting in the car park (or even following the signs en-route to the car park). Emphasis is placed on making the visit easy for parents (“everything is really family-friendly, from the welcoming staff to ample buggy parking, microwaves, flushing toilets, with toddler steps and seat inserts, and baby-changing facilities”).

While many organisations see merchandise simply as a means of making money, Minor Entertainment recognises that for many customers it’s a crucial component of the experience. A common question pre-show is what merchandise is available and audience research undertaken by Minor Entertainment into what parents remembered about their first trip to the theatre found that the merchandise and/or ice cream are commonly mentioned. Interestingly, the company observes an inverse relationship between spend on tickets and spend on merchandise – some customers value the ticket more highly and are less likely to spend on merchandise, while others opt for cheaper tickets but spend heavily on merchandise. This reinforces the idea not just of price differentiation, but that different people will value options differently. Discounts when buying in advance are used to encourage early purchase and money-back guarantees are offered to minimise barriers to advance purchase – if audience members don’t like the goody bag, for example, they can hand it back for a full refund. Wider value is created for families around the experience itself including an app with games and puzzles (where you can provide your email address or share on Facebook to access higher levels) and an online advent calendar, giving families chance to interact on a daily basis and where prizes can be won.



In terms of communicating value, the company finds that the best way to deliver value that meets or exceeds the expectations of families is to ensure those expectations are shaped in advance. Videos are made available online, sharing the experiences of other audience members through reviews/Facebook, etc. There is also an email countdown from 10 days before the show - families receive four emails during this period answering FAQs (yes it's ok to take photos); reminders and information about parking, etc.



During the evening after their visit, bookers receive an email thanking them for coming with a post-show survey. The company uses value for money as a key indicator, asking customers to score the show and items such as the goody bags. This is then used in promotion e.g.: "Last year's Goody Bag was our most popular ever. We sold over 10,000 Goody Bags and parents gave the Goody Bag 8.8/10 for value for money". The company also seeks feedback as to how it can improve. On one occasion a customer mentioned that it would have been helpful to have a playpen to put their toddler in when changing a nappy - by the next day the company had installed a playpen.



## THE IMPORTANCE OF PRICE DIFFERENTIATION

The company recognises the need for price differentiation. It offers different prices according to seat location (rows 1-5 are more expensive than rows 6-13, recognising that families with small children place a 'Premium' on seats at the front) and according to time of day. Prices then increase according to demand. By varying the price for different performances, the company can smooth demand, benefitting both the company operationally and the audience in terms of the experience. The company is clear that prices will never go down in order not to dis-incentivise early booking. As with budget airlines, the strategy relies on customers being able to compare prices and adjust their behaviour in order to obtain a cheaper price should they wish to:

	10am		12pm		2pm		4pm	
Sat 05 Sep	Premium <b>£23</b> 6 Left	Standard <b>£14.50</b> Available	Premium <b>£25</b> Available	Standard <b>£17.50</b> Available	Premium <b>£25</b> 8 Left	Standard <b>£14.50</b> 3 left	Premium <b>£23</b> Available	Standard <b>£14.50</b> Available

The company is absolutely transparent about its pricing policy: up-front on the production's home page it explains that "The earlier you book the less it costs" (crucially the price differentiation strategy is presented as a reward for early booking, not a penalty for late booking). It also makes it easy for people to search for either premium seats or lowest prices. Just tick the "Lowest Prices" box, for example, and the website will flag up those performances that have tickets for £12.50 (the cheapest ticket price) available.

## TO DISCOUNT OR NOT TO DISCOUNT...?

Although the company's research into price identified that parents prefer differently priced tickets for adults and children, the company decided against also differentiating prices according to age: "Instead we're offering attractive discounts for our off-peak performances". It was felt that an additional level of differentiation on top of time of day and seat location would be one level of complexity too many.

The company does, however, offer heavily reduced prices for children aged 0 - 5 months, finding that this has the effect of increasing party size, and uses sales promotions in the form of time-limited discount coupons (save £5 if you spend £60 or 5% off if less than £60 - with the amounts set based on average basket size) to track offline marketing activity such as print ads and to increase urgency to purchase (your discount expires tonight - book now!).

In early 2015 Minor Entertainment will be launching Familytickets.com, a new ticketing service focused on making access to tickets and the all-important information that families need a little bit easier.

With thanks to Andrew Collier,  
Creative Director of Minor Entertainment  
[www.minorentertainment.com](http://www.minorentertainment.com)



## FURTHER RESOURCES

Listed below are the external pricing resources referred to in this guide.

Anderson, C. (2009) 'Free: The Future of a Radical Price', Random House Business Books, p67

Ariely, D. (2009) 'Predictably Irrational', HarperCollins, p49-63

Baker, T. (2007) 'The bottom line? Using pricing to optimise sales and income' published in 'Call it a Tenner: the role of pricing in the arts'. Available at: [www.artscouncil.org.uk](http://www.artscouncil.org.uk)

DelVecchio, D., Henard, D.H., and Freling, T.H. (2006) 'The Effect of Sales Promotion on Post-Promotion Brand Preference: a Meta-Analysis' Journal of Retailing Volume 82, Issue 3, p203-213

Kids in Museums (2010) 'Family Ticket Watch'. Available at: [www.kidsinmuseums.org.uk](http://www.kidsinmuseums.org.uk)

Martin A. (2003) 'The Impact of Free Entry to Museums', p10 Available at: [www.ipsosmori.com](http://www.ipsosmori.com)

If you have any pricing-related questions or thoughts you would like to share you can join the debate with over 1,000 professionals in the ThinkAboutPricing group on LinkedIn.

[HOME](#)



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## TOP TIPS

1. **COMPREHEND** the value families are seeking, then consider how you will **CREATE** and **COMMUNICATE** value - **before** you think about the price.
2. Offer a range of prices to maximise both income and volume.
3. Check the messages you are sending with your prices/discounts about who you are for.
4. Ensure any discount structure doesn't unintentionally discriminate.
5. Make your pricing transparent and any applicability rules as broad as you can.
6. Identify any restrictions that are needed to protect your bottom line.
7. Review your prices regularly.





Family Arts  
Campaign

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