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Referral Marketing of Cultural Goods through Social Media

A Qualitative Enquiry of a Challenging Opportunity

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Abstract

This paper investigates to what extent cultural marketers harness the power of online word of mouth (eWOM), by employing referral marketing strategies. The literature review points out that cultural goods, due to their distinct nature and valuation process, are particularly affected by WOM. In addition, it highlights how cultural organizations can first of all benefit from the growing online audience that act as protagonists of their own cultural experiences, and secondly, tackle some of the attributed characteristics that have hindered the marketing of their goods.

In order to provide understanding of the current strategies and motivations of cultural marketers, twelve semi-structured interviews have been carried out. Although the qualitative enquiry detects ad hoc intentions to stimulate eWOM, the results strongly indicate that cultural marketers often not only lack knowledge of the concept, but more importantly understanding of its conceptual foundation. As a result, referral marketing for cultural goods, through social media seems to not yet have reached its full potential. With these findings, the author intends to contribute to the limited amount of academic literature on referral marketing of cultural goods, and eventually to marketing successes in the cultural sector.

Keywords: referral marketing, word of mouth, cultural goods, social media, arts marketing

Acknowledgments

Being a consultant and a former artist, I believe that I have two objectives: understanding customers and promoting the arts. I am aware of the challenges which confront many cultural organizations, and through this study I hope to identify some of those challenges as opportunities.

The present master's thesis is the result of an independent study and fieldwork. Yet, some assistance has been particularly important and therefore deserves special mention.

First and foremost, all twelve participating cultural organizations deserve my gratitude. I am thankful for the cooperation of the cultural marketers who were willing to share their motivations, challenges and insecurities. I am looking forward to sharing my findings and meeting them again, both as a customer and as a professional.

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Last but not least, I thank Haim Dror. No one else could have guided my efforts as clearly as he did. I am grateful and excited to continue what I have started during the course of this thesis, that is, working for Humints with him as my business partner. The plane took off.

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"We are advertised by our loving friends"

William Shakespeare

(1596, as cited in Cox & Rasmussen, 2001, 347)

"Social media is not a media.

The key is to listen, engage and build relationships."

David Alston

(2008, as cited in Tefen, 2010, p.2)

1 Introduction

1.1 The debate

Stimulating word of mouth (WOM) is receiving an increasing amount of attention among marketers (Trusov, Bucklin & Pauwels, 2009), and a growing number of companies is trying to harness the power of WOM by WOM marketing, also referred to as referral marketing (Buttle, 1998; Schmitt, Skiera & Van der Bulte, 2010). Referral marketing describes the structured and systematic method of promoting products or services to new customers through referrals, usually by maximizing the word of mouth potential (Schmitt et al., ibid.). Practitioners and theorists acknowledge the impact of the personal referral on customer behaviour and attempt to stimulate this by encouraging, informing, promoting and rewarding customers (Buttle, 1998). The rise of the Internet has increased the means of interaction that allow people to "create, share, and exchange information and ideas in virtual communities and networks" (Ahlqvist, Bäck, Halonen, & Heinonen 2008, p. 13). Social media is reported to be especially useful to stimulate WOM (e.g. Allsop, Bassett & Hoskins, 2007; Jansen, Zhang, Sobel & Chowdury, 2009; Miller & Lammas, 2010). Electronic word of mouth, also referred to as eWOM, has not only several advantages over offline WOM (Hausmann & Poellman, 2012), but also offers a range of opportunities for cultural marketers as it allows news and images to be spread in real-time for low costs to an infinite number of receivers (e.g. Miller & Lammas, 2010).

The effects of WOM are especially interesting for cultural organizations since empirical studies have repeatedly shown how referrals play a crucial role in the cultural sector (e.g. Helm & Klar 1997; Chevalier & Mayzlin 2008). This results from the intangible nature of cultural goods and their high degree of immateriality (e.g. Colbert 2001; Kotler, Kotler & Kotler, 2008), which leads users to experience an increased risk perception related to the quality and behaviour of these services (e.g. Karns, 2002; Helm & Kuhl, 2006). As this uncertainty is especially high among new users, (positive) WOM not only supports cultural marketers to maintain the existing audience base, but also facilitates the acquisition of new customers (Chevalier & Mayzlin, 2008).

Nevertheless, although case studies from the commercial sector show promising results, scientific research on the potential of referral marketing to stimulate eWOM on cultural goods falls short.

1.2   Goal and research questions

This thesis aims to explore to what extent cultural marketers incorporate referral marketing through social media in their current strategies. The ultimate concern is to identify the potential of referral marketing through social media for the cultural sector. The main research question can thus be formulated as:

- To what extent do Dutch cultural marketers incorporate referral marketing strategies in their marketing activities?

In order to examine the relevancy of the research question, the literature review aims to increase insight into the (potential) benefits of referral marketing through social media, for these cultural organizations. Therefore, the sub-question, prior to the main research question can be formulated as:

- What are the (potential) benefits of referral marketing through social media for cultural organizations?

1.2.1   Definition of terms

In this thesis the following definitions of the terms will be used.

Referral marketing describes the strategic method of maximizing word of mouth in order to promote products or services to potential buyers (Trusov, et al., 2009).

Marketing strategies refers to the processes that can "allow an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage" (Aaker as cited in Baker, 2008, p. 3). To reach the (potential) audiences and influence their decisions, organizations employ a 'marketing mix',

which traditionally refers to product (collection, performance), place (building), price and promotion (Borden, 1964). As regards cultural organizations some explicitly add partnerships (Deloitte & Touché Bakkenist, 2001). However, this thesis focuses on promotion through and by the means of social media.

Although there is an on-going debate on the definition of **social media** (e.g. Kaplan & Haenlein 2010; Scott & Jacka, 2011), the majority accepts the fact that social media enables, facilitates and supports the communication and interaction between users and the creation and exchange of user generated content (e.g. Weinberg, 2009; Kaplan & Haenlein, 2010; Meerman & Scott, 2010).

1.3   The relevance of the research

In general, there seems to be insufficient literature on marketing for cultural organizations (Schoonderbeek, 2011) and research on the effects of marketing differentiation for different target audiences (Rentschler, Radbourne, Carr & Rickard, 2006). Very limited academic research has been done on referral marketing of cultural goods (Hausmann & Poellmann, 2012). As cultural organizations are increasingly expected to find new ways to acquire a larger part of their income themselves (Lee, 2005a; Zoet, 2011; Van der Born, Van Klink & Van Witteloostuijn, 2011), their marketing strategies become particularly important.

With this paper the author aims to offer a theoretical and empirical contribution to arts marketing research where the issue of referral marketing through social media has not yet been addressed. It offers the potential of increasing marketing success by providing insights into the potential benefits of referral marketing and its thresholds.

1.4   Research structure

This thesis is divided into three parts.

Firstly, the literature review prepares the ground for answering the research questions. It is divided into two chapters: chapter 2 will closely examine the theoretical foundation of referral marketing. It proposes that the concept of referral marketing has been developed on the

theoretical foundation of people's sociability. In order to demonstrate the potential of referral marketing, case studies of the strategy are presented. Chapter 3 specifically focuses on the potential of referral marketing for cultural organizations, applying the experience goods concept, and other characteristics inherent to cultural goods. It also presents an important theoretical analysis of the recent developments of the audiences which, enabled by the development of social media platforms, highlights even more opportunities for the application of referral marketing strategies.

Secondly, the conducted research is presented. Chapter 4 describes the research questions again and presents three different perspectives, articulated in the same number of sub-questions, which allow a more thorough approach of the main question. The chapter continues to discuss the research methods and the ethics of the research. Furthermore, it elaborates on the research design, the sampling procedure and the analysis of the data. In Chapter 5 the results are analysed, using the three perspectives to further examine the motives and perceptions of the interviewed cultural marketers.

Thirdly, the thesis concludes with presenting the main findings. Chapter 6 presents the final results of the research and discusses the limits of the research. In addition suggestions for further research are presented. Finally, in the appendices three documents can be found: the introduction letter that was sent to all respondents, the list of applied key performance indications and the English translation of the research questions.

Part I

Theoretical Framework

2   The concept and practices of referral marketing

2.1   Sociability and word of mouth: the theoretical foundation

Until the 1940s, theories on marketing communication were dominated by the 'magic bullet' theory, assuming the full audience to be directly impacted by mass media messages. However, in the late 1940s, it was pointed out that most people acquire information and opinions from other people, rather than from these mass media (Lazarsfeld, Berelson, Gaudet, 1948). It was followed by the two-step flow model, stating that opinion leaders filter media messages and interpret and contextualize the content during numerous interactions within small groups (Katz & Lazarsfeld, 1955). A further shift in marketing communication theory followed from Granovetter's (1985) publication of the seminal article on the problem of embeddedness, in which he observes the way in which economic activity is "embedded in concrete, on-going systems of social relations" (p. 487). This launched the 'new economic sociology' which contrasts the undersocialized conception of human action as explained by transaction cost economics (Krippner, 2001; Breiger, 2005; Swedberg, 2003; Rauch & Hamilton 2001). As Shirky (2008) puts it: "Human beings are social creatures-not occasionally or by accident but always" (p. 14). This idea is supported by the communitarian theory, stating that: "community is the context of social relationships; it is not simply the utilitarian context for meeting private ends" (Arai & Pedlar 2003, p. 187).

Indeed, consumer purchasing decisions are affected by embedded ties (DiMaggio & Louch, 1998). In addition, institutions such as trust, networks, norms and beliefs are also claimed to influence the market (Granovetter, 1997; Powell & DiMaggio 1991). The shift from individualistic understanding towards more relational explanations stimulated scientists and marketers to study and record the power of word of mouth (WOM) (Buttle, 1998). Word of mouth is characterized as oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product or service (Arndt, 1967).

In 1967, Arndt studied the effect of WOM on consumer behaviour, followed by more than 70 marketing studies. It became acknowledged as having a major impact on what people think, feel and on how they act (Godes & Mayzlin 2004; Money, Gilly, & Graham 1998, Britt, 1966). Even though WOM differs from advertising (Stern, 1994), extensive literature has elaborated on its positive effect on sales, auction prices and number of bids (Chen, Wu & Yoon, 2004; Chen & Xie, 2008; Dellarocas, 2003; Schubert & Ginsburg, 2000; Senecal & Nantel, 2004). As consumers, when buying a product, perceive different types of risks: such as financial, psychological, time loss and uncertainty about its performance (Mitchell & Hogg, 1996), WOM offers a risk reduction strategy (Buttle, 1998). This might be explained by the fact that 90% of consumers trust recommendations from people they know, more than any other kind of advertisement (See figure 2.1) (Nielson, 2009)[1].
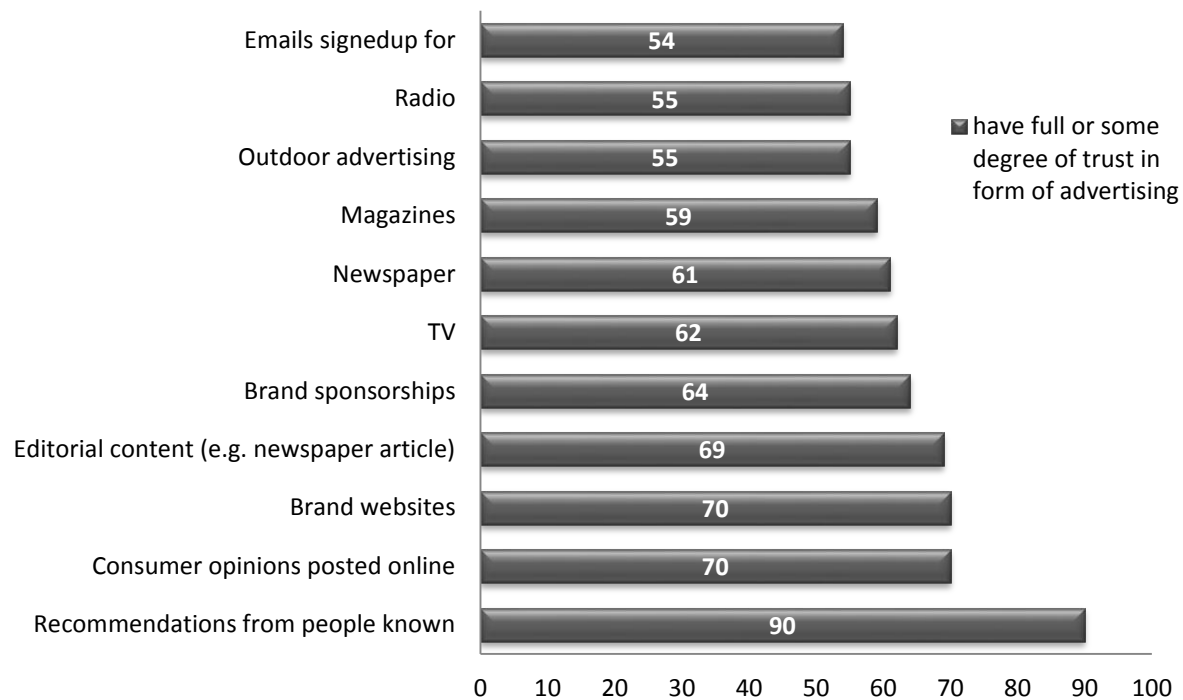

Figure 2.1: **The level of trust in advertising forms (Nielson, 2009, p. 3)**

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[1] According to a survey of over 25,000 Internet users from 50 countries (Nielson, 2009).

In fact, research showed that WOM influences consumers' expectations and perceptions when they search for information and affects their evaluation of alternative products before purchase (Lynn, 1987; Stock & Zinsner, 1987; Woodside, Wilson & Milner, 1992). Hence, WOM is not only more effective than traditional ways of advertising products but also leads consumers to contribute higher long-term value to the provider (Villanueva, Yoo, & Hanssens 2008).[2] In addition, WOM has been shown to be nine times more influential than advertising at altering unfavourable or impartial attitudes into positive ones (Buttle, 1998). Perhaps not surprisingly, more than $1 billion is spent a year on word-of-mouth campaigns, an amount growing at 36% a year, faster than any other part of marketing and advertising (MarketingVOX, 2007). Various motivations are described for sharing information, such as for altruistic reasons or for self enhancement purposes (Wojnicki & Godes, 2008). Also social exchange value (Homans, 1958), and generating reciprocity have been identified as key motivators (Fehr, Kirchsteiger & Riedl, 1998). In addition, people report sharing their emotional experiences to make sense of their experiences, to reduce cognitive dissonance and to strengthen their social relations (Festinger, Riecken, & Schachter, 1956; Peters & Kashima 2007; Rime, Mesquita, Philippot & Boca, 1991). WOM is especially stimulated by the extremes (i.e., highly satisfied or highly dissatisfied) (Anderson, 1998).

2.2   Referral marketing: a strategy to stimulate word of mouth

WOM, and more specifically customer-initiated referrals, originate from current or former customers freely advocating their satisfaction or disappointment with their purchase or experience. Whereas traditional marketing activities may stimulate WOM (Trusov, et al., 2009), referral marketing describes the strategic method of maximizing WOM in order to promote products or services to potential buyers. To achieve that, marketers encourage, inform and reward customers (with financial or non-financial incentives) (Buttle, 1998). As early as 1998, Francis Buttle, stated that a growing number of product and service providers pro-actively try

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[2] It should be noted that the possibility exists that consumers' purchase decisions may depend on multiple information sources and not just online WOM (Yang, Kim & Amblee., 2012). However, with some of the referral marketing practices mentioned later, the specific impact can in fact be verified.

to intervene in the natural process of WOM in order to stimulate and manage it more actively (Buttle, 1998). Nevertheless, it was not until 2010 that the first academic study on the financial results of such attempts took place (Schmitt et al., 2010). After following the referral marketing method of a German bank, it was concluded that referred buyers were not only more profitable and loyal than normal customers, but also had higher retention rates. The costs (25 euros for bringing in a new customer) were lower than the final added value (Schmitt et al., ibid.). Also many practical examples seem to imply the potential of referral marketing. An example of a financial referral marketing case with a financial incentive is given by the Israeli telephone company GolanTelecom which applied a network marketing strategy by giving a financial reward (about 50 euro's) to customers for bringing new clients. In only a few months' time the company reached over 25,829 new clients, all suggested by related contacts, resulting in a total reward of 670.496 euro's (GolanTelecom, 2013). A non-financial referral marketing strategy was applied by Dropbox, which gave new subscribers arriving through a referral link more space than through the regular sign up. The referrer received additional space as well. Sign-ups increased by 60% and 2.8 million people received referred invites (Studymode, 2010). Some strategies focus on the more traditional advertisement, but through social media. In 2009, DC Shoes started to shoot several nine-minute videos of a race car, almost without talking. After uploading the videos on Youtube, they collected over 180 million views, which would have cost $5 million to achieve with paid online media (Teixeira, 2013). Research shows how 48% of online viewers who visit a brand's website, 11% share the video with a related contact and 22% purchase the product (Vision Critical, 2010). In fact, in 2011 alone, DC Shoes' sales jumped by 15% (Teixeira, 2013). It is important to note that these processes of referral marketing are enabled by social media platforms. Paragraph 3.3 goes further into the impact of social media on referral marketing.

2.2.1 Optimizing the results: understanding who influences who

Although WOM has proven to be more effective than traditional marketing, there is an on-going debate on who 'influences who'. Berry and Keller (2003) claim that a few 'influentials' are responsible for driving trends. Malcolm Gladwell (2000) elaborated on the funnelling concept

and the six-degrees phenomenon, based on the famous research of Stanley Milgram in 1969 (Travers & Milgram, 1969). Gladwell argued that the dissemination of information is dependent on a few extraordinary individuals (connectors) who own extensive networks of relations (hubs) that mediate the links of more weakly connected people (Gladwell, 2000). However, according to Watts and Dodds (2007), such influentials can make us aware, but are not going to influence big changes in behaviour. Trends can only occur if affected related individuals in their turn influence their connections, and so on. The size of a social epidemic, according to the authors therefore depends little on the initial influential (Watts & Dodds, ibid.). People have varying thresholds for adopting new ideas, which are influenced by experiences (such as good or bad previous experiences with the brand), risk-averseness and personal habits (Adams, 2011). Hence, whether someone can be influenced therefore is as important as the strength of the influencer. When going back to the power of word of mouth, the explanation for the higher number of sales, also referred to as the volume impact (Buttle 1998), is the flexible nature of interpersonal communication combined with high source reliability (Day, 1971). In fact, a study from 2007 showed how only 14% of consumers trust advertisements, compared to 90% of consumers who trust social recommendations (Nielson, 2009). Here we need to elaborate on the distinction between strong ties and weak ties as famously described by Granovetter in the article 'The Strength of Weak Ties' (1973). According to the author, the strength of the ties is a combination of: "the amount of time, the emotional intensity, the intimacy (mutual confiding) and the reciprocal services which characterise the tie." (Granovetter, 1973, p. 1361). These different kinds of ties are typically assumed to function differently (Granovetter, 1973; Borgatti & Foster, 2003). People perceive strong ties as most trustworthy and credible (Rogers, 1995). When applying referral marketing strategies, organizations need to identify those individuals whose characteristics match that of the brand and stimulate them to inform their strong ties who may be interested as well (Adams, 2011). The number of strong ties is estimated at ten whereas the number of weak ties is estimated at 150 (Adams, ibid.). The latter also corresponds to 'Dunbar's number': a suggested cognitive limit to the number of people with whom one can maintain stable social relationships (Dunbar, 1992). In addition, it is important to mention the phenomena of homophily: the tendency of people to relate to others who look alike. Also

described as 'Similarity breeds connection' (McPherson & Smith-Lovin, 1987, p 415). Homophily structures both type of ties. As a result, people's behaviour, networks and their socio-demographic, show high level of homogeneity (McPherson & Smith-Lovin, 2001). This phenomenon restricts individuals in terms of the information they receive, their encounters and experiences (McPherson, Smith-Lovin & Cook, 2001). Not surprisingly, weakly connected persons are great transmitters of novel information, due to the fact that our close contacts tend to move in the same circles (Granovetter, 2004).

Concluding, the most successful referral marketing methods are therefore communicated by strong ties who are not associated with the brand, but perceived by the receiving relation to be independent of commercial encouragement (Buttle, 1998; Adams, 2011).

2.2.2   How referral marketing benefits from irrational behaviour

Referral marketing strategies can benefit from cognitive dissonance. Cognitive dissonance theory has been included in marketing thought for decades (Festinger, 1957). Cognitive dissonance can be defined as inner drive to seek consonance between expectations and reality and avoid contradictory cognitions (Buttle, 1998). Related to marketing these beliefs concern product performance. In order to reduce imbalance resulting from cognitive dissonance, (potential) customers can seek WOM from sources they perceive to be reliable. Due to this tendency of people to be informed by, or conform to others, information cascades can eventually occur (Bikhchandani, Hirschleifer & Welch, 1992). Fluctuations can lead to a cumulative advantage, also referred to as the 'rich get richer' effect (Diprete & Eirich, 2006). Customers then choose the slightly more popular product, just because it is more popular, stimulating the product to become even more popular. Hence, this can result in groupthink, or as Colman describes it: "The probability of any individual adopting it increasing with the proportion who have already done so" (Colman, 2003, p. 77).

These regularities are incorporated in the strategy of many sales and marketing departments. For example, websites like Amazon show what purchasers of the same goods also bought. Marketers attempt to steer the bandwagon effect when incorporating slogans such as "Everyone's doing it, why not you?". Referral marketing strategies can benefit from all these

regularities by strategically stimulating and influencing WOM. Nevertheless, word of mouth can affect potential buyers either positively (Engel, Kegerris &Blackwell, 1969; Richins, 1983) or negatively (Tybout, Calder & Sternthal, 1981; Bolfing, 1989).

3 The potential of referral marketing for the cultural sector

3.1. The distinct nature of cultural goods

The Social Sciences have long studied cultural economies and cultural goods as a commodity form (Veblen, 1899; Leibenstein, 1950; Hebdige, 1979; Frank, 1998; Scott, 2000). Although it has been argued that a cultural good, like other goods, is valorised in the market, its value and price is not the mere economic function of the resources used for its production. Cultural goods are typically described as experience goods, (Kolb, 2000, Andersson & Andersson, 2006, Throsby, 2006; Towse, 2011), and credence goods (Kretschmer, Klimis & Choi, 1999). These definitions contrast with the concept of search goods, which refers to products or services characterized by features that can be easily evaluated before purchase (Nelson, 1970).

The intangibility and the heterogeneous performance of cultural goods increase the level of incomplete information about the benefits of purchasing the product or service, which stimulates potential customers to seek WOM (File, Cermak & Prince, 1994).[3] Besides the fact that cultural goods are experiential in nature, they are subjectively meaningful as a standard reference to compare tastes does not exist (O'Riordan, Feller & Nagle, 2011). Although the choice of certain cultural goods results from personal taste, it is therefore affected by a broader social and cultural matrix (Molteni & Ordanini, 2003). This broader matrix is aptly described by Veblen's theory of the leisure class, which claims that people tend to consume certain (unnecessary) leisure goods to distinguish themselves from lower socio-economic classes (Veblen, 1899). The author coined the phenomenon 'conspicuous consumption', to emphasize how consumption of the good is not related to its intrinsic value. Later, in his theory of consumer taste formation Bourdieu also rejected the notion of consumer preferences as the result of an individualistic choice (1984). According to the sociologist tastes reflect symbolic hierarchies that determine and maintain the dominant social order by emphasizing their distinction from other classes of society (Bourdieu, ibid.). Such distinction is dependent on the individual's level of cultural capital, which provides access to education, careers and social

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[3] Winner-takes phenomena can be explained by expectations related to intangibility (Andersson & Andersson, 2006).

relations (Bourdieu, 1986). An opera spectator might partly value the performance for its music, yet might also value attending it as a symbol of his or her wealth of cultural capital.[4] Cultural goods seem to be valued not individually but collectively (Throsby, 2003), and their consumption depends on external indications of the good's value (Choi & Hilton; 1995 Currid, 2007). In other words, the audience "acts as an influential group of informal critics, whose evaluation affect the willingness to pay and quantity of demand at later performances" (Andersson & Andersson, 2006, p. 84-85).

To summarize, the consumption of cultural goods relies on "word of mouth, taste cultures, and popularity, such that individual choices are dominated by information feedback over social networks rather than innate preferences and price signals" (Potts, Cunningham, Hartley & Ormerod, 2008, p. 4). As these social platforms now develop both offline and online, this does not only offer great potential to referral marketing through social media, but it also seems to affect traditional gatekeepers in the cultural sector.

3.2   Customer change: the new power

It has been stated that gatekeepers have long been instrumental in the cultural sector, deciding who would show what and where (Becker, 1982; Caves, 2000; Crane, 1989). In their role of purveyors of cultural value, gatekeepers, intermediaries and distributors actively assign status to cultural goods and indicate their aesthetic worth (Currid, 2007). Curators, art dealers, fashion editors all heavily influence what is perceived as 'good' or 'bad' culture (Currid, ibid.). As marketing recognizes that in a consumer democracy money votes and you need to offer either a better product at the same price or the same product at a lower price than your competitors (Lee, 2005a), in order for cultural goods to be perceived as 'better', those gatekeepers and tastemakers need to be reached and influenced to win those votes. As Becker (1982) notes:

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[4] The phenomena of conspicuous consumption and cultural capital both relate to the network effect, which explains how the number of purchasers determines the value of a product or service (Shapiro & Varian, 1999).

"Critics apply aesthetic systems to specific art works and arrive at judgments of their worth and explications of what gives them that worth. Those judgments produce reputations for works and artists. Distributors and audience members take reputations into account when they decide what to support emotionally and financially, and that affects the resources available to artists to continue their work". (p. 131)

These particular people were claimed to create a buzz around certain goods (Plattner, 1996; Lloyd, 2006). However, it has been claimed that the age of imposing value by the critics and authoritative experts who informed the mass has waned (Joss, 2008). Emerging digital communication platforms are shifting the centre of control and influence from institutions to communities of individuals (Argenti, 2010). Perhaps more than ever Caves (2000) is right when he states that:

"Consumption of creative goods, like all other goods, depends on 'tastes', but for creative goods those tastes emerge from distinctive processes. People invest in developing and refining their tastes for creative goods. They consume them in social contexts, and the 'buzz' that circulates among them is important for organizing production. Although nobody knows its fate when a new creative good appears, social contracts transmit consumers' appraisals at a very low perceived cost to them, giving 'word of mouth' its importance of a creative good's ultimate success". (p. 173)

The values of art are becoming increasingly democratic (Hayes & Roodhouse, 2010). At the core of this change stands social media, defined as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content" (Kaplan & Haenlein, 2010, p. 61). While the number of social networking sites (SNS) is rapidly increasing (Boyd & Ellison, 2007; Trusov et al., 2009), social media results in the rise of the 'new power'; a more egalitarian and collective approach (Fitzpatrick, 2012).

This transformation from Web 1.0 to Web 2.0 is recapped in Table 3.1. As consumer attitudes toward traditional advertising plummeted (Nail, 2005), 67% of buyers stated they were influenced in their buying process by social media (Nielson, 2009). This influence increasingly stems from reliance on WOM, either from friends or non-related online consumers (Nielson, 2009).

Web 1.0	Web 2.0
Supplier generated	User generated
Companies present themselves	Communication as conversation
Communication as monologue	Social media organizes interactions and groups
Disingenuousness	Transparency and honesty
High level centralization	Distribution and differentiation

Table 3.1:   Transformation from Web 1.0 to Web 2.0 (Argenti, 2010)

3.3   The opportunities of social media for cultural marketers

Cultural marketers can benefit from the fact that people use SNS as a way to express themselves and by doing so, reflect their identity, lifestyle and social contacts (Liu, 2007; Livingstone, 2008). This results in an environment of co-creation and interactive cultural experiences (Russo & Peacock, 2009), which influences the consumption of cultural goods (O'Riordan, et al., 2011). As social media is stated to be especially useful to stimulate WOM (e.g. Allsop et al. 2007; Jansen et al., 2009; Miller & Lammas 2010), the Internet is increasingly used to take advantage of referral marketing (Trusov et al., 2009). This is motivated by the fact that social media platforms like Facebook, Twitter and Youtube, allow marketers to study who is acquainted with whom, how frequently they interact online and what interests they have in common (Hartline Mirrokni & Sundararajan, 2008). Cultural marketers now have the opportunity to brainstorm future events with their (potential) audience and receive instant

feedback from their customers anytime and anywhere (Dutta, 2010). In addition, inseparability and perishability, the attributed characteristics of cultural goods (Kolb, 2000), can be tackled through social media by inviting visitors to share online videos, pictures or comments about the performance in real-time. In fact, this is one of the advantages of eWOM over offline WOM (Hausmann & Poellman, 2012). Furthermore, eWOM has high credibility as the sender and the receiver know each other, or see how they are related (Hausmann & Poellmann, ibid.).

The potential of referral marketing for promoting cultural goods is recapped in Table 3.2.

Cultural goods	Benefits of Referral Marketing through social media
Characterized by Intangibility, heterogeneous performance & perishability • Unable to assess quality without consuming • Inherent uncertainty in consumption • Difficult to market to new customers • Important role for expectations	**Based on experience of others** • Provides information and valuation • Can raise (or lower) expectations • Tackles (part of) heterogeneity, inseparability and perishability of the cultural goods
Social constructed value • Conspicuous consumption • Accumulation of cultural capital (status good) • Network effect	**Can stimulate perception of value** • Can stimulate conspicuous consumptions • Can cause information cascade • Can stimulate the bandwagon effect
Demand prior information • To lower risk perception • Information from: Critics and gatekeepers Other customers	**Can replace critics** • Perceived as more authentic and objective than advertisements • More trustworthy (depending on strength of ties) • Form of self-expression

Table 3.2: **Potential of referral marketing for cultural goods**

The thesis will continue with the second part, which explores to what extent twelve cultural marketers apply referral marketing strategies in practice. It describes the qualitative inquiry and concludes with the findin

Part II

Research and Findings

4   Objectives and methodology

According to Neuman (2006), there are three different approaches to social research: positivist, interpretive and critical social science (chap. 4). This research has a clear bias towards the interpretive methodological paradigm since it is in essence a study of social behaviour. However, components of the research can also be positioned in the critical methodological paradigm as the thesis started with a clear proposition and aims to offer tools to stimulate change.

4.1   The research questions

The primary research question can be formulated as follows: (how) can cultural marketers benefit from applying referral marketing methods using social media? In other words, what are the potential advantages of incorporating referral marketing methods in the online marketing strategies of marketers, currently working for cultural organizations? This question however, is unrefined, and respondents might not be informed about the name of the concept, even though they apply some elements of it. Therefore, the research question will be approached from three different perspectives articulated in three sub-questions:

1) What do cultural marketers do in their current strategies in order to be found online by (potential) customer referrers?

2) What do cultural marketers do in their current strategies to find (potential) customer referrers through social media?

3) What do cultural marketers do in their current strategies to stimulate referral marketing by (potential) customers through social media?

Three batteries of questions will be designed that cover these perspectives and allow a refinement of the answers. From the overall response to these different batteries, a general position towards the (future) use of referral marketing may be concluded.

4.2   Research methods

The aim of this research is to gain an understanding of underlying reasons and motivations of cultural marketers to (not) employ referral marketing strategies in current methods using social media and to provide insights into its potential. With this objective in mind, the first methodological decision to make is between quantitative, qualitative or mixed methods (Kelly, 2004). Since this thesis does not seek to determine the norm, but rather explore the possibility of a norm and its foundations, qualitative is the most appropriate option.

What follows is the design of the survey administration. Self-completion questionnaires were considered as cultural marketers are subjected to numerous questionnaires (requests) over the course of the year. They minimize interviewer effects such as social desirability and interviewer prejudice (Schuman & Presser, 1981; Bryman, 2008). In addition, such questionnaires allow the researcher to achieve a bigger sample within the same timeframe. Nevertheless, in order to allow respondents to elaborate on their activities and motivations, semi-structured interviews have been designed, which automatically led to the third methodological decision of personal administration as the medium of administration. Due to the fact that the cultural marketers will be interviewed during working hours, applying personal administration might increase willingness to cooperate. In fact, mass administration through online or postal delivery methods present greater risk of low response rate (Mangione, 1995; Bryman, 2008). Even if the respondents are willing to fill in the self-completion questionnaires, there is the risk of them randomly ticking boxes (Adams & Brace, 2006). In addition, self-completion questionnaires do not allow the researcher to probe or elaborate in case of confusion, which might lead to missing data or question order effects (Bryman, 2008). To allow the researcher to ask, listen and probe freely, a recording device will be employed.

In preparation for the interviews a key performer indicator (KPI) analysis will be conducted of available data of the marketing features of the interviewed cultural organizations. According to Fitz-Gibbon (1990), KPI-s can be used to evaluate its success, or to evaluate the success of a particular activity in which it is engaged. This research used this performance

measurement to both analyse quantitative and qualitative variables related to the concept of referral marketing. Gathered data resulted from desk research (Crouch & Housden, 2003) and the available marketing plans and annual reports of the cultural organizations. The KPI analysis did not serve as any sort of quantitative research, and its results are not interpreted as such. However, it is expected to offer a valuable starting point for the semi-structured interviews.

The motivations for semi-structured interview are recapped in Table 4.1.

Necessity	Approach
Explore a selected population	Qualitative approach
Data collection	Semi-structured interviews
High response rate	Personal administration + Professional incentive
Representative findings	Widening of questions + approach from three perspectives

Table 4.1:   Motivations for semi-structured interviews

4.3   Ethics

According to Cooper and Schindler (2003, p. 112) research must be designed in an ethical manner, in order for the respondents not to "suffer physical harm, discomfort, pain, embarrassment, or loss of privacy." To avoid any unfavourable effects, the context of the research was explained, all participation was voluntary and confidentiality was guaranteed. Prior to the interviews, each participating cultural marketer received an introduction letter, explaining the aim of the research. An English version of this letter can be found as an appendix. Nevertheless, the specific topic was not clarified as the concept of referral marketing. The researcher intentionally avoided prompting the marketers to read about the topic beforehand and minimize any influence on future outcomes. In addition, questions about referral marketing were incorporated in all three batteries. By spreading them out, organizations with less focus on referral marketing would feel less confronted if (elements of)

this strategy were lacking.

Regarding confidentiality, all quotes have been related to the cultural organization, and not to the specific cultural marketer to maintain their privacy. In some cases the name of the organization is also omitted. The aim of this research is not to analyse the performance of individual cultural marketers but to explore the possibility of certain trends, obstacles and motivations related to referral marketing by cultural marketers.

4.4   Research design

4.4.1 Prior analysis

After approaching the organizations, each of them has been analysed using the same list of KPI's. Each of the three main questions derived from the research question, as described in paragraph 4.1 have been approached by a set of KPI's. Included KPI's concerned offline and online marketing features such as the available friends-program, (side-) programming, website features and its adjustments to specific groups (such as students, children and tourists). Also KPI's about the newsletter(s), the application of social media platforms and social media activity were included. As the research focuses on direct contact marketing strategies, traditional marketing methods, such as printed media, were not included in the KPI analysis. Nevertheless, these were briefly discussed in the interviews in order to understand the diversity of the applied marketing methods by the marketer. A full list of KPI's can be found as an appendix.

4.4.2 Design of the interviews

The interview layout covered two and a half pages and a total of 38 questions. As the specificity of the research question requires some background information to correctly respond to the issue, the semi-structured interviews integrated a broader approach to the topic, using three batteries of questions. In addition, when describing it to explicitly, marketers might feel uncomfortable if they did not incorporate such techniques. Hence, the designed questions covered the three different perspectives without mentioning the concept of referral marketing. As outlined in Table 4.2, each of our three batteries of questions deals with one of the

secondary research questions. The first one presents the list of questions aimed at achieving a general idea of the organizations' marketing approach: the marketing plan, the marketers' stated focused and employed online tools and platforms. It aims to explore how the organization provides information to potential referral marketers that have already found the organization through the Internet. The second battery investigates how the organization tries to understand their audience needs and to what extent cultural marketers differentiate their online strategies to specific target groups. The third and last battery examines the question of active stimulation of the referrals to share their knowledge, opinions about the organization and its product through social media. Through the research a few questions touched upon similar points: these served as control questions in order to confirm the validity of responses.

1rst battery: how to be found by referrers through social media	2nd battery: how to find referrers through social media	3rd battery: how to stimulate referral marketing through social media
Interview items:	**Interview items:**	**Interview items:**
• General marketing plan • Focus of marketing • Design of website • Employed social media platforms	• Understanding the (potential) audience • Market segmentation • Social media marketing differentiation	• Use of social media to stimulate referral marketing • Audience involvement •

Table 4.2:   The different perspectives related to the three batteries of questions

The design of the questions was subject to various alterations during and after a pilot test and the received feedback of the supervisor and Ondernemen in Cultuur. Major changes included the addition of three Likert scale questions, a reduction in the number of questions and the inclusion of questions on the marketing budget share of the total budget of the organization. Including Likert scale questions, and the questions about the budget, ensured that the researcher attained comparable answers. With the Likert scale questions respondents were asked to give their agreement or perceptions on a five-point scale, as described by Brown

(2011), where one corresponds with the minimal level of agreement and five with the maximum. The decision to incorporate a rating scale at an ordinal level using a five-point Likert item was motivated by the fact that the reliability of the given answer plateaus after five to seven points (Likert, 1932; Cicchetti, Showalter & Tyrer, 1985). Nevertheless, the research does not intend to gather quantitative interviews in the data, principally because the sample size falls short for quantitative research as a minimum of 500 (Hill et al., 2003) or even 1000 (Bryman, 2008) is advised. In addition, the intervals between two labels are not constant (Clason & Dormody, 1994; Bryman & Cramer, 2004; Kislenko & Grevholm, 2008). The average of 'agree' and 'strongly agree' is not 'agree-and-a-half' and the difference between 'fair' and 'good' is not the same as between 'poor' and 'fair' (Goldstein & Hersen, 1984; Kuzon et al., 1996; Mogey, 1999; Cohen et al., 2000). For these reasons the researcher only approached the answers from an explorative perspective.

The reduction in the number of questions resulted from the fact that it did not seem reasonable to demand more than an hour of the marketers' time. The pilot test also confirmed the necessity for some introductory comments describing the context of the research, which were given prior to each interview.

An English translation of the semi-structured interviews, which describes the exact formulation of each question, can be found as an appendix. The transcribed interviews are available in the researcher's archive.

4.5 Sampling

A formula to determine the right sample size for social research is lacking (Aguinis & Harden, 2009). Some have suggested five to 25 to study topics concerned with phenomenology: (Creswell, 1998, p.64) or fifteen for qualitative research in general (Bertaux, 1981, p.35). Nevertheless, these authors have not presented empirical arguments for such sample sizes, or why these should differ for certain methodological approaches. In addition, while some researchers offer guidelines for qualitative samples (see for example Charmaz, 2006, p.114; Ritchie et al., 2003, p.84; Green & Thorogood, 2009, 2004, p.120), research shows how others often do not adhere to them. In fact, according to Thomson (2004) only 34% applied sample

sizes in the range of 20 and 30 as suggested by Creswell (1988, p. 128). Only 22% aligned with a range of over 30 as suggested by Morse (1994, p. 225). Besides ideological motivations, practicalities also influence the sample size, such as the budget and resources available (Ritchie, 2003, p.84).

In order to decrease external variables which the cultural marketers face, such as the political environment and customer behaviour, the optimal selection would include cultural organizations within a small geographical and administrative radius. In order to increase the potential number of respondents, the researcher opted for the collaboration of Ondernemen in Cultuur based in Utrecht. In the initial phase this consultancy network, together with the researcher, defined a list of cultural organizations in the county of Utrecht. As this organization already has established personal relations, to increase levels of participation, a sample of cultural organizations in the county of Utrecht was then defined. Concerning this thesis, the researcher was confronted with a limited time available. Interviewing a multitude of cultural marketers was not feasible. Hence, a list of fifteen cultural organizations was composed. To increase the incentive to participate, all future respondents were offered exclusive access to a presentation of the results.

Due to the explorative character of this research, the selected organizations purposely stem from different expertise and functions. As the main research question provides a clear starting point for exploration, purposive sampling allows the researcher to select those people who are expected to be able to provide the information by virtue of their knowledge and experience (Bernard 2002). The selected organizations varied in the length of their history: some were founded decades ago (Stadsschouwburg Utrecht) whereas others have resulted from recent merging (Spring). Nevertheless, all organizations are well established or have their own audience base resulting from previous activities. These organizations not only differ in their content but also in their size (number of employees/volunteers, number of visitors per year, budget and subsidies, number of performances etc). Although one could argue that size influences resources, referral marketing explains itself better in terms of a strategy or mind-set than specific resources. Especially as social media offers cheap ways to start conversations with

the audience, as described in the literature review, it is unlikely that referral marketing depends on the size of the organization. At the same time, the research could show that larger organizations apply more network marketing methods. If that is the case, it could be interesting to do additional research to see if that is due to size and if so, how it influences strategy.

4.5.1 The participating cultural organizations

In February 2013 the fifteen selected cultural organizations were selected and invited to participate in this research. A number of twelve organizations, or 80%, were willing to cooperate, resulting in the following list of categorized organizations:

PRODUCING PERFORMING ART (WITH OR WITHOUT VENUE)

- Theatergroep Dox
- Holland opera

THEATRE/VENUE

- Theater de Kom*[5]
- Stadsschouwburg Utrecht
- Het Huis*
- Vredenburg

FESTIVAL

- Festival Oude Muziek
- Liszt Concours[6]
- Spring

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[5] * These organizations show characteristics of the other categories as well. Nevertheless this research has approached these organizations as described in their category.

[6] Liszt Concours consists both of a competition (once every three years), master classes and concerts throughout the year. This research has mainly focused on the concerts and the marketing dedicated to those performances although the competition has been taken into account as it might affect the audience base and contact.

MUSEUM

- Centraal Museum
- Kasteel de Haar*
- Universiteitsmuseum

4.5.2   Setting
list

The researcher intended to interview the person responsible for marketing. Depending on the size and structure of the organization the researcher interviewed the person specifically assigned for marketing tasks (Liszt concours) (Festival Oude Muziek), or (a part of) the marketing team (Stadsschouwburg Utrecht, Kasteel de Haar, Universiteitsmuseum, Centraal Museum). In a few cases the researcher spoke with both the general manager and (one of) the marketer(s) (Theatergroep Dox, Theater de Kom), or only the general manager and not the marketeer(s) (Holland Opera, Spring, Het Huis).

4.6   Gathering of the data and analysis of the findings

Between April 23 and May 8, 2013, the data collection was completed and coded. However, the researcher is aware that this coding is affected by many variables, such as gender of the respondents and the interviewer himself (Behar & Gordon, 1995; Stanfield & Dennis, 1993) and the age of the respondents (Greene & Hogan, 2005; Zwiers & Morrissette, 1999). Also the questions and the types of responses received during interviews affect coding (Kvale, 1996; Rubin & Rubin, 1995), as do personal perceptions and the ways of documenting the responses (Adler &Adler, 1987). Nevertheless, coding allows the data to be "segregated, grouped, regrouped and relinked in order to consolidate meaning and explanation" (Grbich, 2012, p. 17). In other words: "It leads you from the data to the idea, and from the idea to all the data pertaining to that idea" (Richards & Morse, 2007, p.137). In order to understand the motivations, perceptions and actions of the cultural marketers, descriptive coding and value coding were used. Descriptive coding essentially presents a summary description of the

responses and the value coding captures and labels subjective perspectives (Saldana, 2009). As suggested by Hatch (2002), the researcher sought patterns as varying forms, and not solely as constant regularities. In addition, the separate codes where then grouped into categories that related to the three different sub questions described in paragraph 4.1.

The methodological decisions for this thesis and their motivations are recapped in Table 4.3. The next chapter presents the results of the research.

Research question	Approach and method	Reasoning	Data analysis
PRIOR: *What are the (potential) benefits of referral marketing for cultural organizations?*	Literature review	Descriptive and Inductive	Collation, analysis and consolidation of findings
MAIN: To what extent do Dutch cultural marketers apply referral marketing strategies?	Prior analysis Semi-structured interviews	Descriptive and Inductive	Collation, Coding and consolidation of findings

Table 4.3: **Methodological decisions of the research**

5 Research findings

5.1 General findings

Before analysing if and how the organizations apply referral marketing strategies, some general description is presented.

5.1.1 Organizational structure

Firstly, it needs to be emphasized that the analysed organizations vary heavily in their content. Theater de Kom for example comprises a theatre, music school and educational projects. Holland Opera both performs and organizes educational projects too. In terms of marketing this means that these organizations are dealing with a range of activities to promote. Although most organizations reflect some characteristics of both a producing as well as hosting organization, each of them has an emphasis in one direction. Vredenburg programs external groups and therefore can be seen as a host to those performances. Also, organizations without a venue can be understood to be programming organizations. Festival Spring for example programs performances, albeit external venues.

Secondly, also the number of employees varied: between one and seven. In addition it was often complemented by interns and volunteers. In terms of scope, organizations varied from around 2.5 FTE to over 50 FTE and with less than five up to 100 workers involved (permanent contract/ project based and flex workers).

Notwithstanding the differences, some interesting similarities were identified. 70% of the organizations' budget comes from state or municipal subsidies. This is in line with national research showing that Dutch subsidized performing arts companies on average earn 20% of their total income at the box office. According to the research, 70% comes from state and municipal subsidies and the rest comes from private funds (Born et al., 2011). A few organizations interviewed also earn money by renting rooms (such as Kasteel de Haar and Het Huis). Related to marketing, the average budget for these activities consists of 10% of the total

budget.[7] All interviewed organizations have one or more persons specifically responsible for (components of) the marketing, with an average of 1.6 full FTE. This number tends to be higher in peak periods such as before the festival. In a few cases it was extended with an external media company. The majority of the marketers were younger than the average of the rest of the team. Eleven out of twelve organizations had a documented marketing plan at the time of the research. Nevertheless, most organizations explicitly noted that the marketing plans were out-dated, still under construction, or different from what was happening in practice. One interviewee even stated that the marketing plan was 'only written for the subsidy application'.

Paragraph 5.2 will present the findings specifically related to the research questions.

5.2   Findings related to the research question

The findings presented in this chapter specifically relate to the main question and are categorized under the three perspectives as described in paragraph 4.1. Firstly, the results of both the KPI analysis and the interviews related to perspective one will be presented, which deals with the question: What do cultural marketers do in their current strategies to be found by (potential) customer referrers? It focuses on the means and tools which cultural organizations use to present themselves. The first battery of questions focused on exploring the motivations of the cultural marketers.

5.2.1   How to be found

The KPI analysis, conducted prior to the interviews, scanned the means by which the organizations are presenting themselves and the content provided to the (potential) referral. It reflected how, besides more traditional ways of marketing such as printed flyers, posters and advertisements, all organizations incorporated online action in their marketing activities. The literature review already described why doing so is a rational choice. All organizations have

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[7] However, many organizations did not provide these figures. Therefore this only serves as explorative information. It should not, by any means, be considered as qualitative data.

their own website and one or multiple Facebook pages. The number of Facebook likes of the cultural organizations varied between as few as thirty, to over 6000. All but one organization have their own Twitter account, with numbers of followers varying like the Facebook pages. These general findings of social media use are in line with an earlier research, which showed how almost all Dutch cultural organizations nowadays have their own website, Facebook and Twitter (See Figure 5.1) (Schoonderbeek, 2011).[8] The majority of the organizations have their own Youtube channel, although most of them only upload new movies occasionally (generally one per month). This is unfortunate as viewers tend to watch online videos more attentively than TV ads as they can choose the former actively (Teixeira, 2013). In addition, websites like Youtube allow users to share videos and comment on them. Foursquare and Hyves are only incorporated by a few, and those who used Hyves stated their intention to move completely over to Facebook in the future. Besides these social media platforms, developed by the marketers themselves, about half of the organizations have a page on Wikipedia.
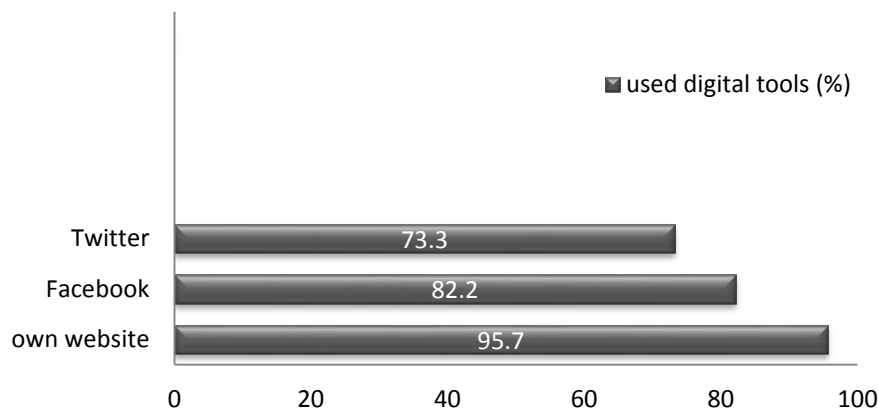

Figure 5.1:   **Stated use of digital tools by cultural marketers (Schoonderbeek, 2011)**

In addition, their organization as a whole, or separate events and performances are mentioned on a number of websites showing events, such as Utrechts Uitburo

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[8] 63.3% of the 518 respondents are employees of a cultural organization, fund or the government (Schoonderbeek, 2011).

(http://www.utrechtsuitburo.nl), The Agenda (http://www.theagenda.nl), Bezoek-Utrecht (http://www.bezoek-utrecht.nl), In Your Pocket (http://www.inyourpocket.com), Holland (http://www.holland.com), and TripAdvisor (http://www.tripadvisor.com). The latter website is based on the ranking by customers themselves, which is an interesting starting point for use of referral marketing. In addition, it automatically connects user-profiles to their Facebook accounts which enable viewers to see if and what their friends ranked. This gives great opportunity for online referral marketing. Nevertheless, only three out of the twelve organizations were mentioned here, even though most respondents have a venue (required to be listed on the website).

During the interviews several cultural marketers explicitly stated their aim to impact on the (potential) audience by presenting different types of marketing expressions (such as printed and online) at once.[9] Now that social media, as described in the literature review, allows instant feedback, it could be expected that cultural marketers take more advantage of their own audience activity on their online platforms. However, most organizations do not have a marketing plan for their social media activities which describes the online strategy of the marketer. In addition, although organizations state that they monitor online visitor data with Google Analytics, planned analysis of the findings is often missing. Questions such as 'what are people saying about the organization' and 'who is responding where' are not strategically approached. Observations of these responses seem to take place on an ad hoc basis and result from the marketer's own initiative, rather than by a defined strategy based on a theoretical foundation. This is a missed opportunity for cultural marketers as John Mellor, Vice President of business development and strategy at Adobe (2012), states:

"You have to really nail down what you mean when you say social. (…) And that would include Facebook and Twitter, of course, but there are literally tens of millions of blogs out there, that we define as social. Those blogs need to be taken into account when

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[9]In fact, the effect of each separate type of medium is lower than the total sum (Dijkstra, 2002; Floor & van Raaij, 2002; Vincent & Vincent, 1996). This is also referred to as the synergy effect (Faasse & Hiddleston, 2002). Successful campaigns therefor exist out of seven to ten media platforms rather than two or three (Bronner, 2006).

you're measuring buzz of your brand and also take that back to your site and business impact to your site. Some of those channels you can affect and some of them you can't. We can't go proactively post on somebody's blog. But we can simply listen. And that can influence what we do on other channels." (as cited in Kaplan, 2012, p.1)

With more and more blogs and online trendsetters coming up, a strategy to identify and approach active writers, rather than visitors could pay off. However, when asked, some organizations replied that they do not believe there are 'fans' who actively blog without paying visits. A few respondents were intrigued by the question and showed their interest in such a strategy.

5.2.2 How to find referrers

This paragraph focuses on the results of both the KPI analysis and the interviews related to perspective two, which corresponds with the sub-question: What do cultural marketers do in their current strategies to find (potential) customer referrers? As impersonal advertisements lose their impact, from the perspective of referral marketing, effective strategy should first be built based on understanding their target audience motivations and needs. In contrast, when the right social network is tapped, WOM is likely to spread as relations have comparably high interest in the content (Helm 2000; Hennig-Thurau & Walsh 2004; Schulz, Mau & Löffler, 2008). This can be explained by the theory of strong ties and the phenomenon of homophily, as presented in the literature review.

5.2.3 Market segmentation in social media marketing

According to Gunter and Furnham (1992), marketing segmentations contribute to customer understanding and result in more effective marketing. They refer to the process of "dividing a market into distinct groups of buyers who have distinct needs, characteristics, or behaviour and who might require separate products or marketing mixes" (Armstrong & Kotler, 2005, p. 54). For most interviewed organizations, the market segmentation starts in the marketing plan, which defines a target audience. Also different sub-groups such as students, children and the elderly are often described (in both the marketing plans and during the interviews). Whereas

some marketing plans consist of a few pages with general descriptions of the audience and media, others include extensive audience research, social media strategies, and differentiations in the strategy between different audience groups. These groups are based on age and profession (majority). A minority of the marketing plans are based on interests. Centraal Museum for example uses personas to identify audience groups with different interests and preferences. Spring uses interest groups, which are based on similar interests and do not personalize a group into one fictitious person as is the case with the persona approach. Often, these target groups can expect different price schemes for tickets and information 'tracks' on the website of the organization. The importance of market segmentation is articulated by the cultural marketer of the Stadsschouwburg, stating that: "I do not just want the seats to be filled, I also want the right audience in those seats".

5.2.2.2 Customer data for market segmentation

Generally, the vast majority of the cultural marketers state that they aim to increase their customer understanding. To increase the knowledge of their target groups, most organizations incorporated some kind of strategy to gather specific customer information, or more general data about their (potential) audience. One way cultural marketers aim to increase their customer understanding is by tapping from one of the national researches on audience behaviour, interests and characteristics, such as the Continuous Visitors research (Continu Bezoekersonderzoek) offered by Hendrik Beerda.

In order to select target groups for promotion of certain events, several of the cultural marketers interviewed employ the Mosaic-segmentation model, which connects Dutch postal codes with certain characteristics of the perception of different customer segments (Mosaic, 2013). Mosaic has been developed to identify and classify more than seven million households in the Netherlands. The model categorizes these households into fourteen groups, based on socio-demographic characteristics, lifestyle culture and consumer behaviour. However, critical questions can be raised on the accuracy of profiling based on postal code as it means that the marketing will be adjusted to the majority, not the individuals. More importantly, postal codes

are inadequate for social media platforms as anyone can enter the websites from different devices anywhere and anytime.

Some interviewed cultural marketers stated that they have started, or have planned to start, with the use of a Customer Relationship Management (CRM) system, which enables the organization to combine and document customer data. In addition, it allows cultural marketers to track campaigns over various channels, such as email, search and social media (Shaw, 1991).[10] Also questionnaires are used by the majority of the cultural organizations, which they send to all registered visitors or a selected group, periodically or directly after attending the performance. Several respondents reported that they ask visitors for their feedback on site. Producing organizations without a venue (such as Theatergroep Dox) struggle with gathering customer data. Third parties, such as the hosting theatres, are not allowed to share the information resulting from their own surveys, without the respondent's explicit permission. The audience needs to give permission to do so. By allowing the theatre to share the information, other 'third' parties are also allowed to tap from the data. Therefore producing organizations often depend on the hosting theatre and willingness of the audience to share their information.[11]

In general, all the documented information generally focuses on the visitor's address, age, gender and whether he or she visited often. Interestingly where or how the visitor found out about the performance, the motivation for the visit and how often visitors returned, was often skipped. These are actually the questions that matter. One cultural organization included fifteen themes of the Beerda research. Although it enables such customization, it still entails predefined categories that the (potential) audience is analysed with. In addition, now that people can inform each other real-time any place anywhere, geographical location becomes less important. Referral marketing does not start from the premise of similar postal codes. Just to know that the people in a certain area are mostly young working couples, is not enough to

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[10] At least two cultural organizations were confronted with failing CRM systems, due to technical problems or troubles with leveraging the CRM system with the existing ticketing system.

[11] However, new online ticketing services enable producing organizations to 'pull back' the selling part, allowing them to see who is buying what, and document this data.

start a viral marketing campaign.[12] Only a few cultural marketers stated that they organize direct contact with customers in order to increase customer understanding. Centraal Museum for example, claims to have focus groups and Holland Opera always asks visitors for feedback after each performance. Although this can offer valuable qualitative information, it does not necessarily give information on social media behaviour. In addition, it is time-consuming, and perhaps more importantly, the cultural marketer does not reach those who do not come. Finally, it is interesting to note how most cultural organizations state that it is necessary to have specific questions before consulting customers. For example, the Stadsschouwburg Utrecht notes:

> "I think you need to know what you are looking for and what you will do with the information. Very often you conduct research, find out something, but end up doing nothing with the results. Then you should not bother people with it." (Stadsschouwburg Utrecht).

The given reasons for this proposition centre around the belief that if you do not yet know what you will do with the information, it is better not to ask for input in order not to disappoint them later. However, where cultural marketers want to identify new trends, groups or motivations, they need to create opportunity to allow such changes to come out in the research. To achieve this, it might be more beneficial to ask open questions to (potential) customers, as they allow the person to give new insights.

5.2.2.3 Lack of market segmentation in social media marketing

All interviewed cultural marketers consciously or unconsciously customize their strategy to some extent, both in terms of content and design. Some cultural marketers adjust the employed channels (such as Hyves for youngsters) others understand the importance of adjusting the sender of the promotion:

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[12] Mosaic distinguishes fourteen different audience groups with different socio-demographic characteristics, interests and motivations (Mosaic, 2012).

"For a culturally diverse audience you need to have contact persons in the relevant neighbourhoods, with their own network, websites and social media. When you want to market an event, you can get in on the act through this middle man. If I try to do it myself, nothing happens. But when Mohammed does it, and puts the name of the show in Berber, suddenly you see people starting to make reservations". (Stadsschouwburg Utrecht)

Hence, cultural marketers are aware of the need of targeting the right groups. For example, several organizations emphasize the important role of women as 'the 'decision makers of the household'.[13] As women account for the majority of users on most social media sites (including Facebook, MySpace and Twitter) (BlogHER, 2012), referral marketing through social media seems to have great potential. Nevertheless, explicit know how about how and where to reach these women falls short.

In general the marketers seem to lack a specific strategy for social media customization: "We actually have one simple product, and that is old music" (Oude Muziek). "Flyers for children will end up in their schoolbag where the mother can fish it out, all crumpled up" (Holland Opera). It was stated that one marketer did not even enjoy doing social media in general. Even if they wish to customize more, different thresholds prevent them from doing so: "We are tied to a certain company logo" (Universiteitsmuseum). Many cultural marketers state they do not have time or money to segment social media activities. "Just one Facebook page is already enough work". In addition, many cultural marketers still use their Facebook pages like calendars, filled with event-updates ending with exclamation marks. This seems suboptimal while "to stimulate the forwarding of posts, news and exclusive information (e.g. backstage photos, interviews, special price offers) must be given (Hausmann & Poellmann, 2012, p. 10). Cultural marketers cannot expect that every (potential) customer prefers the same means of information, and the same content. Just as not everyone will choose to visit the same performance.

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[13] In fact, according to BlogHER women control 85% of household income (BlogHER, 2012).

To summarize, although the websites of the interviewed cultural organizations show more elaborate differentiations, explicit strategies to differentiate their marketing media and content are missing. Information presented on social media platforms such as Twitter and Facebook is piled up and current online marketing of the analyzed organizations still takes place as mass marketing, which refers to the promotion of the same undifferentiated product to the (potential) buyer, or in this case the audience, as a whole (Gunter & Furnham, 1992). This is unfortunate as according to Heinsius, Houben, Spangenberg & Goedhart (2007) the audience can increase, and diversify, when target marketing methods improve. Or as Josh explains it: "Companies not actively engaging are missing a huge opportunity and are saying something to consumers – intentionally or unintentionally- about how willing they are to engage on consumers' terms" (as cited by CMB, 2012, para. 2).

5.3   How to be referred

The third and last battery of questions focused on the third sub-question: What do cultural marketers do in their current strategies to stimulate referral marketing by (potential) customers through social media? This is concerned with understanding to what extent, and with which methods cultural marketers strategically stimulate online referral marketing.

5.3.1   Make it easy to be shared

Most cultural marketers do not optimize the benefits of social media for referral marketing. For example, most of the organizations' websites show a Facebook plug-in (like button), but not the social plug-in that shows which related contacts already 'like' the organization. Only one organization allows online visitors to write comments on its corporate website. Also the use of Youtube is limited, although, as described in the literature review, case studies show the potential for viral marketing through the platform. This lack of attention to what could result from these platforms might be a consequence of the marketers' focus. Only a minority claimed the follow up was a focus point of the marketing, which was defined as asking for feedback from your audience, or any other type of call for involvement suggested by marketing.

Nevertheless, nearly all cultural marketers stated they were interested in, or planning to focus more on the follow up as they see its potential for binding customers.

5.3.2 Rewarding referral marketing

Several organizations are exploring different tools to stimulate their audience to visit them online, 'like' their Facebook page and share their information. Tickets, discounts, gifts and other rewards are used as incentives. However, not all organizations are positive about employing such incentives: "I do not think it is always the best thing to do in terms of positioning yourself" (Kasteel de Haar). "I do not do this very often. You devalue your product when giving discounts too frequently" (Stadsschouwburg). Another consideration was noted by the marketer of Centraal Museum, who stated: "we prefer people to share the message because they are interested in us, not the incentive". Yet different people have different motivations. Whereas some are activated by financial incentives, others might be stimulated by commodities, such as signed posters, a meet and greet or a VIP ticket. In fact, research shows that 42% 'like' the page in order to get coupons or discounts. 35% were motivated by the opportunity to participate in a competition (Syncapse, 2013). Therefore, two related friends might have different interests. So whereas the 'sharing person' could be stimulated by the financial incentive, the receiver of the information might be interested in the brand. Therefore it is not only about finding the group of (potential) customers interested in the brand itself, but stimulating different people with different incentives. In addition, as referral marketing relies on the personal motivations of the (potential) customer, there are tools other than 'share buttons' that also have the potential to stimulate online customer referrals, such as audience involvement.

5.3.3 Involving the audience

In the interviews 'audience involvement' is defined as the extent to which cultural organizations incorporate (potential) visitors in their business strategy. As the research focuses on social media, the questions focused on contributions of customers through or by the means of social media. It seems that several cultural marketers are experimenting with audience involvement

through the use of social media platforms. Examples of practices are a 'facebooth' in which visitors photograph themselves or an object they made, and share the result online (e.g. Stadsschouwburg and Universiteitsmuseum). Also competitions that invite the crowd to send in material (such as pictures) have been carried out (e.g. Spring). The online poll option that allows page visitors to give their preference or opinion is rarely employed.

In general, a strategy to involve the audience to stimulate eWOM is missing. Cultural marketers can employ social media tools to actively invite the online audience to brainstorm, for example about the organizations' secondary products, such as the catering services, gift items, side programming and usefulness of signage.

5.3.3.1 Friend programs and ambassadors

The majority of the cultural organizations create different types of customer involvement, such as friend programs and ambassador programs. These programs have their foundation in the concept of the 'market maven', which refers to a person who enjoys informing and advising friends of new products and services (Feick & Price, 1987). Due to his social integration, rather than any product-related expertise, the market maven gains influential power (Bayus, Carrol & Rao, 1985). As Gelb and Johnson (1995, p. 56) note: "not only does the market maven prompt word of mouth, but those with links to such individuals are disproportionately likely to act on what they are told".

Although the concept of the market maven is based on the joy of sharing information, most friend programs of the interviewed organizations, seem to be designed as a barter: members pay a fixed (annual) fee and receive 'rewards', such as free tickets, discounts, a magazine or exclusive access to events. In addition, organizations often lack a strategic approach to long-time visitors (both member and non-member of the friends program). As these people are expected to share values and interests with the organization, they offer valuable starting points for referral marketing.

An increasing number of cultural marketers seem to involve ambassadors: people who actively promote the organization and its events. However, only a few organizations invite their

audience to take pictures, make videos or write blogs on behalf of the organization, even though this type of involvement could stimulate referral marketing easily, as social media platforms offer them numerous ways to share these contributions with friends. The few other types of described strategies to increase audience involvement seem to focus on offline activities. "We are now focusing on customer participation. We would like to enable them to be involved, brainstorm about the museum or follow workshops in the side programming. This way, customers feel they are taken seriously" (Centraal Museum). But most organizations also lack such a strategy, for different reasons. "It is difficult to know when to plan such involvement" (Oude Muziek). "We would like to say yes to many of your questions, but we really need to make choices and postpone things until there is more money".[14] Besides financial implications, three other stumbling blocks are identified that seem to hinder the incorporation of referral marketing strategies.

5.3.4 Stumbling blocks

Firstly, one of the main difficulties articulated by several marketers is the internal tension with the programmers and curators. (This, of course, mostly applies to those organizations programming performances or exhibitions.) Whereas programmers and curators seem to focus on the product, cultural marketers are the ones responsible for communicating and selling it to the audience. This aim can conflict with programming the most creative or interesting performance, which does not always have the biggest audience. Bearing in mind the features of art organizations as presented in the literature review, this stumbling block is not surprising. One cultural marketer explicitly noted that: "We sometimes need to tell our conservators that they are not the target group of our flyers". Also the point at which the marketing department is involved can be a matter for discussion. Whereas some marketers start working at the end of the production process, others demand to be involved from the first moment that programming or the selection of the works starts to take place. As one marketer stated: "our

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[14] Research on cutural organizations in Utrecht showed how, although most acknowledge the importance of marketing, financial considerations are often the limiting factor (Gelder, Blott, 2012) .

expertise is increasingly acknowledged as something that needs to be employed early on in the process" (Centraal Museum).

In general, research has shown how cultural organizations indeed have the tendency to produce what the organization is able to produce, and what it believes is valuable, also referred to as a 'product-led' rather than a 'market-led' approach (Lewis, 1990; Kawashima ,2000; Colins et al., 2010).[15] According to Lee (2005a), these organizational and professional intentions result from non-economic interests that arts producers tend to pursue, such as recognition and prestige (Lee, ibid.), also described by the concept of symbolic capital, a term introduced by Bourdieu (1992). This reflects in most marketing departments still being led by artistic and elitist visions (Rentschler, et al., 2006). However, even if cultural organizations are devoted to their artistic missions, cultural marketers can employ a 'sales orientation', referring to the notion that consumers will only buy enough of the product if there is a substantial promotional effort made by the company (Lee, 2005b).

Secondly, several organizations articulated the difficulty with marketing when programming performances only once or twice (SSBU, Theater de Kom). Newspapers or other media often write about it (a few days) after the event, leaving no time for new audiences to be stimulated. Several marketers emphasized the importance of publications in advance. One of their questions was about how to deal with performances which take place only once or twice. However, referral marketing through social media can partially solve this problem of the publication time, as messages are shared directly after, during, or even before the event.

Thirdly and perhaps most importantly, marketing returns are difficult to measure, due to the fact that customers cannot be isolated from other influencing factors such as friends and family. The majority of the marketers expect viral marketing to be the most important type of marketing, followed by being visible at different places at the same time. Perhaps this explains why several marketers stated they did "not know what marketing really contributes", and doubt if their marketing efforts really influence the customer's choice. "I do not have any

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[15] It is this product-focus orientation that differentiates cultural organizations from cultural enterprises that reproduce cultural goods (such as books and cd's (Colbert, 2001).

illusion that putting a nicer picture on the poster will make the show sell better."

Several cultural marketers hope for instant results and feedback by applying certain tools and methods. During the interviews the researcher was often asked which practical tools to use in order to stimulate referral marketing. Cultural marketers seem to be focused on direct results. As Jason Falls (founder of Social Media Explorer) explains: "The problem with trying to determine the return on investment (ROI) for Social Media is that you are trying to put numeric quantities around human interactions and conversations, which are not quantifiable" (as cited on Social Media Explorer, 2008). In fact, this is how social media differs from traditional direct response (Mellor in Kaplan, 2012): online referrals might pay off days, weeks or years later. Responses might not be visible in the box office, but only in terms of customer awareness or 'likes'. This problem of referral marketing through social media, that you cannot control who it impacts upon, or where and when that takes place, is exactly its advantage, as messages can be forwarded by anyone, to anywhere and at any time.

Part III

Conclusion and References

6   Final conclusion

This thesis has attempted to explore the potential and current applications of referral marketing for the promotion of cultural goods.

The findings of the literature review discussed how these goods, due to their distinct features and valuation process, are particularly affected by word of mouth. As social media enables an increasing number of people to have their say about cultural goods, and share these opinions in real-time, the influential role of tastemakers, once claimed by a select group of gatekeepers and critics, is actively taken over by the online audience. Cultural marketers can actively and strategically include this crowd as referral marketers, and use social media platforms not only to expand their marketing activities but as a key enabler for referral marketing strategies. Nevertheless, the three batteries of questions provided data that reflects ad hoc and ungrounded intentions to stimulate WOM. The inquiry collected sufficient data to claim that a strategy to stimulate or influence referral marketing is missing. Cultural marketers often lack not only knowledge of the concept, but more importantly understanding of its conceptual foundation. As a result, the stimulation of referral marketing through social media has not yet been optimized by cultural marketers. The reason for this shortcoming might be explained by the fundamental conflict between the traditional marketing concept and product orientation of the cultural organizations. However, as cultural marketers can often select from a broad range of products and services, referral marketing can be stimulated even without changing the core product. A sales approach succinctly bridges the gap between the often refused market orientation and the product orientation.

The focus of the cultural marketers should be on making their organizations viable. The author strongly believes that if cultural marketers want to advance towards a more effective audience approach, they need to consider referral marketing strategies. Interestingly, this strategy has one key similarity with cultural goods: it is intangible. The majority of the referrals do not take place in front of the marketers and their effects might or might not become visible in the box office. But that word of mouth happens is a fact and even if referral marketing requires a long-term view, there is a sufficient number of case studies from the commercial sector that

demonstrate its potential. Given the distinct features of cultural goods, these results might be only enhanced. If cultural marketers manage to increase and influence this buzz around their cultural goods they can build enthusiastic and advocating audiences for the future.

6.1   Limitations of the research

As a result of the small sample, the retrieved data may fail to cumulate into an accurate representation of the motivations and actions of cultural marketers. Yet, the qualitative character of the study allowed the researcher to identify several motivations and stumbling blocks that might not have come out with a quantitative questionnaire. Also, more item-related KPI's exist than this thesis has proposed and a more thorough analysis could have been executed by including a quantitative analysis of the marketing plans and annual reports. Nevertheless, not all cultural marketers were able or willing to present these which would have resulted in missing data, and therefore not comparable results. In addition, each of the research sub-questions is broad enough to deserve a dedicated study in itself. However, such elaborations were not an option due to the formal limitations of a master's thesis.

6.2   Additional research

It needs to be underlined that it is only through further studies on the results of referral marketing that the potential of referral marketing can be given full credit. However, if cultural marketers do not adopt innovative methods strategically, science will fall short in quantifying the effects.

As most research, presented in the English language, has been conducted in Western countries, a number of questions remain unanswered. Since the Internet allows (potential) customers to search for information from anywhere, future research could examine whether cultural differences affect issues related to WOM. Furthermore future studies could examine on the differences between referral marketing by customers and non-clients or business, and of course the difference between referral marketing of cultural and search goods.

Future efforts could also be directed towards examining the impact of network structures on the dispersion of WOM. Research on the dissemination of information through networks, and

its effect on decision making, is still in its infancy. In the corporate sector some interesting methods are currently being developed and already show promising results (e.g. the consultancy company Humints).

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7.1 List of interviewed organizations with dates and places

PRODUCING PERFORMING ART (WITH OR WITHOUT VENUE)

- Theatergroep Dox,   Utrecht,   2nd of May, 2013
- Holland Opera,   Groenekan,   7th of May, 2013

THEATRE/VENUE

- Theater de Kom,   Nieuwegein,   2nd of May, 2013
- Stadsschouwburg Utrecht,   Utrecht,   1st of May, 2013
- Het Huis,   Utrecht,   6th of May, 2013
- Vredenburg,   Utrecht,   26th of April, 2013

FESTIVAL

- Festival Oude Muziek,   Utrecht,   25th of April, 2013
- Liszt Concours,   Utrecht,   23th of April, 2013
- Spring,   Utrecht,   8th of May, 2013

MUSEUM

- Centraal Museum,   Utrecht,   26th of April, 2013
- Kasteel de Haar,   Haarzuilens,   7th of May, 2013
- Universiteitsmuseum,   Utrecht,   26th of April, 2013

8   Appendices

8.1   Introduction letter sent to participating cultural organizations

ondernemen in Cultuur

Utrecht,
March 2013

Dear   ,

As three bureaus from Utrecht we combined forces and started working together as a network: Ondernemen in Cultuur. The aim of our cooperation is to combine and develop knowledge, expertise and experience related to cultural entrepreneurship. In this context, we would like to invite you to participate in the presented research.

Research related to brand awareness

Consumers, also in the cultural sector, are influenced in their choices for cultural goods, by their environment. The people who inform each other tend to cluster around similar interests and values. An 'interest groups' particularly interested in theater is more likely to share information about a play than a group which is interested in Rock, unless it is a play about Queen. The information about a performance, festival or exposition, can spread out and marketing to consumers turns into marketing by consumers. Therefore, cultural organizations able to identify relevant interest groups can indirectly reach many potential customers.

To conclude the Master Cultural Economics and Entrepreneurship at the Erasmus University, Maya Lievegoed will carry out an explorative research to explore to what extent cultural marketers leverage the personal relations of their (potential) audience. In the second half of April, Maya will conduct semi-structured interviews.

We would like to invite you to participate to this research.

What's in it for you?

The research offers a great opportunity to open the conversation on the possibility of an interest group strategy'. In addition, the final report provides a valuable analysis about the potential benefits of such an approach. The conclusions and practical recommendations will be presented to you during a closed session.

About the researcher

During her Masters Cultural Economics and Entrepreneurship, she was asked to become business partner of the international consultancy company Humints. In her home town Utrecht she is (the youngest) member of the Advisory Commission of Culture Subsidies. For this research, Maya collaborates with Ondernemen in Cultuur
More information is included in the attachment. Maya is looking forward to interview you and will contact you to make an appointment. If you have any questions, feel welcome to contact us.

Yours faithfully,

8.1.1 Attachment

ondernemen in Cultuur

Attachment: Research interested groups in the cultural sector, Spring 2013

To conclude the Master Cultural Economics and Entrepreneurship at the Erasmus University, Maya Lievegoed will carry out an explorative research to explore to what extent cultural marketers leverage the personal relations of their (potential) audience. Such social relations are characterized by similar features, such as geo-graphical locations, educational level and gender. Moreover, these contacts tend to cluster around shared interests and values. Because of these likenesses, word of mouth takes place easily within these interest groups, leading to customer-to-customer promotion.

What is the research question?

The research will explore to what extent cultural organizations employ relevant interest groups around the existing audience to increase their product and service promotion. The research question can thus be formulated as:

"Do cultural organizations identify relevant interest groups surrounding their visitors? If not, why not and if yes: how do cultural marketers use this for marketing purposes?"

Who is invited to participate to the research?

Cultural organizations situated in the city and county of Utrecht: such as leading museums, theatres, production companies, venues festivals and a combination of these.

What will be done with the findings?

The information retrieved from the interviews will be treated as confidential. Findings will be used to describe the main findings. The researcher will ensure that sensitive information does not permit the identification of individual marketers. If needed, quotes will be anonymised. The final report and practical recommendations will be presented to the respondents during a closed event.

When will the research be conducted?

In the second half of April, Maya will conduct semi-structured interviews. It is preferred to have the interviews with one or two employees with a broad perspective of what takes place within the organization related to marketing. The interviews are expected to take 45 to 60 minutes.

Example questions

Prior to the interviews, the researcher will analyze the focus on interest groups by the participating organizations. Attention will be paid to the use of social media, discounts and efforts to stimulate customer loyalty. Interview questions will explore to what extent these strategies are incorporated in the marketing activities of the respondents. Questions will for example focus on:

- To what extent do cultural organizations employ the potential means of social media?
- How is customer data gathered and how is this information used for marketing purposes?

1

ondernemen in Cultuur

Who is responsible for the research?

Maya Lievegoed (1988) has extensive knowledge of, and work experience in the creative industry. She worked as a program maker for Pakhuis de Zwijger and as an editor for online-magazine SmileInYourFace. During her Masters Cultural Economics and Entrepreneurship, she was asked to become business partner of the international consultancy company Humints. In her home town Utrecht she is (the youngest) member of the Advisory Commission of Culture Subsidies.

For the research, Maya collaborates with **Ondernemen in Cultuur**, a network of three independent consultancy- and management bureaus, specifically focused on the cultural sector: De Culturele Zaak, Leenaers en Verloop en Marjolein de Boer - Geïnspireerd Ondernemerschap. Maya receives supervision from **Diane Ragsdale** (Erasmus University) former professional in, and consultant to both for profit and non-profit organizations in the creative industry.

Contact information:

Maya Lievegoed
06-426 70 248
maya@humints.com

Ondernemen in Cultuur
www.ondernemenincultuur.nl

Mirjam Blott (www.deculturelezaak.nl)
Marjolein de Boer (www.marjoleindeboer.nl)
Fusien Verloop (www.leenaersverloop.nl)

List of invited cultural organizations:

De Nederlandse Bachvereniging, Centraal Museum, Stadstheater en Kunstencentrum De Kom, De Utrechtse Spelen, Theatergroep Dox, Festival Oude Muziek, Nederlands Film festival, Holland Opera, Kasteel De Haar, Franz Liszt Festival, Springdance, Stadsschouwburg Utrecht, Tivoli, Universiteitsmuseum Utrecht, Huis aan de Werf, Vredenburg.

2

8.2 KPI analysis

Here the simplified version of the KPI analysis is presented. The empty boxes are originally bigger as they required more space for the description. The presented Social Media Platform analysis shows the extension with one other platform. If needed more boxes were added in order to include other employed platforms.

name of organization:	**website**	
_____		different tracks
		use of cookies
		newsletter(s)
		social media sharing tools
		blog(s) & articles
		online ticketing
		event pictures

name of organization:	**Social Media Platforms**	
_____		Facebook page(s)
		Number of 'Likes'
		Posts per week*
		Twitter account(s)
		Number of followers & follows
		Tweets per week*
		Other platform:
		Number of subscribes/followers
		Level of activity & respons

* Also the type of post was analyzed and categorized in different groups such as: event related, feedback related/question, competetion and rewards for referrals.

8.3   English translation of the interview questions

English translation of the interview questions

Maya Lievegoed
Thesis Research
Erasmus University, Spring 2013

Name organization:

Date:

Marketing in general

1) How many people currently work for the organization?
   - ☐ number
   - ☐ fte

2) Can you describe your target group?

3) Does the organization have a specific marketing plan?
   a. Ja
   b. Nee
   c. Anders:

4) Who has developed this?(specific department/everyone together/external)

5) Who and how many people are responsible for carrying out the marketing strategy?
   a. Specific employees
   b. Everyone
   c. Different:
   - ☐ number
   - ☐ fte

6) How often is the marketing plan revised?
   a. Sequence
   b. Ad hoc (when needed)
   c. Different

7) I'm going to read off 4 items and I'd be curious how much you think each of the following goals has the most emphasis. You can respond with 1 to 5 where 1 corresponds with no emphasis and 5 corresponds with the most.
   a. Organizational branding ☐
   b. Awareness and sales for a specific event ☐
   c. Follow up (stimulating discussion afterwards) ☐
   d. Other: ☐

1

English translation of the interview questions

8) How do you try to find new customers and increase ticket sale?

9) Is there a social media plan included in the marketing plan or separate from it (either one is OK – the main point is you want to see if they do this?
   a. Yes
   b. Nee
   c. Different

10) Are you responsible for the social media or did you outsource it?

11) Is the emphasis of the social media strategy the same as the marketing strategy?
   a. If not, how and why do they differ?

12) How many people are responsible for (parts of) the social media activities?
   ⬚ number
   ⬚ fte

13) Is the emphasis of marketing activities through social media the same as the other types of promotion (such as through traditional advertising)?
   a. If not, how and why do they differ?

14) What is the average age of all employees? What is the average age of the employees responsible for the marketing?
   ⬚ number
   ⬚ fte

15) According to you, which element of the marketing strategy could be further developed? (Why?)

16) How much does the organization rely on the box office income?
   a. Less than half
   b. About half
   c. More than half
   d. Other:

17) How much percentage your budget is spent on marketing? ⬚

   Audience general

18) I'm going to read off 8 items and I'd be curious how much you think each of the following influences your audience to buy or not buy tickets. You can respond with 1 to 5, where 1 corresponds with no influence and 5 corresponds with most influence. I'll go through each one now.
   a. Personal interest ⬚

2

English translation of the interview questions

    b. Price
    c. Marketing of the organization (promotion)
    d. Available information of the event
    e. Status
    f. friends/social environment
    g. Media
    h. Previous experience
    i. Else

19) How important is the social aspect of the arts, do you think, in the quality of the experience? (Do you think experiences are better for people if they go with friends, or is this not so important?)

20) Does the organization make a distinction in its product/service between different groups, such as students, families, for example in terms of
    a. Discount
    b. giving information
    c. different route/program
    d. different tours
    e. other....

18) If yes, what is the motivation for such differentiation?

Audience segmentation

19) How is the side programming designed? (Who decides what takes place and what motivates these decisions?)

20) Are you familiar with the concept of 'interest groups'?
    a. If yes, could you summarize this in 1 sentence?

21) Did the organization identify which interest groups might be interesting for the organization?

22) If yes, how did you do that and which groups are these?
    a. If yes, what is your expectation by doing that?
    b. (if no, from now on, substitute interest groups with 'audience')

23) Does the organization investigate what is written about the organization by the interest groups? (Discourse analysis)
    a. If yes how? What is done with such information?
    b. If no, why not?

3

English translation of the interview questions

24) Does the organization have different marketing strategies for different interest groeps? (such as via universities, schools, companies etc.)
   a. If yes, why?
   b. If no, why not?

25) Does the organization work together with people from these interest groups in the marketing for such groups? (For example include students for the marketing for students)
   a. According to you, what are the benefits/disadvantages of such collaborations?

21) What are the reasons for you to (not) work together with people from such groups?

22) There are cultural organizations that have multiple Facebook pages, accustomed to different interest groups. Would that be interesting for your organizations?
   a. If yes, why?
   b. If no, why not?

23) According to you, do social networks play a role in dissemination of information?
   a. If yes, how? Can you give examples?
   b. If no, why not?

24) According to you, do social networks play a role in influencing customers' purchasing decisions?
   a. If yes, how? Can you give examples?
   b. If no, why not?

25) Do you stimulate viral marketing before events take place?
   a. If yes, how?
   b. If no, why not?

Audience follow up

26) Does the organization collect audience contact data?
   a. If yes how, what kind and what is done with this information? Do you make distinctions between different interests of people?
   b. If no, why not?

27) Is traffic data being analyzed? (such as website visitor numbers, shared events (who shares), twitter content)
   a. If yes how, what kind and what is done with this information? Do you make distinctions between different interests of people?
   b. If no, why not?

28) Some people often visit but don't 'market' the event, others are important 'marketeers' such as bloggers, or people active on Facebook. Do you make a distinction between visiting audience and audience that shares information online/offline?

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