

Rethinking arts marketing in a changing cultural policy context

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- *This paper investigates recent changes in British cultural policy and their implications for arts marketing. It first points out the decisive role of the policy in shaping the environment of the nonprofit arts and argues that arts marketing developed as an organisational strategy within the context of marketisation policy since the 1980s. This is followed by an analysis of the current cultural policy, where 'social impacts' of the arts are highly emphasised and state intervention intensifies. Through a case study, it is demonstrated that nonprofit arts organisations are adapting to the new environment by rapidly expanding programmes for educational and social purposes while implicitly resisting top-down political pressure. The paper raises the question of whether the arts marketing framework can reflect the new reality of arts management.*

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Introduction

Nonprofit arts organisations operate in a complex environment: strong arts-centred beliefs and norms persist; organisations pursue qualitative goals so their performance cannot be easily measured; there exist pressures from external sources upon which the organisations rely both in terms of finance and legitimacy; and taken-for-granted assumptions on the role of the arts in society tend to change according to the broader socio-political change in society (Powell and DiMaggio, 1991; Blois, 1994). It is under this environment that arts organisations define and redefine their identities and missions, explore management strategies and articulate language and rhetoric. British cultural history shows that state policy has played a significant part in shaping the environment

by setting regulations and rules, by providing funding and also by formulating dominant (official) discourses of arts subsidy and management. Thus, there is likely to be change in the management strategies of arts organisations when the policy climate shifts.

However, arts marketing literature hardly seems to attach an appropriate importance to the analysis of cultural policy. Even if it does, its perception of the current policy environment seems limited to a rather simplified interpretation of 'marketisation': as the state intends to withdraw itself from arts subsidy, market factors will ultimately play the most crucial roles in determining management strategy of arts organisations (Bennett, 1996; Quinn, 1998). For instance, McLean (1997) observes that 'Since the 1980s... support for museums... has been increasingly subject to the free market economy'. It is also heard that 'Current funding cuts and the resulting pressure to generate revenue is breaking down the strict demarcation between non-profit and

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profit firms' (Kolb, 2000) and 'many nonprofits have come to resemble business organisations in the manner in which they are operated or managed' (Sargeant, 1999). These accounts often combine with the three historical periods of business management (from production- and sales-led to market-led ones), consolidating the idea that marketing is a consequence of a 'natural' progress of organisational management. However, within the above understanding of policy context, the decisive role of the state in the marketisation process tends to be unseen and, more importantly, the dynamics of cultural policy itself seem to be ignored.

In order to fill this gap in arts marketing discussion, this paper investigates changes in British cultural policy over time and their impact on shaping the context of arts management. In particular, it calls for greater attention to be paid to the fact that, since the mid-1990s, the state has moved its concerns towards using the arts for explicit *social* purposes, which has accompanied tightened intervention. Here, a question is essentially raised—whether arts marketing can still legitimise itself as a 'total' management of arts organisation in the new environment. The paper attempts to answer this question and initiate further debate through both the theoretical and the empirical exploration of arts management, including a case study of four English nonprofit theatres.

The nonprofit arts, the state and the market

The general nature of the specific environment of the arts world has been aptly described by the French sociologist Pierre Bourdieu (1993). That is, the arts world—or the cultural field in his own notion—tends to develop organisational and professional intentions, which may deviate significantly from political or economic interests because it is a 'symbolic capital', such as recognition and prestige, that arts producers tend to pursue. Therefore, the main objectives of arts organisations are likely to be an achievement of artistic excellence and peer recognition, and also securing ideal conditions for developing and realising their artistic talent

on autonomous terms (Danto, 1964; Becker, 1982; Dickie, 2000). However, the existence of such an environment cannot be taken for granted. This paper proposes that, in the British context, both its consolidation and decline have been greatly attributable to state intervention in the arts through public arts funding.

British cultural history shows that state subsidy, by providing symbolic as well as financial assistance, helped to legitimise certain types of arts activities (e.g. professional opera, ballet and theatre) as 'fine arts' that are intrinsically civilising and enlightening, and to distinguish them from mere amusements (e.g. music hall) or leisure activities (e.g. amateur drama/music-making) (Pick, 1980; Pearson, 1982). Organisations that provided these activities were constituted as 'nonprofit charities' and could develop a structure and management style quite different from their commercial counterparts. The growth of the nonprofit arts sector in Britain under the auspices of public funding since the Second World War took place regardless of the market environment where traditional art forms were losing their popularity to mass media. An example can be found in the theatre industry: the nonprofit theatre sector expanded rapidly during the two decades after the mid-1950s, precisely when the industry as a whole was experiencing a sharp decline as television was gaining a dominant hold upon the leisure habits of the public (Pick, 1985; Witts, 1998). For instance, Elsom (1971) reports that the 150 commercial playhouses outside London were at the brink of sale during the 1950s and by 1959 the total number of these venues had dropped to thirty.

However, it should be also remarked that the nonprofit arts sector relied considerably upon the market. For example, the Arts Council's client theatres as of 1971 produced more than half of their income from ticket sales and thus advertising, sales and catering services were always on the agenda of their day-to-day management (Sweeting, 1969; Arts Council of Great Britain, 1971). Nonetheless, the market as an ideological framework was significantly limited and this allowed the arts sector to

develop an arts-centred (producer-centred) management orientation. It was widely believed by both the Arts Council and its clients that public subsidy was essential to protect the arts from the harmful influence of commercialism and the sector's attention to audience should be subordinated to securing artistic quality and standards. Under this circumstance, it was no wonder that making arguments for the arts in terms of economic effects or employment was seen as vulgar (Mulgan and Worpole, 1986).

Meanwhile, the arts world's longstanding belief in artistic autonomy from state intervention was reinforced by a non-interventionist mode of public subsidy, which was known as the 'arm's length principle' (Hillman-Chartrand and McCaughey, 1989). The Arts Council distributed public money in response to demands from the arts sector, according to its own professional judgement without government direction. Although there had been an Arts Minister since 1965, the minister's role was close to getting money for the arts and developing a favourable climate of public opinion towards the arts rather than policy-making. Nonprofit arts organisations tended to be valued for being what they *were* and be entitled to public subsidy as a matter of fact. Government and the Arts Council clearly prioritised 'artistic freedom' and 'excellence' over public accountability, and this led to the development of certain norms such as 'subsidy for arts' sake' and 'funding without strings' (Willatt, 1980). However, such an environment has faced serious challenges since the 1980s where altering cultural policy has brought about increasing market and political pressures upon the arts sector.

The growth of arts marketing nested in marketisation policy

The 1980s saw a remarkable change in the policy climate. Under the Conservative regime, the market was proposed as the most efficient mechanism for handling resources in society and for nurturing entrepreneurship, both in individuals and in organisations. The arts sector

was not immune to this wide-ranging political change. Arts organisations were forced to (re)discover the market as their organising logic, and to become more efficient, business-oriented and prone to self-help. Such change is generally conceptualised as 'marketisation' of the arts.

As Gray (2000) and McGuigan (1996) point out, however, marketisation hardly means an actual reduction of public subsidy in substantial terms and placing the arts in the *laissez-faire* free market economy. For instance, government subsidy to the Arts Council stayed at a standstill between 1979–80 and 1993–94 in real terms, at an increase factor of 1.4 (Gray, 2000) though this meant the end of the favourable environment for the arts sector. If National Lottery grants are included, public funding even increased in the mid-1990s. Meanwhile, business sponsorship grew throughout the 1980s and 1990s—the proportion of business sponsorship in subsidised theatres' total income has grown to approximately 6%—but it never transformed the overall structure of arts subsidy (Cork, 1986; Arts Council of England, 1996; McGuigan, 1996; Hacon *et al.*, 2000).

Marketisation does not imply a withdrawal of the state from cultural policy and management. Rather, it has been a *state-driven cultural* change in the arts sector. The government promoted new sets of rationales for arts subsidy, management orientation and practice in both coercive and normative ways (Powell and DiMaggio, 1991; McGuigan, 1996; Gray, 2000). The government's and the Art Council's frequent threats of funding cuts successfully made arts organisations conscious of a tough new environment where a market-centred approach was inevitable. Norman St. John-Stevas, the Arts Minister (1979–1981), stated that government policy in general has 'decisively tilted away from the expansion of the public to the private sector . . . but we look to the private sphere to meet any shortfall and to provide immediate means of increase' (Sinclair, 1995). In order to generate more income from ticket sales, William Rees-Mogg, the Chairman of the Council (1983–1990), argued that the

arts sector should respect 'the consumer's judgement as highly as that of the official or expert' and allow the consumer to discriminate between artistic products 'through its willingness to pay for its pleasures' (Arts Council of Great Britain, 1988). Public arts funding began to be justified upon its economic returns such as creating employment, boosting the local economy and urban regeneration, and in this sense, the arts were identified as part of the cultural industries. This perspective was theoretically and rhetorically backed up by the 'economic impact' literature produced by arts funding bodies or with their financial support (Arts Council Great Britain, 1985; Myerscough, 1988). In addition, the Arts Council, in response to government pressure, started to adopt managerial practices such as business plans and performance indicators, and this cascaded down to its clients.

It was within this context that marketing began to be actively explored as an effective strategy for organisational management. Its sector-wide diffusion was greatly supported by the arts funding system. In order to help marketing activities in arts organisations, the Arts Council began to obtain and make available market data such as ACORN (A Classification of Residential Neighbourhoods) (Hill *et al.*, 1995) and Target Group Index by the mid-1980s. The Council's 'incentive awards' were distributed, under government initiatives, to approximately 150 organisations during the three years from 1988–89 so they could improve their marketing skills and resources as well as increase their managerial efficiency. Marketing techniques were also disseminated in practical handbooks, training courses, advice and actual services provided by the Council, the Regional Arts Associations/Boards and publicly subsidised arts marketing agencies (Robbins and Verway, 1977–78; Wyatt, 1983; Rodger, 1987; Greater London Arts, 1989; Maitland and Meddick, 1990).

In order to survive and prosper, arts marketing argued that organisations needed to be 'market-oriented': they should understand the genuine needs and wants of their customers — primarily the current and potential paying

audiences — and satisfy them. As a discourse, arts marketing rightly captured the spirit of the time in which the market was idealised as the most efficient means of solving social problems, and addressed the urgent concerns of the arts sector, that is, audience development and income generation. Thus, involvement in marketing endowed an arts organisation with the 'legitimacy' of having an appropriate management philosophy.

However, it should not be forgotten that market orientation in the arts context has never meant any scarification of artistic goals to the whims of market tastes and preferences. On the contrary, arts marketing has been embedded within the 'arts-centred' culture in the sector. Arts marketing literature tries to reconcile the marketing theory with the sector's strong belief in artistic autonomy from market pressures, particularly producer authority over market demand (Lee, *in press*). It is asserted that organisations can be marketed through various ways while they are still devoted to their artistic missions. For instance, while leaving core products (e.g. actual performances or exhibitions) intact, organisations can modify and enhance their secondary products (e.g. accessibility to buildings, hospitality of the staff, quality of the catering services and gift items, ease of booking, usefulness of signage, etc.) to meet customer needs (Bhrádaigh, 1997; Kolb, 2000). Or organisations are expected to maximise customer satisfaction through developing a long-term mutually helpful relationship with customers (Hill *et al.*, 1995; O'sullivan, 1997). As for artistic products, arts marketing firmly holds that organisations should encourage and persuade the public to find the need for the products and to fulfil it.

Besides addressing the importance of a customer-centred attitude of mind, arts marketing also prescribes a concrete process of organisational management. The marketing process or planning, as 'a forward arrangement of priorities' (Lewis, 1994), instructs organisations to follow a series of logical steps of decision-making: setting organisational objectives, environmental analysis, audience

analysis, setting marketing objectives and targets, deciding means to achieve the targets, implementation and, finally, evaluation (Rodger, 1987; Maitland and Meddick, 1990; McLean, 1997). Although it is dubious to what extent the marketing process is carried out in an orderly manner by arts organisations (Clancy *et al.*, cited in O'sullivan, 1997; Kawashima, 1997), the process as an ideal model seems to give them 'a framework' and 'a sense of direction' for their actions. Arts marketing has also provided specific techniques necessary for each stage of the process: e.g. market research, product development, pricing, promotion and distribution. As a guiding philosophy, management process and technique, arts marketing has proclaimed itself to be a 'total' approach to organisational management (Hill *et al.*, 1995), though its actual outcome has yet to be investigated (Quine, 1999).

Changing policy context: increasing emphasis on social impacts of the arts

The period since the second half of the 1990s—particularly since the Labour Party took office in 1997—has witnessed another important turn in the environment of the nonprofit arts sector. While the economic approach to the arts is still thriving, 'social impacts' has emerged as a new keyword of cultural policy, also drawing escalating attention from policy makers in social policy areas. This change has occurred in the wider context in which the problems facing British society are differently rendered, and consequently different solutions are sought.

The government began to argue that marketisation strategy based upon competitive individualism alone could not only solve the social problems from which Britain has suffered, such as long-term unemployment, poor educational achievement and crime, but might also lead to social fragmentation (Driver and Martell, 2002). Social problems now tend to be conceptualised as 'social exclusion'. While poverty refers to a lack of material resources necessary to participate in a society, social exclusion is

defined as 'the dynamic process of being shut out, fully or partially, from any of the social, economic, political and cultural systems which determine the social integration of a person in society' (Walker, 1997). Combating social exclusion demands social policy to adopt a multi-dimensional approach that sheds light on the issue of 'culture'. It is within this context that culture in its narrow sense, for example the arts, media and communication, came to be seen as an essential part of social inclusion. For cultural inclusion a general broadening of public access to cultural activities, an increase in participation in the process of cultural production and ensuring that the cultural heritage and identities of minority groups are properly represented within the mainstream cultural arena have been required (Pakulski, 1997; Sandell, 1998).

However, more important is that the sociological definition of culture—i.e. people's way of life including their knowledge, lifestyles, attitudes, beliefs and values—has become a matter of grave concern to public policy (G, 1997a, 1997b; Rose, 2001). Cultural factors such as individual's employability, adaptability and flexibility are suggested as critical elements of economic inclusion under an assumption that globalisation limits the control of national states over unemployment and poverty (Giddens, 1998). In particular, the importance of the skills, creativity and innovativeness of the workforce is heavily emphasised, with an anticipation that the British economy will face intensifying global competition and rely more upon knowledge-based industries. Also, in the field of community regeneration, transformation of people's way of life is regarded as a principal element of success because physical regeneration could not be achieved without social and psychic regeneration.

With such a backdrop, arts participation began to be perceived as an important component of an effective social policy because it could directly influence people's way of life and, thus, produce 'confident, imaginative citizens who feel empowered and are able to fulfil their potential' (Landry *et al.*, 1996; Matarasso, 1997, 1998; Bennett, 2001). Such a

belief has been promoted by a series of social impact reports published by Comedia, the Arts Council's annual reports, as well as policy reports or reviews produced by the Department for Culture, Media and Sport (DCMS, 1998, 1999). For instance, Matarasso (1997) has argued that people's involvement in arts activities brings about following benefits for individuals and society:

New confidence and skills; new friendships and social opportunities; co-operation towards achievement; involvement in consultation and local democracy; affirmation and questioning of identity; strengthening commitment to place; intercultural links; positive risk-taking—these and the other social impacts which this study has identified are crucial means of fighting social exclusion.

Although how much social impact the arts can produce is debatable (Belfiore, 2002; Merli, 2002), advocates of this approach maintain that the use of the arts is not only effective but also costs very little compared to the materialistic approach to social policy (Landry *et al.*, 1996; Arts Council of England, 2002). The social impact of the arts has become the core of official discourse on cultural policy. The government's attitude is clearly shown in the DCMS report to the Social Exclusion Unit, which argues that arts can not only contribute towards 'delivering key outcomes of lower long-term unemployment, less crime, better health and better qualification' but also help to deliver 'the individual pride, community spirit and capacity for responsibility that enable communities to run regeneration programmes themselves' (DCMS, 1999).

In this new environment, nonprofit arts organisations are expected to do more than merely carry out their roles as arts producers or a part of the cultural industries. They are being positioned as experts who are able to produce and deliver programmes for social inclusion, community empowerment and lifelong learning and thus with whom agencies in social and educational sector organisations need to enter into partnership. As 'agents for social regenera-

tion' and 'creative educators', they are required to contribute *directly* towards the fulfilment of a wide range of social objectives in return for public subsidy (Sandell, 1998; NACCCE, 1999). The DCMS (2000) declares,

Our objective is wider than simply encouraging under-represented groups to come into museum, gallery or archive buildings. If museums, galleries and archives are to make a real difference, their goal should be to act as vehicles for positive social change.

What is necessary for arts organisations to produce positive social impacts is their active provision of 'deliberate extra activities', which are generally conducted in the form of education, community, participation or outreach programmes (education programmes hereafter). It is in such a context that the arts funding system requires 'every' funded organisation to be involved in this type of work (ACE, 1998). Arts policy and cultural strategy at the local level, too, tend to be increasingly configured by a socially slanted vocabulary (DCMS, 1999; Norfolk County Council n.d.). The practices that were introduced as part of the marketisation process—such as business planning, funding agreements and performance indicators—are also used to pressurise arts organisations to pay more attention to the objectives of cultural policy. Furthermore, funding opportunities for this type of activity have been escalating. For instance, 2002 saw the 'Creative Partnerships' funding programme of £40 million, launched for a two-year pilot phase under the sponsorship of the DCMS and the Department for Education and Skills. This programme has given grants to education projects that intend to bring young people in economically deprived areas to arts activities that are organised or coordinated by creative and cultural professionals/organisations. The government announced further funding to extend the programme to spring 2006.

Unlike marketisation, the recent policy change described above has so far been given little academic attention. Although some sporadic criticism of it exists, efforts for its

Table 1. Conceptual framework for arts management

Institutional forces	Arts world	Market	State
Policy and organisational aims	Artistic autonomy Excellence Originality Innovation	Profit maximisation Efficiency Customer satisfaction Economic impacts	Democracy Cultural inclusion Social impacts Accountability
Mode of subsidy and management	Subsidy without string Peer judgement Producer authority	Marketing Trade activities Contract relationship	State intervention Socially oriented programmes Formal monitoring/evaluation

theorisation are still to be made. Nonetheless, it seems clear at this moment that such a movement in cultural policy implies the nature of arts management has become further complicated and this cannot be easily explained by the framework of marketisation. This paper suggests that arts management today should be understood as an interface where multiple institutional pressures—from the arts world, the market and the state—coexist and should be reconciled by organisational action (Table 1).

The arts sector's response to the new environment: a case of four theatres

In order to investigate the reaction of the non-profit arts sector towards the changing environment, four English theatres have been case-studied: a medium-scale presenting theatre (Theatre A); a small-scale presenting/producing theatre (Theatre B); a medium-scale producing theatre (Theatre C) and a large-scale presenting theatre (Theatre D) (Lee H-K. 2003. *Reinventing the Non-profit Theatre: A Study of the Growth of Educational Work in British Non-profit Theatres From the 1990s to the Present*. Centre for Cultural Policy Studies, University of Warwick, Coventry. Unpublished Ph.D. Thesis). One of the foci of the case study was to see how the theatres perceive the current policy context and how they adapt to it. Another focus was to examine the role of marketing in this process. The primary method of data collection was in-depth interviews, which involved a total of twenty-four indivi-

duals from the theatres, their local authorities, the Arts Council's regional office and the regional marketing agency. The findings of the study can be theorised through 'analytic generalisation': although a case study does not represent a sample or enumerate frequencies (statistical generalisation) it, like an experiment, expands and generalises theories (analytic generalisation) (Ragin, 1992; Yin, 1994).

First of all, the case study found that theatre staff fully recognise the change in the policy environment. They said that they had gone through the phases of business sponsorship and marketing and now they were entering into a *new* era, in which they were assumed to produce direct benefits to their communities. The Marketing and Publicity Manager of the Theatre D states,

Government started this process by saying 'freedom of choice'. Although the process was driven by money, it is now driven by social policy objectives. It's a big change.

The Chief Executive of the theatre also observes that, 'It is true that over the years theatres are becoming the instrument of social engineering. It's the way society is moving'. The interviewed theatre staff think that the pressure from government and public funding bodies has been felt by all theatres and theatre companies regardless of the actual amount of public funding involved. In order to fulfil their new obligations the theatres have rapidly increased programmes for educational and social purposes, since the mid-1990s. The provision of such programmes is not seen as one of the many

Table 2. Programmes for educational and social purposes at four theatres

Programmes	Theatre A	Theatre B	Theatre C	Theatre D
Workshops in school or theatre (performance-related)	Yes*	Yes**	Yes	Yes*
Workshops in school or theatre (curriculum-related)	Yes	Yes		Yes
Residencies			Yes	Yes*
Talks (pre-/post-performance)	Yes*	Yes**	Yes	
Drama clubs for children		Yes	Yes	
Programmes for the elderly	Yes	Yes	Yes	Yes*
Programmes for the disabled	Yes		Yes	
Programmes for toddlers			Yes	
Programmes for homeless, offenders, illiterate, etc.		Planning	Yes	
Teacher's workshops	Yes			Yes
Courses (drama, acting, writing etc.)	Yes			Yes
Staff training and secondment	Yes	Yes	Yes	Yes

* These programmes are organised and led by visiting companies.

** Some of these programmes are organised and led by visiting companies.

options they can choose but is thought of being a 'universal' and 'taken-for-granted' feature of every nonprofit theatre.

The theatres' education programmes are varied, ranging from curriculum-based workshops for students to drama groups for people with disabilities, and from programmes for toddlers to those for the elderly (see Table 2). Recent years have seen their growing attention to activities that are directly concerned with social policy goals. The concept of 'social exclusion' seems to provide an important conceptual framework, within which the theatres, as well as their funding bodies, understand the people they target (e.g., 'young people', 'cultural diversity groups', 'young offenders' and other types of excluded groups). Theatre C has been actively involved with various social inclusion projects that target homeless people, people on low income and young offenders from the local area. It also recently took part in an 'early years' arts education project, which was initiated by a local authority in order to provide opportunities for the development of creative thinking and self-esteem for young boys. Theatre B, which used to focus on drama clubs for local children as well as school workshops, has been asked by a local authority to organise workshops for students who have been expelled from school. The reaction of the theatre is very

positive: 'if financially possible, we will willingly accept the opportunity...why not?' (Head of Education).

Theatre staff expect that these programmes could contribute towards marketing and new audience development by ultimately enhancing people's knowledge of theatrical art forms. Nonetheless, whether these programmes really produce more arts consumers is not taken seriously, and some even claim that this does *not* matter at all. The language found in planning and evaluation of the programmes tends to be dominated by references to their social impacts such as social skills, self-confidence, ability to cooperate, creativity, adaptability, self-discipline, empowerment and community participation. As the Marketing Development Manager from the local arts marketing agency observes, the theatres 'get public funding to do something for their community. It isn't necessarily concerned with getting people back into the theatre'.

However, the theatres' stance towards their increasing social responsibility looks complicated. While showing commitment to their educational work as an essential feature of the theatre, the staff are very critical of government—and the arts funding system's—intervention and the overall policy context that defines the value of the arts in social terms. Only a few believe that the theatre should

actively embrace a more social role in order to be connected back to society. There appears to exist an ambiguous boundary between the theatres' voluntary devotion to social issues and the reluctant embracing of policy objectives under top-down pressure. It seems to depend on whether they have an initiation in programmes and how much they internalise policy objectives within their own framework of management. Notably, most of the staff insist that they are not conforming to all the demands from public funding bodies but adapting themselves in order to take advantage of the changing environment (e.g. the new rationale of their existence and new funding opportunities). This attitude was amply illustrated by the fact that the theatre staff, directors or chief executives in particular, frequently used the metaphor of 'game-playing':

I am playing games because I need the money. It is not difficult to play games. As long as we tick bigger boxes, they say arts can deliver... (Director, Theatre B)

In these circumstances, the key concern for theatre management seems to be to keep a balance between the political and economic, as well as artistic, dimensions of their activities. As for the political dimension, the theatres' strategies tend to be contingent and opportunistic, depending upon central government policies, local politics and funding availabilities, and sector-wide shared assumptions on their role in the community. This is why they do not have long-term plans for educational activities, and relevant decisions are likely to be made out of consideration for the demands of public/private funders, imminent funding opportunities as well as the expertises of education officers. While the theatres work within a policy framework and use vocabularies developed in the framework, theatre staff argue that they try to make the best use of discretion in their operation: for instance, through arbitrarily interpreting policy objectives and also through decoupling their actual practices from rigorous use of formal rules such as funding agreement, performance indicators and evidence-based evaluation.

Meanwhile, the case study has found that the role of marketing in the theatres' adaptation to the new environment is not significant. The interviewees' understanding of marketing seems to be limited to an organisational effort to develop (new) audiences and increase ticket sales through maximising consumer satisfaction. The recent increase in government intervention and the heavy emphasis on social impacts tend to be perceived as 'a political factor', which marketing can hardly anticipate and directly respond to. Despite frequent claims that marketing and educational work are two sides of the same coin (Rogers, 1998), marketing has little influence on what education officers do and *vice versa*. There have so far been few initiatives from marketing staff towards the issues of education and community participation. The role of marketing was rather *technical* in that it supports this area of work by providing market information and helping it to raise its profile through advertising and promotion. As a marketing officer of Theatre C says, 'marketing is auxiliary... the core is stage and education'.

Rethinking arts marketing

It is apparent that the present climate of cultural policy essentially brings about challenges to arts marketing. As has been discussed earlier, the adoption of marketing by the arts sector and its proliferation occurred in an historically specific context of marketisation policy. As arts marketing is generally concerned with the way in which arts organisations can be market-oriented while their artistic vision protected, there is little room for discussion of the increasing social orientation of the organisations. Thus, one may raise the question of whether arts marketing still captures the spirit of the time and provides a suitable language and rhetoric to address the new remits of arts organisations such as education, public participation, social inclusion and community empowerment.

In addition, as Bradford (1994) sharply points out, arts marketing has so far lacked 'a political dimension' and 'such ignoring (or

ignorance) of the political context' is likely to decrease the validity of arts marketing as an holistic strategy of arts organisation. This might give a hint of why arts marketing, in practice, tends to exist as a partial function of organisational management as the case study has demonstrated. In order to provide an holistic framework for arts management, it seems, arts marketing needs to extend its scope so that it can address the new and complex reality the arts sector is facing.

First, one may want to suggest that arts marketing needs to adopt the 'social marketing' approach or 'societal orientation' notion which is generally applied to organisations in public and nonprofit sectors, who deal with social issues such as health and education (Kotler and Andreasen, 1991; Sargeant, 1999; Liao *et al.*, 2000). Societal orientation can be defined as a management attitude in which an organisation should aim at producing what ultimately contributes towards the betterment of society, even though little market demand exists. Generally, the objective of this type of marketing is to encourage target markets to accept certain 'social ideas' and accordingly 'change their behaviour' so that their long-term well-being can be maximised. By incorporating a societal approach, arts marketing may be able to keep their distance from an emphasis on the market-led approach, which prioritises satisfaction of customer needs as *the* prerequisite to organisational success.

So far, few arts marketing writers have shown their interest in the societal character of arts marketing. For instance, Butler (2000) argues that there is a strong sense of the societal marketing concept in arts marketing because it ultimately aims to contribute towards the welfare of society. In the Dutch context, Boorsma (2002) suggests that arts marketing should reinforce and support the societal function of the arts (e.g. maintenance and stimulation of cultural diversity, support for people in dealing with changes in the world and stimulating positive freedom). However, their approaches are grounded upon the belief that increased and equally diffused arts consumption of the public, which would result

from arts marketing activities, is an essential element of social welfare, not upon the idea that arts organisations should produce social impacts through various extra programmes. If we adopt the latter type of approach, arts marketing includes in its goals 'nurturing creative citizens', 'empowering excluded people', 'social inclusion' or 'community regeneration'.

However, it does not seem easy for the societal orientation notion to sit comfortably in arts marketing. As has been observed in the case study, there is no consensus among people in the arts world on whether they should actively pursue social aims and to what extent they can do so. Furthermore, people are showing anxiety about the use of the arts for explicit social purposes as they strongly support the autonomy of arts producers from political pressure. The hesitancy towards societal orientation is found in arts marketers such as Heather Maitland (2002), a well-known arts marketing writer:

The more rash our claims to be able to help the homeless, feed the hungry, stop people thieving and turn youngsters into responsible (and arts attending) adults, the more arts funding is available to us—which encourages us to be not altogether honest about our activities in order to keep our arts organisations alive.

Second, in order to be a comprehensive approach to arts management, arts marketing may need to place more weight on the political dimension of arts management and the contingent and opportunistic nature of decision-making, which strays from the ideal model of management process that the arts marketing literature promotes. As a commentator observes, arts managers now should 'learn to play by [policy] rules' and to be 'much more adventurous, much more looking for partnership and much more able to act quickly when opportunity arises' (Michael Quine, Department of Cultural Policy and Management, City University, Personal Communication). The organisations may adopt the following strategies: speaking the same language as that of

government and public funders; actively participate in the decision-making process of cultural policy at a local level; maintaining a trust-based relationship with funders while seeking opportunities; decoupling from formal rules; developing a partnership with organisations in the social and education sectors; and developing a policy-wise rhetoric for their existing activities.

According to organisational sociologists Galaskiewicz and Bielefeld (1998), nonprofit organisations which are under great political pressures from their environment on the one hand tend to put programmes and policies into place that further societal goals in order to gain more 'legitimacy', but on the other hand, they try to secure their professional values and existing ways of operating through various strategies. Galaskiewicz and Bielefeld define such a type of management as 'political or legitimisation tactics'. Political or legitimacy strategies of nonprofit (arts) organisations have been widely discussed in the literature on organisation and management studies, for instance writings on organisations' resource dependency, the existence of multiple shareholders and institutional pressures upon organisations (Powell and DiMaggio, 1991; Alexander, 1996; Tschirhart, 1996; Galaskiewicz and Bielefeld, 1998; Pfeffer and Salancik, 2003). These writings not only describe the organisations' essential reliance upon external sources and their embeddedness within existing cultural and political settings, but also discuss how the organisations try to maximise their legitimacy and discretion and even alter their environments through various strategies. The political strategies of British nonprofit arts organisations may be further explored within such frameworks.

Some existing literature on arts marketing addresses the importance of managing multiple constituencies, which are often identified as 'markets' of arts organisations (Hill *et al.*, 1995; Sargeant, 1999). However, their accounts seem confined to confirming the normative idea that organisations should 'satisfy' or develop 'good relationships' with their constituencies while the complex nat-

ure of dealing with external forces remains unexplained. With regard to the question of whether marketing can extend its scope to embrace the political dimension of arts management, it seems that arts marketing faces a dilemma. It is because highlighting non-market factors and uncertainty in management may drive it to lose its distinct nature as a consumer-focused business philosophy and an ideal model of organisational behaviour, which have been the very source of its appeal to arts organisations.

Conclusion

This paper has attempted to argue that the development of arts marketing was embedded in the marketisation policy and, thus, its effectiveness as a discourse and a management framework is likely to weaken when the policy environment changes. It has been found that since the 1990s there has been a shift in the conceptual relation between the arts and the market. While the market had been suggested as an efficient means of solving the arts problem since the 1980s, the arts—participatory arts in particular—are now being proposed as an effective solution to market problems, which are caused by changes in economic environment in the wider context, such as globalisation and reliance of the economy upon knowledge-based industries.

The current cultural policy produces new challenges to the nonprofit arts sector by imposing increasing social roles on arts organisations and strengthening state intervention in their operation. The paper has suggested that arts marketing is likely to remain only as a functional aspect of arts management unless it can address these issues, for example by examining the relevance of the societal orientation concept or actively exploring the political dimensions in the management. Although such a modification of arts marketing seems quite difficult, it would still be interesting to see how arts marketing, which has so far demanded changes in arts organisations, will adapt *itself* to the altering environment in terms of both theory and practice.

Biographical note

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