



ADVISORY
BOARD
for the ARTS

Transforming Arts Organizations Worldwide

The Case for Shared Values

October 2020

How We Will Help You Build and Implement Shared Values

Week 1 (Now!): How Shared Values Drive Loyalty

Week 2: Shared Values in the Arts

Week 3: Implementing a Shared Values Strategy During Shutdown

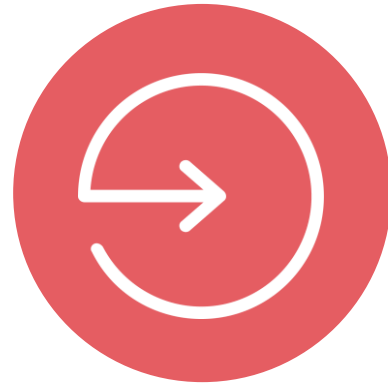
Key Question

“How should I engage with audiences right now to shorten recovery time post-reopening?”

This Pre-Work Has Four Parts



The Nature of
Audience-Defection
Risk in the Pandemic



The Value of
Emotional
Connection with
Not-Yet-Loyals



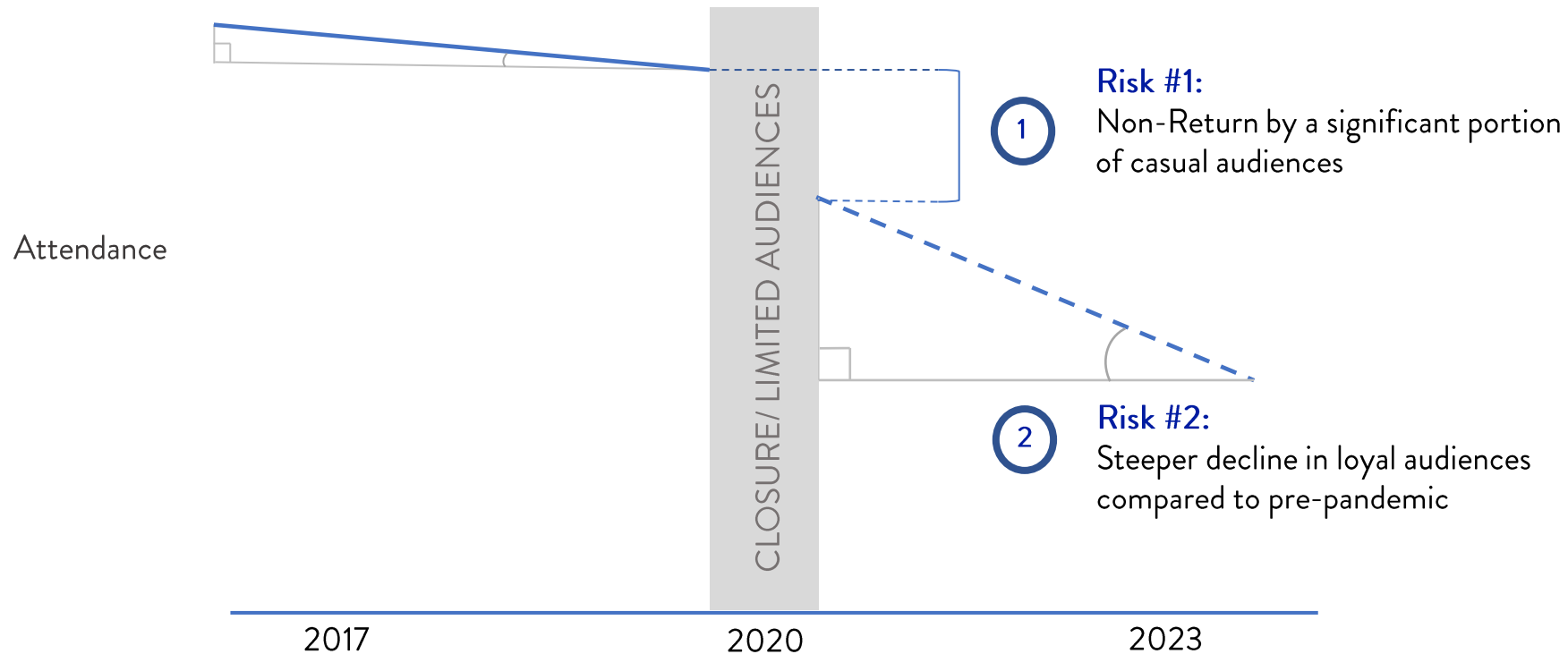
The Most Potent
Emotional
Connections



The Role of
Shared Values in
the Arts

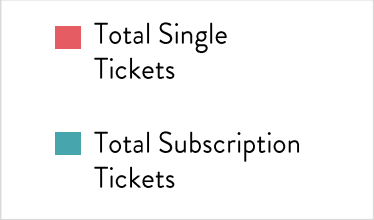
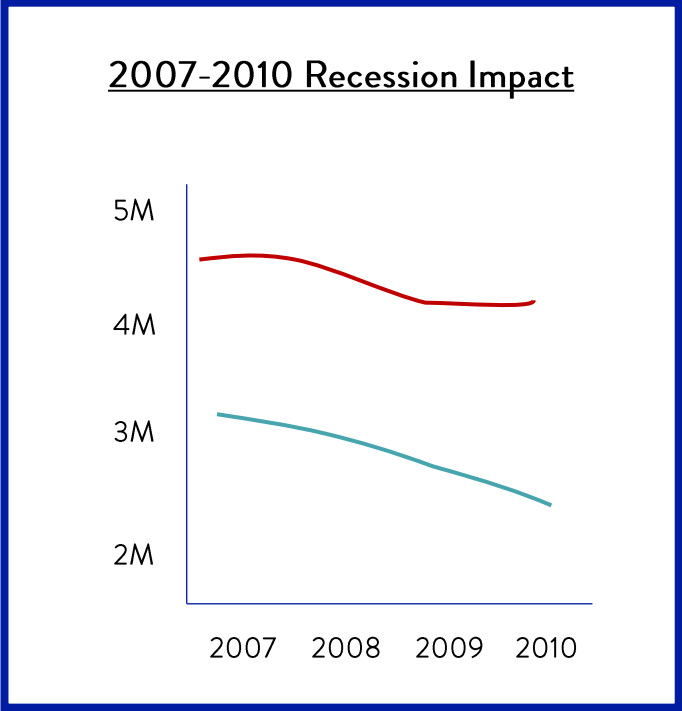
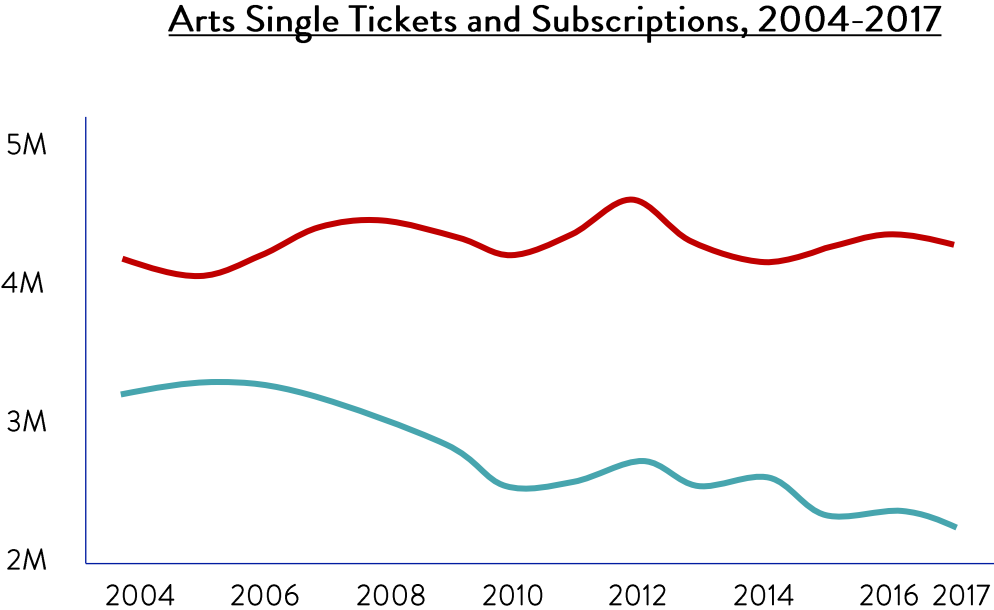
The Risks to Audience Return Post-Pandemic Are Real

Post-Pandemic Risks to Audience Loyalty at Arts and Culture Organizations



Source: ABA research.

Prior Downturns Accelerated Existing Decline of Arts Attendance



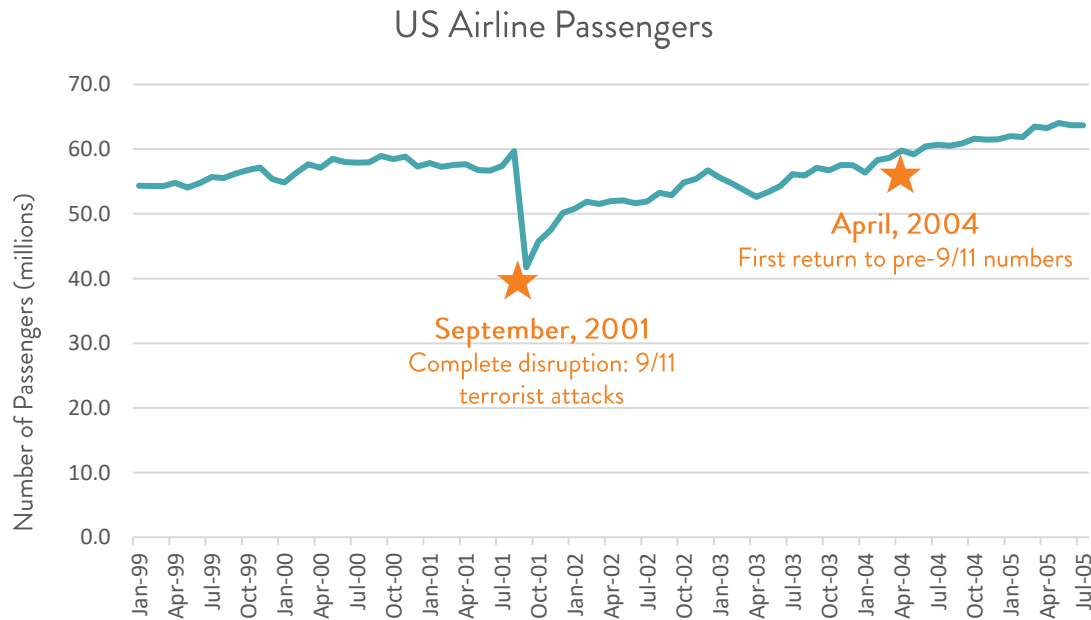
A 2016-2018 study measuring memberships and subscriptions across genres saw decreases at almost all types of organizations, with the greatest being an **11.4% drop in symphony orchestra subscriptions.**

Source: [SMU DataArts](#)

We Can Expect This One To Be Worse

While the 2009 financial crisis was a difficult hurdle for arts & culture, there was not the same type of full disruption as there is now. Past and predicted full disruptions in other industries show a long road to recovery.

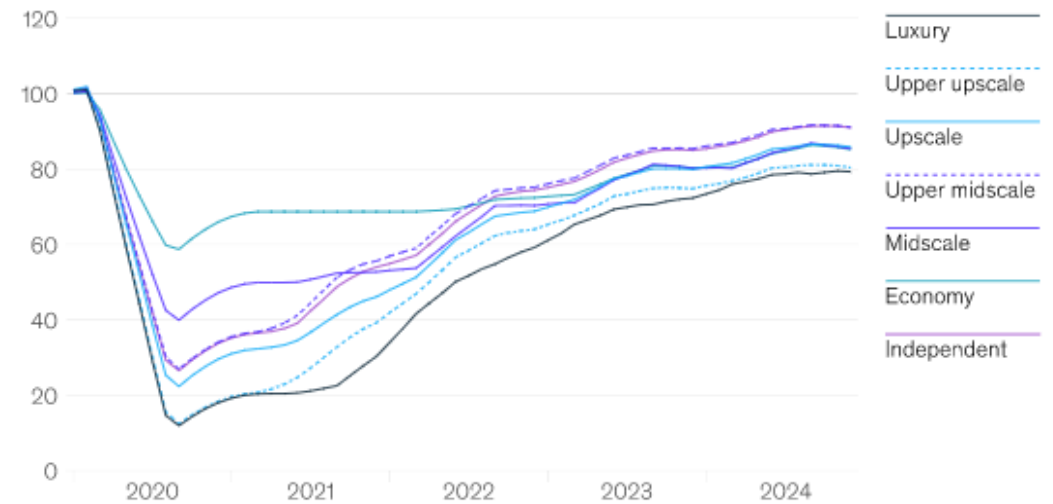
The US Airline Industry Took 3 Years to Reach Pre-9/11 Passenger Numbers



Source: [US Department of Transportation](https://www.transportation.gov)

The Hotel Industry Is Predicted to Have a Similarly Lengthy Recovery

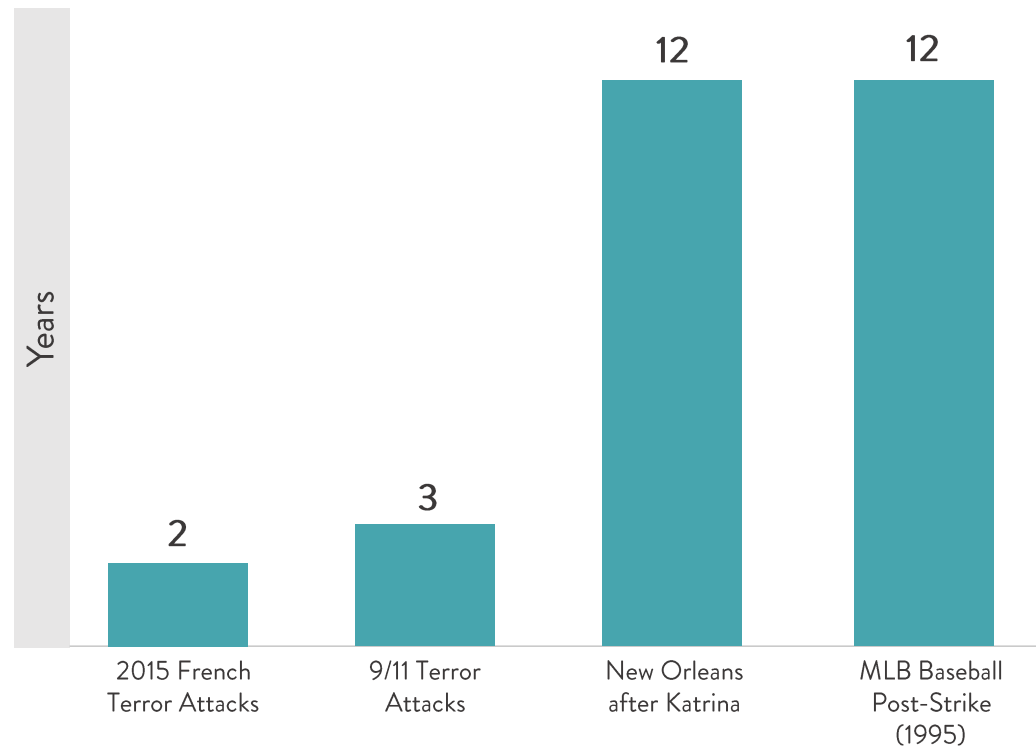
Scenario A1 US hotel revenue per available room, by chain scale, index, Jan 2019 = 100



Source: [McKinsey](https://www.mckinsey.com)

Disruptions Have a History of Changing Behaviors

Time To Visitor Recovery Post Incident



What Determines Likelihood of Returning to Old Habits After Disruption?

- How frequent and rigid is the new behavior compared to the old behavior?
- How strong and disciplined was the original habit?
- How much does the habit depend on context? (social context, technology changes)

For most, arts consumption habits were not strong pre-pandemic and there are now many culture and entertainment replacements

Sources: [EDN Hub](#), [US Dept of Transportation](#), [Baseball Reference](#), [New Orleans CVB](#)

Sources: <https://lrwonline.com/perspective/consumer-psychology-and-coronavirus-turning-new-habits-into-opportunities/>
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7269931/>

The Risk Is Not the Same for All Audiences



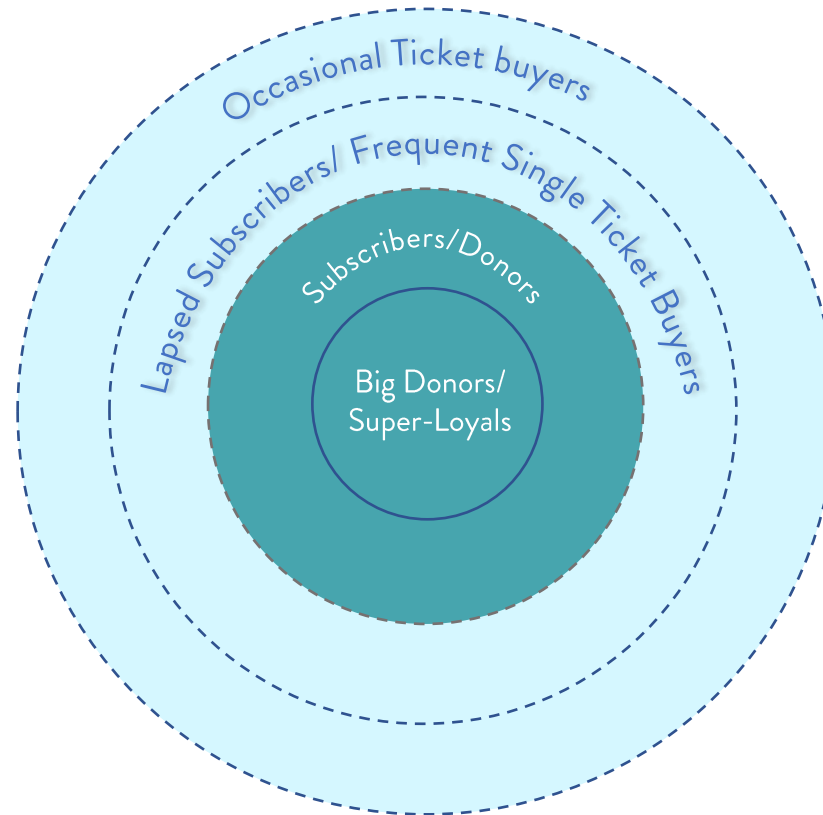
Loyals

More Likely to Consume Our Current Offer

Digital content frequently repackages the in-person experience in a home-friendly way, which is exactly what “Loyals” want.

More Likely To Return On Their Own

For a large minority of your audience, your artform or cultural genre is intrinsically valuable. They would likely return no matter what you do during closure.



Not-Yet-Loyals

Less Likely to Consume Our Current Digital Offer

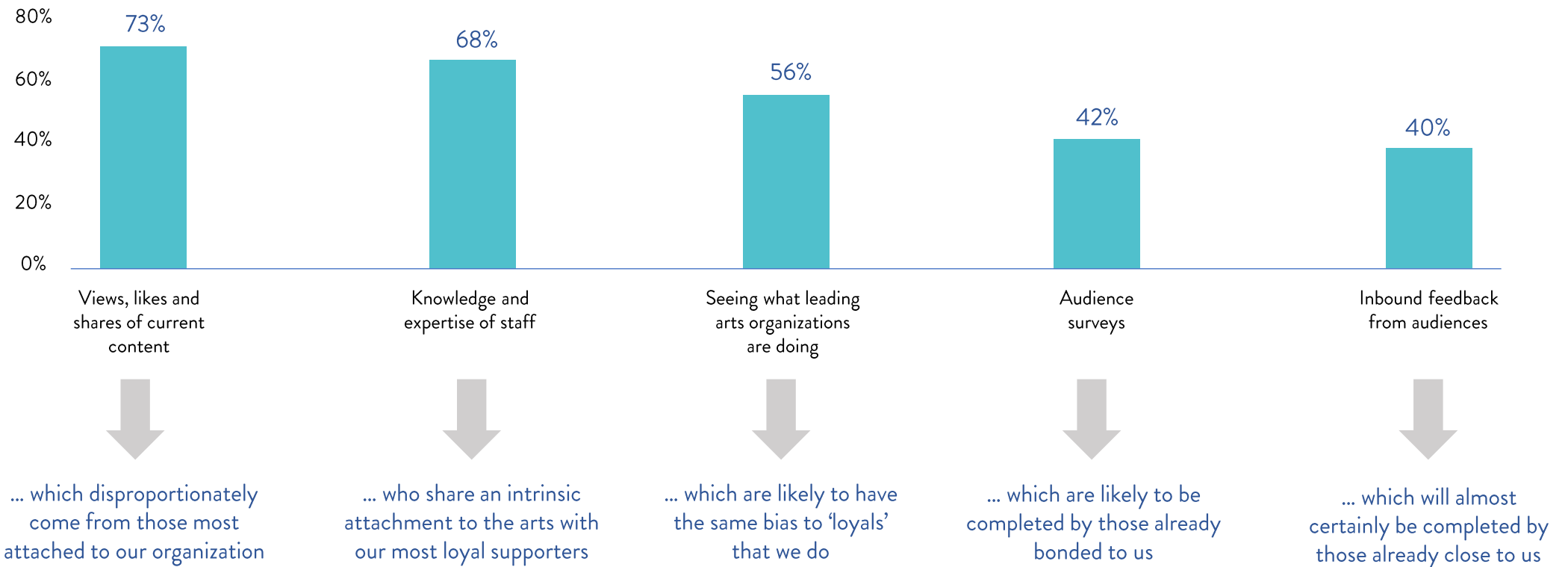
Most arts and culture organizations (79%) tell ABA that their digital efforts are directed at all existing audiences, but not-yet-loyals are significantly less likely to consume.

More Likely To Be Diverted From The Arts

Because they're less attached to the arts, single ticket buyers are more susceptible to distraction and change during closure.

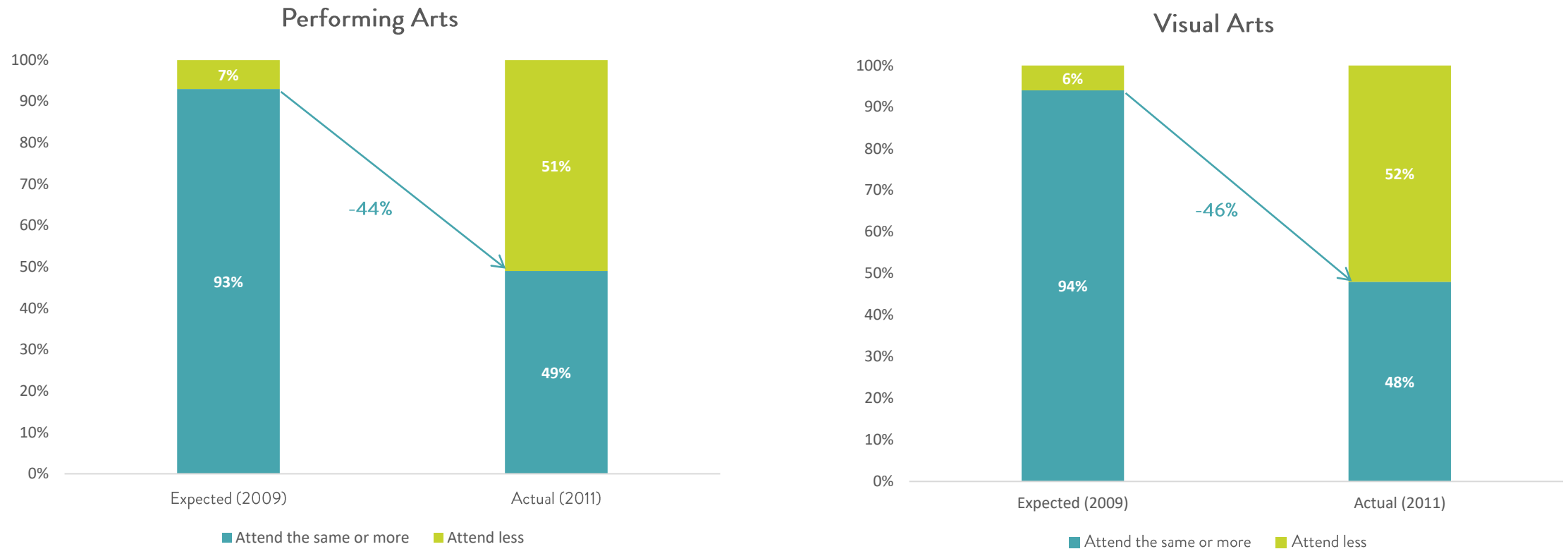
It's Very Possible You Are in An Echo Chamber

Top Five Ways Arts Organizations Are Determining What Digital Content to Produce



We Can't Count on Audiences To Predict Their Own Behavior

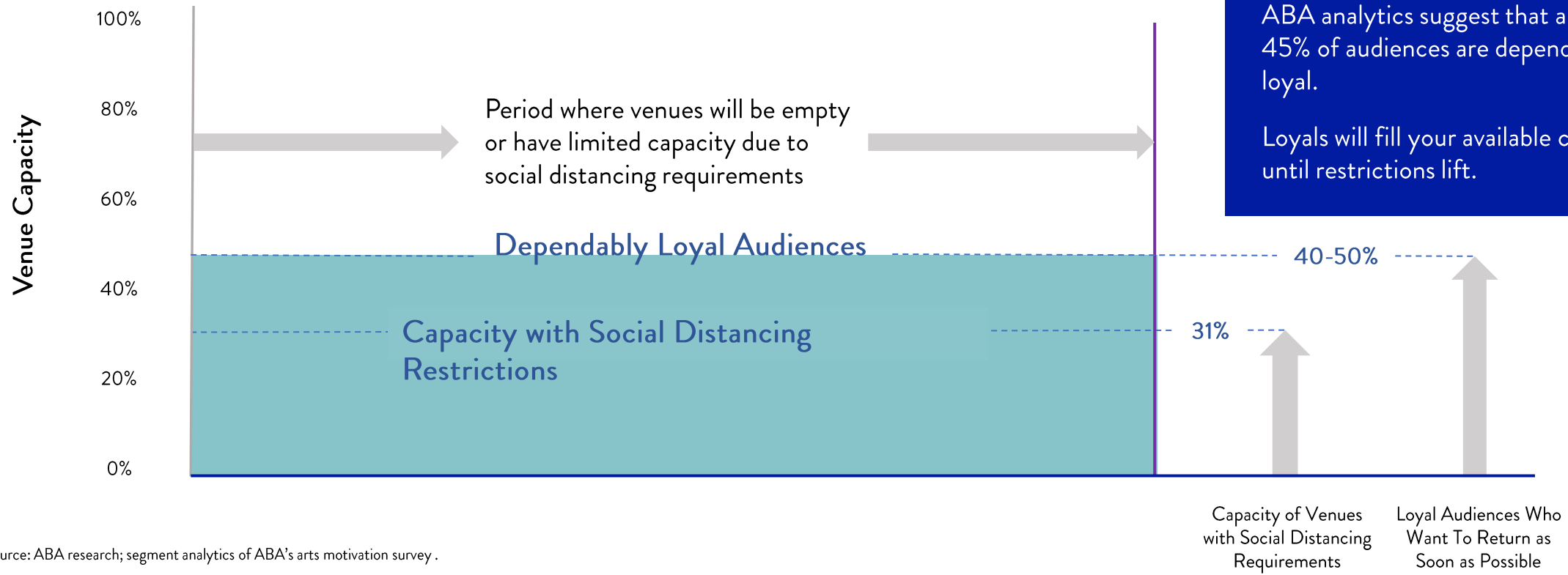
When performing and visual arts audiences were asked in 2009 about the likelihood of the economy affecting their ability to return after the financial crisis, their expectations were far more optimistic than the reality two years later.



Source: [Culture Track 2011](#)

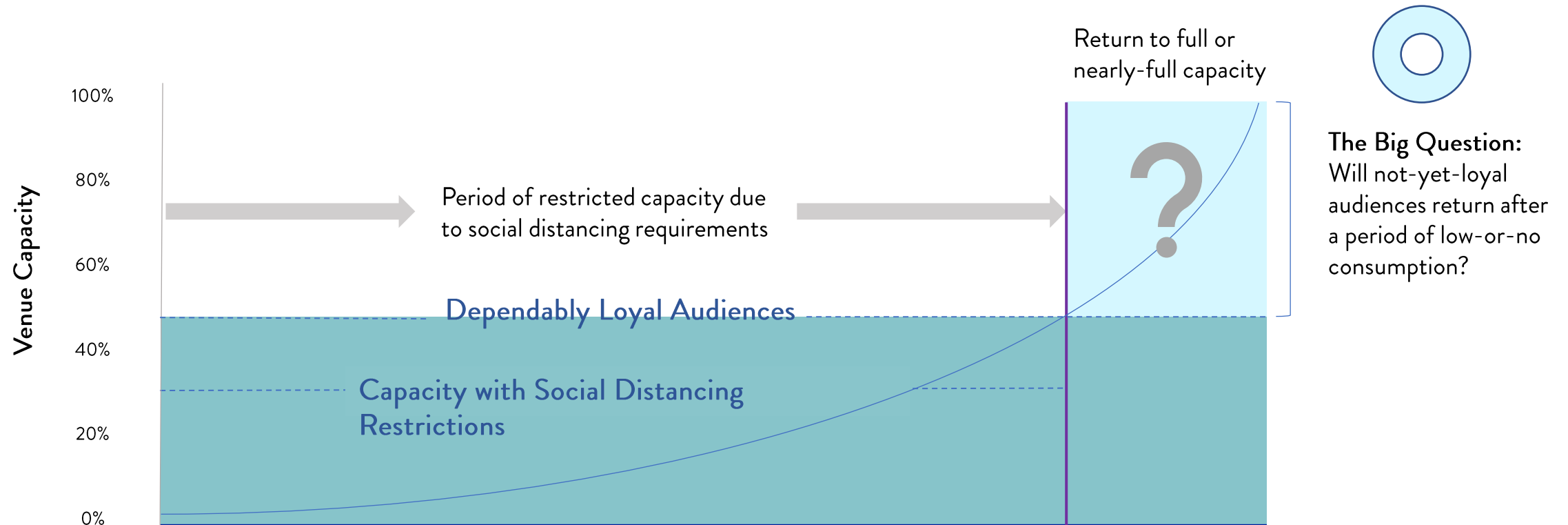
“Loyals” Will Fill Your Capacity Until Restrictions Lift

Comparison of Loyal Audiences and (Restricted) Venue Capacity



We Particularly Need to Secure Casual Audiences

Comparison of Loyal Audiences and (Restricted) Venue Capacity



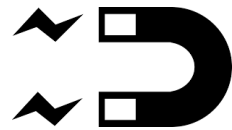
Source: ABA research; segment analytics of ABA's arts motivation survey.

How Do We Increase Our Bond to Not-Yet-Loyals?







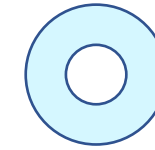
Current Loyals

- ✓ Value our “pandemic” offerings
- ✓ Attached to our genre at an emotional level
- ✓ Feel a connection to us as purveyor of the genre



Arts and Culture Offer During the Pandemic

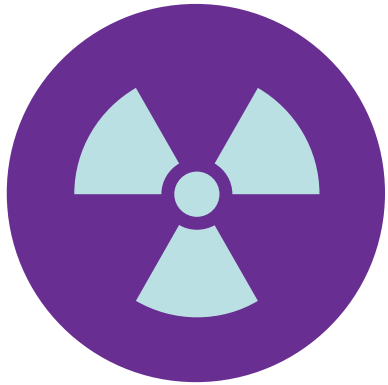
 Digital Content	 Limited In-Person
 Community Engagement	 Virtual Education



Not-Yet-Loyal Audiences

- ✓ Barely consume “pandemic” offerings
- ✓ Are less emotionally engaged to the genre itself
- ✓ Not especially attached to our organization separate from our programming

This Pre-Work Has Four Parts



The Nature of
Audience-Defection
Risk in the Pandemic



The Value of
Emotional
Connection with
Not-Yet-Loyals



The Most Potent
Emotional
Connections



The Role of
Shared Values in
the Arts

We Have Plenty of Data to Talk About During Our Sessions



Brand Loyalty Analysis

125 interviews with 23 consumer brands, survey of 10,000 consumers from 16 categories and 73 brands in the US and UK.

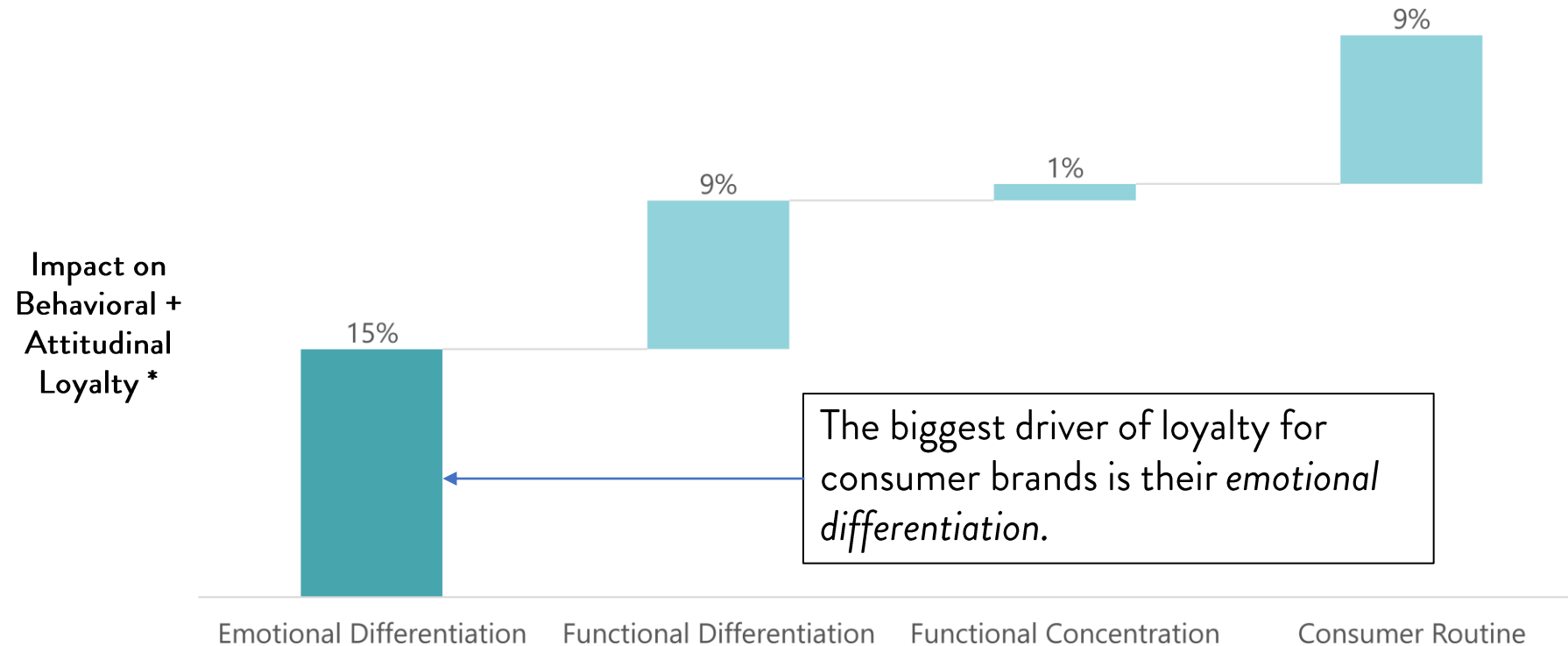


The New Loyals Data Collection

“Jobs to be done” interviews, market research and in-depth survey with 5,000 responses from broad range of arts attendees.

The Key to Boosting Brand Loyalty is ‘Emotional Connection’

Relative Impact on Loyalty of Brand Attributes



* Measured as Impact of Moving from 25th to 75th Percentile Performance on Each Driver. N = ~10,000 consumers. Loyalty defined by behavioral measures (share of requirements, price premium, intent to repurchase) and attitudinal measures (willingness to recommend, word-of-mouth quality, satisfaction and self-identified loyalty). Source: CEB

What is Functional vs. Emotional Differentiation for Brands?

Functional Attributes of iPhone

- X pixel screen
- X GB of space
- App store access to new apps
- iMessage means you can text friends

Emotional Attributes of iPhone

- Cutting edge
- Part of the 'in' crowd
- Easy decision
- Won't make me feel stupid



“The only problem with Microsoft is they just have no taste. They have absolutely no taste... And I don't mean that in a small way, I mean that in a big way, in the sense that they don't think of original ideas, and they don't bring much culture to their products... They are like McDonalds.”

Steve Jobs

From 1996 Documentary, *Triumph of the Nerds*

What is Functional vs. Emotional Differentiation in the Arts?

Functional Attributes of the Arts

- Composer/Piece
- Performers
- Space
- Ease of access

Emotional Attributes of the Arts

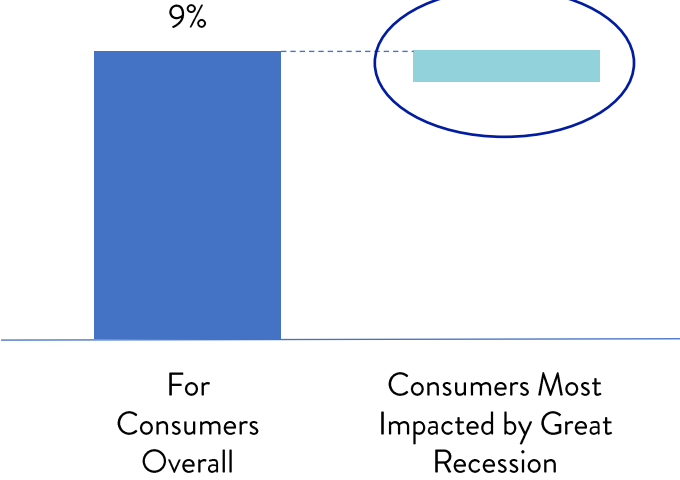
- Attending allows me to support the community
- I created a shared memory with my family
- I learned something about the world through the arts

Emotional Connection Matters Even More During Economic Disruption

Functional Differentiation

Impact on Loyalty *

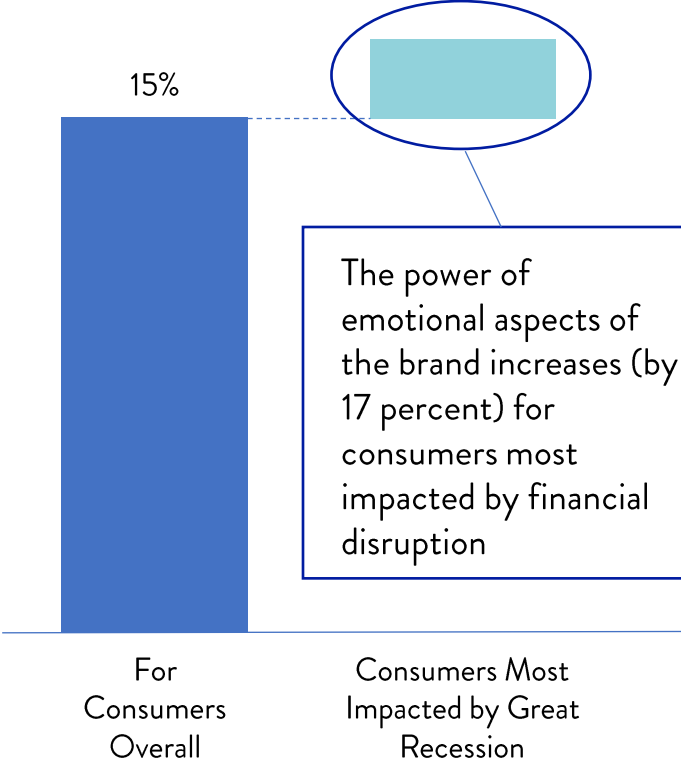
The power of functional aspects of the brand decreases (by nine percent) for consumers most impacted by financial disruption



Emotional Differentiation

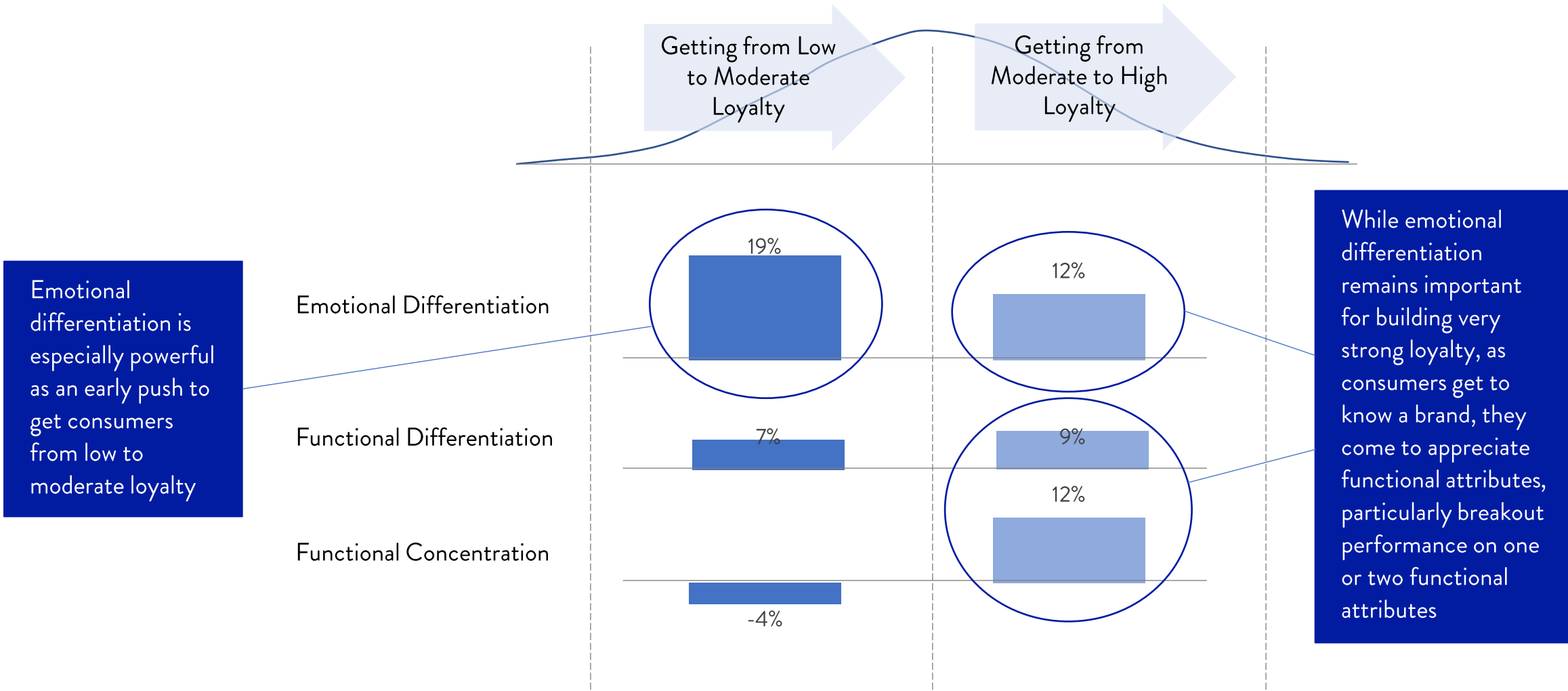
Impact on Loyalty *

The power of emotional aspects of the brand increases (by 17 percent) for consumers most impacted by financial disruption



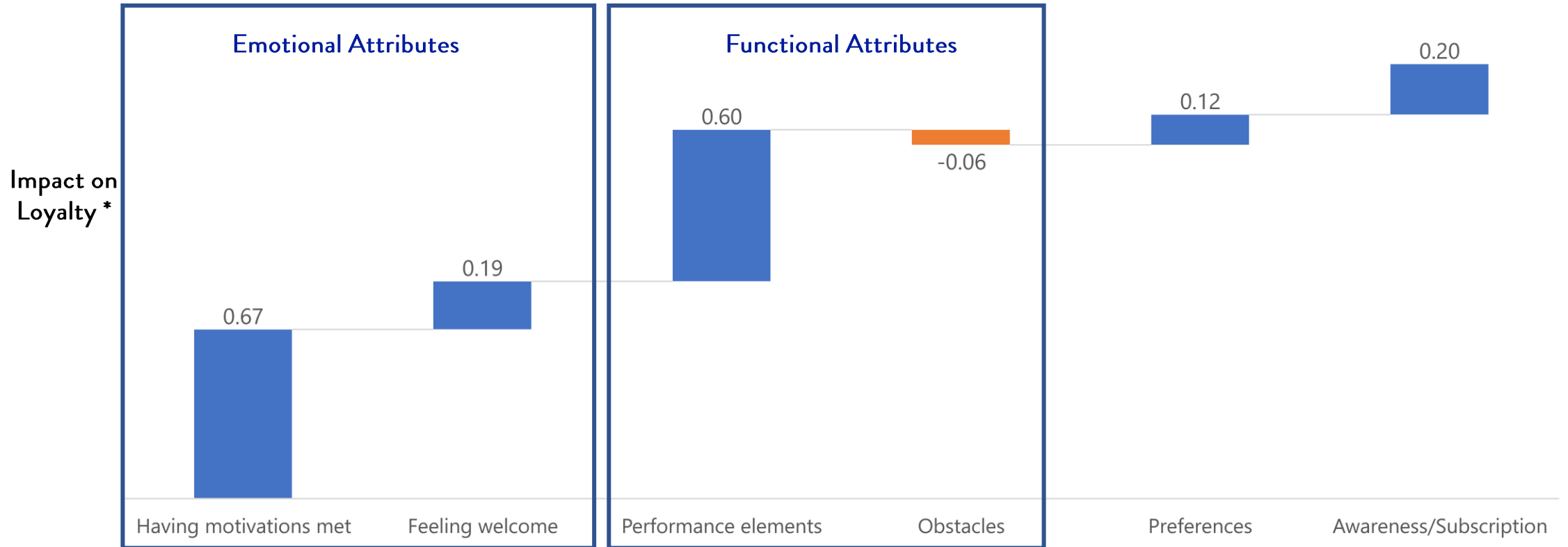
* Measured as Impact of Moving from 25th to 75th Percentile Performance on Each Driver. N = ~10,000 consumers

Emotional Connection Matters to Build Initial Loyalty



Arts Audiences Reward Emotional Connection with Loyalty

Relative Impact on Recommendation**



* Measured as impact of moving from 25th to 75th percentile performance on each driver. N = ~5,000

**Performance elements = rating of things like performers, composition, staging, seats, staff service, value for money. Preferences refers to interest in challenging or familiar art, or desire to know behind-the-scenes details. Genre was also relevant to recommendation but similarly high for all and uncontrollable, so we did not include it above.

The Eight Motivational Segments in the Arts

Amiable Followers

Willing Companions

Motivation: Support friends and family

Values: Excellence

9% of audiences

Community Appreciators

Civic Stewards

Motivation: Create vibrant community.
Fulfill duty toward the arts

Values: Being liked, making a difference,
involvement in community, family

11% of Audiences

Personal Developers

Mastery Builders

Motivation: gain expertise

Values: Personal growth

13% of audiences

Arts Lovers

Arts Passionates

Motivation: Pursue a passion (*not* a special occasion or shared memory)

Values: Compassion, enthusiasm,
creativity

14% of audiences

Culture Surfers

Motivation: See Popular, Famous Works

Values: Humor, enthusiasm

9% of Audiences

Social Samplers

Motivation: Try something new (*not* pursue a passion)

Values: Independence, patience, learning

12% of Audiences

Conversational Challengers

Motivations: conversations, challenge preconceptions (*not* art at the highest quality)

Values: Compassion, friendship, competence, ethics

14% of audiences

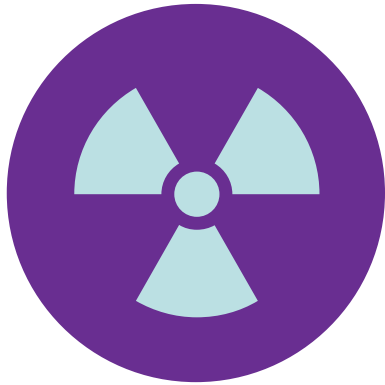
Quality Seekers

Motivations: see art at the highest quality (*not* to show others or create a shared memory)

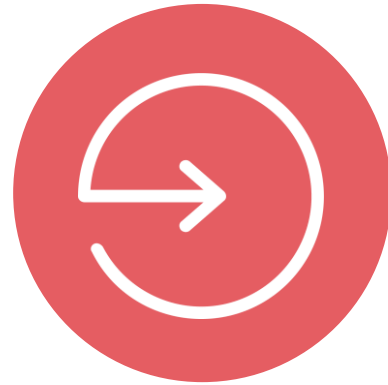
Values: Excellence, balance

19% of audiences

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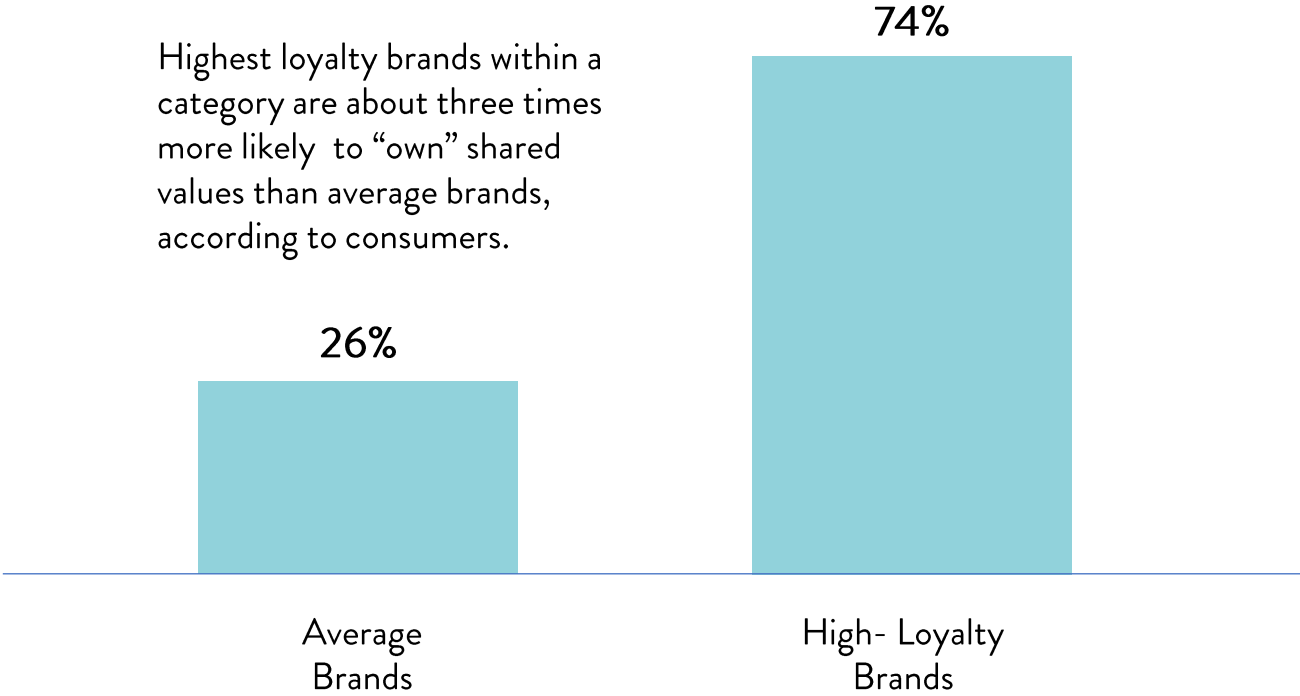


The Role of
Shared Values in
the Arts

Emotional Connection Power Grows with Higher Order Attributes

Perceived “Ownership” of Shared Values

Category Leadership on Higher-Order Emotional Attributes



What is a Shared Value?

What It Is

A shared value is a belief that both our organization and our customers have about a higher purpose, passion, or philosophy that has meaning in our lives beyond our specific genre or the arts in general.

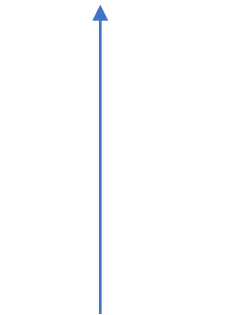


What It Does

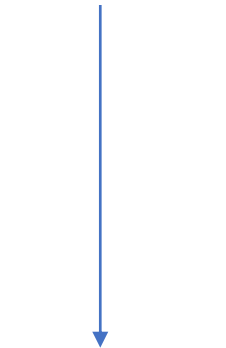
A shared value enduringly connects the core beliefs of the people inside an organization with the fundamental human values of the people the organization serves.

Shared Values Achieve a More-Intense Bond in Brands

Higher Order



Level of Emotional Connection



Lower Order



Functional Benefit

Generating excitement around specific functional aspects of the product/service

Examples:

- Famous spokesperson
- Well reviewed
- New features



Emotional Benefit

Drawing attention to emotional aspects of the value proposition

Examples:

- Have more confidence
- Experience range of emotions
- Spend time on self care



Shared Value

Connecting your purpose to beliefs that your target customer holds dear

Examples:

- A life spent outdoors is a life well spent
- If you have a body, you are an athlete
- Every dog deserves love



Key Characteristics of a Shared Value

EMOTIONAL

Based on feeling and emotions, rather than programmatic attributes

HIGHER ORDER

Must have meaning in the consumer's broader life, not just in his or her interaction with the category

RELEVANT

Must be relevant to the consumer and the category

CREDIBLE

Reflects something the the brand genuinely embodies or supports

DIFFERENTIATED

Stems from the qualities that make a brand truly unique

Dove Real Beauty



Dove: Real Beauty

Dove Shared Value: We Believe that Every Body is Beautiful

EMOTIONAL

Consumers feel unattractive and are their own worst critics. Dove wants consumers to recognize their self-worth.

✓ Resolves emotional tension

HIGHER ORDER

Consumers believe in the importance of self-care and recognizing broad definitions of beauty

✓ Rises above the level of the category (soap & lotion)

RELEVANT

Many consumers feel they can't achieve the beauty standards in the media.

✓ Relates to a brand-relevant cultural theme

CREDIBLE

Consumers view Dove as a fixture brand for beauty

✓ In line with longstanding branding

DIFFERENTIATED

Quality ingredients, gentle on skin, price point available to all,

✓ Stems from the qualities that make Dove unique

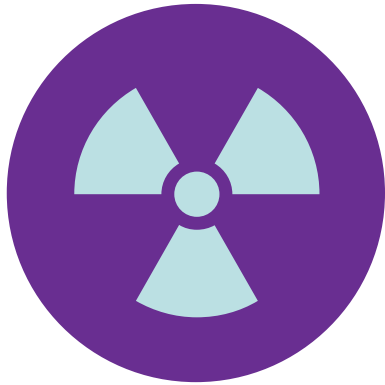
Proud Parent



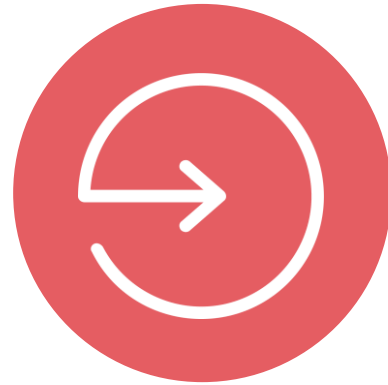
How does this video compare to the Dove video?

What do the two videos together tell us about what makes a strong shared value?

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The Role of
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Shared Values is a Fundamentally Different Proposition

Not This...

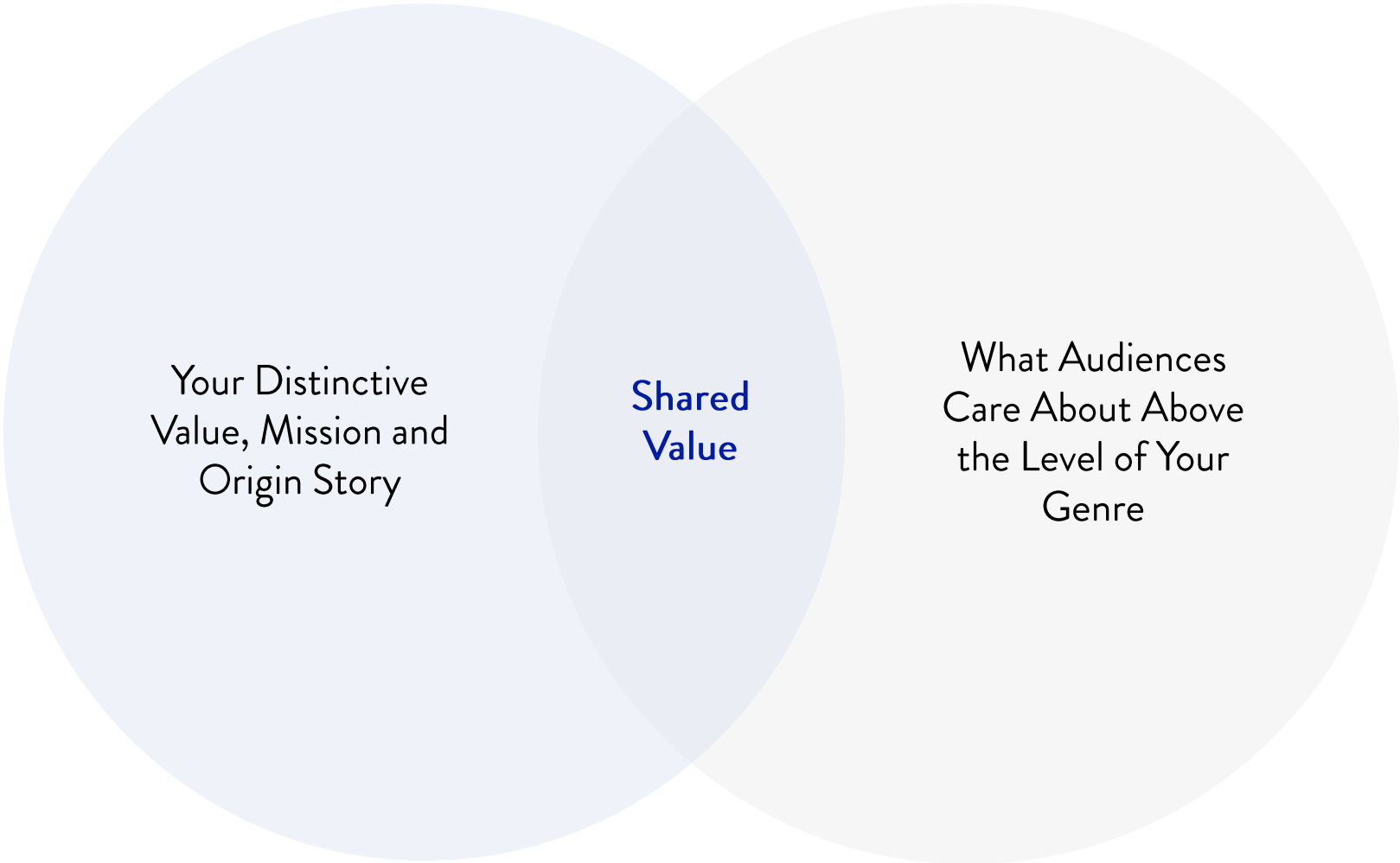
- Creating an experience where your audiences must do the work to appreciate the value
- Communicating your value only in the context of your programming

But This...

- Using your art form as a means to express your shared value, not just the end
- Creating experiences to help people live and support the shared value beyond what you put on stage
- Communicating about the higher order benefits your organization brings to the world

How To Find Your Shared Value

What is your unique gift to the world, that you happen to show through performances or exhibitions?



What values do your audiences hold, that may be difficult for them to achieve day-to-day?

For 33% Of Audiences, Functional = Emotional

Motivational Segments from ABA Audience Research

For 1/3 of your audiences, the functional attributes of the performance are easily translated into what they value because what they care most about is what's on stage. The art form is part of their identity.

33%: Arts Lovers

14%: Arts Passionates

19%: Quality Seekers

Further from the Stage

Closer to the Stage

For the Remaining 66%, Values Further From the Stage

66%: Looking for Something Else

12% Social Samplers
Try something new

9% Culture Surfers
See popular/famous works

14% Conversational Challengers
Converse, challenge preconceptions

9% Willing Companions
Support friends/family

11% Civic Stewards
*Fulfill duty to the arts,
create community*

13% Mastery Builders
Gain expertise

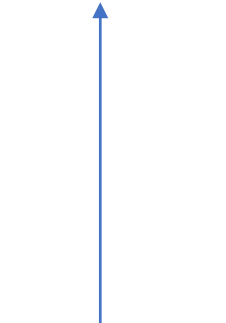
For 2/3 of your audiences, the art form requires translation to what they value most.

Further from the Stage

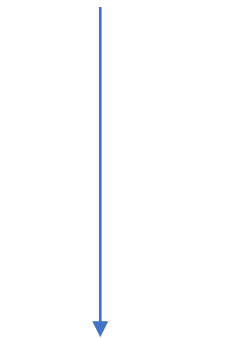
Closer to the Stage

Shared Values Achieve a More-Intense Bond in the Arts

Higher Order



Level of Emotional Connection



Lower Order



Performance Benefit

Generating excitement around functional/factual aspects of the performance

Examples:

- Famous artist
- Well reviewed
- Popular show

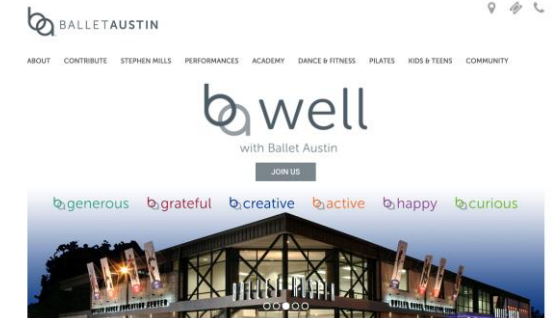


Emotional Benefit

Drawing attention to emotional aspects of the value proposition

Examples:

- Connect with others
- Experience range of emotions
- Spend time on self care



Shared Value

Connecting your purpose to beliefs that your target audience holds dear

Examples:

- Everyone deserves to feel a sense of belonging
- Experience range of emotions
- A healthy community starts with healthy minds and bodies

Shared Values in the Arts: Ballet Austin

Ballet Austin Shared Value: We believe in the encouragement of lifelong health and well-being.

Emotional

The encouragement of lifelong health and is based on a belief of the importance of well being for all.

Higher Order

Health and well-being for all have meaning in audience members lives outside their relationship with Ballet Austin.

Relevant

Health and well-being are relevant to both the audience member and the ballet.

Credible

Ballet Austin's commitment to health and well-being is evident through marketing, comm. engagement, and programs.

Differentiated

Encouragement of health and well-being align with Ballet Austin's mission and are not typically a core focus of other arts organizations.

Ballet Austin's Shared Value in Practice

Ballet Austin Shared Value: We believe in the encouragement of lifelong health and well-being

Community Support

Ballet Austin offers *Healthy Living and Workplace Wellness talks* at no cost in the Austin community.

Healthy Living, Wellness, & Team Building Talks
FREE Workplace/Corporate Wellness

It is Ballet Austin's goal to be a part of the effort to bring wellness to the workplace, the home, and beyond. We offer *Healthy Living and Workplace Wellness talks* at NO COST in the Austin community.

Looking for a speaker for a Lunch & Learn or other workplace wellness event? Look no further! Talks are informative, interactive and motivational, and are available on a variety of topics in the areas of health and wellness, workplace culture, and other inspirational and motivational topics. Presentations are typically 45 to 60 minutes in length.

We come to you at no cost as a part of our "give back" to the Austin community.

Taught by Vicki Parsons, Director of Ballet Austin's Butler Center for Dance & Fitness, who has over three decades of teaching and speaking, and most importantly, real-life experience. She lives what she speaks!

Be Well Network

Complementary access to engaging and interactive **multi-media content** that will keep you moving, thinking, and smiling.



Resources to Support Living the Value

A range of free or low-cost resources to support health and well-being, from healthy recipes to programs for active and healthy aging.



Separating Your 'Shared Value' from Similar Concepts

Shared Value

A belief that both our organization and our customers have about a higher purpose, passion, or philosophy that has meaning in our lives beyond our specific genre or the arts in general.

We believe...

We exist in order to...

Every kid deserves access to safe, communal playspace to advance their physical, social, and emotional development.

Vision

A portrait of a future that could exist if the value you believe in were instantiated in the world and that we intend to work to help create.

Therefore, we want to create a future that looks like _____

The future we will work toward is...

We envision a world where every kid has a safe place to play within walking distance of their home.

Mission

A statement of the path we intend to take to bring that future vision into existence.

We will bring that vision into reality by...

We will end playspace inequity by helping communities to build inspiring playspaces for kids everywhere.

Values

A set of behavioral principles that we expect our staff, our stakeholders and our outside partners to adhere to.

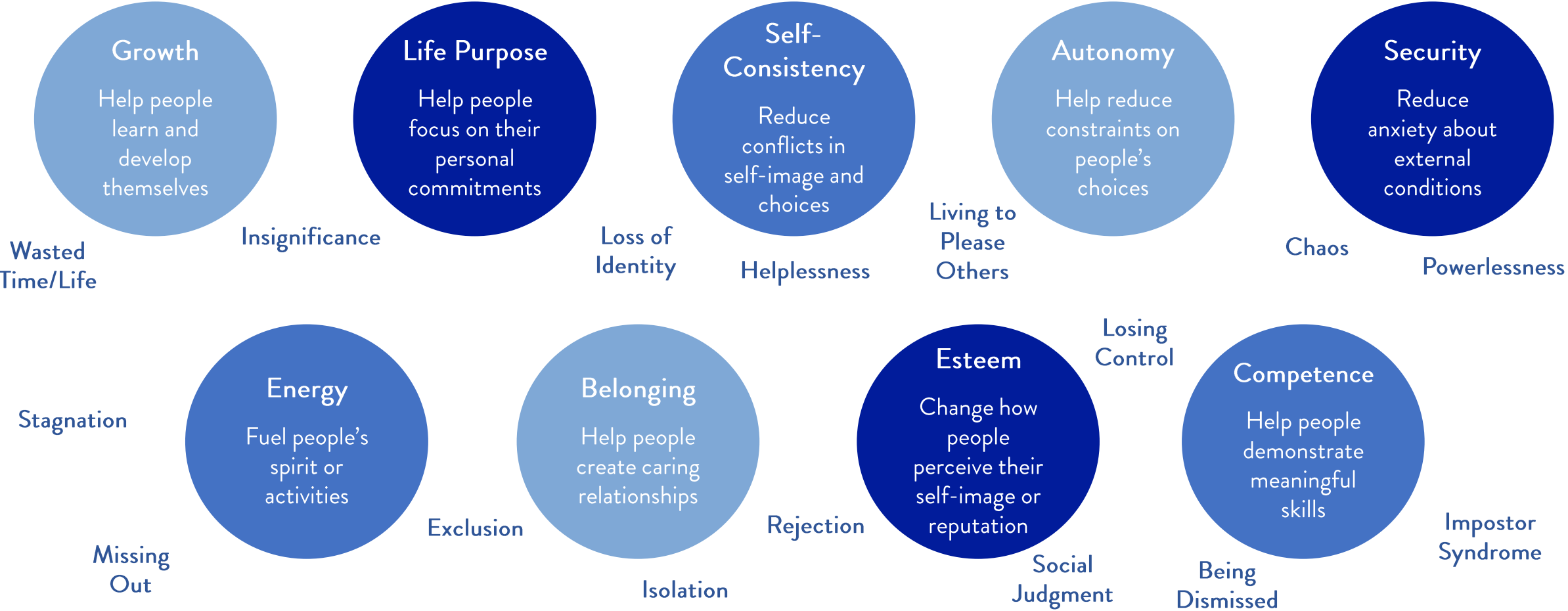
We behave according to ...

We will seek partners who...

- Equity
- Community
- PLAYce (welcome, safe, fun)



Starting Points for Shared Values and the Anxieties they Counteract



Source: Abraham H. Maslow, *Motivation and Personality*, (New York: Harper & Row); Edward L Deci and Richard M. Ryan, "The 'What' and 'Why' of Goal Pursuit," *Psychological Inquiry*. Carol D. Ryff and Corey Lee M. Keyes, "The Structure of Psychological Well-Being Revisited."

Why Now is the Moment to Embrace Shared Values

What (Many of) You Can't Do

Sell: No large, live performances, little subscription selling

Market Traditionally: No performance marketing, low budgets for branding campaigns or audience development

Stand Out in Digital: Any given content unlikely to garner views commensurate with live performances

What You Can Do

Prioritize: Make informed choices about what to cut or change

Converse: Communicate with audiences, align communications under consistent themes

Engage: Create and curate digital content, build community relationships, explore partnerships



The Core Elements of Shared Values

Shared Values is a Strategy, Not a Tactic

Focusing on one shared value gives you benefits...

...doesn't stop you from caring about other things...

...but must be consistent across your organization

Building the Purpose-Driven Arts Organization

