

## e-Marketing

### CASE STUDY

# EFFECTIVE E-MARKETING

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## A New Zealand perspective on trends, issues and best practice

In February 2007, as part of Creative New Zealand's Capability Building programme, Vicki Allpress Hill led e-marketing workshops in Christchurch, Wellington and Auckland. Here, she highlights some of the important aspects of her seminar and talks to a few of the New Zealand arts marketing practitioners who have adopted e-marketing as part of their strategy.

### Thinking about e-marketing

Winning a global [Webby Award](#) in 2006 for its user-friendly website is just one of the tangible outcomes of the [New Zealand International Arts Festival's](#) well-considered approach to e-marketing. Between the 2004 and 2006 festivals, visits to the website quadrupled and tickets purchased online doubled.

Marketing Manager Arne Herrmann is one of a new generation of New Zealand arts marketers using the Internet to reach and attract new audiences, provide better service to existing customers, and build a loyal community around their organisations and events.

Increased internet usage and confidence, further broadband adoption, an explosion of online social networking tools, and greater expectations of customisation of information are global trends that have made a considerable impact on marketers in New Zealand in the past year.

For Michael Adams, Marketing and Sponsorship Manager at Auckland Theatre Company, all of these were key drivers for shifting his focus on to e-marketing, along with a desire to find more inexpensive, relevant and timely ways to communicate with the company's audience.

Over the past year the Auckland Theatre Company team has put considerable energy into the company's [website](#), email capture and e-marketing programme. Web visitors are now offered the ability to [define their preferences](#) for the format and content of email communication, and Michael also uses blogging as a tool to promote shows and build loyalty. The company's

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longer-term commitment to provide more interactivity on its website will encourage continued discussion and feedback from its audience.

E-marketing is defined simply as “Achieving marketing objectives through use of electronic communications technology”.<sup>1</sup> As a marketing channel, it has particular benefits to the arts because of its speed, cost-effectiveness, interactivity and flexibility. Examples show that arts organisations are experiencing success with e-marketing and in many instances, it is helping them to make headway where it was previously difficult.

Arne Herrmann says: “My monthly email newsletters are my link to the outside world between the Festivals. I don’t have a budget to run continued advertising for the coming year’s Festival, but we have things to talk about and a permanent staff working on programming and planning. The website and e-news are perfect low-cost vehicles for us to stay in touch with our constituency.”

Organisations of varying size and resource were featured as examples throughout the Effective E-marketing workshops. The range of e-marketing applications and arts organisations is extensive - from BATS Theatre or Rifleman Productions uploading inexpensive videos on to [YouTube](#) to promote their shows to the [Metropolitan Museum of Art in New York](#) providing an online experience of the museum that attracts three times its physical visitors.

### Unique challenges

New Zealanders are described by the [Business Strategies International website](#) as “a nation of independent, self-sufficient, resourceful people”. There is no creature more resourceful than a New Zealand arts marketer and we would be expected to adapt to e-marketing like fish to water.

Even so, at the workshops it was apparent that some were still struggling with how to get started on an e-marketing programme. Limited staff resources, small budgets, inadequate knowledge and lack of access to technology – familiar issues to arts marketers - are some of the biggest hurdles to overcome. Sometimes, they can lead to feelings of being overwhelmed by the technology, terminology and options.

There may also be a misconception that e-marketing tools can solve everything. As Lyndsey O’Reilly, a highly experienced arts marketer at the Westpac St James Theatre in Wellington, explains: “E-marketing is not a panacea. There are difficulties around e-capture with people demonstrating a real reluctance to give their email addresses unless there’s something specific in it for them. Many people are using company emails that are subject to firewalls and mail marshalls. E-marketing is only as good as the offer and the database you hold. You need to attend to data cleansing all the time to be ready to send the next email communication. It’s not always as simple as it’s made out to be.”

With approximately 30% of people changing their email address each year, list hygiene can require focus and time. “We have to clean up our email list every six months”, says Shane Boshier, Director of Silo Theatre in Auckland.

Adding to the challenges is the [Unsolicited Electronic Messages Act](#), passed in Parliament last month. The Act is New Zealand’s version of anti-spam law and applies to any marketer using a telecommunications service to send a message to an electronic address: e.g. email, SMS and instant messaging. It covers three key requirements: gaining consent to contact, providing

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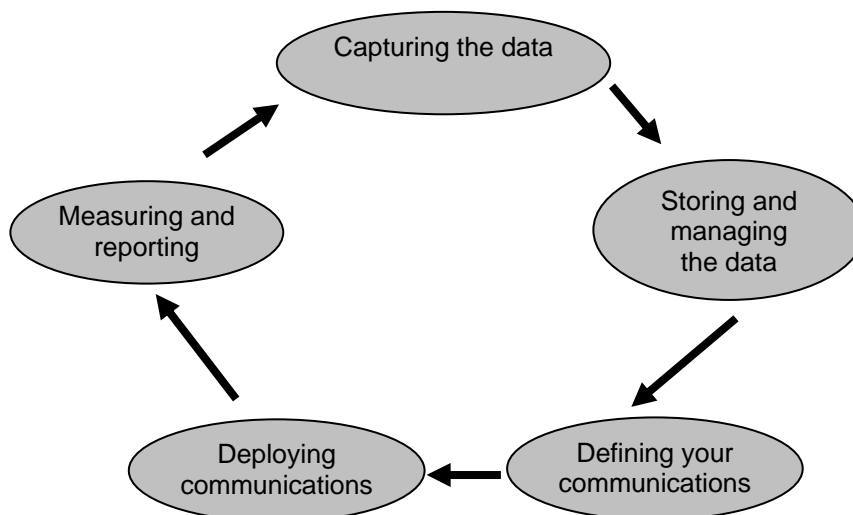
<sup>1</sup> [www.davechaffey.com](http://www.davechaffey.com)

accurate sender identity and information (including physical address), and ensuring that a functional facility for recipients to unsubscribe from your list is available. Failing to comply with any of these could lead to prosecution and fines.

### Strategic approach to e-marketing

Adopting a strategic approach to e-marketing was emphasised at the workshops as a way to overcome these challenges and identify which e-marketing tools would benefit your situation. Organisations taking a strategic approach are having the greatest success but it's not something that's happening overnight. As with any aspect of marketing, you need to plan well and define long-term goals.

The five core elements of an e-marketing programme, shown in the diagram below, should be addressed (with budgets, timelines and resources being determined) before any e-marketing activity is commenced. Failure to spend adequate time assessing what's required within each of these areas could find you either unable to cope with future maintenance or not fulfilling the customer expectations you have created.



These five core elements form a continual and cyclical process and you should be constantly working on all of them. Viewing your e-marketing activity as an integral part of your overall marketing campaign is also important. Arne Herrmann says that although he treats his e-marketing as a distinct channel, with a high level of dedicated thought and planning, it is still a part of the wider marketing whole. "I would not separate the two," he says.

Likewise, Michael Adams says that e-marketing is integrated into his wider marketing activity. "It tends to be the 'kicker-offer' of the campaign," he says. "If the email communication causes a spike in bookings, we can gauge if a show is popular with loyal attendees. This is an indicator for us. If it goes well, we can look at removing some of the mass media spend, which is not cost-effective and not as easy to track."

### Email is a key marketing tool

Email has a range of applications – from sending regular e-newsletters that contain specially created editorial content to disseminating electronic versions of promotional flyers, encouraging viral forward-to-a-friend responses, and using email for audience surveys and the collection of other interactive feedback.

As part of your e-marketing communications, you might also decide to use email for online customer service to reduce the number of phone calls to your front office, or for sending reviews to your email list, as Silo Theatre does.



Above: Silo Theatre sends positive reviews to its email list two days after they have been published. This keeps its productions top of customers' minds.

Delivering reviews to its customer base via its *Members Update* provides Silo Theatre with a second spike in bookings (the first comes when the reviews are published in the press). "We wait until two days after the reviews appear, when the show's fallen away in people's minds", says Shane Boshier.

The updates are part of a defined strategy. "We collect emails from our website and from online bookings. We send a 'fact sheet' backgrounder to the list two weeks prior to each season, and the review after the season has opened. That's all we do. Our rationale is that the less you bother people, the more effective you will be."

Email is also used to target particular segments of Silo Theatre's audience. "If we put on a play with appeal to youth culture, such as *Bare*, then we find electronic marketing more effective. This is also an audience that will buy tickets at the door rather than booking in advance," says Shane.

### Success with email communication

A number of variables determine the success rate of an email communication. Much depends on perceived relevance and ensuring that people receive the email in a format that works for them, at a time that suits them, and at a frequency they deem reasonable.

Getting an email opened can be the biggest challenge of all. Research shows that the "From" field of an email determines whether the recipient *deletes* the email (i.e. if it's not a trusted, known name, it is more likely to arouse suspicion) and the "Subject" line determines whether the recipient *opens* the email.

At the workshops, we had fun with ten email subject lines that I had extracted from my inbox that week. Participants were asked to vote for “the subject line that they would be compelled to open first” from the following list:

- They're reading our books, over there
- Amazing computer sale – buy now!!!!
- How To Deal With Jerks
- Arts E-Marketer of the Month: Nicholas Peterson, American Repertory Theater
- 10 Steps to Creating a Podcast
- We're in this together
- Are you an NZSO subscriber?
- my portfolio
- Memorable moments and madness
- I WILL NOT MARRY HER - OR MAYBE I WILL? JUST GET ME OUT OF THIS DAIRY!

Surprisingly, each of the headlines had at least one vote although “Are you an NZSO subscriber?”, “Arts E-Marketer of the Month ... ” and “10 steps to Creating a Podcast” were favourites.

Participants consistently voted for the subject lines that seemed relevant to them and also clearly informed them as to what they would find in the email content. Asked why he voted for “How to Deal With Jerks”, one participant explained “It was relevant to me, because I have to deal with jerks every day.”

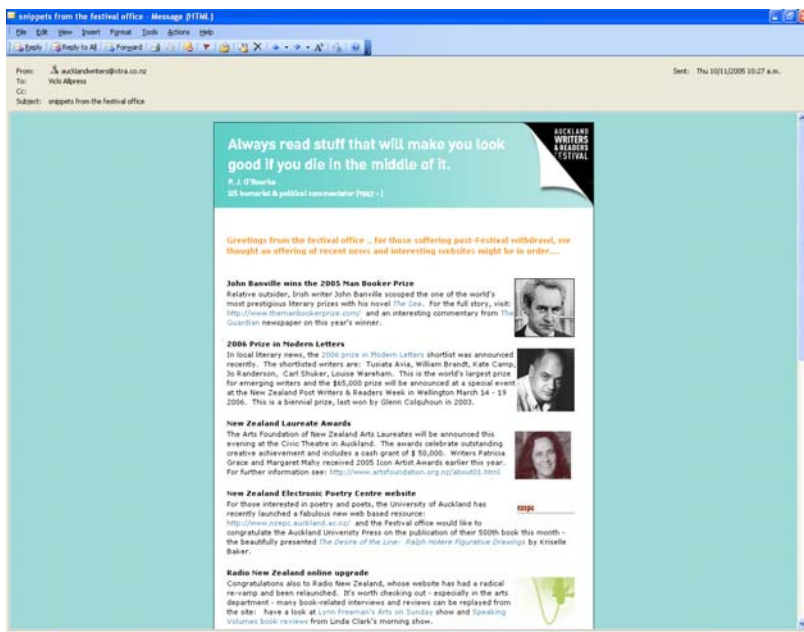
### Understanding e-newsletters

Many New Zealand arts organisations have e-newsletters but only a few truly understand their purpose. An e-newsletter should be seen as an editorial publication in its own right while an e-flyer is a promotion for an individual event or offer. Often, e-newsletters are simply lists of events with links to promotional information on the website. Aside from being a “calendar prompt”, these provide little value for the reader.

[The NBR New Zealand Opera](#)'s monthly e-newsletter *Notes* has a regular format and features a range of news, behind-the-scenes insights, interviews and competitions, available only via this medium. *Notes* isn't used overtly to try and sell tickets and interestingly, whenever the content has been clearly sales-focussed, unsubscribe rates have markedly increased. Brief summaries of stories link to the website for more information, with the ultimate aim being to drive people online to learn more about The NBR New Zealand Opera and become an audience member over time. A content strategy for the website is underway, which will offer more for people visiting the site on a regular basis. Open rates for *Notes* are consistently 40–50%, which is higher than industry averages.

*Up Close with Lissa*, a blog by new Artistic Director Lissa Twomey, is now a key feature of [The New Zealand International Arts Festival's monthly e-newsletter](#). Arne Herrmann explains that it has been a deliberate tactic to build Lissa's brand in the build-up to her first Festival in 2008. “It was important for us to introduce Lissa on a regular basis to our key supporters. Our online community is very much made up of influencers and early adopters, as well as journalists and subscribers to other arts organisations. By the time people open their 2008 Festival programme booklets, they will have learned how Lissa thinks, what she likes, what her vision is and how all of this is reflected in the programme”, he says. “Subscription levels to the e-newsletter have increased markedly since introducing Lissa's blog.”

Keeping in touch with their constituents between festivals is also an issue for the [Auckland Writers and Readers Festival](#). It's achieved this with an informative weekly e-newsletter. By utilising industry-wide content rather than restricting themselves to stories about their own events, they have turned their newsletter into an industry voice and information source for those in the writing, publishing and literary arenas. This has created a community around the festival that can be tapped into when there is an event to sell.



*Above: The Auckland Writers and Readers Festival's weekly e-newsletter has become a respected information source for the writing, publishing and literary community.*

Michael Adams has found that since Auckland Theatre Company has been tailoring email communications to audience members' preferences, open rates have been going through the roof. A recent dedicated email offer to its season pass holders received an open rate of 67%. Because customers can specify the format, frequency and specific genre of the communications they receive, some patrons may only receive one or two emails a year. This doesn't bother Michael. "We want them to be happy with the information they receive and what they choose to attend, and to leave satisfied with that choice. That's more important than frequency of contact."

E-newsletters are also an effective medium for reaching dedicated segments of an audience. For the Westpac St James Theatre, email has become one of its most useful tools for communicating with their loyal group bookers' list. The manageable size of the list and the ability to tailor the tone, content and offers of the emails to a defined group are great advantages.

### The new frontier

In the era of Web 2.0 technologies, the range of e-marketing tools now available to us can be overwhelming. Many New Zealand arts marketers are still getting to grips with the usability and functionality of their websites and building an email list, let alone understanding how RSS (Really Simple Syndication) feeds, blogs, podcasts and social networking sites can work for them.

However, one or two of the new tools may make quite a difference to your results – providing they are used well and if they enhance, rather than dilute, your marketing strategy.

Arne Herrmann says: "We have chosen to focus on our website, as my view for the Festival is that creating a new presence on three or four additional online spaces, such as MySpace, would deflect from what our website is doing."

However, he is quick to add that gaining links to the New Zealand International Arts Festival website in artists' own blogs and MySpace pages is a great approach for them.

Use of blogs (web logs or online diaries), social networking communities such as MySpace, “forward to a friend” technologies like ORBIT, and video posted on YouTube are techniques that have been adopted by New Zealand artists and arts organisations – sometimes with great effect.

Auckland Theatre Company’s [‘Hatch’ blog](#), written by actor Stuart Devenie in the style of the character Joseph Hatch Esq, is a witty and inventive tool to promote interest in the show and drive more people to the website via referrals. Attracting and identifying the types of people who are pro-active initiators has been a deliberate marketing policy of the company. Its microsite for *Sweet Charity* in 2006 invited audiences to post a review in return for going into a prize draw. Around 100 people did so and Michael was able to collect email addresses from each of them. “The people who post reviews are initiators, who endorse the show to others and encourage them to attend.”

Many people have been curious about Auckland Theatre Company’s courage in allowing all reviews of *Sweet Charity* to be published, even the negative ones. “Around 70% were positive, 20% were negative and 10% were ambivalent”, says Michael. “Publishing all of them increased the trust in us and the integrity of the reviews.”

Auckland Theatre Company continues to invite audience feedback and reviews for their shows. These are added to the website, keeping it dynamic and encouraging repeat visits.

For artists in particular, MySpace pages and YouTube videos can put them in front of a global audience and be a useful and inexpensive tool to promote themselves. At least ten of the New Zealand-based artists performing in this year’s New Zealand International Comedy Festival have MySpace pages. Arts organisations, such as [BATS Theatre](#), are also utilising MySpace to reach a younger, edgier audience and to be present in the space that Gen X and Y are occupying.

**Beware, however, the time and commitment needed to maintain an up-to-date profile on any social networking site and the importance of planning this in advance. “If you are doing e-marketing, you have to have the resource to manage it,” warns Lyndsey O’Reilly.**

Internationally, there are superb examples of arts organisations using RSS feeds and podcasts to develop audiences – something we are yet to see here. RSS feeds enable syndicated content (e.g. event listings, news headlines, project updates) from selected websites to be delivered to an individual’s computer desktop through free newsreader software as it is updated. The New Theatre in Cardiff, Wales was one of the first to set up an [RSS Feed](#) to deliver event listings to potential audiences. fuel4arts.co.nz members can also benefit from RSS.

Podcasts (pre-recorded audio broadcasts in digital form) are being used to help inform audiences about programmes, repertoire or exhibitions, but also in innovative ways to record audiences’ responses to shows, such as the audience reactions on the [Vancouver East Cultural Centre’s MyCultch](#) section of its website.

### Back to basics

Getting back to basics before adopting any new e-marketing tools is vital. Defining your objectives, target markets, and overall marketing strategy will help to inform you which tools are best for your unique organisation, event or scenario. Spending some time surfing the web each week, and making use of some of these tools yourself, will help to build your confidence and knowledge. The Resources list below is a starting point for this.

**Any e-marketing requires commitment. You need to work consistently towards long-term goals, maintain accurate lists and information, fulfill promises to users and customers, and dedicate the resources needed to do this. An effective e-marketer never stops.**

"We're continuing to work on our e-marketing," says Arne Herrmann. "We've been holding user-testing sessions to observe what audience members like about our website and what they find annoying. The findings will be included in our brief for the functionality and design of the site for the 2008 Festival."

## Elements of an E-marketing programme

### 1. Capturing the data

This refers to the collection of email addresses, mobile phone numbers and associated information (with permission) that will enable you to communicate on an ongoing basis using e-marketing tools.

Things to think about:

- What is your strategy for e-marketing? This will determine what information you need to collect.
- Have you considered long-term uses: e.g. future SMS campaigns?
- Have you set clear targets for building your list, keeping in mind the natural churn?
- How will you collect this data on an ongoing basis and feed new people into the pipeline?
- Are you effectively using all the channels available to you to capture information: e.g. your website, the box office, events and performances, member referrals?
- Do you understand the privacy legislation and are you aware of the Unsolicited Electronic Messages Act?

### 2. Storing and managing the data

Once you have captured the data, it is important that it is able to be accessed, updated, kept accurate, de-duped against – or integrated with – your other data, and kept secure.

Things to think about:

- Where to store the data: e.g. in-house database or box office system, email management system in-house or off-site, or own email software?
- How will it interact with, or de-dupe against, your other databases?
- Are all staff using the data aware of the requirements of the Privacy Act and other best practice?
- How will you maintain your list and keep it accurate and up-to-date (roughly 30% of consumers change their email address annually)?

### 3. Defining your communications

It is important to define what type of email or other communications you will send to your list and at what frequency.

What you need to define:

- Type of email (newsletter, e-flyer, reminder, reviews, surveys)
- Format of email (HTML, Plain text etc)
- Frequency of email (fortnightly, monthly, quarterly etc)
- Timing (What day of week, what time of day etc)
- Editorial policy (for e-newsletters)

- Tone of voice/personality
- Design/look and feel
- Content and offers
- Responsibilities and resources.

#### **4. Deploying communications**

This is about how you are going to dispatch or deliver your electronic communications.

Things to think about:

- What in-house skills do you have?
- How big is your email list?
- How fast is your list growing and will this require change over time?
- How frequent will your emails be?
- Can you put aside a budget for email marketing?
- Can any of your sponsors or existing suppliers help you?
- How will you fulfill Privacy/Unsolicited Electronic Messages Act requirements?

Keep in mind that sending mass emails via Microsoft Outlook and similar email clients/software is not a long-term option. This is because such software is designed for one-to-one emailing, not bulk emails. Spam filters take a dim view of mass emails coming from Outlook and you are unable to gain statistics such as open rate or clickthrough rates to measure your campaigns.

Talk to other arts marketers and you will find there's a range of solutions. Lyndsey O'Reilly uses email newsletter distribution software [mail2u](#), which has a one-off low cost for sign-up. Michael Adams uses email and SMS marketing company [Message Media](#), a subsidiary of one of Auckland Theatre Company's major sponsors, New Zealand Post. The NBR New Zealand Opera's email list and email deployment are handled by web company [New Zealand Internet Services](#) and linked to the website content management.

#### **5. Measuring and reporting**

E-marketing is ultimately trackable and measurable. It is important to measure all aspects of each campaign to refine and revise for next time.

What you should be measuring:


- Emails sent – how many emails successfully deployed and by type
- Open rate – how many were opened (30–39% is considered healthy)
- Bad emails – how many dead emails were identified
- Clickthrough rate – how many links were clicked. Many factors determine clickthrough rate, including the email content, format, offer, segmenting of the list etc, but the general range is 2 – 12% for business to consumer emails.<sup>2</sup>
- Which links were clicked
- Unsubscribe rate – number of people leaving and who they are. This should never be more than 1-2% of your list.
- Subscribe rate – number of people signing up since your last email communication and who they are. You want this to be exceeding your unsubscribe rate.
- Conversion rate – how many of these people complete a ticket booking or purchase merchandise from your site (only an option for those with integrated online ticketing). The Barbican in London is now generating up to 62% of its event sales online although most arts organisations are aiming for half of that.

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<sup>2</sup> [www.emaillabs.com](http://www.emaillabs.com)

**EMS Report**

Campaign: **Notes: A great voice is coming**

<b>Sent</b>	14-Mar-07	02:13 PM	
<b>ASCII emails sent</b>	57	1.6%	
<b>HTML emails sent</b>	3414	98.4%	
<b>Emails sent</b>	3471	100.0%	
<u>Emails Opened</u>	1573	45.3%	
<u>Subscribed</u>	15	0.4%	
<u>Unsubscribed</u>	8	0.2%	
<u>Bad Emails</u>	19	0.5%	
<u>Links clicked</u>	253	7.3%	

Above: Recent statistics for an edition of The NBR New Zealand Opera's Notes e-newsletter. The numbers are better than industry standards.

**Resources**

- [Full House – Turning Data Into Audiences](#) by Roger Tomlinson, Tim Roberts and Vicki Allpress – buy online
- [A practical guide to developing and managing websites](#) by Roger Tomlinson and Vicki Allpress, published by Arts Council England - buy or download online
- [The Marketing Association of New Zealand](#)
- [Interaction, not interruption: Web 2.0 and the human factor](#)
- [Email Labs](#) – great articles and resources about email marketing
- [Web Marketing Today](#) – a vast internet marketing resource
- [Steve Krug](#) – web usability expert and author of *Don't Make Me Think*
- [ClickZ Network](#) – internet marketing resources and opinions

**About the writer**

**Vicki Allpress-Hill** is a respected arts marketer and web marketer internationally. After several years working with online classical music companies in London and New York, she now has a particular interest in the effective use of e-marketing strategies to develop arts audiences. Vicki is the co-author of *A practical guide to developing and managing websites* published by Arts Council England and *Full House: Turning data into audiences* published by the Australia Council for the Arts and Creative New Zealand.