



UNDERSTANDING AUDIENCES FOR JAZZ

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Briefing 10: Pricing, if tickets were cheaper, would more people attend?

How to use this briefing:

This summary of secondary research on pricing and the relevant results from the questionnaire research and focus groups is designed to inform future pricing policy.

Key points

- Price is not a significant barrier to arts attendance
- Existing attenders think that EMJAZZ members' gigs offer excellent value for money
- Cheaper tickets would not encourage people to take more risks
- People bringing groups of friends or relatives and people attending very frequently may be price sensitive

Is price a barrier to attendance?

General arts attendance

An in-depth analysis of audience data from 28 London venues has identified that people on low income are just as likely to attend the arts as other people. What matters is their education level and how easy it is to get to the venue.ⁱ

Just 5% of the 8,190 non-attenders of the arts interviewed in the Department for Culture, Media and Sport research said that the reason they did not attend was that 'It costs too much'. The three key reasons were that they were 'not really interested', 'it's difficult to find the time' and their 'health isn't good enough'.ⁱⁱ

Jazz

Price was mentioned unprompted by one focus group participant. It wasn't an important issue for anyone else.

Perhaps that is because price isn't seen as a barrier by existing attenders at EMJAZZ members' gigs. Why? Because they already think that tickets are cheap.

£10 to me is really cheap. If I was going to London, I'd pay a lot more.

Lincoln focus group participant

"I went to see the Transatlantic Collective at Ronnie Scott's and paid about £30 and then saw they were at the Bonington a month later for about £12."

Nottingham focus group participant

Perceived value

Neuroscientists have been studying what goes on in our brains when we make a decision to buy something or not. They've discovered parting with money activates the pain centres in the brain. When the price seems too high this pain stimulation increases.

So how do people decide whether a price is reasonable or not? Notice that the focus group participants in the examples above are comparing the EMJAZZ ticket price with something else and it's that comparison that creates the sense that they are getting a bargain. This is known as the anchor price.

People's brains store an anchor price for each of the product types they buy. When they make a decision whether to buy or not, they retrieve the relevant anchor prices and use them to judge relative value. This anchor price is set as a result of repeatedly seeing the actual price of things (so our anchor price for petrol is constantly changing because we see the fluctuating price every time we drive past a petrol station). If the product is unfamiliar, we may do some research but the basis for the anchor price can be completely irrational.ⁱⁱⁱ

So what anchor prices are stored in the brains of attendees at EMJAZZ members' gigs?

Questionnaire respondents were asked the following open question (ie they could write in any answer they liked, although they were prompted by a pound sign to give a price):

What is the most you would expect to pay for a ticket for the following jazz gigs?

Gerard Presencer's Platypus

at a venue like the Assembly Rooms in Derby, the Y in Leicester, Lincoln Drill Hall, the Castle in Wellingborough, or Lakeside or the Bonington Theatre in Nottingham.

Gerard Presencer - flugel horn, Jason Rebello – piano, John Paricelli – guitar, Andrew Cleyndert – bass, Jeremy Stacey - drums

International concert and education commitments have kept Gerard Presencer out of the UK spotlight for too long. After coming to prominence in the early 80s he recorded several albums with the Charlie Watts Quintet and was featured soloist on Blue Note Record's largest ever selling release, Cantaloup by US3.

Corey Mwamba Trio

at a venue like Buddha Jee in Derby, The Musician in Leicester, the Green Dragon in Lincoln, the Black Bottom Club in Northampton or the Running Horse in Nottingham.

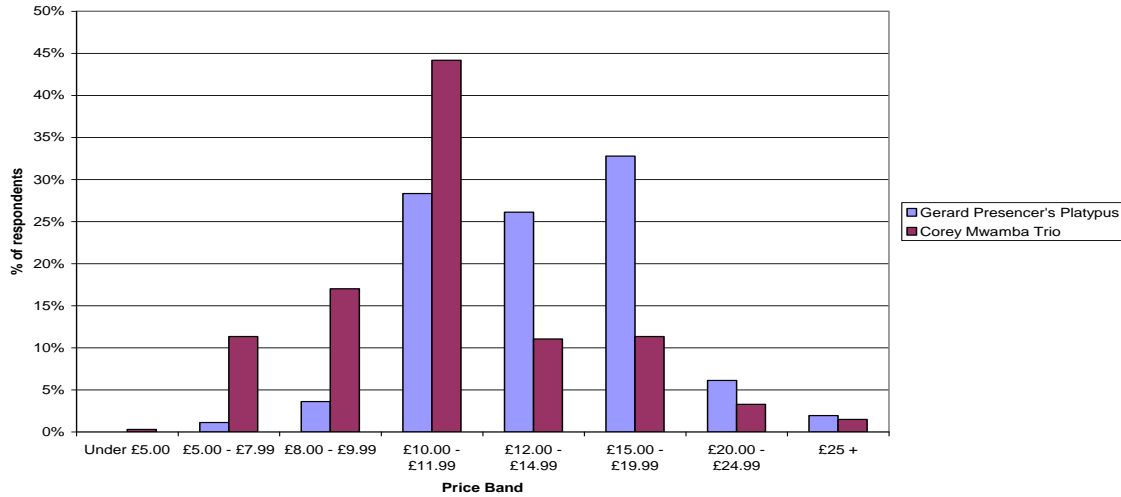
Corey Mwamba – vibraphone, Dave Kane – bass, Joshua Blackmore - drums
A new band featuring three rising stars. Corey's worked with Jonathan Gee and Tony Kofi, Dave is one third of Bourne/Davis/Kane and Josh is a member of the Award winning Curios. The trio's approach references wilder times in jazz and the abstraction of Joe Harriott.

Two sample gigs were given because the expectation was that people would expect to pay less for a less well known artist like Corey Mwamba in a small informal venue.

This was not necessarily the case. 62% of respondents gave a higher anchor price for the Gerard Presencer gig. But 30% gave the same anchor price for both and 8% gave a higher price for Corey Mwamba.

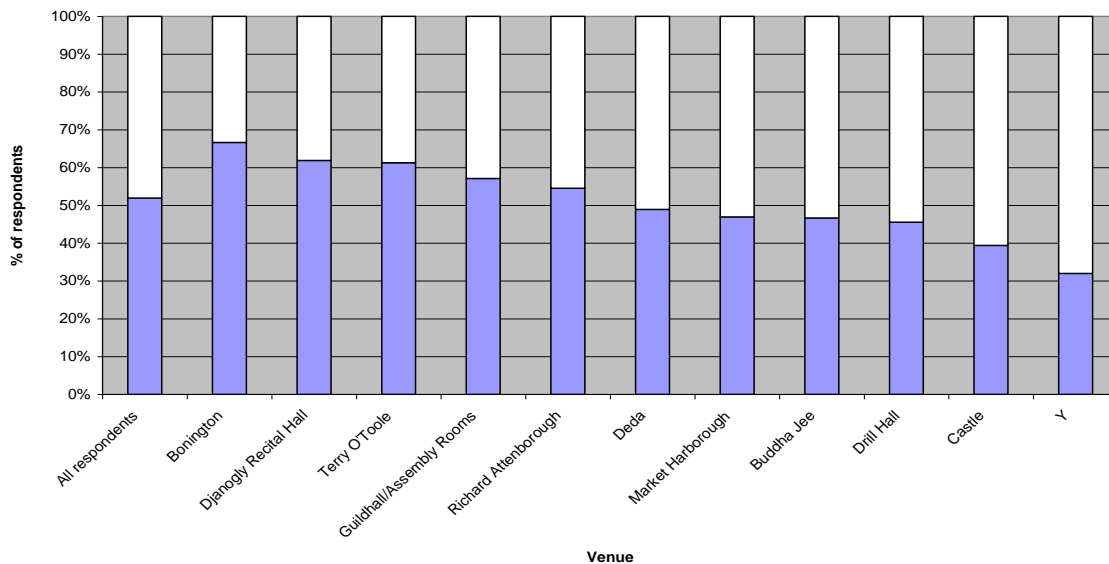
This could be because respondents didn't know enough about jazz to distinguish between the two gigs or because some people preferred Corey Mwamba's style of jazz.

What is the most you would expect to pay for a ticket for the following jazz gigs?

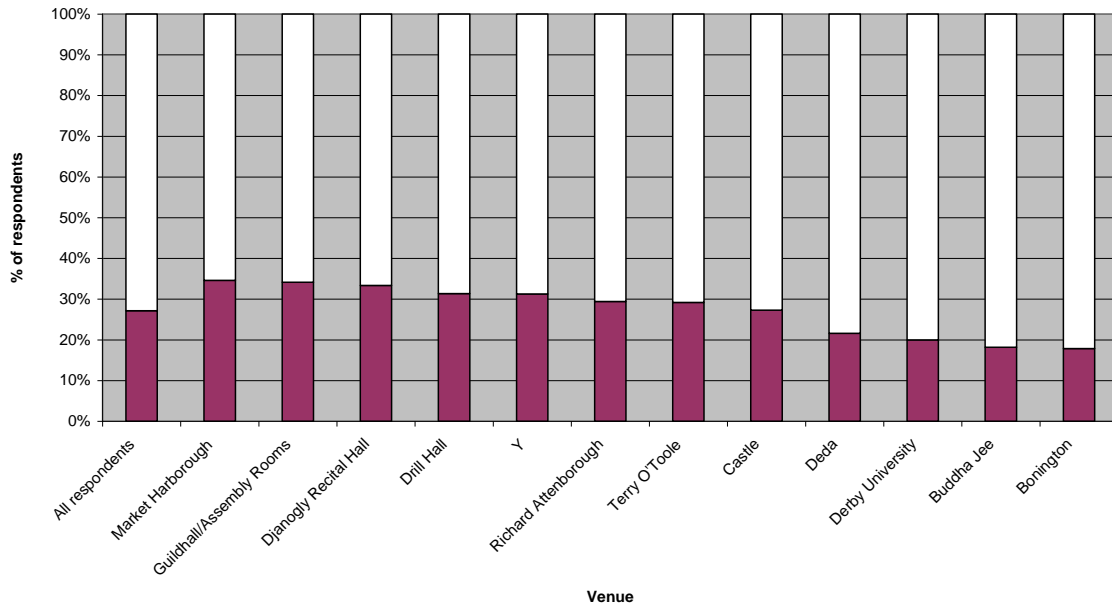


There are clear differences between venues as shown in the following charts giving the percentage of respondents expecting to pay £12 or more by venue in descending order. The majority of gigs promoted by EMJAZZ members are priced at £10 or £12 so these respondents are showing clearly that they are not price sensitive.

Percentage of respondents expecting to pay at least £12 to see Gerard Presencer's Platypus



Percentage of respondents expecting to pay at least £12 to see Corey Mwamba Trio



Note that the Bonnington Theatre has the highest proportion of respondents expecting to pay £12 or more for Gerard Presencer and the lowest proportion willing to pay £12 or more for Corey Mwamba. This seems to indicate that the anchor prices of these respondents, at least, aren't just a reflection of the price they are used to paying at their local venue.

Price thresholds

People perceive all the possible prices between price thresholds as being roughly the same so £11 causes the same level of buying pain as £12. The anchor prices given by our questionnaire respondents show that respondents have price thresholds at £5, £8, £10, £12, £15, £20 and £24.

Do low prices mean people take more risks?

One focus group participant suggested that a low price would persuade them to take more risk:

[Take] Swing Wing. If my husband and I were bored, fed up, blah blah blah, and it was in there and I said "Do you fancy going to the theatre and have a meal? It's only a fiver." We know the music, we don't particularly like it but when you get there it's, you know, Glen Miller - for a fiver if I'm desperate for a night out I would go. It's a night out for a fiver.

Wellingborough focus group participant

Other participants agreed to some extent but the level of risk had to be quite low:

I haven't got lots of money but to me it's only £10 so it's a nice night out whether I enjoy it or not because you are talking about such a small amount of money.

Lincoln focus group participant

This was tested in the Wellingborough focus group. The participants had attended music-related events at the Castle but not jazz. The facilitator offered them a discount to attend a gig they had reservations about. If they refused this, they were offered a free ticket. No-one responded positively:

Clare Teal would be something like £20 or £25. I might come and see Clare Teal if you paid me £20 ... Clare Teal wouldn't be doing the interpretations that I, with my conservative, dyed-in-the-wool stance, would like. My mind isn't open to hearing other interpretations. I like things the way I've got used to.

Wellingborough focus group participant

So why doesn't lowering ticket prices make people more likely to buy tickets?

Judging quality

A quarter of questionnaire respondents did not answer the question about what they would expect to pay for the sample gigs. Those who did not respond were less likely to be frequent jazz attenders (six or more jazz gigs in the past 12 months) than those who did give an anchor price. It seems probable that the less frequent attenders didn't know enough about jazz to have stored an anchor price.

Where people don't have an anchor price, they use the actual price of the product and compare it to things they do know about in order to make a judgement about what they are being offered. If something appears cheap then they assume that it is of low quality.

Bargains aren't necessarily a good thing

The problem is that if there is too big a difference between the anchor price and the actual price, people reassess the perceived quality of what is on offer. This is certainly how existing attenders at EMJAZZ gigs think:

If you bring the prices down too far, people think they can't be much good. You've got to get a balance.

Wellingborough focus group participant

Offering discounts devalues what's on offer. One researcher found that people who bought a subscription package for a theatre at full price attended more plays than those who bought the package at a discount, even when that discount was small.^{iv}

Low prices don't increase the perceived value of something.

Price sensitive audiences

There are two groups emerging from this research project for whom ticket price is a barrier.

Ticket buyers who are bringing several people with them can be faced with a total outlay that worries them, although they may think that the ticket price itself is good value:

If you're coming as a family you've got to bring the prices right down because a family may be five or six and you just can't afford it.

Wellingborough focus group participant

Derby Jazz has resolved this potential problem by offering free tickets to under 19s accompanied by an adult, although it should be noted that take up is low.

Very frequent attenders can also feel that their total outlay on tickets over a period of time is excessive. This was only raised by one focus group participant attending most gigs at the Bonington.

- *I think it's very fairly priced at the Bonington*

- *It's the people who go week after week after week that have the problem*

Nottingham focus group participants

Unfortunately, data capture rates at the Bonington are poor but the available information suggests ticket buyers attended 1.6 gigs in 2008. The number of people who fall into this category of very frequent attenders may be small. If further research shows this is an issue for significant numbers, then a seasonal subscription scheme offering discounts for very frequent attendance would be helpful. If not, then an occasional pair of free tickets would be an appropriate gesture to reward such loyalty.

References

ⁱ Brook, O., Boyle, P.J. and Flowerdew, R. (2009). 'Demographic Indicators of Cultural Consumption'. In Stillwell, J., Norman, P., Thomas, C. and SurrIDGE, P. (eds) *Understanding Population Trends and Processes Volume 2: Population, Employment, Health and Wellbeing*. Springer, London

ⁱⁱ Taking Part, the National Survey of Culture, Leisure and Sport: arts opportunities workbook, DCMS, consulted at <http://www.culture.gov.uk/images/research/TP-artsOpp0607.xls#AO14!A2>

ⁱⁱⁱ Dooley, R., *Neuromarketing*, consulted at <http://www.neurosciencemarketing.com/blog/articles/danger-in-discounts.htm#more-355> consulted 22/3/2009

^{iv} Arkes, H.R. and Blumer, C. (1985), 'The Psychology of Sunk cost', *Organizational Behaviour and Human Decision Processes*, 35(1), pp 124-140



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