

# Locum Forum

## Campaign for Museums Conference, January 2001

On 31 January 2001, the Campaign for Museums held a conference in London to discuss some of the key issues facing the sector. Daniel Anderson, a Senior Consultant with Locum Destination Consulting, made a presentation to the conference about Locum's ongoing work on the forecasting of leisure trends. What follows is a summary of the main points of his presentation.

### The importance of research and forecasting

Why is research and forecasting important? Because no museum is an island. All museums operate in a complex and competitive marketplace, and a keen understanding of the market context should inform all market analyses and visitor forecasts. The 'market context' includes:

- General trends in leisure market and attraction performance at the national, regional and local levels.
- Detailed resident and tourist demographics. (NB This need not be interpreted in the narrow sense of raw data on population, age, gender, etc. ACORN demographic data, for example, are capable of much more descriptive categorisations by 'lifestyle', 'outlook', eating, drinking and leisure habits.)
- The 'supply side', i.e. the competitive environment.
- An understanding of the museum product itself and where it fits into that market.

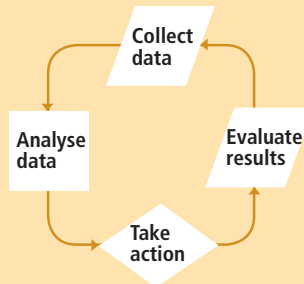
That said, it is important to remember that visitor forecasting is by no means an exact science. One can do endless research but, in the end, will still need to make a considered judgement about potential visitor numbers. However, as with any other type of managerial decision, one should not make a judgement without basing it on the best available information.

### Information is key

Information is the key word. Data, in and of itself, is useless if it does not yield accurate and timely information. That information must then inform the museum's action. The marketing cycle must be completed.

Take, for example, a museum that is working on a social inclusion agenda. It conducts

### The Marketing Cycle



Source: Locum Destination Consulting

market research and finds that there is a relatively large minority community within the immediate resident market. Its own in-house surveys find that this community represents a comparatively small proportion of the museum's audience. On the basis of this information, it decides to undertake a consultation exercise to discover what issues are of direct

relevance to this community and how the museum might address them. An action plan is then developed to create appropriate programmes and products. After the action plan is implemented, the results must be evaluated in quantitative and qualitative terms, and the results fed back into the data collection process.

### Raw data can be misleading

An example of how raw data can be misleading crops up routinely in many market analyses. It's true that there could be more visits to museums in the coming years. There has been a steady upward trend in museum visits for the past two decades, and we see no reason why this should not continue in the near future. Indeed, recent Lottery-driven capital investment and

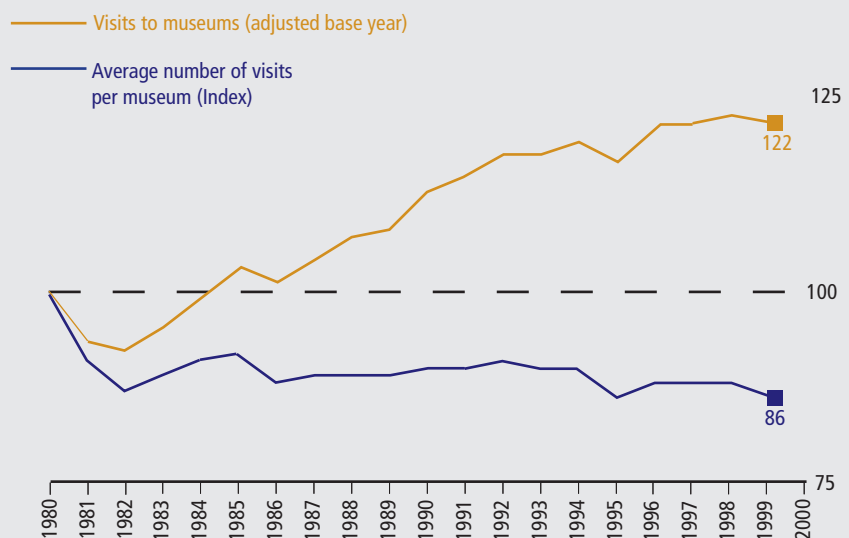
free admissions to the national museums could continue to drive up visitor numbers in *absolute terms*.

Why, then, have a majority of museums reported falling or constant visitor numbers? It is because, whilst visits to museums have increased for the past 20 years, the number of museums has increased at roughly the same rate over the same period. As a result, the average number of visits per museum has remained constant.

### Competing for time and spend

Given the spate of new museum developments – not to mention other attractions – it is no wonder that museums are facing more and more competition for people's time and money. In order to compete, museums will

### Visits to Museums, 1980-2000



Source: *Sightseeing in the UK, 2000, ETC*; Locum Destination Consulting

need to play to their strengths. They will need to differentiate themselves more clearly from their competitors. Consumers are certainly growing more demanding and more discerning. The core product, therefore, will need to be strong, but, more than ever, the complementary products will also need to be of a very high quality. Museums will soon be judged as much by the quality of their restaurants and shops as they are by the breadth and depth of their collections.

It is interesting to note that the ETC's survey, *Sightseeing in the UK*, which every year asks those attractions that recorded large increases in visitor numbers to what they attribute their success, routinely finds that the following three factors are instrumental to driving up attendance:

- capital investment to develop or renew the product;
- some exceptional marketing or promotional measure;
- successful programming of events and exhibitions.

The information that we take from this key piece of data is that museums that combine these three actions will be more likely to succeed in increasing admissions.

### Growth of the short break market

In 1985, Britons took long holidays in the UK. Today, with discount airlines, a high-value pound and cheap holidays abroad, people take more short breaks in the UK than long holidays. The general trend is for people to split their holiday allotment in two: one long holiday abroad, and a number of short breaks within the UK.

As a result, there is more competition between day visitor destinations like Bath, Chester, York, Portsmouth, Bristol and Cardiff and between all of them and London.

For museums, this means that, while competing with each other *locally*, they must also cooperate with each other and with other service providers to grow the local market as a whole.

### Cash-rich, time-poor consumers

On average, we now have two hours less leisure time per week than we did four years ago. At the same time, we have 20% more disposable income. History has taught us that new technologies do not add to our leisure time – they simply find new ways for us to work.

In a 'cash-rich, time-poor' society, museums will need to:

- provide value for money and value for time;
- provide entertainment and education;
- provide more choice and individual experiences.

Consumers are faced with increasingly difficult decisions about how and where to spend their limited time. Critically, this is rarely a choice between one museum or another. More likely, it could be a choice between visiting a museum and, say, eating out or shopping.

### Integration will be critical

Clearly, the museum that can offer all of these things – an integrated leisure experience – will be in a stronger position to meet its mission. The integration of product, service and brand will create winning, sustainable destinations. This applies equally to the integration of products *within* a museum and to the integration of the museum within the broader destination.

Integration will help to:

- attract a wider audience;
- animate public spaces ('the place to meet');
- extend dwell-time;
- enhance the experience;
- encourage repeat visits;
- encourage on-site spend.

### Commercialisation will be key

In tomorrow's marketplace, over-dependence on admissions revenue will be an enormous risk. The risk can be mitigated, however, through the diversification of income streams and through the creation and extension of products and services capable of extending dwell-time and encouraging on-site spend. Traditionally, this overtly commercial approach has

been viewed sceptically by museum operators. It is therefore important to debunk the myths that not-for-profit organisations cannot and should not be commercial, and that commercialisation will automatically lead to a 'Disneyfication' of the museum.

In fact, the opposite is true. First, museums will need to be more commercial if they are going to finance reinvestment in order to meet their missions. Second, a museum that transforms itself overnight into a theme park is clearly not playing to its unique strengths, in particular its ability to market the 'authentic' rather than a reproduction. In hard-headed marketing terms, 'Disneyfication' makes little commercial sense.

To reinforce this point, Locum has recently changed its own vocabulary. What we used to call the income-generating activities of a museum – e.g. retail, catering, corporate hire – we have now taken to calling the museum's mission-supporting activities. Indeed, they support the mission by

- enhancing the experience;
- encouraging repeat visits;
- enabling mission-led activities like education, conservation, and research.

These, then, are the key underlying trends that are affecting the leisure industry. Taken together, they will transform the leisure environment. In particular, where destinations

were once places, soon they will be brands. Whilst yesterday we looked for and paid for products and services, tomorrow we will seek out new experiences. A successful destination will deliver extraordinary experiences to individual visitors.

### The changing destination lexicon

Alongside the changes in market dynamics and consumer trends come changes in language. Where once we used to talk of value for money, now we talk about value for time. The preoccupation with 'access' has been surpassed by the need for adequate 'reach'. On an organisational level, the approach to human resources has moved away from training staff to empowering them. And rather than simply meeting the customer's needs through standard formulae, destinations are now attempting to match the customer's lifestyle and surpass their expectations through more customised offerings. Perhaps most significantly, destinations today are recognising the need to be marketing-led rather than product-led. What these changes add up to is a whole new lexicon for the destination industry. Those who are succeeding are not just talking the talk but walking it, too.

### The destination lexicon

Old	New
Value for money	Value for time and money
Competition at the local level	Local development of critical mass
Product-led development	Marketing-led development
High visitor numbers	High value per visit
Attracting new visitors	Encouraging repeat visits
Elitism	Inclusion
Fragmented products	Integrated experiences
"Shepherded" tourists	Discerning consumers
Pre-packaged tours	Menu of options
Collect vast amounts of data	Act on key information
Access	Reach
Being everything to all people	Meeting the needs of stakeholder
Setting standards	Customisation
Satisfying customers	Surpassing expectations