

Celebrity Power – do the costs cut?

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In 2001, on behalf of the Darwin Symphony Orchestra (DSO) and Charles Darwin University, I visited the American Symphony Orchestras League, the peak body for orchestras in the USA at their offices in New York. I was most interested to discover that the biggest problem for the general community of orchestras in the USA was the cost of hiring conductors and soloists, in other words the 'celebrities'. In fact this problem was so large and widespread that the viability of some of the orchestras was threatened by this financial burden.

We know from experience when trying to 'sell' a concert, that a 'name' is likely to attract audience and sponsor interest; but the question is, what is the artistic importance of 'celebrity', and does the additional cost and, therefore, financial risk to the orchestra, balance out in the end? And, in any case, how does 'celebrity', as such, help to promote the cause of orchestral music or does it rather encourage interest only in 'celebrity-cult'?

In May this year, the DSO was fortunate to have two soloists from the Australian Ballet appear to dance the *Pas de Deux* from Tchaikovsky's *Nutcracker Suite*. The audience for this first outdoor concert of the season was 2,500, which is about 4% of the Darwin population – a significant achievement. However, the concert still lost money. This brought to the DSO Board's attention an interesting tension that exists between the costs of staging an event and the desire for a large audience. The tickets for the concert were \$20, with various concessions for children and pension cardholders. And clearly, we were all very happy with the number people in attendance. Sponsorship had even been found to cover the costs of the artistes from the Australian Ballet and a major sponsor had been found to buy the naming rights. So what had gone wrong?

how does 'celebrity' ... help to promote the cause of orchestral music?

The simple, and obvious answer is that our ticket price was too low. Even with the subsidy, our audience attendance multiplied by our average ticket price did not provide enough revenue to cover the additional costs by a matter of some \$8,000 or so.

The key question is what would have happened if we had, using the 'celebrity' of the Australian Ballet, increased our ticket price to cover the deficit, that is to say by an average of \$3.30? Probably not much at all is the answer. But would we have lost audience if our top price had been \$30 or \$40 to ensure financial success? Personally, I think we would have, and this brings me to the nub of the issue, that is to say, what is our central purpose in staging a concert?

My view is that we perform orchestral concerts, whether this is in a professional, community, or youth orchestra situation, if we wish to remain both relevant and viable, to serve a number of purposes. Those purposes are as follows:

- To perform orchestral music to the maximum number of people
- To provide artistic challenges and rewards to the orchestral players

Now the hard-nosed approach of business, can be summed by this quote from the website of Market Connections Inc in USA

'Pricing research can be an invaluable tool when introducing a new—or substantially enhanced—product or service. Though most organizations have 'pricing formulas', research often shows that customers would have been quite willing to pay more, and unrealised profits have been left on the table. Our clients use pricing research to determine the likelihood of purchase at specific price points, allowing them to use the most appropriate pricing strategies for them.'

- *Determine which pricing strategy relative to your competition would actually bring the most dollars to your bottom line.*

- *Assess what the price elasticity is in your market or category.*

- *Understand what dollar value your target market would place on a new feature.'*

This can be easily seen as a formula for concerts with high audience appeal and a maximum 'what-the-market-will-bear' ticket pricing policy. However, it does not address the issue of artistic merit or our fundamental desire to maximise the audience number, and therefore will ultimately lead, in my view, to musically barren performances.

For sure, it would be wrong to suggest that celebrity was not an important element in our concerts, but we must keep these costs in check, and not forget that our prime objective is to provide concerts that draw people to listen to great orchestral music and not just to gawk at the 'celebrity' on stage. ■