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**Report of the Chief Officer Culture and Leisure, City Development**

**Report to the Sustainable Economy and Culture Scrutiny Board**

**Date: 14 April 2015**

**Subject: Events Marketing**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): All	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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**Summary of main issues**

1. Arising from the initial working group meetings on both the Events and Sport and Active Lifestyles services, Members identified a theme in relation to the marketing of these services.
2. As a result the Board has requested a report on both services to enable Members to evaluate the current approach to events marketing and future opportunities, including whether there is a business case for additional investment in the marketing of these services from a commercial perspective, which would enable the service to attract additional income over and above the additional investment.
3. Members received a report on marketing in sport, and work in this area is now progressing. This report focuses on events marketing.

**Recommendations**

4. Members are requested to note the proposals in this report.

**Purpose of report**

1.1 To examine current marketing arrangements and discuss how these align with our world-class events ambition and could be expanded and improved on in future.

This report is being presented as a document for discussion to aid the service in considering next steps.

## **2. Background information**

- 2.1 Leeds has an ambition to one of the best cities for hosting world class events. Recent experience with the Rugby League World Cup and Sports Personality of the Year 2013, Tour de France 2014 and this year's Rugby World Cup and British Art Show will set the foundations for this ambition, which Leeds intends to build upon as we aim to become European Capital of Culture 2023.
- 2.2 In addition to world-class events, Leeds City Council offers a diverse portfolio of events, in addition to wider events across the city which are supported or funded in whole or in part.
- 2.3 Currently council events are managed and marketed in a number of ways in different services, including: City Development (Town Hall programmes of events, Carriageworks Theatre, Film Festival, city event spaces [such as Briggate and Millennium Square] and Kirkgate Market); Museums and galleries (in addition to the attractions themselves, these spaces also offer a range of exhibitions and events); and Parks and countryside (similarly Tropical World and Home Farm also offer events, and this service also has annual events such as Bonfires.)
- 2.4 Broadly speaking, council events can be funded in the following ways:
  - Free events – where the council subsidises the cost of running the event, such as Bonfires, Rory's Saturday Club/Tiny Tigers at Leeds City Museum
  - Charged-for events and exhibitions – where the council charges an additional entry fee, such as the exhibitions at some museum sites
  - Commercial events – where the council organises and manages an event to generate income, such as comedy at the Town Hall
  - Hosted events – where the council receives a hosting fee for the event which is for the most part marketed independently, such as the Ladyboys of Bangkok, Millennium Square
  - Partnership / income share events – where the council takes an income share from an event staged by an independent, such as the Carriageworks Panto
  - World-class events – where the council bids for and pays to host world-class events such as Tour de France, Rugby League World Cup, Rugby World Cup, British Art Show for the wider economic and PR benefits for the city.
- 2.5 The current financial climate has put pressure on our ability to run independent major events completely dependent on council resources. Opera

in the Park, Party in the Park and Classical Fantasia moved from being free to paid-for events; and last year the former were cancelled due to an end to the sponsorship arrangements with Radio Aire. Participation levels dropped from up to 50,000 for Opera and 70,000 for Party to around 7,000 and 33,000 when charges were introduced creating losses for the council. Classical Fantasia has also suffered from the introduction of charges from between 5,000 – 8,000 when free to around 2,000 last year.

2.6 With a further reduction of £150k as part of the council budget for 15/16, further consideration is being made regarding the future events programme.

2.7 Income from events is for the most part generated through:

- tickets (above costs of staging the event if Leeds City Council owned);
- secondary sales – such as bar, café, and retail sales;
- partnership / income-share; and
- venue/ event space hire.

2.8 Overall the council curates a programme of events, some of which create a surplus and others of which require subsidy. The ambition is to provide a, inclusive attractive offer which both attracts visitors and enhances the life of the city for a broad range of residents. For instance, both the German Market and Ladyboys of Bangkok create a surplus, whilst Ice Cube requires a subsidy to make it accessible to a range of, mostly, young people.

### **3. Main issues**

3.1 The hosting, organisation and marketing of events is spread across different areas of the council, and therefore the level of support differs per event. This approach means that there are many successes in terms of promotion of events, there are also areas which could benefit from the sharing of good practice and reallocation of resources.

3.2 There is no single place where Leeds City Council events are hosted and promoted. This is done through a number of different channels and websites both internally and externally. This approach has both pros and cons: pros being a clear differentiation and targeting of relevant audiences (older people, for example, are more likely to book in person or over the phone for the programmes at the Town Hall and therefore the promotion and facilitation of these bookings works for them); cons being that there is no single place whereby an individual, say a family member such as a 'gatekeeper' (woman aged 30-45 with children and elderly relatives) can assess and take stock of what is being offered across the range and breadth of events. This should be addressed through the new 'What's On' section of the leeds.gov website [further details in 4.1]

- 3.3 A range of 'What's On' guides are produced to promote events by the Town Hall, Museums and Galleries, Carriageworks Theatre and Parks and Countryside 'Out and About' guide. Although some are targeted to different markets, there may also be missed opportunity for cross-promotion.
- 3.4 For events for which Leeds City Council has the remit for sales, sales are managed primarily through the city centre box office. We are currently analysing the capacity in the box office as there is some evidence that we are not maximising the potential sales consistently. The Box Office employs 3 full time permanent staff and one full time casual member of staff. In the last financial year they sold £1.7m worth of tickets, with 33% of sales via the internet, 33% at the counter, 26% over the phone and 8% by post. In the last year the Box Office answered 79% of all calls, accounting for 28% of the total income generated. However, the amount of abandoned calls still totalled 4k, indicating that income is being lost through lack of resources.
- 3.5 Due to the diverse nature of the events and locations within the council, linkage between events such as for purposes of cross-sales and promotion is limited. Opportunities for secondary spend are well maximised within venue – for example, bar, café and retail sales within venues for relevant events. There is also further scope for council secondary spends such as car parking through Woodhouse Lane Car Park or on-street car parking as well as cross-promotion and targeting of relevant events. SMG (who manage first direct arena) already reference Woodhouse Lane as one of their two car parking options, but currently there is no ability to be redirected and purchase ahead. Initial discussions with the transactional services team around functionality for payments are ongoing, with a view to enabling the same offer for events booked at other city centre locations.
- 3.6 We are in the middle of a technological revolution; and new and developing approaches to data collection and niche customer marketing offer real potential for future developments. Although a wide variety of data is collected, audience development work outside of that funded through the Arts Council funding within Museums and Galleries is limited. The directorate has instigated initial conversations with the chair of the Arts Council to see if Leeds could work with ACE for a better citywide approach to cultural marketing, including how this work might play into the city's strengths on open data. This discussion could also potentially involve venues which the council funds through its arts@leeds grants programme.
- 3.7 Data collated is used exclusively to the venue/service which collects it and is not available for wholesale direct and targeted marketing campaigns. This is an issue which has come up previously in Scrutiny committee around Sports marketing, and could be addressed through a better council-wide approach to

data sharing and marketing; as well as through the above ACE partnership project.

- 3.8 Through a range of historical circumstances, the council's events portfolio is quite heavily weighted towards the Autumn, with very little in other seasons. This issue is currently being considered to see what changes could be made, and what opportunities exist outside of the Autumn season. Work is underway on the council's events programme with a view to both this balance as part of our ambition to host world class events and our strategy towards European Capital of Culture 2023.
- 3.9 In terms of large scale city events, positive work has already been undertaken with Baker Richards on pricing and potential for increased income. This work notes that product and promotion – marketing – needs to be resolved before pricing can have an effect. These approaches need to be considered as part of the wider events strategy.

#### **4. What will effective marketing look like**

- 4.1 In the immediate future whilst other options are developed for the medium and long-term we will retain individual venue web presences, which work well for targeted markets and audiences, with all events also feeding into a singular 'What's On' section on leeds.gov which will cover all LCC income generating events. This new site, which will launch in June, will feature major events and become a go-to place to find out about the wide range of Leeds City Council run events. The site will be visually appealing with home and key content pages driven by high quality image, with a clean, easily navigable design. It will give us the opportunity to cross promote events and group events together. Promotional areas will showcase featured events, including key venues such as Millennium Square, Town Hall, Carriageworks, Libraries, Museums & Galleries, Sports; what's on in the city; and guidance on booking event spaces.
- 4.2 Following on from the above, current arrangements regarding multiple 'What's On' guides can either be retained if it is demonstrated they target specific niche markets or audiences with cross-promotion to other guides and relevant events; alternatively efficiencies could be identified if there is duplication of resources into a city/council-wide approach.
- 4.3 Data generated from audience attendance is analysed for the purposes of audience development, with direct targeted campaigns linked to the digital and audience strategy across the range of council events.
- 4.4 Online booking facilities are linked to the channel shift and digital drive, with functionality of the new 'My Leeds' Customer Contact Portal (CCP) being

utilised once up and running to target individuals with recommendations 'people who bought tickets to this event also bought...' (longer-term).

- 4.5 There is full maximisation of secondary spend opportunities including council-owned car parking and cross-sales and promotion. All guides and materials featuring travel options reference council-owned car parking as the best way to get to the event; features including supplementary purchases such as car parking tickets are explored through online booking options; and events which appeal to similar audiences are cross-promoted through digital and targeted marketing; guides and online materials' and point of sales displays.
- 4.6 Leeds has an events strategy which feeds into our ambition to host world-class events and become European Capital of Culture 2023.
- 4.7 Underpinning the events strategy are annual event plans, which look at events across the council and the city, ensuring wherever possible we do not directly 'compete' for the same audiences with our events; and that events are coherently planned across the year.
- 4.8 Both the events strategy and annual events plans take into consideration events put on by partners and other organisations within the city which are funded and supported by the council, particularly as this may fall under the remit of the partnership work currently being explored with ACE.

## **5. Potential barriers to effective marketing**

- 5.1 Integrating marketing across a wider range of services and areas requires a cultural shift in the ways in which current staff work, both in terms of ways of working across different services and across the council. Cultural change is always a medium to long-term process to fully embed and establish, and so interim arrangements and solutions will also be discussed and explored.
- 5.2 In terms of integration, and longer-term cultural change options such as structures and resources embedded in services being centralised into one 'team' exist, and will also be considered as part of a longer-term events strategy.
- 5.3 Council events constitute a diverse portfolio, and this is something that should be encouraged, with events appealing to different audiences and areas of both our resident population and visitor market. A 'one size fits all' approach will not work in many areas or for different events, and any new approach needs to retain the specialist and targeted marketing required to ensure the success of the event.

## **6. How effective marketing will be delivered**

- 6.1 Better integration and coordination of marketing across the events programme could be instigated in a number of ways, from better networking between services through to full service redesign.
- 6.2 Single events hosting and promotion is already being addressed with the introduction of a 'What's On' area of the leeds.gov website, which will allow individuals to look at the entire events offer as well as drilling down to event/audience type and location. This will be supplemented by existing web presence, which is already in usage by a number of different audiences.
- 6.3 Duplication of time and resource in producing multiple 'What's On' guides could be addressed through a single, seasonal publication or cross promotion to different 'What's On' guides within publications if audience insight shows a demand for specialised marketing for niche audiences.
- 6.4 Box office resource could be supplemented through addition of new resource, reallocation of existing approach, or even a new approach relocating the box office with the newly relocated visitors centre could be investigated, upskilling and multi-skilling existing staff to deal with both tourism and booking enquiries. Of the 79% of answered calls at the box office in one year, £471k was generated; this leaves a gross potential income of a further £125k if 100% of all calls were to be answered. Whilst it will never be possible to answer 100% of calls (some customers will always hang up before they get through – eg dialled the wrong number, changed their mind, dislike queuing systems, don't want to wait, decided to book online etc), there is huge potential to increase income by creating a separate back office call centre for the city centre box office.
- 6.5 Opportunities for secondary spend could be maximised through including council car parking in promotional materials, offering car parking bookings at council car parks when purchasing tickets when the corresponding web functionality becomes available, and cross-promotion of events targeting similar audiences.
- 6.6 Opportunities for audience development work could be realised through the potential Arts Council funding for digital audience development work, including how to better use and maximise existing data.
- 6.7 An events strategy is currently in the early stages of formation to examine weighting across different seasons, current and future events portfolio, and journey towards European Capital of Culture and ambition to host world-class events. Event programming should be looked at as part of this strategy. It is a requirement of the Capital of Culture bid to have an up-to-date cultural strategy.

## **7. Corporate Considerations**

## **7.1 Consultation and Engagement**

- 7.1.1 This document is to promote discussion around our current, and potential future approach to marketing and promotion of events. Any significant changes and proposals arising out of the discussions and current work would include consultative elements with relevant stakeholder groups as appropriate.

## **7.2 Equality and Diversity / Cohesion and Integration**

- 7.2.1 Similarly, any proposals which may have an impact on equality and diversity would be subject to an Equality Impact Assessment.

## **7.3 Council policies and City Priorities**

- 7.3.1 The approach links to the council's priority of hosting world class events, and policy of spending money wisely as a more efficient and effective approach will lead to increased income.

## **7.4 Legal Implications, Access to Information and Call In**

- 7.4.1 The report is not subject to Call In.

## **7.5 Risk Management**

- 7.5 Council events operate in a competitive market, and any proposals going forward will be carefully considered for risks and implications.

## **8 Conclusion**

- 8.1 For the council to continue to deliver a diverse and world-class events portfolio in a competitive market, and maintain and increase its income the service must consider changing its current approach to marketing.

## **9 Recommendations**

- 9.1 Better networking and coordination across existing resources will create a better co-coordinated approach, thereby improving marketing efficiency and effectiveness to increase income.
- 9.2 Additional investment in key areas such as potential lost income in the city centre box office, cross-marketing and promotion and potential for income through weddings and other celebratory events will be examined further and business cases worked up as appropriate.



9.3 All developments will align with the work on the development of a cultural strategy for events as part of our ambition to become European Capital of Culture 2023.

## **10 Background documents**

10.1 None.