



Why Start a Theater Co-op?

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ESSAY BY

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Although both forms involve actors speaking words and performing actions, theatre is fundamentally different from film. The film industry is pretty much thriving, while theatre is on life-support, or nearly so. Why is this the case? Millions of theatre tickets are sold every year and tens of thousands of talented people give their blood, sweat, and tears to make a wide variety of experimental and popular theatre productions.

One reason is that film is widely recognized as a business as well as an art form. Nearly everyone who enters the film industry understands that money is central to the process, and doing well at the box office is the Holy Grail of the profession. But not all theatremakers concede that theatre is an "industry," or even a business.

They do what they do for the art of it, and they accept the low pay, the small budgets, the long hours, and the financial losses as part of the price they pay for doing their work. A few of the larger theatres are somewhat more oriented toward making money, but even among the elite, there is a heavy dependence on grants, gifts, and fundraisers. Relatively few theatres operate as "ongoing concerns" that regularly turn a profit from routine operations.

Why are theatres and theatremakers so impoverished financially? In my view, the reason is simple: a lack of marketing. When I go to a theatre to see a show, the lack of marketing stands out like a sinkhole of lost opportunity. Sometimes, there's a table or a bulletin board in the lobby that contains a dozen or so postcards touting other shows. Sometimes the usher will hand me a printed program that contains a few pages of advertising about other shows. That's pretty much all there is in terms of marketing.

But since I've already taken the trouble to come to the theatre (whether I've paid full price, a discounted price, "pay what you can," or even if I've been given a free ticket somehow), I am the most likely prospect to come again. And I'm right there in the theatre's lobby. How easy it would be

to capture my attention and tell me about other theatrical events that might interest me! Postcards touting other shows are helpful, but more elaborate displays and more detailed information about a wider range of productions at other theatres are basic marketing efforts that theatremakers underutilize. With these things in place, audience members would find out about more shows that interest them and would likely attend these shows.

Marketing is not rocket science. It's a very well understood set of practices. There are countless practitioners who are experts at driving prospects' behavior and generating income from various "products." All that's missing is some form of organization, or business model that supports and encourages the application of basic marketing knowledge, skill, and practice to the world of theatre.

That's what the Theater Co-op is all about. Going to the theatre and seeing the paucity of marketing activity got me thinking. Over the years, I developed a plan to add Marketing 101 to local theatres without asking anything extra of theatremakers. Theatremakers have been enthusiastic about the idea, and with luck, the Theater Co-op will soon become operational.

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The historic Mayfair Theater, long a landmark in downtown Santa Monica, fell on hard times and was refitted as an apartment/retail complex. Had the Theater Co-op been functioning in years gone by, this and other venerable theatres might still be viable venues for live stage plays. Photo courtesy of Robert Moskowitz.

The concept:

Once a person enters the lobby of any Co-op member theatre, they find out about the current and future productions at all the other member theatres. There's a prominent computerized kiosk that not only carries information about local theatre and theatre personalities, but also invites audiences to sign up for the Co-op's e-mailing list, which will keep them informed about theatre productions, discounted ticket opportunities, and special events.

Because the Co-op is larger than any single theatre—even the biggest ones—it can afford to do high-level marketing that no solitary theatre can do. The money to support this marketing comes from the additional tickets each theatre sells because of its membership in the Co-op. Each theatre will share a small portion of this extra revenue with the Co-op, leaving the theatre with more revenue than before and creating a relatively large pool of money to support the Co-op's activities. For example, if 100 theatres each send the Co-op \$100 per month from their extra revenue, the Co-op will have \$10,000 per month to spend on marketing.

In addition, the Co-op will generate even more revenue from advertising, corporate ticket purchases and sponsorships, and projects it operates (such as theatre festivals, workshops, conferences, and prop houses) in support of theatre. These marketing activities include:

- Publishing a wonderful theatre-oriented magazine with reviews of all the Co-op members' productions.
- Soliciting corporate sponsorship of individual productions, and of theatres, including programs in which corporations buy tickets to give them away as incentives for customers and employees.
- Organizing a multi-theatre "season ticket" program, in which theatregoers can commit to attending a half-dozen or more shows during the coming year, and choose from the offerings of all the Co-op's members, not just from a single theatre's productions.
- Organizing a "last-minute rush" discounted theatre ticket program where just before curtain time, people can buy tickets to any Co-op member's show.
- Promoting theatre going as a "local experience" to tourists. Many actors live in Los Angeles. Doesn't it make sense for tourists to make a point of seeing them at work in theatre?
- Developing a "yield management" system—just like the airlines maximize the revenue from every flight that takes off—designed to vary ticket prices according to when you buy your ticket. The result is to maximize the revenue from available seats every time a theatre curtain goes up, and much more.

One more important attribute of the Co-op is that none of this marketing will have any impact on which shows theatremakers choose to produce. While advertisers on TV and product-placers in films tend to dictate what content they will and will not support, the Theatre Co-op is not about selling cigarettes, cars, or the latest fashions. It's about selling theatre tickets. So there's no hidden agenda that will drive, and ultimately corrupt the theatrical productions that underlie the Co-op's primary interest.

Once the Co-op is working in Los Angeles, it will be relatively easy to replicate in other cities where theatre is still alive, such as Chicago, New York, San Francisco, Boston, and Minneapolis. Even better, it will be able to spread to other cities where theatre is weak, or dying, and provide life-support and enough sustenance to nurture theatremakers like never before.

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MARY-LIZ MURRAY 7 years ago



It is interesting to me that this co-op is strictly focused on marketing and doesn't include any plans to support facilities management, artist development, staff training, administrative operations or costs, or business/strategic planning.

Paying into a marketing collective can be great, and makes a lot of sense for theaters, but if you have companies that are struggling to operate because the leaders don't consider it a business which needs a fully realized plan behind it, the marketing doesn't matter.

Where I am (in Boston) a large percentage of our theater companies are small/fringe with the person or group who started the company still at the helm. The "pet project" mentality created by this phenomenon is easily the biggest hurdle to financial success and vibrancy. A co-op in Boston would need to focus on strategic planning, administration, and organizational growth and development, in addition to marketing. Ticket sales are, obviously, crucial to the success of small companies, but we've set the threshold pretty low on what "success" looks like in that particular arena. Speaking from

personal experience companies spring up without giving much thought to longevity, growth, or exit strategies and that's where our theater-artists really need the business training and support.

NEAL REYNOLDS 7 years ago



I applaud the effort, but I fear that its success will be limited by the fact that (for the most part) you're trying to squeeze more juice from the same fruit. That is, I think most theater-goers attend as many shows as they can, regardless of how plain or snazzy the post-cards advertising other shows in the lobby. Most are limited by time and money to fewer shows than they would like to see.

I therefore think the more fundamental solution to attendance is in the airplane analogy the essay briefly touches on. Just as every seat that is empty upon takeoff is lost forever (except for the slight incremental savings on fuel), every seat that is empty for the performance is both lost revenue AND a chance to hook a new person on the wonders of theater.

We've gotten used to the idea that for most performances during the run of a play that a large portion of the tickets (perhaps even half or more) will remain unsold. But at even \$30 a seat that represents tremendous revenue (and outreach) lost. What if the attitude was instead that no seat is left unfilled... even if it costs \$29 to fill it?!

That is, rather than (for instance) have thirty seats go empty, it makes sense to pay someone up to nearly \$900 (30 seats times thirty dollars) to fill those seats! So why don't we do this? Maybe it's been tried and failed, but I doubt it; it seems to me that there are too many people out there looking to earn extra money (or raise funds) that amongst them there would be some people who would be good at searching out people who have never been to a particular theater (or at least not in a couple of years) and convince them to buy a ticket (or pair).

I'd suggest a commission of fifty percent to start (that is, for a thirty dollar ticket \$15 to the salesperson, \$15 to the theater), and as time goes by modify it (up or down) such that as much money as possible goes to the theater while still paying the person a good rate.

In the old days it might have been hard to get the word out to potential salespeople that such an opportunity exists, but I'm guessing that with the internet and social media it wouldn't be that difficult to get the word out these days.

The main problem of course is how to insure that the tickets are only sold to those who aren't already subscribers or regulars. The honor system aside, I don't have a perfect solution for this... but I'm guessing that most regulars and subscribers get tickets for a discounted price, whereas the outreach person will be selling them at full price. (If necessary, perhaps a modest "service fee" could be added to the ticket price by the outreach salesperson to help insure that regulars don't buy them.)

(And of course the salesperson would have to be contractually prohibited from selling the tickets at a discounted price.)

I suspect that the most successful salespeople will put together a binder (or electronic equivalent) with pictures, video clips, reviews and testimonials from the production.

As someone who (like my parents and siblings) has had a lifetime fight with weight (my internet photo was taken after I had lost 66 pounds [much regained, alas]), it's always bothered me how often group fundraising is associated with candy and cookies. Of course the reason is obvious: people are willing to pay more for something they want but know is bad for them if the money is "going to support a good cause".

But wouldn't it be nice if instead of supporting the current obesity epidemic, school or community youth groups would sell theater tickets to those who have previously never been exposed to a particular theater (or perhaps ANY theater)?!

CATHERINE CASTELLANI 7 years ago

This has my wheels turning--thank you! In a smaller, less formal way we can all get started on this by promoting each other's work on social media. When a colleague has a show opening, when I've seen something I've just loved, when a trusted theater-goer raves about something I haven't seen--pass it on! I've repurposed the NYC anti-terrorism slogan for this: If you see something, say something.

LIAM OKEEFE 7 years ago

I have a whole blog dedicated to rectifying this issue:

<http://letstalkmarketing.me/>

And I really like the idea of a co-op. In my opinion, it is the only way that independent companies could even begin to compete with main stage companies. One thing I'd like to add to your list is a common theatre program for all members of the co-op, like Playbill for Broadway. Playbill is fantastic in that it advertises so many other shows on Broadway and forms a common identity for every theatre.

I think that it requires a lot of fleshing out financially and organisationally though. If I am an independent company paying \$1,200 a year for this co-op, I would be expecting a hell of a lot from it. Balancing the seasons of 100 theatres is going to be a hell of a job. No magazine could adequately cover them all.

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