
**SOUND
DIPLOMACY**

SOUND DIPLOMACY

Branson Theater Health & Needs Analysis



STRATEGIC ACTION PLAN PRESENTATION 08/24/20

Objective

Sound Diplomacy was hired to conduct a Theater Health and Needs Analysis with the objective of identifying opportunities to help overcome existing challenges the local theater industry is facing.

The strategy we present today is a joint effort between Sound Diplomacy, the Branson/Lakes Area Chamber of Commerce and CVB, its partners, such as the Branson Show Task Force, and everyone who contributed to the study in any capacity.

Introduction

The Strategic Action Plan encourages **best practices rooted in research** and advocates for **smart economic development** and **collaboration between the private and public sectors** so that performers, industry professionals and organizations are actively working together, advocating for change and moving forward into a prosperous future.

It outlines how **smart support and best practices** for the local theater industry and music ecosystem can enhance and evolve Branson's existing offering, leverage it as a talent attraction and retention pipeline, increase the economic benefit of and for the local theater industry, and ensure that the theater industry remains a driver of visitation for many years to come.

What this study is

- Celebrating and building upon Branson's live music history and heritage
- Leveraging live music theatres to grow year-round tourism
- Developing a deep understanding of Branson's music assets
- Position Branson's theater industry as a continued driver for visitation
- Developing and supporting talent and high-level productions

What this study is not

- COVID-19 Focused
- A Comprehensive Evaluation of Marketing
- Set in Stone

Methodology

- **The Branson Market and National Trends Analysis:** Desk research, including an extensive literature review of the Branson market and its resources, as well as any relevant national trends, such as audience trends, live theater trends, pricing trends, and marketing trends
- **Mapping:** 96 music and theater-related assets and businesses across Branson
- **Music Ecosystem Economic Impact Assessment:** Economic Impact Analysis of the theater sector and microeconomic analysis
- **Roundtables and Interviews:** In-person visit to Branson, engaging more than 60 people in roundtable discussions and interviews; attendance of eleven different theater shows, hand-picked by the Branson/Lakes Area Chamber of Commerce and CVB and the Branson Show Task Force to provide a taste of the city's theater product and variety
- **Surveys:** Three online surveys, conducted over six weeks, to gather information from local theater and show owners and operators, theater industry professionals, musicians and Branson-based theater fans (who engage in theater activities in Branson), as well as from visitors

Methodology (cont.)

Based on our research findings, we developed a **SWOT Analysis**, which set the framework for our strategic recommendations.

The **Strategic Action Plan** is separated into four priority areas with a total of 13 recommendations, supported by key research findings and best practice case studies.

Additionally, we composed a **Roadmap for Branson's Theater Industry Success** outlining best practices for theater and show owners and operators.

Key Findings: SWOT

Strengths

- Big economic impact: Branson's live theater and music ecosystem created an economic impact of 2,288 jobs, \$44 million in earnings and \$147 million in economic output.
 - Within that ecosystem, live theaters account for 81% of the direct employment, 75% of the direct output and 73% of the direct compensation
- Live theater entertainment drives visitation in Branson
- High number of Branson live theaters and shows result in lots of choice

Strengths (cont.)

- Visitors highly rate Branson's live theater industry and interest in live shows remains high
- The average Branson visitor attends two to three shows during their Branson visit
- Baby boomers are Branson's core theater audience attending more shows than their younger counterparts or those who visit for other attractions
 - Baby boomers can travel year-round due to limited commitments to jobs or kids

Strengths (cont.)

- Visitors prefer variety shows and dinner shows, which are prominent theater formats in Branson
- Most theaters/shows report making marketing investments their top priority for the next three years, followed by changes to their marketing strategy
- The better performing theaters/shows report that investments in new theater productions (costumes, staff, choreographers), changing their ticket selling strategy, investing in marketing and changing their marketing strategy had the highest impact on their financial success in the past five years

Weaknesses

- The local live theater audience only attend shows once per year
- Branson visitors prefer medium sized and small venues, yet most existing theaters are larger in size, often resulting in half-empty shows, which may give an appearance of an unpopular or unsuccessful show
- Lack of small, non-theater style venues which could house Branson's low-production-value shows
- Some dated theater venues
- Some theaters/shows lack marketing budgets and desire better marketing know-how

Weaknesses (cont.)

- For the younger (non baby boomer) Branson visitor, show content can feel dated and lack appeal - consequently, low engagement
- Nearly half (43%) of show operators who rent a venue do not collect their own customer data, limiting their customer marketing abilities
- Low engagement of the theater industry with its related advisory boards, such as the Show Task Force or the Theater League
 - Hence limited unity around common goals and needs
- Show/Theater license requirements do not take financial stability or quality standards into consideration

Weaknesses (cont.)

- Limited opportunities to experience live music in Branson outside of the theater show industry
- Gender wage gap: on average, men earn double what women earn in Branson's live theater and music ecosystem, particularly in professional and supporting activities
- Lacking local music and theater industry support networks, such as music related businesses and theater or music education programs
- Lack of market information/data related to discounted ticket prices, number of shows, number of performances, operating theatres, etc. from the last 20 years

Opportunities

- Younger visitors - Gen X and millennials - favor alternative rock, hard rock, hip-hop and pop, which is not as prominent in Branson as Country and Christian/Gospel music
- Visitors have expressed a higher interest in original music, yet many theaters primarily feature music in the form of cover songs
- As consumers are moving more and more into the digital space, relying more heavily on online media like search and social media for their show information, marketing strategies should adapt accordingly
- Emerging trend: productions that explore the intersection of arts, technology and engineering - in particular, finding new ways to create magical events on stage through robotics and projection

Threats

- Branson's current theater audience is aging and younger generations choose other entertainment options over theater shows
- Lack of time: visitors take shorter vacations now than during Branson's boom, limiting their show consumption
- Increased competition from other attractions result in skipping shows
- Changing content consumption habits result in higher expectations of live shows and perceived value

Threats (cont.)

- Partnerships with third party ticket sellers aren't always mutually beneficial, yet remain the main avenue for ticket sales
 - Our research showed that working more closely with third party ticket sellers can negatively affect occupation levels of a show
 - Discounting results in lost revenue
- Prohibitive laws and regulations around ticket distribution/third party ticket sellers
- Poor walkability of the entertainment corridor or “strip,” limiting its appeal to move around and explore
- Lacking public transportation to theaters within Branson

Strategic Action Plan

Disclaimer

These recommendations are being submitted amidst the current COVID-19 pandemic. While the live theater and music sector have already taken large hits, it is still too early to know the exact scope and gravity of the crisis across the entire ecosystem. It is important to keep in mind that the challenges and opportunities that have been identified as part of our research will continue to be challenges and opportunities. If anything, the current crisis only further highlights existing vulnerabilities and the need to champion the live theater industry's health and needs. Addressing the identified challenges and investing in these strategic opportunity areas will help Branson's theater industry emerge from this crisis even stronger.

Overview

The following recommendations are based on our collective research and are critical in moving Branson's theater industry forward with an approach, attitude and a set of initiatives that establish a thriving and supported live theater and music ecosystem that stimulates economic growth and drives tourism.

The recommendations are broken out into four areas:

- 1. Infrastructure**
- 2. Innovation**
- 3. Education**
- 4. Marketing**

Overview

In addition, we are providing a **Roadmap for Branson's Theater Industry Success**, outlining best practices that theater and show owners and operators are encouraged to implement themselves.

The future success of the theater industry must be a joint effort and will require the active participation of all parties.

Infrastructure

1. Branson Performing Arts Row with a Focus on Business Development - Attract, Grow and Retain Music Industry Companies

- Identify and aggressively pursue business development opportunities to attract new music and theater arts related businesses, such as music publishers, recording labels, management companies, etc., that will create jobs, and stimulate further growth in the economy
- Supports existing talent, but also serves as a talent pipeline, incentivising people to move to Branson and start careers there

2. Performing Arts Incubator / Center for Live Shows and Live Show Technology

- Allow people with business (start-up) ideas related to the performing arts sector to turn to this center for help, guidance, inspiration, and support.
- Serve as the home for the Office of Theater Innovation (see Recommendation #9)
- Serve as the new home of the (already existing) Community Arts Center, allowing it to expand and offer more innovative workshops/networking opportunities for artists and show producers to learn about new industry and consumer trends
- Include office space/meeting space for rent for performing arts professionals

3. Feasibility Study for an Arena

- There can be value in hosting arena-scale shows featuring big name artists to draw and expose new visitors to the area
- Overnight visitors could present an opportunity for Branson theaters to tap into that audience

4. Small Business Loans for Theater Updates

- Investment in order to preserve a “top notch” theater image of Branson
- Identify specific areas of improvement/innovation that need to be prioritized and create a revolving loan fund at favorable terms for theaters and show operators to enhance or reinvest in the identified improvement category
 - Examples: creation of online ticket sales portals; seat updates and other room improvements; technology updates; etc.

5. Improved Public Transportation for a More Pedestrian Friendly Entertainment Corridor

- Amend the existing 76 Entertainment CID to:
 - Improve public transportation options between the Entertainment Corridor and downtown in order to better connect the two areas and enhance tourism appeal
 - Design a more pedestrian-friendly Entertainment Corridor

6. Issue Official Branson Show Certificates

- The City of Branson, through its “Open for Business” program, and the Show Task Force should create a peer review service, offering free-of-charge reviews of new productions, including their business plan, marketing strategies, and financial resources/marketing funds.
- Goal: Help new businesses/productions understand their challenges before going to market and provide feedback and recommendations to help overcome them
 - If a new production checks all the boxes, an Official Branson Show Certificate is issued by the Show Task Force

7. Restricting Third Party Ticket Sellers from the Use of the Label ‘Welcome Center’ or ‘Visitor Center’

- There should be a clear distinction between the official visitor center and a third party ticket outlet
- The Missouri Merchandising Practices Act provides a stable argument that deceptively operating under false pretense is considered a malpractice and hence unlawful

8. Development of a Disaster Readiness Plan

- Leverage the Emergency Task Force to help prepare for the possibility of future disasters and develop a Disaster Readiness Plan
- Monitor the music sector's and theater industry's response to the current pandemic and build case studies of successful recovery plans from which Branson can learn
- Set up a Theater Emergency Fund, which theaters and show businesses pay into during “normal times,” when tourism and business is going well, but could be tapped into when the local market is facing an unexpected and unpredicted disaster that stunts Branson's theater sector resulting in a need for financial aid

Innovation

9. Create the Office of Theater Innovation

- Dedicated to bringing theater innovation and support to Branson
- Provide consultation services to theaters about theater best practices related to operations, marketing and communication challenges
- Be in charge of a data observatory that monitors consumer and industry trends and market trends
- Provide mentoring services for new show development and/or theater technology innovation, based on industry research
- Establish a member-funded Theater Development Fund, funding innovative theater groups through grants
- Funnel grants by the Missouri Arts Council to qualified recipients (or help them apply)

Education

10. Offer Theater Business Workshops

Offer a series of annual workshops, which are specifically targeted to help the theater industry stay current and overcome challenges tied to marketing or business know-how. Examples:

- How to properly design and implement a marketing plan
- Building user friendly and results-driven websites
- Online/social media and mobile marketing classes
- Public relations classes
- How to build, maintain and effectively use a customer database
- Data collection and analysis: How to conduct consumer and industry research to stay on top of current trends

Marketing

11. Create a Songwriters Festival

Bring more original music back to Branson. This would consist of three actions:

- Create the songwriters festival during Branson's off season: drive tourism; funnel new talent to Branson; serve as an initiative to help create original music
- Host a Branson Songcamp as part of the festival, inviting songwriters & companies to host workshops with local stakeholders
- Implement a local version of the popular NBC show Songland and create the Branson Songwriter Award for the top performers

12. Create a Theater Matching Fund Program

Reimburses part of a production's promotional (marketing) budget for projects that:

- Have developed an advertising plan and budget
- Made use of the Branson Show Certification review process
- Coordinate their project with the CVB's tourism marketing strategy, appeal to Branson's target audience, and generate tourist visits and expenditures
- Are able to pay its share of the project costs and - if the project is a continuing event - have the potential to be self-sufficient within three years

13. Create a Branson Theater Passport

- Create local ambassadors by exposing them to your top tourism product, your shows, so they can provide informed recommendations to visitors
- Create an app, the Branson Theater Passport, which allows locals to check in and collect digital stamps from the shows they attended
- Signing up for the passport requires a local ID
- As an incentive, offer rewards along the way to encourage ongoing participation
- Gamify the experience for continued engagement: create leagues so participants can compete against each other

Roadmap for Branson's Theater Industry Success

Roadmap

1. Ticket Price Integrity: Reevaluating partnerships with third party ticket sellers
2. Diversification of the Show Product: Staying relevant for a new generation of theater goers
3. Continuous Investment for Continuous Success
4. Adapting for the Digital Age: Online Ticket Sales & Marketing
5. Continued Education with a Focus on Business and Marketing
6. Work Toward Equal Pay

THANK YOU