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THE OSBORNE LEGACY

A battle won
and lost?

Do booking
fees make
you angry?

Or are they crucial for
balancing hard-pressed
theatres' books?

*I've shared a
dressing room with
a border terrier
called Rufus. It
was fine."*

TONY GARDNER
ON TOURING



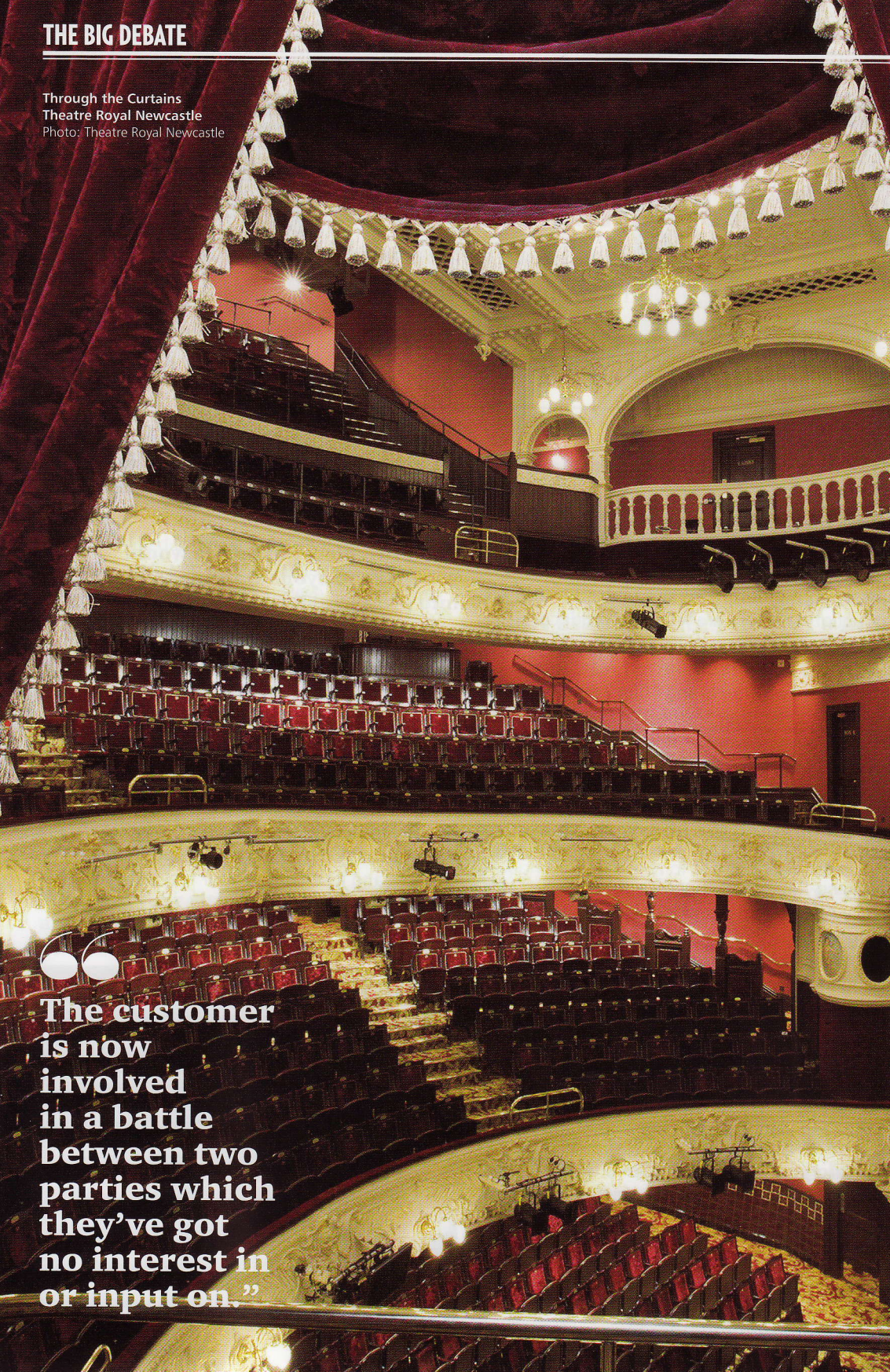
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THE BIG DEBATE

Through the Curtains
Theatre Royal Newcastle
Photo: Theatre Royal Newcastle



**The customer
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or input on."**

Are booking fees alienating customers and producers or a vital tool for sustaining UK theatre?
Jo Caird investigates.

ARE BOOKING FEES A GOOD THING?

At the time of going to press, over 48,000 people had put their names to a petition run by the consumer campaigning organisation Which? calling on ticket companies to ‘play fair on ticket fees’ in the worlds of theatre, comedy and live music. The campaign – targeting big firms including ATG Tickets, Ticketmaster and See Tickets – launched in December 2013 after an online consumer survey of 2,015 people reported that 82% felt additional fees were excessive.

What used to be an issue affecting primarily the West End ticket market and the large-scale concert and comedy circuits is these days felt much more widely, with many regional venues – in both the commercial and subsidised sectors – passing on booking fees to customers.

The first phase of the Which? campaign, which called on ticketing companies to display all compulsory charges upfront, yielded something of an easy victory for the organisation – many ticketing agents were already in the process of changing the way they displayed their fees in accordance with guidelines issued by the Committee of Advertising Practice (CAP) in early 2013.

In a statement released in April, the CAP says that having assessed 130 websites, including those of major ticket agents and London theatres, and monitored 600 regional theatres, it is “encouraged by the positive response, [is] seeing improvements and [is] receiving more advertiser requests for advice on how to stick to the rules”. But there’s still work to do, the committee says, pledging to continue



Good People, Hampstead Theatre
Photo: Johan Persson.

the monitoring process and “take enforcement action where necessary to ensure consumers get a fair deal”.

The Which? campaign is continuing too, with the organisation now calling on ticket companies “to go further and justify their fees and set them at a fair level”.

One option is to do away with additional fees altogether and include all the associated costs of ticketing within the ticket price. It’s a route strongly advocated by Michael Nabarro, managing director of Spektrix, which provides box office software and support to 150 arts organisations in the UK and Europe, including the Bristol Old Vic and Northern Stage.

“When we’re going in and getting a new site live, we will always encourage people to rethink their pricing model and see if they can change it,” says Nabarro. Venues need to cover their costs, of course, but “people need to think a bit more holistically sometimes,” Nabarro suggests. An example: a customer who receives her tickets in the post can head straight to the bar on arrival rather than waste

time queuing at the box office; she’ll have a more pleasant experience and the mark up on the drinks she buys will cover the postage costs.

Nabarro acknowledges that such changes are simpler to achieve at producing theatres than at venues working with visiting producers, but stresses that the issue is not an insurmountable one. “It’s in both the theatre and the producer’s interest to just present a single ticket price to the customer that will make the customer far happier,” he says.

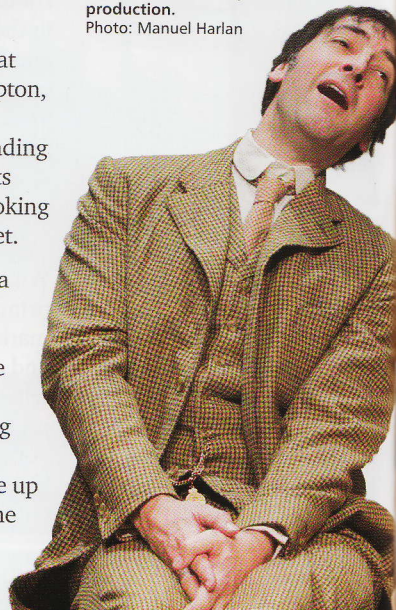
Michael Ockwell, chief executive at the Mayflower Theatre, Southampton, agrees. He’s in the process of switching to such a policy after finding himself inundated with complaints from customers over the 7.5% booking fee the theatre levies on each ticket.

“The customer is now involved in a battle between two parties which they’ve got no interest in or input on,” he says. “Part of the challenge is that the deals between the producer and the venue are getting far more difficult to negotiate, so everybody’s trying to slice the cake up a little bit thinner and I’m afraid the



People need to think a bit more holistically.”

Alistair McGowan and Anna O’Grady in *Pygmalion*, an MJE Productions/Mark Goucher/Theatre Royal Bath production.
Photo: Manuel Harlan



THE CASE FOR

We've got a business to run

Simon Presswell,
managing director of
Ticketmaster UK



As a ticket broker, there is a misconception that we keep the entirety of the transaction fee, including the face value of the ticket. We do not. Often our only earning is the fee of that ticket.

Consumers do have a choice. Several tens of millions of those consumers have acknowledged that and therefore transacted with us and have incurred a booking fee because they understand that as a commercial, publicly floated company we have an obligation to our shareholders and a right

to make a small, modest profit in the process.

Nobody likes to pay a fee for anything. But that fee is there to cover what is an incredibly complex set of processes, technologies behind the scenes that we all to a certain degree take for granted because of the ability to go online and book a ticket or book over the phone.

As with any agent or intermediary, our value is derived from the contribution that we add to the process. Not everybody can turn up

to a theatre and pay in cash; not everybody wants to, so on that basis they might wish to call and have a more detailed discussion about whether a show is right for them or not, the preference on seating, maybe transportation arrangements, or any considerations that they might wish to have in terms of disability access. All of those are largely a deeper, more informative set of processes than a pure walk-up, cash payment and enter process.

people that lose off the back of that are the customers.”

Going forwards, no additional fees will be added to tickets to shows at the Mayflower; instead, the 7.5% the theatre used to take on top is worked into the revenue split that Ockwell negotiates with producers.

Newcastle Theatre Royal is one of the many regional venues that do add booking fees. Philip Bernays, the theatre's chief executive, recently took the decision to do so following the withdrawal of funding by the local council, a cut to the tune of around £600,000 or 6.4% of the venue's budget.

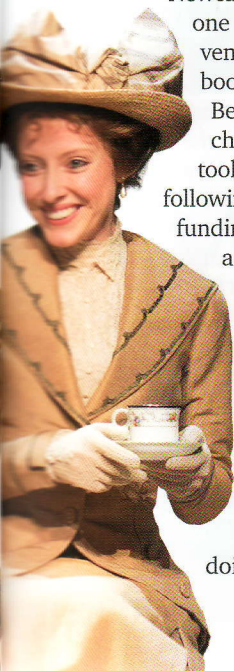
“We have to find money from somewhere else and booking fees are one of a number of ways in which we are doing that,” he explains.

“Far and away the biggest source of income is the box office, but of that box office, the margin that we keep as the presenting theatre diminishes as the cost of the shows go up and the size of the royalties go up.” Adding booking fees on top of the ticket price allows the theatre to keep the entirety of the fee, and Bernays says that his customers are understanding about the issue.

The Ambassadors Theatre Group make a similar point regarding the fees its ticketing arm levies on shows in its 38 UK theatres: “All, or the vast majority, of the sales income from the ticket goes to the producer, hence the need to charge for ticketing operations separately. [We] provide an extremely high level of customer service and the ticketing fees cover the costs of providing this service including the staffing, systems, UK-based call centre and associated administration costs.” The company also points out that over 50% of its customers avoid fees altogether, either by paying in person or through membership of its Theatrecard scheme.



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It's not just the theatre world that is wrestling with booking fees. Stuart Littlewood, chair of the Concert Promoters Association, has his concerns about the levels at which ticketing fees are sometimes set but feels ultimately that it's up to the customer to decide for themselves how much is too much. "The market's there and I can choose not to go," he says.

A far bigger worry for Littlewood is the secondary ticketing market, with its enormous mark-ups and lack of legitimacy. When you consider the dangers inherent in that system, he says, the booking fees levied by bona fide agents "start to make sense, because you're paying for that guaranteed ticket and that company is entitled then to make its profit."

Booking fees are a big issue in the comedy world too, says Hannah Layton, a senior talent manager at the James Grant Group with clients including Colin Houlton and Patrick Kielty.



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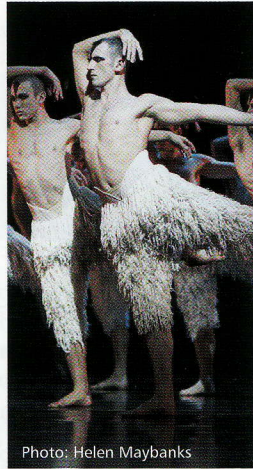


Photo: Helen Maybanks

"When it comes to emerging talent, my worry is that they end up having to put their prices down to compensate for the booking fee. And it's hard enough for them at the moment booking a regional tour and making any money anyway because there's so much comedy on TV that people aren't going out to regional venues as much to see emerging talent."

But Layton acknowledges the complexity of the debate. "It's really tough for the regionals at the moment, so if the booking fee is going toward something good and keeping them in business, I totally support them," she says. "It's just there needs to be clarity in what the booking fee is going towards."

It's unsurprising that theatres and ticket companies are still finding their way through this tricky landscape – the CAP only issued updated guidance on booking fees last year. How customers will respond to the different approaches being implemented across the industry, only time will tell.

THE CASE AGAINST

Painful for producers, and nothing they can do about it

Greg Ripley-Duggan, chief executive of Hampstead Theatre



Booking fees always annoy people and actually, from our point of view, it only has to annoy one person. This game is all about building audience loyalty and keeping people coming back, so we try and keep things really clean.

All West End producers, me included, hate booking fees and they hate the restoration levy because as far as any producer can see, they are the attraction, that's what is generating the money, and this is a way of you taking revenue that's not shared with me or the people who made the show.

These are the economic conditions we live with as producers and that's the way the theatre owners have found of making a model, a business model that works for them. Producers don't like it because they feel that revenue's going that should rightly come to their show. And whether it's fair or not is kind of irrelevant because they've got the whip hand and they can do what the hell they like.

It's really hard trying to bring pressure to bear from a group of producers because we all know that when we're sat in a room with a

landlord we're absolutely desperate to get that show in that's out on tour. Somebody will crack: they'll say, 'yeah, yeah, whatever the terms are, that's fine', because you've got other people, you've got the cast of the show you love and all of that tied into it, so you think, 'okay, everybody else lives with this, I suppose I'll have to live with it'. And we all do. It's just the sad state of the way the economics of the industry work. for regional theatre audiences.

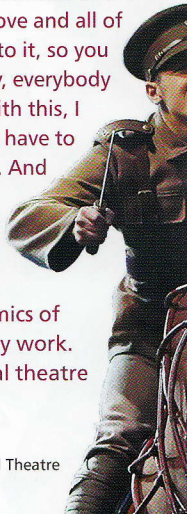


Photo: National Theatre

THE LONG VIEW

Booking fees fund a vital part of the theatre ecosystem

Jonathan Brown, general secretary of the Society of Ticket Agents and Retailers



Which? have ridden on the back of the regulatory advice of the Committee of Advertising Practice, which came in a year ago, about how to display prices and to display them inclusive of any charges. Which? has had an easy win in a way because [companies] have been busy complying with those regulations, not with the campaign.

But that's changed the picture to some extent. And I think that could be a very healthy change: much more inclusive pricing, where [customers] can compare gross prices across the board and make choices rather than having to

pick through the detail which the industry has put in place for its own good reasons but which may have been more confusing for customers to some extent.

Agents are a very, very important part of the success of the West End because of the marketing support they bring and the fact that they have markets that they can promote shows to. I think the trouble is that when you start to talk about booking fees, sometimes they're regarded as something a bit parasitical, when it's absolutely not. These people are providing a service to those shows and are seen by

producers and marketing companies as being absolutely integral to the successful marketing campaign for a show.

If you're able to walk up to a theatre and buy a ticket at the box office then you're not likely to incur the sort of fees that you might online or on the phone, where the convenience of not making that journey is being charged for. Not everybody can get to the theatre in person so therefore that convenience, that service, has to be paid for.

BOOKING FEES IN NUMBERS

50,000

Target for supporters for Which? Campaign to 'make ticket fees fair'¹

48,875

Supporters signed up at time of going to press¹

80%

Of respondents to Which? poll think ticket fees are a rip off¹

38%

The additional cost of fees (£9.50) when purchasing a £25 tickets to see Jimmy Carr's Funny Business show at the Wolverhampton Civic Hall in December 2013

21%

Real terms fall in Treasury support for Arts Council England per capita 2007/08 to 2011/12²

21%

Real terms fall in English Local Government support for culture per capita 2008/09 to 2011/12²

SOURCES: 1 = WHICH? 2 = NCA