

***Pay What You Decide* in Conversation with Annabel Turpin – Chief Executive, ARC Stockton & Porl Cooper – Slung Low**

Big Imaginations Open Meeting

Date: Weds 7th September 2016, 13.30

Venue: Z-arts, 335 Stretford Road, Hulme, Manchester, M15 5ZA

About Porl – In varying capacities, Porl has worked for 25 years in subsidised repertory arts venues, commercial theatre and on large scale events. For the past 3 and a half years he has worked with the team at Slung Low to ensure that the HUB (as a venue) is firmly established on regional, national & international touring routes. Porl is also currently Artistic Associate at Cast Doncaster and is Tour Producer for Birmingham’s BE Festival. Porl previously worked in the programming team at The Lowry Salford Quays and established the Studio’s successful “Developed with The Lowry” strand.

About Annabel– Annabel Turpin is currently Chief Executive of ARC in Stockton on Tees, one of the North East’s largest arts venues. Alongside her role at ARC, she spent a year as a part-time freelance Associate Producer at Dep Arts Ltd, working with artists including Bryony Kimmings, Third Angel and Greyscale. She is executive producer for theatre company Permanent Red and chairs the board of Tangled Feet.

Discussion/Notes

Annabel Turpin - Background and overview of Stockton ARC’s introduction of ‘Pay What You Decide’

- ARC Policy – showing contemporary and relevant, work that helps people relate to the world today. As the entire theatre programme is new work, this is a big risk for audiences. Pay What You Decide not only allows audiences to pay what they are able to afford, but also takes away the risk of spending money on a ticket for a show without knowing whether you are going to enjoy it, this encourages audiences to take risks.
- Pay what you decide is now how all of ARC’s dance, drama and spoken word performances are priced.
- ARC Initially trialled Pay What You Decide on all dance, drama and spoken word shows for 6 months. This risk was slightly tempered by splitting these 6 months over two financial years. Also ‘donations’ were exempt from VAT.
- Within this initial 6 month trial period audiences went up by 34.4% with new audiences up by 31%.
- Pay What you Decide Toolkit is downloadable from ARC Stockton website (see attachment)
- It’s important to note that Pay What You Decide is different to ‘pay what you can’. Whilst in some areas, such as student areas where it’s ‘ok to be poor’, often there is a stigma attached to this, and ‘pay what you can’ implies that you are only able to pay a certain amount. The phrasing, Pay What You Decide removes the focus on personal wealth and in doing so, tackles the issue of affordability without making it the focus.
- ARC would advise venues not to suggest or direct audience members on how much to pay. If staff members are approached with questions they are instructed to tell customers what ticket prices would have been in the past under ARC’s old pricing structure.
- It is essential if using the *Pay What You Decide* model that you feel confident in the performances you’re presenting.

- One key downside to Pay What You Decide is the drop off/no-show rate (approx. 30% per show) as customers haven't paid in advance. However, members of the public who make enquiries for 'sold out shows' are encouraged to turn up on the day, where there are always spaces, which partly counters this drop off.
- ARC's Pay What You Decide model is still in development and has only been implemented for 18 months.
- ARC will shortly be trialling handouts which will show the extent of the creative process to encourage audiences to see the full extent of time and effort that goes into each show. The hope is that this will encourage greater donations as people appreciate the work that has gone into making the performance.

Porl - Slung Low, (General Manager of HUB)

- HUB Opened 3.5 years ago.
- Slung Low's base, the HUB is based in 4 railway arches in a deprived area of Leeds close to city centre and Pay What You Decide has always been HUB's events pricing model.
- Slung Low exclusively programme contemporary work at the HUB, straying increasingly away from 'traditional theatre'. The aim is to showcase progressive work that wouldn't otherwise get to be seen in Leeds.
- Slung Low's equipment and van is all available to be requested and used by external companies/artists on a first come first served basis. This also applies to the company's equipment and room hire.
- In all events there is a 100% - 0% box office split to visiting company, provided that they work on the Pay What You Decide model.
- Slung Low operate a simple box office system where audience members email through their requested number of tickets and receive an automated response giving directions and letting them know the venue is cash only.
- As with Stockton ARC, drop offs/no shows are a problem. This is managed in part by an auto-response requests that people let Slung Low know if they won't be attending, stressing to people that ten people dropping off is over 10% of capacity. It is noted that the majority of drop offs are first time bookers.
- Audience members at the HUB are viewed as 'consumers of culture' rather than 'paying customers' and there is a strong culture of greeting each audience member in person on arrival to speak about how they heard about event, how far they've travelled etc.
- Slung Low continue to branch out to new types of events, film events, ceilidhs etc. which will continue to be priced on the Pay What You Decide model.
- Before each event there is a pre-show talk, reiterating that all money goes to the artist and that it is Pay what you *Decide*, as opposed to pay what you *want* or pay what you *can*.
- Slung Low plan to conduct a formal evaluation of their Pay What You Decide model, hopefully starting in the Autumn.

Questions

How do you attract companies in to the box office split with no guarantee of a fee or box office income?

- **Annabel** - Stockton ARC work off a predicted income and guarantee the artist a fee based on a predicted box office split. For venues that can't do this, she thinks it is best to be up front and honest about the fact that local venues can only offer a box office split.
- **Paul** - First programme was put together by approaching companies that were already on tour reasonably locally and offering free accommodation at Paul's and Alan's homes. Now there is a dormitory in The Hub which can accommodate up to 7 people. It was difficult at first to talk companies round at first but this is help

significantly now that the model has proved successful and companies can be show audience numbers and stats.

How do audience members pay?

- **Annabel** - Most donations are in cash but some people pay on credit/debit cards. The aim is to switch over to contactless payment where people can enter the amount that they'd like to pay with no need to keep additional staff on box office. Surprisingly when asked in a survey, people weren't influenced by what other people paid. What is key is that there is no pressure to pay at the end, there are no staff members eyeballing you on exit, just the same steward who greeted you on the way in.
- **Paul** - Effectively the HUB is a facilitator for a busking event, cash only, people can be directed to the nearest cash point if they don't have money on them.
- **Annabel** - Stockton ARC tell school groups that they can either be invoiced for the amount they feel they would like to pay, or older students they can pay themselves at the end of the show. This provides an option for larger group/organisation bookings. A great quality about Pay What You Decide is that the groups that we were reaching out towards previously and would have given free/discounted tickets to are now approaching Stockton ARC and booking tickets independently and are able to pay the amount that they decide.

Are audiences segmented, in general do different demographics donate differently?

- **Annabel** - Audiences vary, generally existing theatregoers will pay more because they are aware of the expense and process that goes into making work.
- **Paul** - Takings will usually be lower for solo shows, film events, larger scale shows tend to get a bigger donation.
- **Annabel** - It is essential to go and look at the audience and who's in the crowd and consider your audience development rather than just relying on box office income as a measure of a show's success.

How does this work in a council building where you have set parameters that you need to meet (e.g. staffing).

Is there a way to make this work with more commercial shows?

- **Annabel** - At Stockton ARC Pay What You Decide is used as a model to get new audiences to see new and possibly experimental work, it is not used for commercial work and would be a trickier model to implement.

Is there a reason that Stockton ARC don't use Pay What You Decide for family programming?

Family audiences are the most price resistant to dynamic pricing. There's a sense (anecdotally) that this is often because people are buying tickets for other people, or they want to tell friends how much tickets are for a show. Families are often bringing kids to a show for the benefit of the children rather than for the adults. Ultimately therefore, the barrier is that parents would only pay for their children and overall box office figures would fall as parents would only be paying for their children.

Could Pay What You Decide work in smaller rural venues and non-traditional venues? - Annabel - Often in rural spaces, particularly non-theatre spaces, ticket prices are already an issue and any kind of theatre is a big risk. Even for shows priced at £2 uptake can be quite low even though those attending are impressed by the value and quality of the performance. Could Pay What You Decide could attract new audiences? It's important to realise that by putting a £2

ticket price on something it suggests that the piece is only worth £2 and has a low value which is sending out completely the wrong message. So Pay What You Decide is a definite option to consider for smaller venues.

It's worth realising that the real barrier to attendance is confidence rather than anything else, Pay What You Decide removes some of that risk.

How does PWYD work while using a Box Office system? – Annabel - In Stockton ARC's Pay What You Decide model, everyone who books to see the show goes through the box office with a comp ticket and the concept is explained on the booking page or in person. ARC capture data for everyone who books although no data is kept on how much they pay.

It's been mentioned that with PWYD there are inevitable no shows and drop outs, what is the impact of this and can it be addressed? – Annabel - It is important to be honest with your audiences about the impact of no shows. Stockton ARC operate a waiting list system when events sell out so that the box office can contact people as tickets become available. So far there has been no occasion when people have been turned away from a show.

Is this a good model to use with schools/groups of students? – Annabel - Only a few examples to work with so there is not enough data to say conclusively how best to approach the Pay What You Decide model with schools, it is perhaps advisable to give schools a guide price for administrative purposes.

Why is PWYD income exempt from VAT? - Annabel - As there is no requirement for people to pay, any donation by Pay What You Decide is exempt from tax provided you've filled out cultural exemption paperwork. Any donations by credit card can have gift aid claimed on them up to £8000.

You mentioned an increase in advance bookings when PAYD was introduced at arc, can you elaborate on this? - Annabel - Intro of Pay What You Decide led to a boom in advance bookings (half and half booking online and booking in person) as people are fearful that places will sell out. This has, however, dropped off slightly over time as people realise that they can largely just show up on the day.

Other key points of discussion;

- Difference between family shows and different shows when it comes to the Pay What You Decide model.
- Important of briefing FOH staff on how to open discussion with audiences and the public coming in and how to guide people appropriately on paying what they *decide*.
- With regards to family work, if it doesn't have a cost, will families question the quality?
- Will Pay What You Decide work in settings where free activities are already provided, and if so, how to venues get families to make that jump?
- If venues are funded by a particular body (such as local council or Arts Council funded venues, will this affect how much people donate?
- Is it possible to use the Pay What You Decide model for better known titles and commercial shows?