CITY OF LONDON

Performing Arts Centre
Market Analysis

August 15, 2014

novita interpares

TORONTO
1110 Yonge St.
Suite 200
Toronto, ON
M4W 2L6
TEL: 1 (888) 316-0005

LUNENBURG
232 Lincoln St
Lunenburg, NS
B0J 2C0
TEL: (902) 634-0403
FAX: (902) 634-8131

novitainterpares.ca

Introduction

KEY QUESTIONS

The key questions which are addressed by this report are:

- What is the nature and composition of the market for which a new performing arts facility in London will be built?
- What functions should the facility provide in order to meet the needs of this market?

PURPOSE OF THIS REPORT

This report has been commissioned by the City of London as a resource to assist the City in evaluating proposals for a new performing arts centre.

This report provides an analysis of the market for performing arts in London. Although it is not a business plan, the concepts and strategies in this report may aid those who are preparing a business plan for a performing arts facility in London.

This report is intended to be useful both in helping to identify the potential market offerings for a new facility and to provide clues to the form which the facility should take in order to respond to the market it will be entering.

This report assumes that the opening date for the new facility will be about or in the year 2020.

NON-SPECIFIC

The information contained in this report is not directed toward any specific project, building type or facility seating capacity. This report also does not reference a specific geographic location or cluster.

PERFORMING ARTS

For the purposes of this analysis, the category of performing arts includes five sub-groups:

- Drama and theatrical arts
- Musical and lyric theatre
- Music
- Dance
- Multi-disciplinary

In this report, "traditional" performing arts forms are those which do not have a digitally mediated component. (See Appendix for more detailed definition.)

For the purposes of this analysis, performing arts venues are those having a capacity under 2,000 seats. The RBC Theatre at Budweiser Gardens is therefore not included, although its relationship to a future performing arts centre is noted in this report.

Summary

KEY RECOMMENDATIONS

The findings of this analysis of the market for performing arts in London provide recommendations which will be useful in shaping both the operating plan and the facility design for those who propose to develop a new performing arts centre in London:

- The market analysis indicates that a new performing arts centre should not simply replicate the features of Centennial Hall but should be a refined and expanded concept
- This concept should be created for the tastes, preferences and styles of a new generation who are seeking multiple modes of participation
- The new performing arts centre should be a gathering place, a place for making performing arts products as well as a place to experience live performance
- It should also be a gathering place even when there are no performances
- The performing arts centre should be driven by an artistic vision and purpose
- The business case for the performing arts centre should be based on cultivating a multiplicity of local niche market products and audiences
- The management of the performing arts centre should be a catalyst and collaborator not just a venue landlord
- A market development initiative beginning now is required to ensure market readiness when the facility opens
- The market development program will include strategies for creating demand and strategies for supporting supply

2020 AND BEYOND

The past two decades have produced societal changes which are affecting the form, content and modes of cultural expression, including performing arts.

These changes are reflected in the tastes, preferences and modes of interaction of the generation (born after 1980) which will take possession of new performing arts facilities in London.

Any performing arts facility proponent is therefore advised to take a fresh look at market development with a view to planning for the market that will exist in 2020 and beyond.

NICHE MARKETS

Except in the major metropolitan centres, the future growth in performing arts markets will occur through market differentiation – especially the development of the niche interests in each local market. Local performing arts market stability will be obtained through cultivation of many small market niches.

Currently in the London market, there are a few major presenters and many minor presenters. These minor presenters represent a growth area.

A NEW FACILITY FOR A NEW MARKET

In this market, the new facility needs to be more than a building. It needs to be driven by an artistic vision supporting cultural development of the performing arts in London. In this role, it will have both an identity and a reality as a gathering place, as a place where performance products and events are created and as a place performances are enjoyed.

The new facility will not simply be a replacement of an unsatisfactory concert hall (Centennial Hall) but an expanded and refined concept of a performing arts centre.

The component functions of a new facility should include:

- Public lobbies
- Social interaction/co-working space
- Facilities for making digitally mediated performance works
- Facilities for exhibiting digitally mediated works
- A "recital" scale room
- A "concert" scale room
- Administrative and support facilities

MARKET DEVELOPMENT PERIOD

In order to maximize the market potential for a new performing arts facility in London, market development must be the highest priority in order to ensure an adequate level and mix of programming on day one and to create a facility to meet 21st century needs.

Assuming a start to market development in early 2015 and an opening date in 2020, the market development planning period is about 5 years. A significant budget for market development should be developed within the overall capital development plan.

MARKET READINESS

Market Base

The resident market in London is substantial (500,000 and growing in the CMA) with very strong education and income profiles. Tourism and related visitation is also strong. The resident market is supplemented by seasonal post-secondary student population of about 50,000 whose role will be influential though not large. Over the years, offerings in drama, musical theatre, concert and popular music and dance have created a taste and following in the London market for traditional performing art forms. There is a firm basis on which to build existing and new program offerings.

Strategies for Developing Market Demand

These are the strategies that stimulate public involvement, exposure, knowledge and access. Demand strategies are required to ensure continuity between the tastes and preferences of previous generations and the generations that will take possession of a new facility in London.

Central to these demand strategies is an understanding of the group that was formerly known as the "audience." For this generational group who will take possession of the new facility in 2020, learning/participation/authorship opportunities are the core experience – in the forefront not an add-on or secondary "educational" offering.

Strategies for Developing Market Supply

These are the strategies that support production and performance. Supply strategies are required to ensure that there is an offering for every potential niche in the market when the facility opens for business.

Multiple niche market products represent both the near future potential for growth and long term stability. The supply side is developed by strengthening the capacity of the many niche market producer/presenters in London and cultivating new presenters and products.

Trends and Influences

BEYOND CENTENNIAL HALL

London's Centennial Hall was never a satisfactory facility. Audiences, users and studies by experts have confirmed this fact repeatedly over the years. Throughout the 47 year life of Centennial Hall, the London community has expressed interest in developing a replacement facility. The need for a new facility and the benefits of having a new facility have been widely agreed upon. It is only a matter of time before a new performing arts facility for London becomes a reality.

GOAL OF THE MARKET ANALYSIS

The main goal of this analysis of the performing arts market in London is to provide a picture of the current market in the London catchment area for use in informing both facility design and operations planning for a future live performance venue in London.

This analysis examines both the current conditions in London and the recent trends in performing arts and broader trends in society which will help in decision making about the kind of facility that is required for the future and how it should be run.

SIGNS OF MARKET CHANGE

Most of the cultural organizations which came into being across North America in the same period as Centennial Hall were developed and have been subsequently supported by two generations – the "Silent" generation who are now in their 70s, and the "Baby Boomers" who are now between 50 and 70.

The "traditional" audiences and donors which these groups represent are aging out and rates of participation in the US for traditional forms such as musical plays, non-musical plays, museums and galleries show significant declines ranging from 12% to 21% in recent studies by the National Endowment for the Arts.

As traditionally styled organizations respond to their changing circumstances, they are also finding that the old forms of attraction and engagement of audiences and donors are not working in the context of the newer generations.

On the other hand, a recent study by the Canadian arts presenters organization, CAPACOA, demonstrated that attendance by young Canadians at performing arts events has been growing and has reached levels of 80%. This trend points to a significant change which is now underway.

TRADITIONAL MODEL OF ACCESS TO CULTURE

The traditional model of access to cultural products – based on an equally old retail model --- has lost its currency for the new generations. Under this model:

- A cultural product (e.g., the production of a play) is made
- Its availability is advertised
- Interested parties make their purchase
- The production is attended and enjoyed

In this model, consumers express their preference by purchasing what is on offer. They have relatively little interaction prior to the event, no input into the shape of the event, and a relatively passive role in how the event is played out.

The social value related to this mode of participation revolves around the opportunities for interaction during intermission -- identified in a recent Rand study as the primary reason for attendance at traditional performing arts events.

TAKING A FRESH LOOK

In the 47 years since Centennial Hall was built, many changes have occurred in the performing arts and in society in general. The most profound change in regard to a new performing arts facility in London is the societal change which has been driven by digital technologies.

The generations which will take possession of a new performing arts facility in London operate in a digital universe which is a demonstrably different cultural environment from the world for which Centennial Hall was developed.

In regard to market potential for a new facility to serve these generations, the key questions become:

- Who are the people that comprise the market for a new

facility in London?
- What matters most to them?
- What expectations will they have?

NET GENS AND MILLENNIALS

The new market for performing arts in London, and elsewhere, is defined by an agent of change based on convergence of demographics and technology.

The market for a new facility in London is comprised of two demographic groups:

- Those born after 1980 (the Net Generation) represent the first adopters of an emerging "digital" world
- Those born after 1995 (Millennials) are "digital natives" who inherited a fully developed digital world

These are the generations for which a new performing arts facility in London will be built. By the time a new performing arts facility opens in London:

- The oldest Net Gens will be 40
- The oldest Millennials will be 25
- The youngest Baby Boomers will be in their late 50s

WINDOW OF PREDICTABILITY

Predicting the behaviour of markets is more an art than a science and long range forecasting is notoriously unreliable. Certainly, forecasters in the 1970s would not have been able to anticipate the majority of changes which brought about the markets which emerged in the 1990s.

However, now that the largest wave of recent change seems to have occurred, this report is confident that the conditions in 2014 provide a reasonable foundation for setting a new facility into a market framework for the period between 2020 and 2030.

This confidence is based on the assumption that the present behavioural profile of the Net Gens and the Millennials (and their progeny) will be more or less continuous.

At the end of this market forecasting period (i.e., 2030):

- The oldest Net Gens will be 50
- The oldest Millennials will be 35
- The youngest Baby Boomers will be in their late 60s

We can confidently say that, if nothing else prevails, the Net Gens and the Millennials will finally be in charge in the 2020s and they will be doing things their way.

NET GENS AND MILLENNIALS VALUE PROPOSITION

Much has been written about what these generations expect and how they differ from their predecessors. One thing is clear -- being a passive consumer/spectator is just not in the cards for the members of these generations. By living on-line, they have come to expect a lot more.

On the level of personal experience, Net Gens and Millennials expect that:

- They will be fully engaged
- Engagement will be meaningful
- Engagement will be carried on through collaboration and team work
- Team work will include mentoring
- There will be flexibility of time and freedom of choice
- Communications will be two way, responsive and sharing
- Results achieved will be more important that time spent doing things
- Engagement will be fun

WHAT MATTERS MOST

These generations are active participants in the creation of cultural experiences and new forms of cultural expression: think about the culture around boarding and biking and "urban arts" to name but two new broad cultural phenomena.

There are many values and features associated with new ways of cultural thinking which need to be embedded in market offerings that:

- Are made by ethical practice and in a sustainable way
- Respect the environment
- Have values and ideas relating to a whole suite of lifestyle choices
- Provide a platform for early participation with on-line dialogues
- Provide opportunities for co-creation and authorship
- Contain content and knowledge that can be transferred
- Dissolve labels and boundaries -- genres, technologies, art forms are fused
- Have multiple points of entry – not just ticket buying
- Link on-line attendance to the real time event

Going forward, concerts will still be concerts, and plays will still be plays, but the ways in which the group of people formerly known as the "audience" interact with these events will be shaped by entirely new rules of engagement including:

- Interaction prior to the event
- Remote access to event

- Interaction following the event

A GATHERING PLACE

Because these generations tend to frequent "3rd place" locations (e.g., Starbucks), they will also have expectations about access and "ownership" of the performing arts facility building.

For these generations, the facility cannot be a place that opens its doors an hour before performance; it needs to be a gathering place that is open all the time.

CONTINUITY WITHIN CHANGE

In all this, there is no evidence to suggest that traditional forms of performing arts expression (concerts, plays, musicals, dance, etc) which seem to be under generational pressure are likely to disappear or even go into steep decline.

And, a survey of literature on cultural participation points to continuity in the universal predictors of cultural participation for traditional forms:

- Higher income
- Higher education
- Previous exposure
- Easy access

These predictors all appear quite strong in London's community profile suggesting that London's market potential for performing arts is well above average.

But a new predictor ("attendance at live performing arts festivals") recently emerged in a study by Pew Research as a dramatically ascendant point of entry to other cultural participation by young adults – perhaps indicating the appetite for a more inclusive experience.

Given the experiential expectations of the Net Gens and the Millennials, it is not surprising that this predictor seems to be reinforcing the idea of a change in the nature of participation rather than the content of the event.

ONE IN DIVERSITY

While the Net Gens and Millennials have changed the expectations of participation across all traditional forms, they have also added a new form.

This form disregards the boundaries which define traditional art forms to mix music, dance, video, graphics, food, fashion into events whose goal is to affirm communal identity within diverse populations and to create and celebrate change.

One of the main characteristics of this form is that both the content and the participation are digitally mediated. This implies both digital capacity in a new facility and direct access by participants to the digital tools.

GENERATION M (FOR MUSIC)

A recent Pew Research study which looked at music listening habits across all generations in the US produced the following frequent-listening profile:

- Rock 35%
- Country 27%
- R&B 22%
- Hip-hop 16%
- Classical 15%
- Jazz 12%

While these numbers are quite revealing on a society-wide basis, they do not reflect the listening behavior of the iPhone generation that is, by any measure, hooked on music in a way no previous generation has been, or indeed, could have been.

Anyone can now listen anytime and anywhere and, judging by the number of people with earbuds in on any street in any city, they are listening everywhere all the time.

While the listening preferences may not reflect the widest range of musical options, the important messages related to the market for performing arts are that:

- Music has become a part of daily life as never before
- There is a generation which has a base of musical preferences and experience
- Music is a portal to multiple media forms

POPULAR AND HIGH ART

As the digital world has changed expectations about the nature of participation, digital tools have democratized the concept of authorship to the point where a single individual can produce a finished work of visual art, narrative art or performance art from their laptop.

In the same way that these tools blur the boundaries between art forms, they are also blurring the boundaries between amateur and professional, between popular art and high art.

From a market development perspective, the message is that there is an increased interest in making works of art and an increased capacity – a new performing arts facility should therefore also be a place for making performing art.

In a designated place for making art, motivation, opportunity and mentorship can combine to turn dedicated amateurs and populists into sophisticated professionals. This supports every performing arts programmer's goal of presenting highly skilled artists to discerning and appreciative audiences.

BEYOND "YOUTH ENGAGEMENT"

The organizers of traditional cultural forms have used terms such as "outreach" and "youth engagement" to characterize their efforts to cultivate new audiences and adherents.

These efforts have typically materialized in scaled down programming which has been run-out to schools and other community places and in program offerings that are presented in secondary spaces of the main facility.

In the new model, these efforts will move into the forefront of the facility's mandate of encouraging public involvement, exposure, knowledge and access to performing arts.

STRUCTURAL CHANGES IN PERFORMING ARTS

In addition to the emergence of some new forms of expression and a desire for a more engaged participation, the industry structure of performing arts has changed from the era that produced Centennial Hall.

The recording and broadcasting industries, for example, have become globally concentrated and their influence governs what gets performed and where and what gets recorded and distributed. In a globalized environment, massive advertising and marketing campaigns promote a handful of celebrity artists, name-brand attractions and blockbuster productions. In this world, innovation takes a back seat to what is tried-and-true and financially predictable.

Touring by renowned companies (opera, ballet, symphony) has all but disappeared. "First run" Broadway-style musicals no longer tour but take up short term residence in selected markets where they become "category crushers." Touring bands are polarized between those that can draw stadium sized audiences and those which are club acts.

On the other hand, these mega-market developments have had the beneficial effect of shifting the focus back to the local/regional context where producers and presenters can cultivate a set of small niche market offerings for target audiences who value individual artistry over name-brands and who will be loyal supporters over the long haul. Innovation can thrive in these local niche markets.

In this climate which is well articulated in a recent Rand Corporation Enterprises Analysis study, low-budget, low-tech productions become viable experiences and open up new possibilities for volunteerism, hands-on participation, a mix of paid and unpaid performers and staff, more programming diversity and lower operating budgets.

According to the Rand study, it will be the mid-size organizations that will find it hardest to adjust to the new landscape.

Smaller regional markets that are not able to sustain resident high-echelon performers and productions will, however, still be able to be serviced by those touring artists for whom a local audience base will already exist.

In this new reality, some high-cost/high value performing arts attractions are now only able to "tour" digitally – for example, the opera productions from the Metropolitan in New York and the Royal Opera House in London which are now widely available through commercial cinemas in most markets.

CROSS-SECTORAL LINKS

Education

A recent CAPACOA report demonstrates that all performing arts venues in Canada have mission-based links to other institutions and agencies in the community – most frequently with education (78%.)

At Western University, London has an outstanding Faculty of Music with 750 students across all musical genres and a Theatre Studies program. At Fanshawe, a wide variety of programs are offered in digital media, live performance and music recording. Fanshawe's London campus recently opened a new Centre for Digital and Performance Arts in the downtown core.

Both Western and Fanshawe are potential niche market presenters and sources of niche market audiences. More significantly, they have the potential to contribute to the new experiential environment for the group formerly known as the "audience."

Other Sectors

The same study also found that performing arts centres also maintain links to other local sectors including social services (37%), cultural diversity/immigration (33%) and health (29%).

The mission and practice of the new facility will include considerations of access and the new relationship which exists between certain streams of health care and cultural expression.

CULTURAL INDUSTRIES

In the same way that the lines of demarcation between arts forms, between authors and participants and between high and low art are blurring, the lines between non-profit and commercial forms of cultural expression are also less distinct.

Some non-profit organizations have generated globally scaled hits: think of the NY Public Theatre's pioneering musical A Chorus Line or Steppenwolf Theatre's recent Osage County as two striking examples.

The point is that products generated for local audiences can cross-over into other media or can be conceived as multi-platform events from the start.

SUPPORTING SUPPLY/CULTIVATING DEMAND

Previous studies in London have noted that many decades of inadequacy of the facilities at Centennial Hall have stifled performing arts development in the London market. A new facility will therefore have some catching up to do: a very vigorous program of market development during the construction period is clearly a high priority.

While the responsibilities for market development in London are to be determined, the program for market development itself has two streams:

- "Demand" strategies which are directed toward stimulating public involvement, exposure, knowledge and access.
- "Supply" strategies which are directed toward supporting production and performance

SEASONALITY AND MARKET RESPONSE

Under the influence of our northerly climate, the Canadian socio-cultural cycle has five 'seasons' (See FIGURE A)

When planning their programs, performing arts producers and presenters have traditionally taken these cycles into account.

The fortunate reality is that the Canadian climate favours the cultivation of strong local markets which participate consistently year round rather than a reliance on visiting markets that are only responsive in summer.

This proposition was proven in Winnipeg which was one of Canada's most creative and productive performing arts cities for most of the second half of the 20th century.

Winter	Spring	Summer	Fall	Holiday
Jan, Feb, Mar	Apr, May	Jun, Jul, Aug, Sept [Festival Season]	Oct, Nov	Dec

Figure A – Seasons

Market Area Profile

CATCHMENT AREA

The catchment area for this market analysis is the London Census Metropolitan Area as defined by Statistics Canada. The latest census data indicates that the population of the CMA was 498,600 in 2013 and of this number, the City of London represents 366,150 (2011) or about 74% of the current total.

There are currently 132,450 people within the CMA but outside the boundaries of the City plus some communities (Ingersoll, Aylmer, etc) just beyond the boundaries of the CMA who would regard London as their regional centre.

RESIDENT POPULATION

Life Stage Demographics as Market Driver

Markets for the performing arts can be delineated by the stages of life which determine broad societal behaviours and, to an extent, common experiences and values.

In the first years of a new performing arts facility (circa 2020), the life stage cohorts in the City of London are expected to have the following numbers of people within an overall City population of 404,000:

Under 20	Children and Youth	87,200	21.5%
20 – 35	Young Adult Singles and Couples	89,900	22%
35 – 50	Career Track	76,200	19%
50 – 65	Empty Nesters	75,900	19%
65 +	Retirees	75,400	18.5%
Total		404,000	100%

It is anticipated that the total population of the catchment area in this period will be well above 500,000 and have more or less the same life stage profile.

Generational Demographics as Market Driver

This report takes the position that the market for a new performing arts facility in London will be substantially driven by the tastes and preferences of the Net Gen and Millennials generations who will range in age between 25 and 40 when the facility opens.

From a broadly cultural perspective, these two generations will be predominant in the period 2020 to 2030.

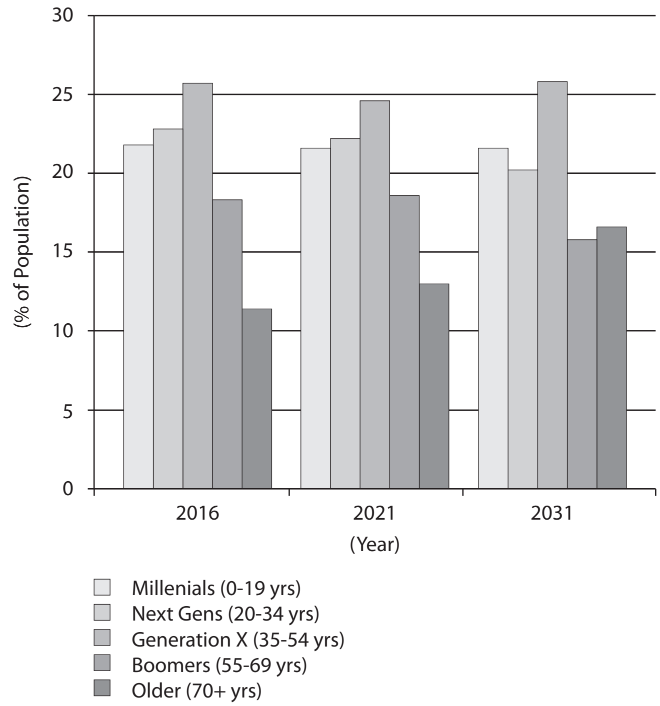

Figure B – Demographics

KEY INDICATORS IN COMMUNITY PROFILE

London's community profile (2011) provides some important indicators related to cultural participation:

- Education: 44% of the workforce has post secondary education
- Income: Average family income is $89,600
- Stability: 44% of the workforce in the CMA is employed in education, health, financial and professional services
- Growth: population growth is predicted for both the City and the CMA
- Diversity: diversity is low with only 16% speaking languages other than English and French and only 13% visible minorities

VISITORS TO LONDON AS A MARKET

Tourist Visitation

Statistic Canada (updated by Ontario Ministry of Tourism and Culture 2013) reports that the London CMA gets 4 million tourist visitations per year of which 75% are "visiting friends and relatives" and 25% are casual visitors. Over 75% are between the ages of 24 and 64.

Not surprisingly, the high season (Q3) visitation is 30% higher than the low season (Q1) visitation.

It is important to note that the overwhelming majority of visitors to London originate in southern Ontario, suggesting that (dependent on the product offered) London's "local" market is bigger than the CMA.

About 590,000 of London's visitors (15% of total visitors) report attending cultural attractions (festivals, performances, museums, art galleries and historic sites) while 180,000 (4.5 %) attend sporting events.

Since many cultural attenders often cluster activities in one location, there is presumably room for growth in the existing visitation levels – not to mention the growth which might occur as a result of new offerings.

Cultural Tourism
Cultural tourism is defined by visitations whose primary motivation is a cultural experience. For example, the primary purpose of most visitations to Stratford and Niagara-on-the-Lake is to see plays at the Stratford Festival or the Shaw Festival.

While the season for cultural tourism has lengthened over the years in response to demand, cultural tourism remains a summer phenomenon. Cultural tourism also requires a large population base within a day's drive (which London has) from which a market can be cultivated.

However, the market for cultural tourism needs to be driven by a well-defined product offering -- a generic "festival" is not the basis for a viable offering.

Cultural Exchange
While it is possible to create cultural tourism programs based on traveling audiences, it is also possible to create programs based on traveling artists. Many countries regard their artists as ambassadors and collaborate with presenters in other countries to create showcases which have cultural, educational and economic goals.

Such collaborations take time and effort on both ends and are generally one-offs, but they can have significant impact on local markets.

Conference and Convention Visitors
London receives almost the same number of business visitors (585,000) as cultural visitors. Of the business visitation total, about 102,000 (20%) are conference and convention attendees.

The business visitor market is typically small and unpredictable as attendance by business visitors tends to be more spontaneous than planned.

Services to the Meeting Market
There is a secondary market segment in "non-theatrical" uses for any performing arts facility. This market segment would be developed as a facility rental service to conference and convention planners.

Within this service, a performing arts facility could also offer customized and private performances for conference attendees on a fee-for-service basis.

POST-SECONDARY STUDENT POPULATION

Western University and Fanshawe College
The two largest post-secondary institutions in London have a combined student population of about 50,000 on their London campuses.

Student populations operate on the academic cycle and they typically have a shortage of time and money when it comes to performing arts attendance. There are non-academic activity options on campus and, off campus, bars and clubs often provide entertainment at the end of the school week.

A recent survey of Canadian student spending by Studentawards Inc showed that only 15% of students spend money on music concerts and that those who attend spend about $47 per month. The same study reported that students spend about $29 per month on "theatre/ballet/opera." Another study reported that the average student spends about $400 per year on all forms of entertainment.

A student population of 50,000 is going to contain small active and latent niche interests which could be cultivated in a new facility. Following the generational theme, these niches cannot be cultivated by simply offering tickets, event discounted tickets. There needs to be engagement and experiential appeal.

The student population in London will not have a large economic impact on a new facility but they will be influential in helping to set the programming style.

Capacity of Live Performance Venues

VENUES LANDSCAPE IN LONDON

The market for performing arts in London is currently being served by a variety of venues including those built for or adapted to live performance and those whose principal use is something other than live performance.

For the purposes of this report, live performance venues are characterized as indoor facilities not exceeding 2,000 in seating capacity.

The general profile of venues in London includes:

- A privately owned rock/pop venue
- A city-owned concert hall
- A non-profit drama theatre
- A wide assortment of small venues
- Occasionally used religious buildings
- Occasionally used privately owned bars, restaurants and hotels

DISTRIBUTION OF SEATING CAPACITY

The total seating capacity in venues which are used exclusively or primarily for live performance in London is in the order of 8,000 seats. (Centennial Hall alone represents 20% of the total capacity.)

- Centennial Hall, plus the Grand and London Music Hall represent 50% of the capacity
- Campus and school facilities represent about 30% of the capacity
- Small regularly used venues represent about 20% of the capacity

REGULAR AND PRINCIPAL USE VENUES

Large Venues (over 500 seats)

- Althouse Auditorium (635 seats) Mostly university use
- Beal Secondary School (1,000 seats) Mostly school use
- Centennial Hall (1,625 seats) Local and touring music and dance
- Grand Theatre (839 seats main hall) Local drama
- London Central Secondary (525 seats) Mostly school use
- London Music Hall (1930 seats) Touring rock and pop

Small Venues (under 500 seats)

- Aeolian Hall
- Convention Centre Theatre
- Davenport Hall at Western
- Forwell Hall at Fanshawe
- Spriet Family Theatre
- The Palace
- Von Kuster Hall at Western
- Wolf Performance Hall
- And perhaps 10 others

OCCASIONAL AND SECONDARY USE VENUES

Bars, Restaurants, Hotels

There are 50 bars, 11 restaurants and 6 hotels in London that report having entertainment – mostly music -- regularly or occasionally. The number of bars presumably reflects a post-secondary student population in the order of 50,000 in London

Schools

There is performance presentation capacity in 4 secondary schools and 2 private schools.

Religious Buildings

Live performance occurs regularly or occasionally in 14 religious buildings in London. These presentations are mostly music.

Libraries and Community Centres

Sixteen libraries and 7 community centres report having occasional performances mostly small scale.

RELATION OF VENUES TO MARKET DEVELOPMENT

This report assumes that the Grand Theatre will continue as the premier venue in the London market for dramatic productions. The Palace will also to offer regular dramatic and musical theatre productions. Aeolian Hall will continue as a recital venue. Drama will be presented occasionally in other small venues.

Similarly, it is assumed that rock and pop will continue to be serviced by the London Music Hall (or equivalent) other small venues and the bars.

This report also assumes that there will continue to be a variety of smaller venues (some proportion of which will come and go) serving a wide range of niche interests and limited capacity presenters. Many of these facilities appear to be both under-capitalized and under-utilized.

The campus and school venues will continue to serve intra-mural needs over public needs.

Further assuming the disappearance of Centennial Hall and no other new venues being introduced, the London market appears to need facilities which support:

- Dance
- Ballet
- Music performance with natural acoustic (all scales)
- Musical theatre and lyric theatre
- Multi-disciplinary and digitally mediated performance

The key programmatic components of a new facility should include:

- Social interaction/co-working space
- Facilities for making digitally mediated performance works
- Facilities for exhibiting digitally mediated works
- A "recital" scale room
- A "concert" scale room

VENUES, VISION AND IDENTITY

Due to the proximity of large dense population bases, cultural venues in the major metropolitan markets have the luxury of being identified with a single use – in Toronto for example, Koerner Hall is associated with recitals, Thomson Hall with orchestral music, the Four Seasons Centre with opera, the TIFF Lightbox with cinema, etc.

While these venues do offer some other products, they are driven by an artistic vision and have a single identity in the public mind. On the other hand, venues in smaller markets such as London need to provide a home for many offerings in order to maintain the utilization rates required to support their operating budgets.

In a smaller market context where multiple offerings are the norm, it is equally important that performing arts facilities have an overriding identity driven by an artistic vision and supported by a unified marketing approach. Venues such as The Playhouse (750 seats) in Fredericton, NB, (population 57,000) have successfully created an overall common identity into which all presenters are incorporated.

Capacity of Producers and Presenters

PRODUCER AND PRESENTER LANDSCAPE

While it is difficult to itemize precisely the number of performing arts producers and presenters in London, the aggregate total is probably in the range of 100 – not including Western and Fanshawe – broken down as follows:

Drama and theatrical arts	22 - 24
Musical and lyric theatre	3
Music	45 - 50
Dance	24
Multi-disciplinary	10 – 20
Total	104 - 121

While the overwhelming majority of these appear to be small entities with minimal capacity, there is critical mass in each of the presentation areas (except musical and lyric theatre) even before factoring in the potential of major entities such as the Grand Theatre, Orchestra London, Fanshawe and Western.

KEY PRODUCERS AND PRESENTERS

The major players with substantial programming in the London market are:

The Grand Theatre	(drama and musical theatre)
London Community Players	(drama and musical theatre)
Orchestra London	(classical music and pop)
London Music Hall	(rock)

These are presenters who have the capacity to provide between 35 and 120 programming days per annum.

While these presenters currently command a large percentage of the audience market, they too are subject to the effects of generational change and it should not be assumed that their market share will maintain current levels.

RELATION OF FESTIVALS TO MARKET DEVELOPMENT

As previously noted in this report, festivals are an entry point for young people into performing arts participation. Festivals also appeal to the demographic that is looking for a more inclusive experience – multi-disciplinary, less formal, time flexible and with other dimensions (e.g., food experience.)

The tastes and interests of those who attend London's two major festivals – Sunfest and the London Fringe – represent an important market periphery to which a performing arts centre would do well to be connected.

In many other locations, there are also "festivals" which are for artists to mix, mingle and learn from one another (including some public performance components.) Such institutions as the Boxwood Festival and documentary film festivals come to mind in this regard.

RELATION OF PRODUCERS AND PRESENTERS TO MARKET DEVELOPMENT

The producer and presenter landscape in London is characterized by having a few well established presenters with substantial programs and a host of smaller entities with much more modest program offerings.

The presence of this latter group suggests that there are niche markets in London which, for one reason or other, are not being cultivated. Finding a way to cultivate this group would be in keeping with the trend which promotes the development of a local performing arts market through cultivation of many niche offerings.

Product Overview

CROSS CANADA SURVEY

In an attempt to gain insight into the patterns in performing arts programming content in other markets, this report examined the offerings for the coming season in 26 venues across Canada ranging from 500 seats to 2,000 seats in capacity.

Type of Offering	Venues Offering (of 25)
Pop music	23
Dance and ballet offerings	22
Musical theatre	17
Family and children's shows	16
Orchestral concerts	15
Theatre	13
Musical tribute shows	13
Musical recitals	11
Choral and vocals	9
Circus	8
Lectures and talks	7

The survey examined 28 categories of program offerings in the 25 venues – no offering in the remaining 16 categories scored higher than 5.

While this report has maintained a separate category for "musical tribute shows," these offerings are in fact "pop music."

This informal survey clearly demonstrates that various forms of concert music, music theatre and music accompaniment (dance) dominates program offerings.

TOURING PRODUCT CURRENTLY VISITING LONDON

The London market is currently being served by a variety of touring product such as:

- Headliners (music, comedy) appearing at Budweiser Gardens and at Centennial Hall
- Touring bands appearing at Budweiser Gardens (arena format) and at London Music Hall (club format)
- Touring musical theatre appearing at Budweiser Gardens (Broadway style shows)
- Guest artists appearing at Orchestra London and Aeolian Hall (classical, pop)

The touring product currently on offer in London does not reflect the full range of potential within the available Canadian talent pool, nor is it representative of the many small scale attractions featuring international artists which are currently available.

TOURING PRODUCT IN THE FUTURE

The traditional economic model for touring performing arts products had two forms. In one form, "marquee" events (e.g., Broadway shows) went from city to city where they drew audiences in large numbers for a short period of time. In the other form, individuals and small groups of performers went from town to town performing more or less to cover their costs.

The first form has all but disappeared as markets have fragmented into many small segments and competition for the leisure dollar has become fierce: there is no more mainstream. The second form is indestructible as independent artists will always do whatever is necessary to find their audience.

In response to a present day market of touring product dominated by tribute bands, stand up comics and other broad based attractions, a select group of presenters who each operate under an artistic vision and cultural development mandate organizes tours of high quality product and international artists through the Ontario Arts Presenting Network.

With a well defined artistic mandate, London's new facility would add another venue to this province-wide circuit.

CONCERTS AND SHOWS AT BUDWEISER GARDENS

The Budweiser Gardens arena can be re-configured into the RBC Theatre having different seating capacities in relation to the popularity of the featured act. These configurations tend to be well beyond the 2,000 seat cut off mark for this analysis.

The offerings in the RBC Theatre include headliners (musicians, comics), Disney products and a series entitled

Broadway in London which is available on a subscription basis. The widely popular appeal of these name-brand offerings has effect of broadening the base of the performing arts market in London to include consumers who may not otherwise be regular attendees. These offerings may also draw from a base which is much wider than the London CMA.

There is a strong likelihood that the market segmentation for the RBC Theatre offerings does not significantly overlap with the market for the offerings for a new performing arts facility in London. This proposition will need to be tested further by proponents of the performing arts centre in their business plans.

PERFORMING ARTS PRODUCT FROM LOCAL SOURCES

London currently has well established presenters of drama, musical theatre, rock and pop and classical music.

With the disappearance of Centennial Hall, Orchestra London will be a major presenter in the new facility. There is scope for Orchestra London and other presenters to expand the musical offerings in London. The 24 dance presenters identified in this study will also be major presenters. Many occasional presenters currently using small facilities can be cultivated as presenters in the new facility. Some existing presenters (e.g., The Grand Theatre) may wish to present cross-over productions in the new facility as a means of testing the market. Giving the facility a "learning" mandate will bring Western, Fanshawe and the Boards of Education into the presenter realm. Having the appropriate facilities and atmosphere for digitally mediated events will cause new presenters to emerge. Collaboration with other sectors will create new co-presenters.

The highest priority for the planning process for a new facility is building capacity in the local presenter community. The second highest priority is to create the building which matches the market. It's not a case of "If we build it (the facility), they will come." Rather it is a case of "We have built it (the market) and they have come."

Market Readiness

GOALS

In order to have the performing arts market in London ready for day one of a new facility, a wide variety of niche market presenters who have the capacity to offer regular programming on a year round basis need to be in place.

STRENGTHS

London's resident market (CMA) is substantial (500,000) and growing. The education and income profiles in London associated with traditional performing arts attendance is very good. There are several well established presenters and many more occasional presenters. London has a longstanding culture of attending performing arts events.

GAPS

The implications of generational change have not yet been built into the planning process for a new facility. Representatives of the generations who will take possession of a new facility have not been involved in the planning process. The need for extensive market cultivation prior to opening a new facility has not been built into the planning process.

MARKET DEVELOPMENT STRATEGIES

The Need for Market Development
In the time between now and the opening of a new performing arts facility in London, there is both a need and an opportunity to make market development the highest priority.

The need will be met by ensuring that there will be a sufficient level and mix of product to maximize the market potential on day one.

The opportunity will be met by using the market development research and intelligence to shape the form of the building and its operating style for the 21st century.

Market Development -- Demand Strategies
These are the strategies that stimulate public involvement, exposure, knowledge and access.

- Make cultivating market demand part of the mission and an ongoing goal
- Build this capacity into the organizational structure
- Acknowledge the primary requirement of providing many modes of participation
- Put representatives of the new market at the forefront of planning
- Identify all possible niches within every facet of the market
- Begin the search for collaborators and programming partners now
- Begin market engagement not later than two years prior to opening day
- Begin trial programming prior to opening

Market Development -- Supply Strategies
These are the strategies that support production and performance.

- Recognize the need to create a strong local product base
- Recognize the need for collaborations and multiple partnerships
- Give the facility's management a cultural development mandate and capacity
- Confirm that the primary goal of cultural development is to strengthen niche presenters
- Stimulate the creation of new presenters for new market offerings
- Embrace multi-disciplinary performance forms in addition to traditional forms
- Make music the portal to other performance forms
- Do not create programming in competition with The Grand Theatre and the London Music Hall

Appendix

FURTHER DEFINITION OF PERFORMING ARTS

Drama
Spoken word plays
Theatre for children

Music
Orchestra, choral and chamber
Wind and brass band
Rock and pop
Country
Rap and hip-hop
Jazz, blues, R&B
Folk
World

Dance
Ballet
Modern
Folk, tap, jazz, etc

Comedy and Variety
Stand up
Headliners

Related
Media based arts (film and video)
Cross-disciplinary
Magic and circus (theatre style)

A NOTE ON SOURCES

This report was prepared using a wide variety of on-line sources, interviews with selected facility managers and the Consultant's files.

Notable industry sources included: Americans for the Arts, CAPACOA, City of London (published and unpublished), Hill Strategies, National Endowment for the Arts, Ontario Arts Council, Ontario Arts Presenters Network, Pew Research Centre, Rand Corporation, Statistics Canada, The Canada Council

RESEARCH SUMMARIES

The following research summaries were prepared to inform this market analysis:

- Community Profile
- List of Live Performance Venues in London
- List of Presenters, producers, Organizers and Educators
- Survey of Offerings