

# WARWICK DISTRICT COUNCIL

**TO: LEISURE COMMITTEE - 20TH SEPTEMBER 1999**

**SUBJECT: MARKETING ASSISTANT - ROYAL SPA CENTRE**

**FROM: HEAD OF LEISURE AND AMENITIES**

## 1. PURPOSE OF REPORT

1.1 Members are being asked to support a request for additional resources to fund a new post at the Royal Spa Centre of Marketing Assistant.

## 2. INTRODUCTION

2.1 The present Manager of the Royal Spa Centre was appointed over two years ago and was asked to look at the on the ongoing deficit at the venue. His conclusion was that with the large amount of fixed costs, the best solution was to attempt to increase the income. This was incorporated into the service plan.

2.2 There are 3 main sources of income:-

### (a) Hirings

Income can be increased in two ways: increased hire charges, but this must not preclude events being staged, especially community events, or secondly by increasing the number of hirings, which has actually been the case.

|                       |            |            |
|-----------------------|------------|------------|
| Comparative Figures:- | 1997/98    | 1998/1999  |
|                       | £77,496.67 | £86,113.22 |

+ £8,616.55 (+ 11.12%)

### (b) Catering

By increasing the number of events and attendances at shows, the Bar and Coffee Bar takings are clearly affected.

|                       |            |                       |
|-----------------------|------------|-----------------------|
| Comparative Figures:- | 1997/98    | 1998/1999             |
| Net Profit            | £24,657.00 | Net Profit £26,985.23 |

+ £2,328.23 (+ 9.44%)

(c) **Shows**

Over the last two years a greater emphasis has been put on the quality of entertainment on offer coupled with the introduction of a Pantomime season, both of which are proving successful policies.

|                       |                        |            |
|-----------------------|------------------------|------------|
| Comparative Figures:- | 1997/98                | 1998/1999  |
| Profit                | £30,515.01             | £57,068.65 |
|                       | + £26,553.64 (+ 88.7%) |            |

(Profit relates to the difference between the cost of a show and the Nett Box Office Receipts)

2.3 The above figures demonstrate a substantial increase in income, especially on the profitability of the shows. There are 3 main reasons why the show income has increased so much.

1. Commitment and expertise of the Assistant Entertainments Manager who is the Centre's Marketing Manager.
2. The installation of a computerised Box Office which has revolutionised Marketing at the Royal Spa Centre (e.g. mailing list has increased from 3,000 to 16,000 in two years).
3. The quality and choice of entertainment.

2.4 The Royal Spa Centre Manager firmly believes that there is a great potential to increase the income from shows further and in particular the Pantomime Season. However, this can only be achieved by good and effective marketing.

2.5 It is quite the norm for Theatres to have, not only a Marketing Manager, but in many cases a Marketing Department e.g. Belgrade Theatre, Coventry have five staff dedicated to marketing and Warwick University Arts Centre four. The Royal Spa Centre presently has no officer with Marketing in their title, although the Assistant Entertainments Manager has responsibilities for the Marketing of the Centre. However his responsibilities also include deputising for the Manager and Front of House duties, leaving only about 25 hours per week for marketing tasks. He is also a victim of his own success. If shows attract larger numbers of customers, the Box Office inevitably becomes busier and the Assistant Entertainments Manager gets drawn in as a back-up Box Office Assistant taking telephone bookings, but deflecting him from his other duties.

**3. PROPOSALS**

- 3.1 To introduce a Marketing Assistant whose main tasks would be to prepare weekly newspaper advertising, instigating direct mailshots, oversee the extensive mailing list, be involved in specific marketing campaigns e.g. Pantomime, selling tickets at peak times and general public relations. A detailed job description is available. Hay evaluation has concluded that Scale Band I would be applicable (£8,412 - £11,085)

#### **4. BUDGETARY CONSIDERATION**

- 4.1 It should be stressed that the post of Marketing Assistant is seen by the Royal Spa Centre Manager, as not only self-financing, but very much as an income generating post.
- 4.2 The cost of the post, with on costs, would be £11,800.
- 4.3 In 1999/2000 the Royal Spa Centre will stage 103 performances at an average ticket cost of £8.50. Therefore if 15 extra tickets were sold for each of those performances the post would be self financing. If 25 extra tickets were sold per performance then an extra £7,000 income would be generated.
- 4.4 The area where there is the greatest potential to sell more tickets is the Pantomime Season. The 98/99 Pantomime, 'Jack and the Beanstalk' saw 10,000 patrons. The Belgrade Pantomime in Coventry had 45,000 patrons. With increased marketing (Direct Mail, tele sales, school visits) it is felt that the number of patrons could easily increase by 20% and potentially by much more than this. A 20% increase would be equivalent to an additional income of £12,000.
- 4.5 It may also be worth highlighting that later this year the Royal Spa Centre's Annual Budget could change significantly as E.R.S. & K, a company working on the Council's behalf, are confident that the rating valuation for the Centre will be cut by 50%. Currently £56,900 is allocated in the budget for rates (incidentally more than the Birmingham Hippodrome).
- 4.6 The Royal Cinema is experiencing a tremendous run of success and if this continues at the present rate is projected to exceed the budget target by £29,000 for 1999/2000.

#### **5.0 RECOMMENDATION**

Members are asked to give their approval to employ a Marketing Assistant after Christmas 1999 for the Royal Spa Centre on a two year fixed term contract, with the option to review this post towards the end of this period if increases in throughput can be proven.

16th August 1999

8 Sep 1999  
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