

P60 (Amstelveen)

"We can't rely on the gift of funding every year anymore"

CULTURAL CENTRE P60 IS DEEPLY ROOTED IN THE LOCAL COMMUNITY OF AMSTELVEEN, A SATELLITE TOWN OF AMSTERDAM. KNOWN FOR ITS YOUTH FOCUS, THE CENTRE HAS A CAFÉ-BAR, CONCERT HALL, WORKSHOP SPACES AND BAND REHEARSAL ROOMS. THE CENTRE ALSO PROMOTES VISUAL ART, IN PARTICULAR DIGITAL ART, WHICH IT DISPLAYS ON THE FAÇADE OF ITS BUILDING. A FEATURE OF THE CENTRE IS ITS SMALL FULL-TIME TEAM, AUGMENTED BY 70 LOCAL AND A NUMBER OF INTERNATIONAL VOLUNTEERS THAT PROVIDES TRAINING, TRAVEL, WORK EXPERIENCE AND CREATIVE OPPORTUNITIES TO YOUNG PEOPLE.

The original impetus for P60 can be found in the fact that little or no provision existed in the city for young people, who had to travel into the centre of Amsterdam in order to find relevant activities. This led to activists lobbying for facilities and in the newly designed city centre of Amstelveen, a designated, purpose-built 'pop podium' was opened in 2001, called P60 (named after the original title of the city square where the centre is located, Plein 1960). To a large extent, P60 is run by and for young people, with music taking centre stage. It coordinates the annual City Festival and the venue's activities draw around 45,000 people per year.

While there is strong municipal support for P60, public funding is being reduced by the cultural department, resulting in cuts of €18,000 in 2017 and €36,000 in 2018. However, with an annual turnover of €1.74 the aim is to adjust income from other sources to address the shortfall (income breakdown: 45% from the municipality, 20% from food and drink sales, 17% from ticket sales, 12% from sponsors and project funding and 6% from renting out space for rehearsals). Nonetheless, public funding cuts are worrying and part of a trend, not only in the Netherlands but all across Europe, and pose a challenge for P60 in how to stay true to its organisational mission by increasing self-generated income without creating barriers to the participation of young people in the cultural programme.

How to become financially independent has become an increasing focus for P60, which has motivated the organisation to seek solutions and change their operating model. This has resulted in a number of innovative directions worthy of attention. For example, the potential for P60 to attract further funding by moving outside of culture into areas of economic, social or employment development. Traditionally, arts and culture have not been seen by politicians and government departments

as important compared to other sectors (like enterprise or job creation), which often have larger budgets and are less likely to experience cuts. In this, P60 has the potential to benefit from increasing recognition among decision makers of the contribution of culture to wider development goals. Cross-sectoral reach can have benefits for all concerned if such initiatives do not alter the form and function of the organisation away from its original vision and mission.

If public subsidy continues to fall, then it will threaten the organisation's long-term organisational sustainability and P60 has already developed several initiatives to increase and diversify income. Keenly aware that P60 has to be careful to make sure its approach is one of considered adjustment so that the impact of change on organisational values is minimized, these changes are in three areas: events and activities aimed at young people; cultural programming; and using the space in different ways. But these adaptations have thrown up some dilemmas.

P60 is able to provide events and activities aimed at young people because its public subsidy directly supports loss-making activity. Without this subsidy, certain age groups could be neglected as they are considered 'expensive' because they do not purchase drinks, meaning bar income from such events is low, and additional security staff are required to ensure their safety, meaning costs are higher. P60 receives funding from the culture department of the municipality for the express purpose of providing a specified number of events per year. Then, P60 is required to account for the number of people attending each event. While there is no requirement to programme events with appeal across all age, ethnicity and social groups, delivering a specific number of events per year for the 12-18 age range is a condition of its funding. As a direct result of cuts in public funding, events for this age group have decreased by 40%.

There have also been reductions in the number of niche events in the programme, illustrating the necessary rise of the commercial or market mindset at P60. What this amounts to is a situation where programming decisions are the result of considerations of demand and willingness and ability of audiences to pay. Risk aversion is also a significant consequence of public subsidy cuts, as activities that might make a loss become increasingly difficult to justify.

Under-used space in the building is currently being converted into a separate small events venue. This way, concerts attracting smaller audiences can be staged at the same time as commercial or private hire events in the larger concert hall. This greater focus on commercial lettings has also led to P60 making substantial changes in the scheduling of its programme. To free up the concert hall for commercial hires to external companies, cultural programmes have been moved to weekday or Sunday evenings, based on the view that audiences are more flexible and do not consider day of the week as a significant factor in their decision about whether to attend an event or not.

In order to maximize the income generated from commercial (surplus-generating) events, these are hosted in the quieter months when there is less competition from elsewhere. For example, P60 found that their audiences were less likely to attend events with a high ticket price in summer as this was a period during which they were likely to be spending money attending festivals. By spending time

thinking about the habits and preferences of audiences, P60 has increased its income-generating activities, both in terms of commercial hires to external companies and by scheduling popular events at times when a large audience is guaranteed.

The case of P60 highlights how the type of audience development undertaken by specific organisations is conditioned by external forces. However, any audience development strategy cannot proceed if an organisation does not know who their audience is. With the funding provided through Creative Lenses, P60 employed a part-time member of staff to work in collaboration with an external research agency to produce detailed information on their current audiences and their preferences. The initial aim of this research was 'getting to know our audience' as prior to this P60 knew how many people came to each event but nothing about their motivations or perceptions of P60.

Using the audience research, P60 was able to craft specific initiatives to increase return visits. Through its research, P60 found that 78% of visitors to concerts and club nights only come once. A decision was made to focus on encouraging existing audiences to visit and spend more, rather than broadening the audience. Mechanisms to do this included buying a coffee machine for the concert hall, and cross-selling, whereby additional products and services are sold to existing customers. P60 has several opportunities to cross-sell as they have a café/restaurant in the same building where events are held. As such, one strategy P60 have adopted is to offer discounts for the café/restaurant to people attending events. Other activities including holding open days for visitors to get to know the broader offer available at P60 including workshops, rehearsal rooms, dining, jam sessions and open mic nights.

Another mechanism was setting up a loyalty scheme, Club 60. Club 60 members are granted access to special music events, masterclasses and opportunities to meet artists at a cost of €1500 per year. Given that maintaining good relationships with these donors is time-consuming, and the value of membership comes from its exclusivity, as well as the intimate nature of the special events, a small membership with a high cost was preferred over a broad membership paying more affordable fees. Club 60 is based on developing closer relationships with people based on their ability to pay for a personalized experience. The financial rewards of this approach are significant (60 members each paying €1500 amounts to €90,000). A maximum of 25% of income from Club 60 is reinvested in 'talent development activities', demonstrating how cross-subsidy is used as an attempt to ensure loyalty schemes contribute to the organisational mission. An important caveat to this initiative is the prioritization of staff attention on this small group of people, and the intentional restriction of access based on an individual's ability to pay, which could represent a move away from wanting to provide cultural experiences for target audiences based on their age or musical preferences towards a model where access is structured according to personal incomes. Getting the balance right for such an initiative is important.

Another action was investing in the digital infrastructure, in particular the website and a planning and ticketing system. In developing their cross-selling further, P60 was restricted by the lack of data it had about their visitors. Since many visitors bought tickets on an outsourced digital platform,

P60 did not have a direct means to contact them. Changing to a planned new ticketing system with enhanced customer relationship management software will be a step forward in improving this situation. It will give P60 opportunities to communicate directly with audiences, cross-sell events and report.

In these activities, there was a clear prioritization of activities that generate good returns for minimal investment. Decisions about which audiences to target are based on their ability to pay. However, staff saw cross-subsidy and using the building more effectively to be ways to ensure P60's cultural programme, as long as other activities were not compromised. As one member of P60's team put it:

"It is kind of frowned upon to use commercial strategies in cultural institutions...it feels as though I am cheating or something...at this point we need to think about the financial part and we see it clearly in the books that the hospitality part gives us the most income and the most profit. We can't rely on the gift of funding every year anymore."