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Marketing of an American art form and pastime

Gary M. Stamm

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THE MARKETING OF AN
AMERICAN ART FORM
AND PASTIME

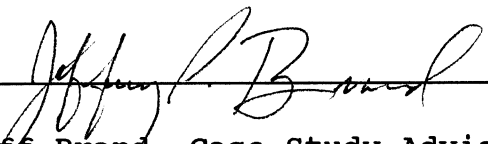
by

Gary M. Stamm

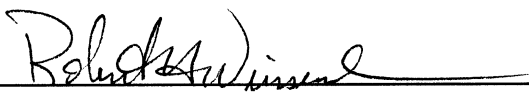
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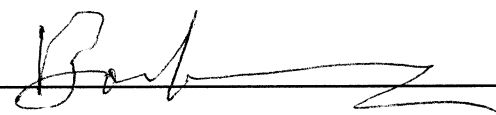
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ABSTRACT

A musical hobby organization's marketing efforts were examined in this Applied Management Decision Report. Though the report dealt with a non-profit organization, it was explained that sound business practices must be followed as in any business or organization seeking to maximize profits for its shareholders.

The products offered by the organization were identified as: membership, education, conventions and merchandise. These four products were described in detail, as was the marketing effort of each.

By examining the products and through a marketing audit of the organization a problem was uncovered: a lack of coordination of any sustained marketing effort. This was evidenced further through the lack of market positioning and marketing strategy.

Two conflicting philosophical positions within the organization were also discussed: maintaining the purity of the musical art form known as barbershop harmony and the scope of services which should be provided from the organization's headquarters. Since they impact how members within the hobby perceive the organization, it was important to understand how they would impact market positioning and organizational structure.

Three alternatives for solving the problem were discussed: keeping the organizational structure and functions as they are (status quo), decentralizing the

organization, and adding a marketing department and marketing director to the organization.

By analyzing the advantages and disadvantages of each alternative the decision was made to recommend the implementation of a marketing director. Reasons were given why this solution could help solve the organization's current problems and help it to grow and prosper in the future.

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INTRODUCTION

Filling the leisure time of working men and women became a major industry in the last half of the twentieth century, particularly in North America. Early in the twentieth century it was not uncommon to see a person work 60 to 80 hours a week. That number began to decline, however, with the advent of labor unions, federal legislation and labor saving technology. By mid century the 40 hour work week was virtually a standard. People sought other diversions to fill the time they had apart from work, family obligations and daily living functions (Weisbrod, 1988).

Another phenomena was occurring about the same time as the work week was shrinking. New technologies which made work easier but required closer attention to detail and performance produced more stress in workers. World conflict, mass communication technology, loosening of morals and other sociological changes added to this stress factor. The need for relaxation and peaceful social interaction increased (Weisbrod).

This need was filled by several diversions and pastimes including: spectator and participation sports, reading, gardening, arts and crafts and organizations and clubs.

For most of these activities, the participant could enjoy his or her diversion by utilizing materials and services supplied by existing manufacturers or new industries. With organizations and clubs, however, a ready supply of material goods was not sufficient to complete the satisfaction of the pastime. People with like interests had to band together. Social interaction on a local level had to take place (Weisbrod, 1988).

Some fraternal, religious and even service organizations had been in existence for many years. Membership in many of these groups swelled in the 1950s (O'Neill, 1989). Not surprisingly, many new organizations began to form as individuals within a region, community or neighborhood discovered that they had common interests.

Some of these organizations, because of purpose, size or other needs, remained local clubs. Others, however, spread to neighboring communities or discovered that similar groups existed elsewhere and banded together. Some even developed on a national or international level.

Those organizations which did develop past their local roots discovered that they needed some type of organizational structure. This was necessary to govern and coordinate activities and perhaps offer services to all members.

Often the result was the creation of a national organization with a paid staff, budget and perhaps even a physical headquarters. In essence, a business was formed

with many of the same opportunities and problems of a traditional business.

To avoid taxation and legalistic restrictions placed on traditional businesses many of these organizations sought status in our country as non-profit organizations (Oleck, 1956). Certain qualifications, however, had to be met including educational, charitable or service requirements. The nomenclature, non-profit, was not exactly accurate. While profits cannot be distributed to members of the organization the bottom line on the income statement still indicated that adequate income was available to support salaries, services, overhead, capital expenditures, etc.

Successful organizations have addressed every business function: accounting, financing, human relations, management style and structure, etc. In fact, organizations that have ignored even one of these functions experienced financial, legal or other problems (Espy, 1986).

What emerged was a function vital to all organizations but performed more efficiently by some than others-- marketing. For those organizations centered around hobby (avocational) pursuits, a business structure including marketing activities may have been a remote or non-existent concern. Yet, having a marketing plan for a non-profit, hobby organization was as important as for a commercial firm seeking to maximize its profits.

Marketing, a business function, has not received as much attention as it deserves within many organizations,

especially those based on hobbies (Gaedeke, 1977). The reasons for this lack of attention could have been several, including: budget constraints or improper budget allocations, lack of knowledge and expertise, resistance by leadership and membership and time constraints. Perhaps the leading factor, however, was that most hobby organizations sprang from simple, local beginnings. They grew because of enthusiasm and zeal generated by the hobby. During the early stages of organization formation there was often little or no need for formalized marketing. The hobby, itself, generated enough interest and appeal for growth. This trend continued until the natural market for the hobby had reached, or seemingly reached, saturation.

Marketing, however, has been essential if an organization wished to grow and reach new audiences. It was also often essential to help meet financial obligations and needs of the organization. How then can successful marketing be accomplished? The author offers the following three suggestions as a basic marketing plan.

The organization should know what its products are and how they interrelate. This sounds simple enough. Surely an organization knows its products. There may be differences of opinion within the organization to what constitutes a product, however. Or perhaps what seems like one product is actually a combination of products. How the products interrelate may become even muddier if individuals or departments are in charge of a particular product. They may

protect and nurture the product so closely that they fail to see how it fits in the total structure of the organization.

A complete marketing audit of the organization should be conducted periodically. For those organizations where product clarity is a problem this audit is very important. It is as important, however, even for an organization which has clearly defined its products and has systematically created a marketing plan. It could be difficult for a business or organization to move forward unless it understands where it has come from, where it is going and what it can expect to meet along the way. Since these factors are ever changing, the audit must be ongoing or conducted often enough to give a clear and accurate picture.

There should be control and coordination of the entire marketing effort. How many organizations consider having a marketing supervisor as a permanent, professional position? Perhaps only the larger non-profit organizations can make this claim. Yet the coordination effort is perhaps the most important factor in the whole marketing concept (Lovelock and Weinberg, 1984). As mentioned, it is very common to have individuals or departments in charge of the various areas or products within the organization. Even if these individuals or departments are doing their job well it is easy for them to move in a separate or at least a different tangent from the rest of the organization. A coordinated marketing effort can keep all the energies focused toward the same goal.

It is also possible that the membership, the organization's leadership, and maybe even the staff of the organization does not completely understand marketing. Philip Kotler defined it as, "a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others" (Kotler 1988, p. 3).

E. Jerome McCarthy and William D. Perreault, Jr. have told us that, "marketing is much more than selling and advertising" (McCarthy and Perreault 1988, p. 3). This common misbelief may exist in many organizations and may be the reason many do not use marketing concepts to further their goals.

The remainder of this report has been focused on one organization, the Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc. (also referred to by its acronym, SPEBSQSA or simply as, the Society). The organization was examined from a marketing standpoint, identified a main problem, explored alternative solutions for the problem and recommended one of the alternatives for implementation.

DESCRIPTION OF THE ORGANIZATION'S CURRENT SITUATION

The Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc. is a non-profit organization dedicated to perpetuating four-part, unaccompanied male vocal music known as barbershop harmony.

Before looking at the organization specifically, it will be useful for the reader to understand the origins of the art form since these origins still impact the hobby.

History of the Style

The exact origin of this style of music has not been determined. Many music scholars have felt, however, that it developed from the negro spiritual near the end of the nineteenth century. It has shared several distinct characteristics with this form of music as well as Dixieland Jazz. These three forms of music have held the unique distinction of being the only native music of the North American continent (Hicks, 1988).

It has been well established that this form of harmony was popular during the latter decade of the nineteenth century and during the first part of this century. Singing around the parlor piano was a common diversion of the middle classes. Town or neighborhood barbershops were a gathering place for males. It was not uncommon for these men to pass the time exchanging stories, gossiping, smoking, playing cards and singing (Hicks, 1988).

It was the songs of this period which lent themselves to a natural form of harmonizing originally called close harmony. The term barbershop harmony was coined with the publication of a song in 1910 entitled, "Mr. Jefferson Lord, Play that Barbershop Chord" (Hicks, 1988).

The style reached its peak of popularity during the first twenty years of this century for two reasons. Following Thomas Edison's invention of the recording device, cylinder players and phonograph records quickly became popular. A master recording used to make duplicate copies only produced about 50 copies until it was worn out. Therefore, many original masters had to be produced. Barbershop quartets fitted this need well. With only four musicians to pay instead of an entire orchestra many of the early recordings featured male quartets. Some of these groups, such as The Edison Quartet, The Peerless Quartet and The American Quartet became very well known (Hicks, 1988).

Also, a very popular middle and lower class form of entertainment called vaudeville had emerged in North America. Vaudeville was simply a way to market and manage a potpourri of musical and variety acts. The barbershop quartet became a mainstay on most vaudeville bills (Hicks, 1988).

The decade of the twenties, however, saw great changes in our nation's entertainment and social atmosphere. Three important innovations were: radio, motion pictures and socialized dancing. People began listening to radio and

attending motion pictures instead of staying at home and gathering around the parlor piano. Attendance of vaudeville performances also suffered for this same reason. Due to the popularity of ballroom dancing song writers began producing dance music instead of the uncomplicated piano and voice songs which had predominated for the previous 30 years (Hicks, 1988).

The social upheaval caused by World War I and later the great depression also influenced the social habits of North Americans. All of these factors had a detrimental effect on barbershop music. While barbershop harmony did not disappear it did lose favor as a popular art form in which to participate or even enjoy as a listener (Hicks, 1988).

History of the Organization

In 1938, a Tulsa attorney named Owen C. Cash (a distant cousin of retailing giant, James Cash Penny) decided to gather some friends together for an evening of barbershop quartet singing reminiscent of that which he had enjoyed in his youth. The meeting was so successful that a second and a third meeting were held. An Associated Press reporter learned of this meeting and put an account of it on the news wire as a human interest story (Cook, 1962).

Cash was flooded with calls from all over the country from men who wished to be part of this new organization. Although he had not set out to form an organization, the fun loving and public relations-minded Cash quickly saw an opportunity to spread his little vision. He named SPEBSQSA

as a tongue-in-cheek attack on President Franklin Roosevelt's New Deal initialed organizations (Cook, 1962).

The Society spread slowly but steadily throughout the United States and into Canada. Cash chose not to take an office in the new organization but became its unofficial public relations officer. He grabbed headlines whenever possible. For example, he applied for a million dollar W.P.A. grant to study barbershop harmony. He started a Hollywood chapter and enlisting celebrities such as Bing Crosby and Eddie Cantor. He granted honorary memberships to governors and other public figures (Cook, 1962).

Fifty-three years later the organization had grown to more than 35,000 members in the United States and Canada. There were an additional 4,000 affiliated members in Great Britain, Sweden, Holland, Australia, New Zealand and South Africa (Hicks, 1988).

Political Structure

On an international level the organization is governed by a six-member Executive Committee. This committee meets four times a year and makes policy recommendations to the International Board. The board consists of the Executive Committee and 16 geographical representatives. All of these men are members of the organization. They serve strictly as unpaid volunteers.

The International Board sets policy for the organization. It meets twice a year, once in January at the

organization's midwinter convention and again during the international convention in July.

The mission statement for SPEBSQSA, Inc., established by the executive committee and board of directors, is as follows:

The Society is to be a widely recognized, ever-growing fraternity of men, drawn together by their love of the four-part, a cappella close harmony style of music known as barbershop, whose mission is to perpetuate that style by sharing it and their love for it with people of all ages throughout the world (SPEBSQSA, 1991).

In addition to the mission statement there are 14 organizational goals, 10 assumptions, and 9 detailed strategy plan recommendations. The organization has a five year plan in effect which receives annual updates and revisions. This document is included as Appendix A at the end of this report (SPEBSQSA, 1991).

The mission statement, goals, strategy plan and five year plan were formulated as a result of organizational tradition, management by objective and with the guidance of a report from the Future II Committee.

This committee was established by the International Board of Directors in 1986 to give study and thought to directions the organization should take in its second half century. The initial report of that committee was presented at the Society's fiftieth international convention in 1988.

The committee remained as a standing committee to guide the implementation of certain recommendations. It was also requested to make further recommendations on new and previously considered topics (SPEBSQSA, 1991).

International Headquarters

It became obvious even in the early years of the organization that all the daily record keeping and communicating could not be handled by volunteers. In the 1940s an executive secretary was hired to perform these functions. For several years he worked out of his Detroit, Michigan home. As the organization grew, however, he moved into a rented store front office in Detroit and added a small secretarial staff (Hicks, 1988).

Staff and space requirements grew with the organization's expansion. The search began for a permanent headquarters to accommodate the expanded staff. Chicago area members were eager to have the headquarters in their city but no appropriate location was found. One Chicago member knew of a stately mansion which was available in Kenosha, Wisconsin some 50 miles to the north. The executive committee investigated the property and realized the Tudor style mansion fit the needs and image of the organization. In 1957 the property was purchased and given the name Harmony Hall by the organization (Hicks, 1988).

A second property within the community was purchased in 1976. One half of this building was used by the

organization and the rest of the space was rented to commercial tenants.

There are a total of 42, full-time employees working for the Society. Seventeen of these are professional positions. It is the headquarters staff which runs the organization on a day-to-day basis as directed by the international board of directors (Hicks, 1988).

The staff is headed by an executive director who serves as the chief executive officer for the organization. He is the direct link between the international board and the working staff. It is his job to make sure policy is carried out and that all plans and programs are functioning properly. Under him are directors in the areas of finance and music education. An organizational chart of SPEBSQSA is included as Appendix B.

SPEBSQSA's organizational structure most resembles a behavioral system of management. The organization is organic and as such is open to ideas and observations from all levels of employees. This is very important to an artistic and social organization. If the structure became too boxed in by structure, dominant authority and protocol the staff could quickly lose sight of the purpose of the organization (Lord, 1989).

Furthermore, SPEBSQSA is organized along functional department lines. The music department deals with programs and products that will educate the membership in the musical aspects of the hobby as well as help their satisfaction and

enjoyment. The communication department deals with public relations and magazine publication. The finance department deals with membership record keeping, merchandising, accounting and shipping and mailing. Projects are often accomplished within a reciprocal interdependence although other tasks must be sequential. There is also a certain amount of pooled interdependent projects when one person's expertise is paramount to that project (Hellriegel and Slocum, 1988).

SPEBSQSA is basically a management by objective organization. The mission is established by the international board of directors. The plans to accomplish it are formulated by the executive director through the department heads. They, in turn, take suggestions from the workers within their departments. Annual performance reviews of all employees are conducted.

There are a variety of activities performed by the international office. These include record keeping of the membership, publishing a bi-monthly magazine, and organizing and overseeing the operation of the two international conventions. Another important function is selecting, stocking, and shipping of merchandising items. Additional activities include normal accounting operations, production of educational and entertainment audio-visual materials, public relations, guidance of membership recruitment and an extensive music and administration education program (Hicks, 1988).

In addition to the international dues, the operating budget is supplemented by the merchandising effort and income from registration fees to the international convention. The annual operating budget for the international operation is approximately \$4 million (F. Santarelli, personal communication, April 19, 1991).

Conflicting Philosophies

Within any organization's membership there is likely to be conflicting thinking on purposes, direction, structure, etc. SPEBSQSA has had its share of these controversies and divergent philosophies. Most have been typical and predictable. Two, however, bear mentioning because of their potential impact on this report.

Though barbershop music as sung today has some differences from that which was sung 75 years ago it has been fairly well defined for adjudicating Society contests. The songs and arrangements which may be sung in official contests have met specific criteria. Other songs and arrangements not permitted in contests but still possessing most of the defined elements fit into a classification which has become known as, "the barbershop umbrella".

Most members, except an extremely small minority of barbershop purists, have accepted Society groups performing these "barbershop umbrella" songs in public appearances. The major split has occurred when barbershop quartets or choruses stray into other forms of music outside the

"umbrella" (big band era, 1950s "do-wap", country and western, etc.).

There have been many members who felt that all forms of music should be encouraged. They have argued that singing the popular music of the day was how barbershop harmony began. They have further contended that including other forms of music would provide variety to audiences and attract more men into the organization.

On the other side of the argument, traditionalists have felt that bringing in other forms of music would dilute and eventually destroy the barbershop style. They have also argued that variety has existed within the style and that audiences have come to hear barbershop harmony. This controversy has been going on within the organization almost since its beginning.

Another philosophical disagreement has been over the scope of the organization and the international office in particular. Some members have felt that SPEBSQSA has been too organized and bureaucratic. They have argued that dues could have been reduced if some staff and services were cut. Furthermore, they have thought that the basic premise for the founding of the organization was to get men together to sing the old songs and socialize. They have argued that the myriad of services and programs offered by SPEBSQSA has gone beyond that concept.

Those on the other side of the argument have emphasized that it has been extensive educational programs and other

services which have caused the organization to grow, give satisfaction to the members and gain credibility in our society.

Products

To fully appreciate the situation with which this report deals we must understand the products which have been offered by the Society. It is these products which give the organization its uniqueness and purpose. This author has identified the following four products: membership, education, conventions and organizational merchandise. Each of these will be considered separately.

Membership

Membership within SPEBSQSA has been the major product and the most unique of the four products. Membership is open to, "any adult male person of good character and reputation. . ." (SPEBSQSA, Inc., 1978). There has been nowhere else in the United States or Canada a man could go to participate in organized barbershop harmony. Of course, four men have always been able to form a barbershop quartet without seeking membership within the organization. SPEBSQSA has not held a patent on this form of music.

Membership in the organization, however, has provided a venue for a man to associate with other men who enjoy this style of music. It further has provided opportunities for chorus singing as well as social activities and educational opportunities. This monopoly has not been as Utopian as it

may appear. As mentioned in the introduction there have been many other leisure activities to lure a man.

Each member pays annual dues to belong to the organization. These dues are divided into three amounts. One portion remains in the local chapter and helps finance that unit's activities. Another portion goes to the member's regional governing organization to finance that area. Fifty dollars of the dues goes to help finance activities on the international level. Since each chapter and regional group can set its own dues structure every member of the organization does not pay the same total amount of dues.

Although, this style of harmony has been sung by either males or females, the artistic nature of the music has required the performers to sing within the same tonal range. Therefore, men have sung with men and women have sung with women. Considering there are two female barbershop harmony organizations on the North American continent, SPEBSQSA, Inc. has not excluded women from participating in the hobby.

Membership has been focused at the local (chapter) level. Here a man could become part of a social as well as a musical group. He could develop local friendships and fellowship. Therefore, though membership recruitment programs have often started at the international level the execution of these programs took place at the local level.

Every chapter has had a vice president in charge of membership. His job has included recruitment as well as

retention of membership. Training has been given through manuals and annual schools to help the membership vice president and his committee do a better job in membership promotion and retention.

Most new members have come as a result of a personal invitation of a friend or colleague who was already a member. Others have been attracted as a result of attending a performance of a local chorus or quartet. A smaller number have joined as a result of open recruitment programs and various other activities.

The organization compiles informal statistics of its membership. These are derived from membership applications and records. The average age of a Society member is 55 years old. Additionally, the average member is or was in a professional trade and is a college graduate. Most men are not professional musicians although most have sung in high school, college or church choirs. The geographical distribution of members closely follows United States and Canadian population patterns.

The price for membership (dues) in this non-profit organization has basically been arrived at through a budgetary process. The costs to run the organization have been calculated and revenues from the other three product areas and income from interest, fees, etc. have been projected. Dues have been kept as low as possible to make membership in the organization affordable for almost any man.

The Society proposed four strategies for increasing membership in its Five Year Plan (SPEBSQSA, Inc., 1991). The first was to create broader types of memberships requiring different fees such as: fans of barbershop harmony, institutional sustaining members, junior members, etc. These members would pay different dues and be entitled to different or limited benefits. Senior and student members now pay one-half the dues but are considered full members in the organization with all privileges and benefits.

Second, the organization has discussed extending its geographic boundaries by offering memberships in more countries (SPEBSQSA, 1991). Although it has been an international organization, membership has been drawn only from the United States and Canada. Other barbershop harmony groups outside North America, however, could become affiliates. By 1991 there were six such organizations with a total membership of 4,000. The appeal of barbershop seems to be high in English and many non-English speaking countries. Full membership for these affiliates within one organization would increase the size of the current Society and create a larger target market. It would also mean, however, that the organization's services would have to be made available to these members.

The third strategy was to improve the member orientation program in every chapter and emphasize membership recruitment and retention. A program entitled,

"Membership Begins with ME" was an outcome of that strategy. Other activities in the five year plan also support this third strategy.

Finally, SPEBSQSA hoped to increase local awareness of the Society through a strong public relations and publicity program. Most chapters have had a public relations vice president. Each of the 16 districts within the Society also have had a public relations officer. At the international office there has been a manager of communications who oversees national media events and gives guidance to the district and chapter PR officers. The performance of the chapter PR men has varied from excellent to non-existent. The district men's performance has also varied. The international manager has done a creditable job considering his budget and manpower constraints.

Education

The organization has carried on an extensive education program for its members. Much of the education has been in the vocal music and performance areas but education has also been offered in administration.

There are two, week long music schools held each year. One attracts seven hundred barbershoppers who attend classes in all aspects of barbershop harmony (e.g. performance subjects, music theory, show production, vocal production). They also participate in planned and impromptu social activities. The other school is strictly for chorus

directors or those wishing to direct. This school attracts about three hundred men.

The schools are held in central locations, St. Joseph, Missouri and Kenosha, Wisconsin. Therefore, travel is not an excessive burden for any geographical group. Of course, these locations are also selected because they have the classroom, auditorium, and dormitories to accommodate the events. Costs for the facilities are also within acceptable budgetary ranges.

Pricing (tuition plus room and board) for the schools is inexpensive compared with other organizational schools and seminars. The price of a week's worth of instruction including room and board is about \$325. This price is possible because of volunteer instructors and off-season contracts with colleges.

Additionally, seven full time music educators are employed at the international office in the area of music education. Collectively, they spend about 70 weeks a year visiting chapters all over the U.S. and Canada working with individual choruses and quartets in music and performance areas (M. Knight, personal communication, April 17, 1991). When these educators are not on the road they are at the office preparing educational manuals and articles, designing classes and instructional aids for the two schools and answering inquiries from the members.

Two men are basically responsible for the administrative education. They travel, to a limited extent,

to help newly formed or struggling chapters. They also administer Chapter Officer Training Schools (COTS). These are weekend schools held annually in each of the 16 geographical districts. At these schools separate classes are conducted by trained volunteers for seven key chapter officers. Manuals and other supplementary materials are also available in these areas.

Two, full time audio-visual experts are also employed to produce educational video tapes and audio cassettes and administrate an audio-visual library.

Conventions

Two international conventions are held annually. The largest is the summer convention which has been held every year during the first week of July in a large United States or Canadian city. The focus of the week is three days of contests to select the best barbershop quartet and chorus for the year. Other activities include meetings, tours and the social activities. This convention has attracted between 8,500 and 11,000 people each year. A smaller (1,000 attendees) convention has been held every January in a United States sunbelt city. The focus of the week is organizational meetings with the added attraction of tours, barbershop shows and a seniors' quartet contest.

The international convention location is selected by several criteria. There are, of course, cost considerations such as hotel rates which will influence the potential attendee. Location is also a major concern. Cities are

selected which will have tourist appeal beyond the convention activities themselves. Travel expenses for people to reach the locations is also considered. Therefore, major cities with tourist appeal, reasonable convention costs and proper facilities are selected.

The mid-winter convention site is also selected with these same criteria in mind. It must also must be in a warm location to attract more people for a winter get-away vacation.

The conventions has been advertised almost solely through the organization's magazine. A special article on each convention is featured. Full page advertisements are run two or three more times on each event. Word-of-mouth is also a very good sales tool for these events. There is considerable repeat attendance (about 80%) and the enthusiasm by these attendees often persuades others to attend.

Pricing of the conventions is economical. Registration for the international convention is \$60 while the mid-winter convention registration is \$30. This fee gives the attendee admission to all the contest events as well as several informal concerts. If necessary, shuttle transportation between hotels and contest sites is included.

Merchandise

A major marketing area for SPEBSQSA has been the sale of merchandise through catalog orders and displays at schools and conventions. Merchandise sales from catalog

orders have made up 65% of revenue in this category. The remaining 35% has been produced from sales at conventions and school stores.

Merchandise for sale by SPEBSQSA includes: all the educational items mentioned in the previous section, recorded music by quartets and choruses, clothing with the organizational logo and name, musical novelty items, administrative supplies, plaques, awards, and other items. Most of these items cannot be purchased anywhere outside the organization.

SPEBSQSA has no formal marketing department to investigate or decide on the purchase of new merchandise or the re-order of current merchandise. These duties are handled by a stockroom supervisor and the director of finance and administration. However, a committee, comprised of six members from the organization with marketing backgrounds, was formed in 1989 to advise in the merchandising area.

The first meeting held by this Merchandise Committee was in April of 1990. Several pages of product ideas came out of that meeting ranging from white dress shirts with logos on the cuff to barbershop quartet coloring books. Approximately 50 ideas were generated out of that meeting. About a third were carried out. A second meeting in March of 1991 generated more ideas. Recommendations included establishing a merchandising manager within each local chapter. A second major idea was to promote non-member

sales. Other ideas centered around stimulating sales further within the membership.

Merchandise sales have been on the increase for the past two years. However, there are some members who feel that the merchandise is overpriced and of inferior quality. There was a 7.72% increase in income generated in the merchandising division in 1990 over the budgeted amount. Record and music sales were responsible for this increase.

Top selling items include: sheet music, song books, learning cassettes, pitch pipes, and note selectors. Slower moving products are: jewelry, novelty items and clothing. Sales, however, are cyclical in nature. Early in the year chapter supplies are top selling items. During October though December clothing, recordings and gift items do much better. Pitch pipes and music are steady throughout the year.

Merchandise pricing follows a traditional retail mark-up concept. Prices for items such as printed music and recordings are lower than comparable goods outside the organization. Clothing and novelty items are a bit more expensive than comparable goods outside the organization.

Due to the wide geographic spread of the membership, the merchandising marketing effort is conducted mostly by mail order. A full catalog of items is sent annually to every member. The Barbershopper's Emporium is the catalog from which members do their shopping. This catalog is 112 pages and includes hundreds of items for sale. Most items

retail for less than \$50. Special flyers covering new items, seasonal items, and sales or specials are periodically sent to all members. Since there is a large congregation of members and their families at the conventions, a retail outlet of the merchandising items is set up at these events. Likewise, a mini-shop is also in place at the two schools held in St. Joseph and Kenosha.

The promotion of merchandise is primarily achieved through catalog sales and special mailings. In addition, items are often placed in the SPEBSQSA bi-monthly magazine. The only other means of promoting the sale of merchandise are at the conventions, schools, and by word-of-mouth.

No formal sales staff is employed by the organization. Considering the current market, its geographical dispersion and the amount of sales generated, such a staff is probably not possible. A sales staff is also probably not necessary considering the primary target market for merchandise is the current SPEBSQSA member. The member profile has already been outlined in the membership section. The secondary market includes the families of the members.

Miscellaneous Revenue Production

In addition to the four basic product lines described above there have been other revenue producing items which add to SPEBSQSA's income statement. Rental income from unused space at the organization's secondary structure has already been mentioned. There is also interest income from invested reserves within the organization.

The Society has established two non-dues, revenue producing items. One is a MasterCard, which carries the Society's logo. It is issued through a state of Maryland bank. A fee is paid to SPEBSQSA each time a new card is issued. A percentage of charges made on each card is also returned to the organization.

A second item is a telephone, long distance routing service which is offered to subscribers. A sign-up royalty and usage percentage similar to the credit card is paid to the Society. In 1990 (the second year of its existence) the credit card netted \$50,000. The telephone service which was introduced in 1990 netted less than \$2,000.

A subsidiary organization called Harmony Services has been in existence since 1967. This offshoot can legally produce profits under United States' government and Internal Revenue Service rules. Until 1990 that organization had a board of directors but no full time, paid director. Revenue produced since its start has been negligible. Since the hiring of a full time director in 1990, Harmony Services has launched two ventures which were both geared at SPEBSQSA members. This subsidiary will be turning its attention to a market primarily outside the organization in the future.

Also in 1990, a director of development was hired to concentrate on establishing an endowment and planned giving program for the Society. This program is in its infancy but the plan is to concentrate on large donations or bequeaths from a few members and non-members instead of small gifts

from many members. Contributors will be encouraged to make their gifts to a general fund but special projects or areas can be designated as recipients of funds.

IDENTIFICATION OF THE PROBLEM

The Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc. has considerable marketing concerns. At the center are its four main products: membership, education, conventions and merchandise. Additionally, the organization has already established two non-dues producing items, the organizational credit card and the long distance phone service, and hopes to establish more of these. The organization's subsidiary, Harmony Services, has begun to aggressively market merchandise items within the organization and plans to begin a marketing effort outside the Society. The endowment fund under the director of development is ready to begin a concentrated drive of planned giving.

The merchandising of all these products and services is being conducted or will be conducted without any coordination. The international board of directors does a commendable job of overseeing the function of the organization and its overall goals and mission. This body, however, meets only twice a year. Also, these individuals have jobs, families and personal commitments. Many are also very active in their local barbershop chapter and district organizations. Most are simply too busy to closely monitor and coordinate the day-to-day functions of the organization.

That is the precise reason that an international staff exist--to coordinate the myriad of activities. Individual

staff members do their jobs well. The employees are very professional in their roles and accomplish considerable tasks. The amount of productivity is particularly commendable considering the limited resources available. Yet the marketing functions are not enjoying the professional guidance from which other areas benefit. In addition to the apparent lack of coordination, or perhaps as a reaction to it, several trends are clear within the Society.

Membership within the SPEBSQSA is declining. The organization prints monthly membership summaries. From these the following facts are drawn. In 1983 SPEBSQSA, Inc. showed more than 38,000 members on the books. Today the figure is just more than 35,000 thousand. That is a nearly an 8% drop in an eight year period. While the membership numbers are dropping the age of the average member is rising. As already reported the average age now stands at 55.

Membership contentment is difficult to measure. Questionnaires sent to non-renewing members and correspondence received at the international office, however, offer some insight into the member's satisfaction level. There appears to be more displeasure among the members about the amount of new programs which are introduced. Many are also very vocal about the amount of "junk mail" they receive from the Society asking them to buy, contribute or participate.

A solicitation effort by Harmony Services is an excellent example. A letter was sent to all members informing them that if they did not return an enclosed form they would automatically be sent a box of greeting cards. In return for the cards the members were requested to make a \$15 or more donation to the Society. Serious member backlash resulted from this project. The international board subsequently took steps to prevent this type of solicitation. A good deal of ill will had already been created, however.

In January of 1991 the international board of directors raised the international portion of a member's dues from \$38 to \$50. This action received strong reaction both against the increase and in defense of it. At this writing it is too early to see what affect the dues increase will have on membership renewal. This dues increase, though, was needed to continue services as they are now offered to the members.

ANALYSIS OF THE PROBLEM

One way to determine the marketing effectiveness of an organization is to conduct a marketing audit.

A marketing audit is a comprehensive, systematic, independent and periodic examination of a company's--or business unit's--marketing environment, objectives, strategies and activities with a view to determining problem areas and opportunities and recommending a plan of action to improve the company's marketing performance. (Kotler 1988, p. 747).

Ideally, then, a marketing audit would be performed by an outside, independent agency. Kotler does say, however, that self audits can still be useful. Other marketing experts agree on this point.

Lacking an existing audit, the author conducted a marketing audit for SPEBSQSA, Inc. The audit questions were based on those suggested in Marketing Management (Kotler 1988). The complete audit can be found in Appendix C. The audit was useful in breaking down the organization into smaller pieces. These pieces can be more easily scrutinized for their strengths and weaknesses.

Strengths Revealed

1. SPEBSQSA, Inc. has established in its current five year plan strategy recommendations which relate to the strengthening of the Society's products. Major recommendations include, "Increase public

awareness of the Society and what it has to offer." and "Emphasize membership recruitment and retention." Specific details for each of these are included (see Appendix A). Other points under major recommendations also support the organization's product lines. As a result of these recommendations the five year plan contains many projects to support these (see Appendix A).

2. The potential for more members appears to exist. Population and demographic projections point to an increase in men engaged in professional occupations with more years of education. An increase in the 50 to 70 year old age bracket is also projected. These are all factors of the current member profile.
3. The Society has made a commitment to use modern technologies such as personal computer networks and video tape. These can fit comfortably into a strong marketing program.
4. Barbershop harmony usually receives favorable acceptance from people outside the organization. Even if this is a mild interest and based on a nostalgic (life-was-simpler-then) mentality it is a base from which to launch marketing efforts.
5. There is a strong core of existing contented members who enjoy the services and products provided by the organization.

6. There is no direct competition for most of the products provided by SPEBSQSA.
7. There has been a strengthening of the public relations effort from both the international headquarters and local chapters during the past two or three years. This could lead to better exposure to the general public and possible membership growth.
8. Committees have been established in the areas of merchandising, membership and music. It is hoped that these committees will generate new productive and growth producing ideas.
9. Merchandising profits were on the rise in 1989 and 1990. This was due to a restructured catalog and efforts by the merchandising committee.

Weaknesses Revealed

1. The number of members who are critical regarding service and products has been on the rise. Dropped member questionnaires indicate that some have used this reason for leaving the organization.
2. While SPEBSQSA, Inc. may have no direct competition there is an abundance of indirect competition.
3. The distribution channels for the Society's products are weak or nonexistent.

4. No overall marketing organization or marketing systems are in place.
5. Product line objectives are weak or nonexistent.
6. Pricing strategy seems weak. It appears to be based on what the market will bear or how much money is needed instead of cost, demand, and competitive criteria.
7. Advertising and sales promotion is performed on a very limited, in-house basis.
8. A sales force for most of the products is nonexistent.

If the strengths and weaknesses are looked at in combination an important observation can be made. The organization appears to have a fairly good picture of what it has to offer to its members, potential members and the non-membership public. Each of the four products has been recognized, if not clearly defined. Indeed, there are members of the international staff actively involved with each of the products. Also, committees exist to help guide three of the product lines.

Marketing Coordination

Professional and ongoing supervision of the marketing effort for these products is the missing element, however. The two key words here are **professional** and **ongoing**. While there is considerable effort extended, the marketing audit revealed that this effort is not totally successful. The problem is analogous to four railroad engines each pulling a

number of freight cars and heading off in different directions from the same central starting point. They are bound for the same destination but each lacks a navigator or map. If there were directions and coordination available, one powerful engine could pull all the freight cars and reach the destination quickly and more efficiently.

Decline and Decay

There is a commonly applied marketing concept known as product life cycle which argues that every product passes through four recognizable stages. The first stage is the market introduction. Usually there is no proven demand for the product at this time and sales are slow. The second stage is market growth. As people learn about the product, demand increases and so does sales. This growth is usually rapid. The third stage is market maturation. Growth declines and finally tapers off completely as demand levels off. The final stage is market decline. Appeal for the product wanes and sales fall off. This decline can drive the product into extinction or cause it to be a specialty item with limited production (Kotler, 1988).

The classic life cycle can be illustrate as follows:

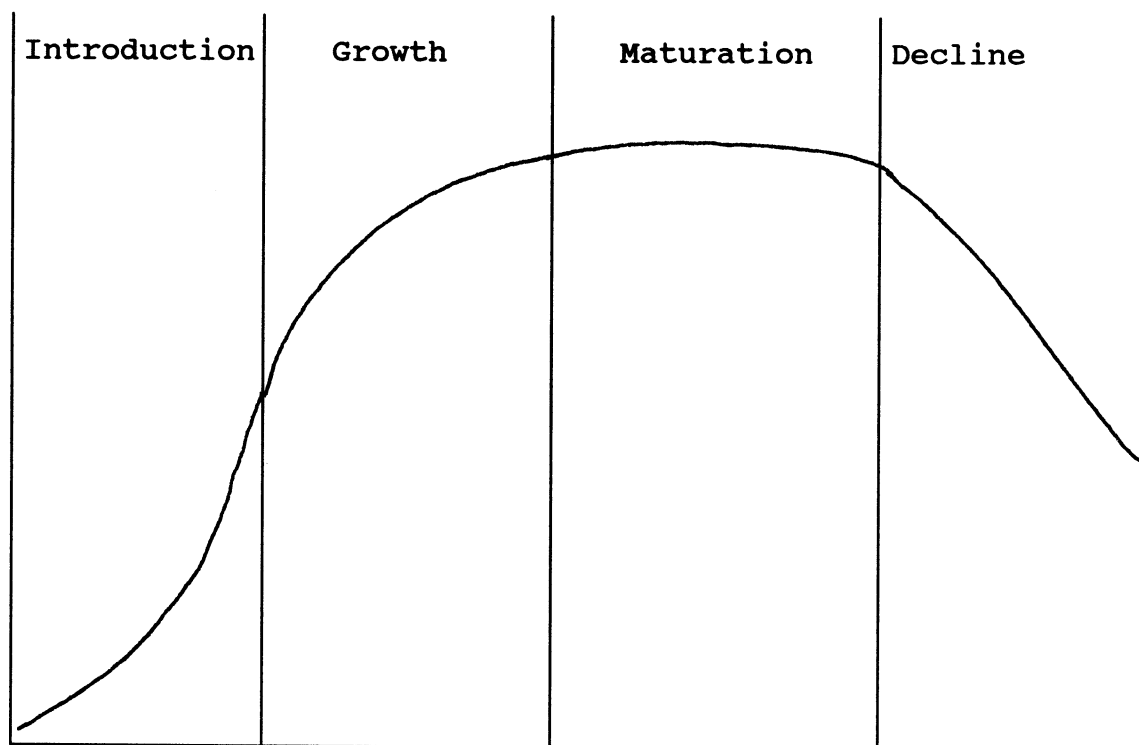


Figure 1 PRODUCT LIFE CYCLE

The product life cycle concept was originally only applied to traditional products. More recently it has been used to look at services and organizations.

Under the current SPEBSQSA marketing efforts, conventions, education and merchandising are concentrated almost exclusively at the organization's membership. Therefore, they are dependant on that sole product.

Membership numbers have been officially recorded since 1954. Membership totals from 1938 to 1954 can be estimated from historical records (see Figure 2).

If the product life cycle stages of introduction, growth, maturation and decline are assigned to these numbers the theory can be graphically illustrated.

SPEBSQSA MEMBERSHIP

1938-1990

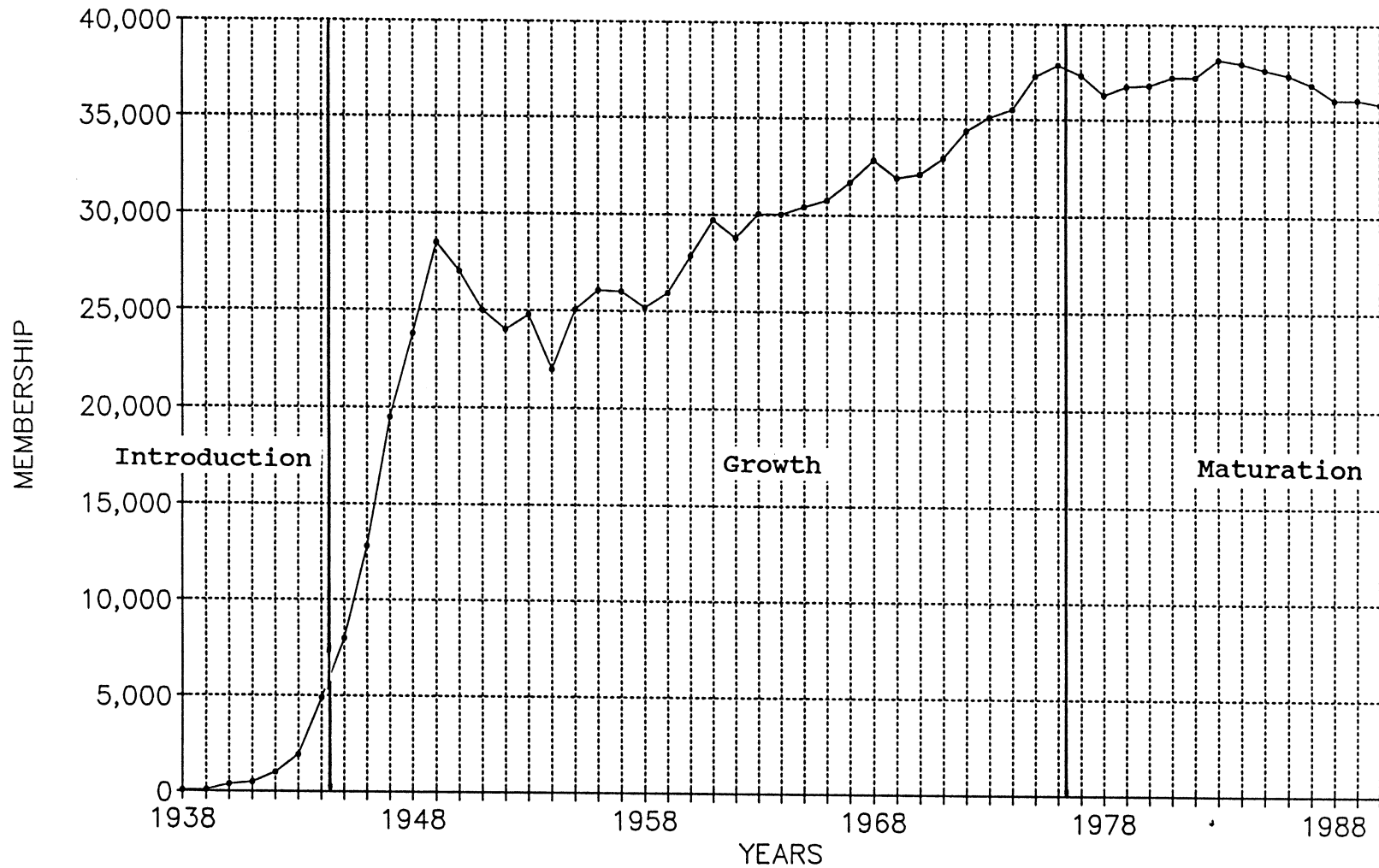


Figure 2

Application of the product life cycle would indicate that SPEBSQSA is in the maturity stage. This would indicate that the organization must make some changes to extend the maturation stage or break the cycle. Another avenue is to separate the close linkage the other products have with the membership product.

Direction

Another problem also exists. It was discovered partially through the marketing audit. SPEBSQSA, Inc. must come to grips with how it wishes to position itself in today's market place. The organization's membership and leadership must decide what direction they wish to go in the future. The problem is more apparent by examining the history and politics of the organization and taking a practical look at the world outside the organization.

The organization started on a whim and grew rapidly because it lead many men back to the music of their childhood and happy memories. It also grew because it provided an artistic and social outlet at a time (1938-1983) when a safe harbor from a stressful world was needed. Joining organizations was a very acceptable and common practice. Additionally, men were only a generation or two away from the period which spawned barbershop harmony. The 1940s and 1950s were also a time that organizational structure and bureaucracy were more accepted without question (O'Neill, 1989).

In the light of declining and aging membership, SPEBSQSA must face the two philosophical conflicts previously discussed. These are purity of the art form (or at least tolerance to including or adopting other art forms) and the extent of services and products offered. Therefore, the questions of direction are what types of music and musical activities will be pursued in the future and who will be the target market for these activities. When these questions are resolved a marketing strategy and positioning can be created, implemented and controlled.

DESCRIPTION OF POTENTIAL SOLUTIONS

The Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc. appears to have reached a crossroads after 53 years as an organization.

The product of membership in the organization may be at the maturation stage or even at the beginning stage of decay in the product life cycle. The philosophical controversies of purity of the art form and expanding services and programs rage stronger than they ever have before. A marketing audit reveals that major gaps in coordination and strategy exist in the organization's structure. These problems can all be grouped as one of direction and control. As such, the solution must be one which deals with all the issues but approaches them with the goal of providing the needed direction and control.

This section of the report will examine three methods to accomplish that goal. They are: (1) maintain the current situation, (2) partially decentralize the organization and give control to local or regional groups, (3) establish a marketing department to help determine market position and marketing strategy and coordinate and direct the organization's products. Each will be described briefly.

Alternative No. 1, Maintain the Current Situation

Of course, it is possible to continue operating the organization as is currently being done. As has been

pointed out, there are excellent strategy recommendations in the current five year plan. If these recommendations are accomplished, the organization could correct the problem of membership decline.

The philosophical questions will probably still exist, however, and only a portion of the problem will be resolved. In fact, accomplishing the goal will be more difficult with these problems still existent.

Of course, there would be several advantages and disadvantages to choosing this solution.

Advantages:

1. The existing structure is in place. There is no financial or time expense needed to create new positions, begin new programs, conduct training, etc.
2. The organizational goals and objectives and the five year plan are structured for working within the existing structure.
3. The membership is familiar with the current structure and can participate in the hobby as they have without added confusion.
4. SPEBSQSA, Inc. is a very traditional and somewhat conservative organization and status quo would be less upsetting to the membership.
5. Many successful and well excepted programs are in place and maintaining the current structure would most guarantee their continuation.

Disadvantages:

1. The current structure has not been able to fully address the problems which have been identified.
2. Even if proposed organizational goals and strategies are accomplished and do succeed there are still conflicting philosophies which have not been addressed.
3. The current structure may not provide the control necessary to fully implement the organizational goals.
4. Market position is not clarified in the current structure.

Alternative No. 2, Decentralization

In 1938 SPEBSQSA had no international headquarters and no professional staff. In the late 1940s one professional accomplished the job of executive secretary out of his home. In the early 1950s a four person staff operated out of a store front. By the 1960s one building housed about 15 employees. Today it takes two buildings and nearly 45 employees to handle the business of the Society. The reasons for this expansion of staff and facility are two fold: membership growth and the addition of programs.

Of course, all of the organization's activities takes control and coordination. Since coordination is the key problem dealt with in this report one solution to the problem is to eliminate the central structure which needs the coordination. It is doubtful that a total volunteer

force could run an organization of 35,000 members. There is a certain amount of record keeping and financial and legal transactions which must be recorded to keep the Society functioning as a legal, non-profit organization.

About one half of the current staff is needed to accomplish the body of programs and services offered to the membership. If all or some of these programs and services were dropped there could doubtlessly be a savings of money which goes into salaries, employee benefits, travel, property and equipment, etc.

All programs and services are not used by all members. Also, there are programs in operation which do not affect any member directly but do enhance the visibility and prestige of the organization. The question then becomes which programs should be dropped? This is a difficult question, but to examine this alternative some decisions must be made so a case can be built. The gambit of possibilities is wide. On one extreme, all forms of organization could be thrown out and individuals could be left to form groups and sing when and how they like. While this would erase the philosophical rifts it would also eliminate a lot of activities which would be sorely missed by large groups of members.

Dropping all programs is, therefore, not a practical viewpoint. Some middle ground must be selected. The most practical way to decide which could be dropped may be to

return to the four products offered by the Society: membership, education, conventions and merchandise.

By definition, membership is obviously necessary to an organization. Therefore, the functions of membership record keeping and reporting will be kept in this alternative. The functions of membership recruitment programs from the international level will be eliminated, however.

The summer convention is a revenue producer for the organization. In 1990 net income from this event was \$239,125 (F. Santarelli, personal communication, August 15, 1991). It attracts those who wish to attend and pay their own share. It, too, would stay. The midwinter convention, on the other hand, often has more expenses than income. This convention exists because of, and revolves around, organizational meetings. If this bureaucratic structure is relaxed then the convention could be dropped.

The education effort produces little revenue for the associated expenses. The two schools are profitable but would be infeasible if the permanent staff which administers these schools is cut. Only a minority of the membership takes advantage of the educational opportunities. A strong argument can be made, however, that it is this minority who are the musical and administrative leaders of the local groups. Therefore, many men do benefit from this education. Nonetheless, to make this a feasible alternative, sacrifices must be made and the educational program is one such sacrifice.

Merchandising produced a net income in 1990 of \$129,779. Furthermore, merchandise can be purchased by a member or ignored. It is difficult to see merchandising being part of the problem. In a decentralization move, however, some of the educational products would not be available.

The net result of this alternative would be to drop one convention, membership recruitment programs and most of the educational efforts. Ironically, this is the approximate position of the international office structure in the mid 1960s.

Advantages:

1. Costs savings of \$18 per member could be passed along in the form of reduced dues. This savings is illustrated in the following income statement (see Table 1). In the estimated column, dues have been reduced from the actual 1990 figure of \$38.00 per person to \$20.00 per person with no senior citizen or student discounts. The 1990 midwinter convention was profitable that year. Net income for the event was \$26,207 (F. Santarelli, personal communication, August 15, 1991). Of course, that profit would not be reflected in the estimated column. Also, the summer convention would be less profitable since some of the staff who are eliminated in this scenario perform some key function during the convention. Some of this

labor would have to be contracted. Twelve salaries are eliminated and proportionate amounts are saved in benefits, general and administrative, property and equipment and miscellaneous. Travel would be cut almost in half with the dropping of the educational area. Sales would suffer slightly due to the absence of some educational products.

Table 1 Decentralization Proforma Income Statement

SPEBSQSA, INC.
Condensed Income Statement
For the Year Ended December 31, 1990

	Actual	Estimate Decentral.
INCOME		
Dues & Fees	\$1,283,763	\$704,000
Conventions--Gross Margin	255,207	225,000
Magazine--Gross Margin	(24,821)	(24,821)
Officers Schools--Gross Margin	(38,215)	0
Music Schools--Gross Margin	50,218	0
Special Services--Gross Margin	113,034	113,034
Rental Income	98,982	98,982
Other	<u>261,032</u>	<u>261,032</u>
TOTAL:	\$1,999,200	\$1,377,227
Other Direct Costs	\$106,947	\$106,947
OPERATING OVERHEAD		
Salaries	\$1,088,606	775,000
Employee Benefits	268,499	186,204
General & Administrative	173,302	120,185
Travel	234,906	115,000
Property & Equipment	332,230	230,402
Real Estate Taxes	7,479	7,479
Miscellaneous	<u>38,926</u>	<u>26,995</u>
TOTAL	\$2,143,948	\$1,461,265
NET INCOME (EXPENSE) BEFORE SALES	(\$251,695)	(\$190,985)
Sales	\$221,871	\$199,684
NET INCOME (EXPENSE)	<u>(\$29,824)</u>	<u>\$8,699</u>

2. A more laissez-faire approach to the organization could be adopted. Strategy, organizational future and image would become less important.
3. Fewer programs and services would have to be coordinated.

Disadvantages:

1. Eliminating the central educational effort could adversely affect the level of musical competence and leadership ability of the officers. The resulting decline in musical quality could, in turn, could drive away current and potential members.
2. The organization could possibly lose its non-profit status since this designation is largely based on the educational nature of the organization.
3. A large majority of the members may be contented with the current structure and programs which are available to them even if they do not use all of them directly.

A factor in the decentralization alternative would, no doubt, be local and regional groups taking on some of the educational and public relation programs which were dropped. In fact, all 16 geographical districts currently have music education and public relation programs. The foundation of these programs are materials and guidance from the international office, however. If the guidance and materials were eliminated, more manpower and financial backing would be necessary regionally and locally.

Alternative No. 3, Create a Marketing Department

The third alternative is correcting the problems uncovered by the marketing audit with a marketing solution.

A marketing department could coordinate the four products offered by the Society and supervise their development to coincide with the organization's goals and purposes. As has been stated, there is considerable work already being done but some wasted or duplicated effort exists because of lack of strategy and coordination.

Advantages:

1. Clarity of each product's role within the organization would be established.
2. Coordination of efforts toward fulfilling organizational goals would be achieved.
3. Product appeal outside the organization could be created and promoted.
4. Greater public relations opportunities would exist.
5. The new structure would be more closely aligned to modern business concepts and practices.
6. A stronger position would exist to adapt new ideas, philosophies and concepts and channel them to organizational goals.

Disadvantages:

1. An added expense of a new department (personnel, overhead, etc.) would be created. A proforma income statement (Table 2) is presented later in this report indicating that expense.

2. Some retraining, adapting, etc. of existing departments and personnel to new concepts would be necessary.

All three solutions offer advantages and disadvantages. Furthermore, none of the solutions will solve the problem completely or make all the membership content. The task is to find which of these solutions has the best chance of solving the existing problems without creating new ones.

Rejecting Alternatives

The alternative of continuing with the current structure is rejected. Quite simply, while SPEBSQSA, Inc. is being run well at the moment and there are many contented members some basic problems are not being solved. Something must be done to correct these major problems of: membership decline, philosophical rifts and the perception of runaway bureaucracy.

Furthermore, the current situation does not openly recognize that SPEBSQSA, Inc. exists in a market oriented society. If desired, the end product (or image projected) can be four, happy-go-lucky fellows in straw hats and arm garters singing carefree songs of their grandfathers and great-grandfathers. Getting to that end product, however, cannot be carefree and happy-go-lucky. A company or organization which moves ahead and stays vital must know its market and use the tools which are available.

Tradition and complacency are poor reasons to stay with a system that is good but needs to better address the future of this organization.

The decentralization alternative is also rejected. One simply does not throw away the entire contents of a refrigerator because there is one bottle of soured milk in it.

Decentralization would certainly give free choice to barbershop singers to sing what they wanted to without criticism from other members. It would also save each member approximately \$20 each year. This is the amount which dues were reduced by in the proforma income statement in Table 1. The amount reflects the elimination of the education effort, the membership recruitment programs and the midwinter convention.

The losses, however, are potentially devastating. Musical and administrative quality on the local level could plummet and members and potential members could be lost. Many programs and services that most of the members demand would have to be dropped. Opportunities for national public relations would evaporate.

The gains would be small. It is conceivable that some members would be appeased for a while. They would probably discover, however, that the handful of dollars that they had saved were being spent three and fourfold times to try and regain the education and other programs. Members would have

lost the economies of scale that they had enjoyed with the national programs.

It is not difficult to see why some individuals in an organization dedicated to musically traveling back to days when life seemed less complicated wish to simplify the organization. It is usually impractical and often unwise to try to undo progress, however.

RECOMMENDATIONS

The preferable alternative is to create a marketing department and determine a market position for SPEBSQSA, Inc. This decision is based on weighing the advantages and disadvantages, evaluating the strength of the structure all ready in operation and viewing the organization in the light of modern business and societal trends.

Reasoning

As we approach the twenty-first century it is a fact that we exist in a market oriented and market driven society. Almost all successful companies are those which clearly define a market position for their product(s) and design market strategy to strengthen that position (Kotler, 1988).

As an organization whose artistic roots lie in the nineteenth century, it may be difficult for SPEBSQSA, Inc. to realize that a hobby, even one which is dominated by simplicity, nostalgia and fraternalism, should be managed by contemporary methods including marketing theory.

In discussing non-profit organizations in general, Philip Kotler was summing up SPEBSQSA's position when he said:

Many nonbusiness organizations--colleges, hospitals, social service organizations, charities, museums, performing arts groups, churches, government agencies--are experiencing difficult times. They are losing clients, on the one hand, and finding it more

difficult to raise public and private funds, on the other hand. Many are being forced to charge fees for formerly free services, or to raise their fees, or to start side businesses (e.g., gift shops, restaurants) to earn extra income. . . .

All of this has increased the interest of nonprofits in the subject of marketing. Where marketing at one time was alien to these organizations, many are now embracing it (Kotler 1988, p. 723).

Adding a marketing department to the existing structure will actually be the next step in the forward planning done by the organization's executive committee and board of directors based on recommendations from the Future II Committee. Recognizing the Society's products and defining each in terms of organization goals has already begun. There will be no need to start the marketing concept from scratch. The Society's political leadership and professional staff will most likely be receptive to this continuation of the planning which has already started. It is the general membership who will need to be most educated on the concept and role of marketing.

Marketing should not try to take over production, accounting, and financial activities. Rather . . . marketing--by interpreting customer's needs--should provide direction for these activities and try to coordinate them. After all, the purpose of a business or non-profit organization is to satisfy customer or

client needs. It is not to supply goods or service that are convenient to produce--and that may sell--or be accepted free (McCarthy and Perreault 1988, p. 8).

A strong initial educational push and an ongoing effort will be necessary to help the membership understand that marketing is not only selling. Unfortunately, this is a factor the members have been frequently bombarded with lately. The membership and organization's leadership must understand marketing is an approach to business which uses all the resources of the company (organization) to deliver what the customer (member) wants or is going to want.

Another advantage of a marketing department will be the opportunity for SPEBSQSA to expand the availability of its products to people outside the organization. This marketing expansion should aid the membership's understanding and acceptance of the new concept.

A marketing approach and department can also strengthen the public relations effort by the organization. PR will no longer be a stand alone item but will be a function of every product line from the Society. Guidance and coordination from a marketing director will build this consistency and conformity where it is now a hit-or-miss proposition.

These advantages easily outweigh the disadvantages of this alternative already mentioned in the previous section: the expense of creating a marketing department and the adjustment needed by the other departments and staff to this new concept.

Implementation

Kotler (1988) provides a good blue print for implementing a marketing approach within the organization:

When a nonbusiness organization recognizes the need to adopt a thoroughgoing marketing orientation that includes all four Ps, it should appoint a marketing committee. The marketing committee's objectives are to identify the marketing problems and opportunities facing the organization, the major needs of various administrative units for marketing services, and the institution's possible need for a full-time director of marketing. As a part of this process, the marketing committee might be helped by a marketing consultant, who will point out some of the ways the organization can use marketing to improve its performance.

Eventually, the organization should consider adding a marketing director or a marketing vice-president. A marketing director occupies a middle-management position or primarily provides marketing services to others in the organization, such as marketing research, advertising, publicity, and product testing. The organization might ultimately appoint a marketing vice-president, who will have more authority and influence. A marketing vice-president not only coordinates and supplies marketing services but also is in a position to influence the vice presidents of

personnel, operations, and finance as to the importance of focusing their effort on satisfying the organization's customers. (Kotler 1988, pp. 723-724).

An appropriate position for the marketing head within SPEBSQSA would be as a director on the functional level of the director of finance and administration and the director of music education and services. A proposed organizational chart is included as Appendix D.

The director of marketing would be an upper level, leadership position and would report directly to the executive director. This structuring would be more in character with the organization's policy. Directors prepare semi-annual reports for the board of directors and attend board meetings. The directors are responsible for directly suggesting and implementing board policy. The director of marketing would need this mandate of authority to strengthen his or her importance within the organization.

As the proposed organizational chart suggests, several current managers would report directly to the director of marketing rather than their current supervisor. These would include: the manager of conventions and meetings, manager of communications, director of development, membership manager, and merchandise supervisor.

This structuring would bring all the managers and their staffs who are directly responsible for the organization's four products in direct contact with the person overseeing the marketing strategy of the organization.

The only exception would be the director of music education and services. This department (and director) would be remain as an entity because it speaks directly to the primary function of the organization--music. The importance of music policy must be kept as a direct function of SPEBSQSA with a first line link to the executive director and responsibility to report directly to the international board of directors. The director of music education and services and the director of marketing would work together closely, however.

Due to the unique position of Harmony Services as a legal profit making subsidiary of SPEBSQSA, the management of this function must be kept separate from the staff functions of the parent organization. Harmony Services, however, must adhere to the marketing policies, strategies and positioning of SPEBSQSA and therefore maintain an open line to the director of marketing.

In times of financial prudence by the organization and questioning of the need for the extensiveness of the existing staff how can the creation of a new department be justified? The need has already been shown in the preceding pages. Actually, by creating a new department those departments all ready in existence can function more efficiently and profitably. It is even possible that some present overlapping of labor could be cut or consolidated allowing for future staff reduction.

More important and realistic, however, is the possibility of a practical marketing approach increasing revenues. A proforma income statement illustrates the expenses and income associated with this alternative (see table 2).

Table 2 Marketing Implementation Proforma Income Statement

SPEBSQSA, INC.
Condensed Income Statement
For the Year Ended December 31, 1990

	Actual	Estimate w/Mktg.
INCOME		
Dues & Fees	\$1,283,763	\$1,347,951
Conventions--Gross Margin	255,207	268,000
Magazine--Gross Margin	(24,821)	(23,580)
Officers Schools--Gross Margin	(38,215)	(36,301)
Music Schools--Gross Margin	50,218	52,729
Special Services--Gross Margin	113,034	118,686
Rental Income	98,982	98,982
Other	<u>261,032</u>	<u>263,000</u>
TOTAL:	\$1,999,200	\$2,089,467
Other Direct Costs	\$106,947	\$106,947
OPERATING OVERHEAD		
Salaries	\$1,088,606	\$1,158,606
Employee Benefits	268,499	285,764
General & Administrative	173,302	184,446
Travel	234,906	239,906
Property & Equipment	332,230	335,000
Real Estate Taxes	7,479	7,479
Miscellaneous	<u>38,926</u>	<u>41,429</u>
TOTAL	\$2,143,948	\$2,252,630
NET INCOME (EXPENSE) BEFORE SALES	(\$251,695)	(\$270,110)
Sales	\$221,871	\$277,339
NET INCOME (EXPENSE)	<u>(\$29,824)</u>	<u>\$7,229</u>

The income entries (except for "other") reflect a five percent increase as a conservative estimate of the increased marketing focus. Seventy thousand dollars in salary is added to the estimated column for the new marketing position and an assistant. Proportional increases are reflected in

employee benefits, general and administrative, property and equipment and administrative. A \$5,000 sum has been added for travel. Sales reflect a 25% increase as an estimate of increased sales within the organization and a new sales effort directed at non-members. This estimate is a conservative figure assuming that the general public, especially the growing market of senior citizens, would be a prime target for barbershop audio and video recordings as well as some of the other merchandise. Additionally, current efforts aimed at the membership are basically limited to direct mail efforts and have a great deal of growth potential.

Market Positioning

As an adjunct to creating a marketing department SPEBSQSA must also come to grips with how they wish to position themselves in today's world. Of course, this is part of the philosophical rift within the organization regarding purity of style which has already been discussed.

The organization must come to a definitive clarification on this issue to give the membership stability as well as determine market position. Some insight into this decision making was provided by Theodore Levitt who wrote the following:

The usual result of narrow preoccupation with so-called concrete matters is that instead of growing, the industry declines. It usually means that the product fails to adapt to the constantly changing patterns of

consumer needs and tastes, to new and modified marketing institutions and practices, or to product developments in competing or complementary industries. The industry has its eyes so firmly on its own specific product that it does not see how it is being made obsolete.

The classical example of this is the buggy whip industry. No amount of product improvement could stave off its death sentence. But had the industry defined itself as being in the transportation business rather than the buggy whip business, it might have survived. It would have done what survival always entails, that is, changing. (Levitt 1960, p.8).

This tunnel vision is indeed food-for-thought for an organization which ironically can trace its origins back to days when the buggy whip was a fact of life. While the organization's leadership, upon the recommendation of the membership, must decide the organization's direction, the following is offered as a constructive suggestion.

SPEBSQSA might consider positioning itself as a provider of fraternity through vocal music. This expanded view would provide for a larger base of potential members and fans from which to draw. It would not mean the dilution of the style but rather a harbor for many types of vocal harmonies. An alternative mission statement for the organization could be:

The Society is to be a widely recognized, ever-growing organization of people drawn together by their love of vocal harmony, whose mission is to perpetuate this music by sharing it and their love for it with people of all ages throughout the world.

Some Practical Possibilities

The purpose of this applied management decision report has been to recognize a problem in the work place and offer a solution for its resolution. The purpose was not to educate the reader on marketing or to outline a complete marketing program for SPEBSQSA, Inc. The scope of either is far beyond this report. The implications of the importance of this suggestion have been made, instead.

However, to stimulate the enthusiasm of the readers from within SPEBSQSA some marketing ideas which could be instigated by the proposed marketing department follow. Staffing, expertise and other limitations may not currently permit the instigation of these ideas, however.

Adapting current and future music education products (manuals, video tapes, etc.) for a general music market outside SPEBSQSA.

Marketing merchandise items outside the organization in specialty stores, vendor carts in large malls, through ads in target publications, theme parks and direct mail.

Exploitation of local cable television for barbershop programming.

Promoting convention attendance to non-members.

Professional redesigning of the current merchandise catalog.

Creating new membership categories for the organization.

Using electronic bulletin boards to disseminate information about barbershop.

Adopting music and administration schools to attract non-members (or provide this service separately to other organizations for a fee).

Design information programs on SPEBSQSA, Inc. to take to service clubs.

Aggressively pursue marketing of merchandise to affiliate members.

Develop sing-along music programs for service clubs, scout organizations, etc.

Conduct periodic market surveys from within and outside the organization.

Conclusion

The Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Inc. has a strong history and currently enjoys solid leadership on a volunteer and professional staff basis.

The creation of a marketing department to help develop a market position for the organization and oversee an aggressive marketing strategy based on the Society's goals and purposes can be the catalyst needed to propel this organization strongly into a third century of barbershop harmony.

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APPENDIX A

SPEBSQSA, Inc.

FIVE YEAR PLAN

1991-1995

Presented to the Board of Directors

At their midwinter meeting

February 1, 1991

Tampa, Florida

SPEBSQSA, INC.**Five Year Plan****1991-1995****Mission**

"The Society is to be a widely recognized, ever-growing fraternity of men, drawn together by their love of the four-part, a cappella close harmony style of music known as barbershop, whose mission is to perpetuate that style by sharing it and their love for it with people of all ages throughout the world." (The Future II "Vision Statement")

SPEBSQSA Strategy Plan Highlights

Quality singing in all chapters by choruses and quartets.

A broader base of membership throughout the Society.

Better service to individual members.

A wider range of musical activities for all members.

More knowledge and respect for the barbershop style throughout the world.

Organizational Goals

1. To perpetuate an American musical art form; barbershop harmony.
2. To promote quartet and chorus singing of barbershop harmony.
3. To provide a judging and competition system to evaluate quartet and chorus singing of barbershop harmony.
4. To create, arrange and publish music in the barbershop style.
5. To provide education for the member in all facets of barbershopping: singing, quartetting, chorus directing, arranging, staging, officer roles, leadership training, etc.
6. To extend the boundaries of the Society and its affiliates and increase its membership.
7. To perform altruistic services through both singing and financial support of worthwhile endeavors. Develop reporting procedures to learn what chapters are doing at the local level and recognize those efforts as

worthy, appropriate, commendable and an enhancement of our Society.

8. To enhance the Society's image and that of its music through cooperation with music educators, music publishers and other influential groups.
9. To develop and disseminate a comprehensive body of knowledge about barbershop harmony through publishing (music and literary), video and audio recordings, film making, Old Songs Library, courses of study, etc.
10. To increase public awareness of the Society, its goals and programs.
11. To give every member the satisfaction of participation, recognition and fulfillment within the wide range of activities available in our Society.
12. To develop a closer relationship with other barbershop harmony organizations through the exchange of ideas, materials and goals. Jointly promote barbershop harmony by working together for the advancement of the art form.
13. To develop non-dues revenues in order to ensure our perpetuity as an organization.

14. To develop a fund raising program for the purpose of establishing an endowment fund or funds which can eventually underwrite the activities of the Society and relive pressure on dues income.

Assumptions For SPEBSQSA Strategy Plan

1. Inflation will continue at an average 5%.
2. There will be a greater need for generalists, though these may be specialists at the same time.
3. There will be a greater need for volunteer help, since finances cannot continue to fund staff for expanded programs.
4. There will be a greater growth at both ends of the age spectrum --- young and old --- needs and interests of all must be satisfied.
5. Travel expenses will continue to mount. This will necessitate a closer coordination of staff trips into adjacent districts and regions in order to reduce expenses.
6. More use will be made of self-education tools and audio-visual materials for training purposes, along with a more aggressive marketing strategy.
7. High order office technology and better use of same should enable the international office to operate more

efficiently with approximately the same office staff.
But constant training and updating is necessary.

8. Better retention will come from a better music program combined with a program to make the Barbershopper more knowledgeable and involved.
9. Non-dues sources of revenue will be sought.
10. There are many Barbershoppers who have demonstrated their commitment to barbershopping and the Society (through their membership longevity, level of volunteer service, etc.), and who would be willing to make charitable financial gifts to support the ongoing work of the Society.

SPEBSQSA Strategy Plan Recommendations

1. A greater emphasis on what we are preserving and encouraging:
 - A. Review current bylaws and revise, if and when appropriate, to further support the vision statement of the Future II report.
 - B. Continue efforts to legalize all arrangements and learning tapes used by choruses and quartets.
 - C. Renew efforts to emphasize the art of woodshedding and informal quartetting.
 - D. Provide continuing support for planning through the Future II or like committees.
 - E. Through consultation, develop research and study teams for sociological studies in leisure time activity as applied to our Society.
2. Create more pride in, and respect for, the barbershop style and the Society.
 - A. Improve the member orientation program in every chapter.

- B. Provide more information to members concerning Society goals and programs.
 - C. Increase local awareness of the Society through a strong public relations and publicity program.
 - D. Continue efforts to upgrade the quality of singing and performing through the Contest & Judging program, training and qualifying of directors and coaches, etc.
3. Broaden the Society's competitive program.
- A. Seniors quartet contest.
 - B. Comedy quartet competition.
 - C. Very Large Quartet (VLQ) and small chorus competition.
 - D. Junior competition.
 - E. Chapters smaller than 20 be allowed to enter competition.
 - F. Competition at the plateau level.

4. Recognize chapters and members for other than contest singing.
 - A. Certification of directors, coaches and judges.
 - B. Awards for DYNAMO chapters and Dynamo trainers.
 - C. Create awards for chapter successes in the YMIH program.
 - D. Initiate stronger award programs for chapters high in membership growth and retention.
 - E. Recognition of chapters who support quartetting and woodshedding.
 - F. Chapter and quartet awards for community service as well as our unified service project.
 - G. Provide evaluations of chapter shows and performance packages on request and seek ways to award quality shows.
5. Increase public awareness of the Society and what it has to offer.

- A. Develop new radio and TV 30- and 60-second spots.
 - B. Continue to purchase regular ads in music education journals.
 - C. Continue articles about the Society in wide-ranging types of publications.
 - D. Increase local awareness through Society support of local charity, and community musical activities.
 - E. Provide honorary membership and/or special recognition (Award of Harmony) to non-members on a national and local level.
 - F. Use booths at music industry trade shows and MENC/ACDA conventions to increase awareness in the musical community.
 - G. Develop "barbershop seminars," open to all music educators and community music directors.
6. Emphasize membership recruitment and retention.

- A. Develop options for "associate" chapter status and different types of membership for individuals and smaller units.
 - B. Increased use of the DYNAMO program.
 - C. Expanded emphasis on the Young Men In Harmony program.
 - D. Concerted effort to bring the Society to senior citizens, isolated areas, etc.
 - E. Increase use of international staff with licensed or newly chartered chapters; both musically and administratively, if financially feasible.
7. Increased educational programming at all levels.
- A. Expand the number of courses in leadership & motivation at Harmony College and district schools.
 - B. Emphasize a strong chorus-director-development program. This will include a special school at the international level for all chorus directors and assistant directors.

- C. Develop an effective Coaches Guild.
 - D. More learning opportunities at the division, area and chapter level through: audio-visual tools, coaches guild and chorus director pool.
8. Increased emphasis on quartetting and the "casual" singers.
- A. Establish quartet promotion classes at schools.
 - B. Develop quartetting/woodshedding jamborees in every district.
 - C. Investigate alternative membership for the "casual" singer.
 - D. Create additional educational materials for woodshedding.
 - E. Increase emphasis on quartet activity during chapter meeting nights.
 - F. Encourage special meeting nights for quartet activity only.

9. Provide the opportunity for Barbershoppers and others to make charitable financial commitments to support Society operations which can also provide the donors with a number of tax and other benefits.
 - A. Establish endowment funds appropriate to the needs of both donors and the Society.
 - B. Establish appropriate mechanisms to encourage and recognize donors to the endowment.

SPEBSQSA Five Year Action Program

Objectives

1. A program of quality activities and services directly related to SPEBSQSA's mission and objectives.
2. Greater involvement by the member, especially in the area of new chapter development.
3. More competitive singing opportunities for broader segments of the membership.
4. An improved and specific program for young people --- those under 18.
5. A viable and specific program for senior citizens --- those 65 and older.
6. Greater recognition for accomplishments other than contest singing.
7. An emphasis, especially for newer members, on what we stand for and why.

8. An increased public awareness in our Society and what it stands for.

9. A concentration of effort in areas of greatest potential; some districts will get more than others.

Activities by Year

1991

Membership

- Complete study on alternate types of membership. Establish dues and services guidelines.
- Institute a Dynamo trainer's school at Kenosha with representatives from each district. Evaluate and upgrade the program.

Audio-Visual

- Release six new Barbershop Preview tapes.
- Investigate the feasibility of making all Barbershop Preview tapes learning tapes as well.
- Market part-predominant learning tapes of 1990 Harmony College Show.
- Produce new radio program tapes.
- COTS refresher course video tape.

- Tour of Harmony Hall video tape.
- Basic stage-lighting video tape.

Educational programming

- Continue International Chorus Directors School.
- Adjust international staff travel to allow more time in the office to develop and write various educational projects, be available for YMIH presentations and work with new chapters.
- Publish Music Reading Manual #4.
- Promote and implement Direct Hit II program.
- Implement Coaches Guild certification program.
- Begin marketing Society educational materials to schools and community musical groups.

Young Men In Harmony

- Continue ever-widening activities in schools and with music educators.

- Initiate a test mailing of audio "preview" tapes to selected music educators to determine effectiveness.
- Study the feasibility of sponsoring a national YMIH quartet contest.

Community Awareness

- Continue ads, educational articles and publicity on all levels to promote the Society.
- Sponsor a summer barbershop seminar, aimed at music educators and community chorus directors.
- Continue to utilize recommendations of PR Committee.

Quartet Activities

- Develop and encourage an annual informal "quartet jamboree" in every district.

Music Publishing

- Publish a folio of original songs by Barbershoppers.
- Investigate the need for a Hymns For Men II folio.

Financial

- Prepare multiple-year budgets.
- Continue to replace depreciated equipment.
- Investigate feasibility of additional in-house staff or use member talents:
 - legal expertise
 - grant seeker
- Institute results of printing and/or mailing patron show fliers.
- Institute results of printing and/or mailing district bulletins.
- Continue to investigate additional non-dues sources of income.

Information Processing

- Continue utilizing Computer Advisory Committee.
- Migrate from Wang to industry standard product.

Merchandise/Advertising

- Continue Merchandise Study Committee, instituting recommendations.

Miscellaneous

- Continue to study Barbershop Harmony Park and Learning Center feasibility. Establish a committee representing all districts to develop a pilot program.
- Put all of the Old Songs Library titles on the computer.

Fund Raising

- Identify potential major gift prospects from among Society membership, family and friends.
- Begin cultivation efforts of identified prospects and further identification procedures to qualify them as major gift prospects.
- Solicit qualified prospects as appropriate for the Society endowment.

- Establish a wills-bequest-awareness program for the general membership.
- Establish procedures, policies and guidelines to ensure the proper and appropriate handling of charitable gifts.
- Establish a recognition program for donors to the Society endowment or who have made planned gifts for the benefit of the Society.
- Provide assistance to other staff and Society programs concerning fund raising (direct mail, grants, etc.), such as the Heritage Museum, in consonance with Society priorities.

Communications

- Work with AH-SOW subsidiary to develop classes in woodshedding.
- Cover activities of woodshedders and casual quartetters in The Harmonizer and Update.
- Continue public relations programs aimed at increasing awareness of the Society in local communities.

- Study the need for awards for membership growth and retention.
- Encourage use of the Award of Harmony program.
- Develop new videotaped spot announcements for use by chapters on local television stations.
- Promote chapter support of local charities, festivals and other musical and non-musical activities.
- Strengthen and support the DCO program.
- Promote appearances by barbershop groups on cable network television.
- Promote use of barbershop music by commercial, middle-of-the-road radio stations.
- Develop generic news releases for use by district and chapter public relations officers in promoting shows, contests, election of officers, schools and other programs.
- Develop an effective means of coordinating promotional activities with public relations officers in affiliate organizations.

- Investigate means of promoting barbershop through joint efforts with public relations officers of non-barbershop musical and performing-arts organizations.

- Expand use and effectiveness of the Public Relations Guild.

- Establish classes for public relations officers and bulletin editors at Harmony College.

1992

Membership

- Investigate stronger awards programs for membership growth and retention.

Audio-visual

- Release six Barbershop Preview tapes.
- Market part-predominant tapes of 1991 Harmony College Show.
- Publish Show Administration Manual.
- Produce three educational video tapes.

Educational programming

- Continue International Chorus Directors School.
- Publish Music Reading Manual #5.
- Evaluate all educational publications for updating and revision.

Young Men In Harmony

- Continue with audio "previews" in YMIH mailings to music educators.
- Expand YMIH opportunities to attend Harmony College and district schools for both students and music educators.
- Develop combined programs with women's barbershop groups in sponsoring festivals for young singers.
- Sponsor a YMIH national quartet contest.

Music Publishing

- Publish a book of tags.
- Re-evaluate programs of distribution through commercial wholesalers.

Community Awareness

- Continue sponsorship of summer barbershop seminar, with regional workshops if successful.

- Create an award system for chapters who are particularly successful in community activities and services.
- Continue to utilize the Public Relations Committee.

Quartet Activities

- Sponsor a National Quartet Jamboree event, devoted to woodshedding and informal quartetting.

Financial

- Prepare multiple year budgets.
- Continue to replace depreciated equipment.
- Institute results of additional in-house staff or use of member talents of:
 - legal expertise
 - grant-seeker
- Continue to investigate additional non-dues sources of income.
- Investigate feasibility of self-insurance.

Information Processing

- Continue utilizing Computer Advisory Committee.
- Utilize new "computer system"

Merchandise/Advertising

- Institute recommendations of the Merchandise Committee.

Miscellaneous

- Establish a pilot program of outdoor activities and barbershop programs to test feasibility of the Barbershop Harmony Park. Site selection to be determined by Study Committee.

Fund Raising

- Continue process of identifying and qualifying individuals a major gift prospects.
- Continue process of cultivating and soliciting qualified prospects for gifts to the Society endowment.

- Continue efforts with wills-bequest-awareness program.
- Continue to provide fund raising assistance to other staff and Society programs as appropriate to Society priorities.

Communications

- Cover activities of woodshedders and casual quartetters in The Harmonizer and Update.
- Upgrade orientation materials and procedures for new and existing members.
- Continue public relations programs aimed at increasing awareness of the Society in local communities.
- Encourage use of the Award of Harmony program.
- Redesign Young Men In Harmony display to give it more promotional impact.
- Develop an award program to support membership growth and retention.
- Study ways to award chapters that promote quartet singing and woodshedding.

- Develop audio-taped spot announcements for use by chapters on local radio stations.
- Promote chapter support of local charities, festivals and other musical and non-musical activities.
- Improve communication with district and chapter public relations officers.
- Study ways to develop a marketing program for the Society, including advertising, public relations and membership promotion, designed to increase public awareness of barbershop music and to increase membership.
- Promote district HEP schools in public relations and bulletin editing.

1993

Membership

- Evaluate all membership programs to determine effectiveness in growth and retention.
- Direct World Barbershop Advisory Council to recommend a strategy for increased membership growth around the world.

Audio-Visual

- Release six Barbershop Preview tapes. These may be learning tapes as well, based on demand.
- Market part-predominant learning tapes of 1992 Harmony College Show.
- Develop three educational video tapes.

Educational Programming

- Continue International Chorus Directors School.
- Study the expansion and possible relocation of Harmony College.

- Set forth a Society-wide survey to determine needs in musical and administrative education.

Music Publishing

- Develop the Barberpole Cat II program.
- Publish Woodshedding Folio 2 and tape.

Financial

- Prepare multiple-year budgets.
- Continue to replace depreciated equipment.
- Institute results of self-insurance investigation.
- Continue to investigate additional non-dues source of income.

Information Processing

- Continue utilizing Data Processing Advisory Committee.

Miscellaneous

- Expand pilot program to develop Barbershop Harmony Park, with family-outing weekends to include studies and activities for everyone.

Fund Raising

- Continue process of identifying, qualifying, cultivating and soliciting major gift prospects.
- Continue efforts with wills bequest awareness program.
- Introduce the general membership to a program of how to give through life insurance.
- Continue to provide fund raising assistance to other staff and Society programs as appropriate to Society priorities.

Communications

- Cover activities of woodshedders and casual quartetters in The Harmonizer and Update.
- Continue public relations programs aimed at increasing awareness of the Society in local communities.

- Develop a focused marketing program directed at high school, college and senior men, and to men's service clubs.
- Establish a program to award chapters that promote quartet singing and woodshedding.
- Promote chapter support of local charities, festivals and other musical and non-musical activities.
- Develop additional display materials for use at conventions, fairs, trade shows and other events, promoting barbershop music to college students, service clubs, senior citizen programs.
- Expand coordinated promotion of barbershop music in metropolitan areas.
- Develop a marketing program for the Society, including advertising, public relations and membership promotion.

1994

Financial

- Prepare multiple-year budgets.
- Continue to replace depreciated equipment.
- Continue to investigate additional non-dues source of income.
- Begin to receive funds from endowment program.

Information Processing

- Continue utilizing Data Processing Advisory Committee.
- Investigate selling music library card catalog to others.
- Study feasibility of convention management programs for districts and chapters.
- Investigate "scanning" sheet music, etc. in Old Songs Library.

Merchandise/Advertising

- Develop sales of barbershop recordings to the general public.
- Continue coordination with Merchandising Committee.
- Hire merchandising manager.

Fund Raising

- Continue process of identifying, qualifying, cultivating and soliciting major gift prospects.
- Continue efforts with wills-bequest and life-insurance programs.
- Continue providing fund raising assistance to other staff and Society programs.

Communications

- Cover activities of woodshedders and casual quartetters in The Harmonizer and Update.
- Continue public relations programs aimed at increasing awareness of the Society in local communities.

- Study methods of evaluating and rewarding production of quality chapter shows.
- Write and place articles about the Society in regional and special-interest publications.
- Promote chapter support of local charities, festivals and other musical and non-musical activities.
- Develop methods of improving promotion of barbershop music through the use of commercial television.
- Upgrade the Society's Public Relations Manual.
- Implement an integrated marketing program for the Society.

1995

Financial

- Prepare multiple year budgets.
- Continue to replace depreciated equipment.
- Continue to investigate additional non-dues sources of income.
- Continue to receive funds from the endowment program.

Information Processing

- Continue utilizing Data Processing Advisory Committee.
- Develop convention management program for districts.
- Develop chapter show program.

Merchandise/Advertising

- Develop catalog of Society material that would appeal to the general public.
- Continue coordination with Merchandising Committee.

Fund Raising

- Continue process of identifying, qualifying, cultivating and soliciting major gift prospects.
- Continue efforts with wills-bequest and life-insurance programs.
- Continue providing fund raising assistance to other staff and Society programs.

Communications

- Cover activities of woodshedders and casual quartetters in The Harmonizer and Update.
- Continue public relations programs aimed at increasing awareness of the Society in local communities.
- Establish a program that rewards quality chapter shows.
- Write and place articles about the Society in regional and special-interest publications.
- Promote chapter support of local charities, festivals and other musical and non-musical activities.

- Improve promotion of barbershop music through the use of commercial television.

1994-1995**Membership**

- Develop more programs for senior citizens, such as fan clubs, boosters, informal woodshedding and sing-a-longs at retirement homes and winter "snowbird" areas.
- Develop a curriculum for Elderhostel programs in colleges throughout the country.
- Work closely with the World Barbershop Council to increase membership growth around the world.
- Continue to evaluate all current recruitment and retention programs to improve these areas.

Audio-Visual

- Produce three educational video tapes.
- Produce 1994 international convention video tape.
- Produce part-predominant learning tapes for 1993 Harmony College show.
- Expand our custom-learning-tape (audio) service.

- Sixteen weeks of staff travel for chapter/district performance education.
- Continue required performance courses and elective stage presence and performance courses for Directors College.
- Twelve classes in performance related areas and quartet coaching in performance at Harmony College.
- Advise and counsel membership in A-V and performance areas (correspondence, telephone, etc.).

Educational Programming

- Continue the Chorus Directors College, with expanded curriculum to include all levels of directors, especially those who attend for several consecutive years.
- Continue to expand courses offered at Harmony College.
- Develop a systematic educational program for quartet and chorus coaches.
- Explore ways to create home-study courses.

Include such areas as theory, sight singing and ear training. Director training in conducting skills and rehearsal techniques might also be included.

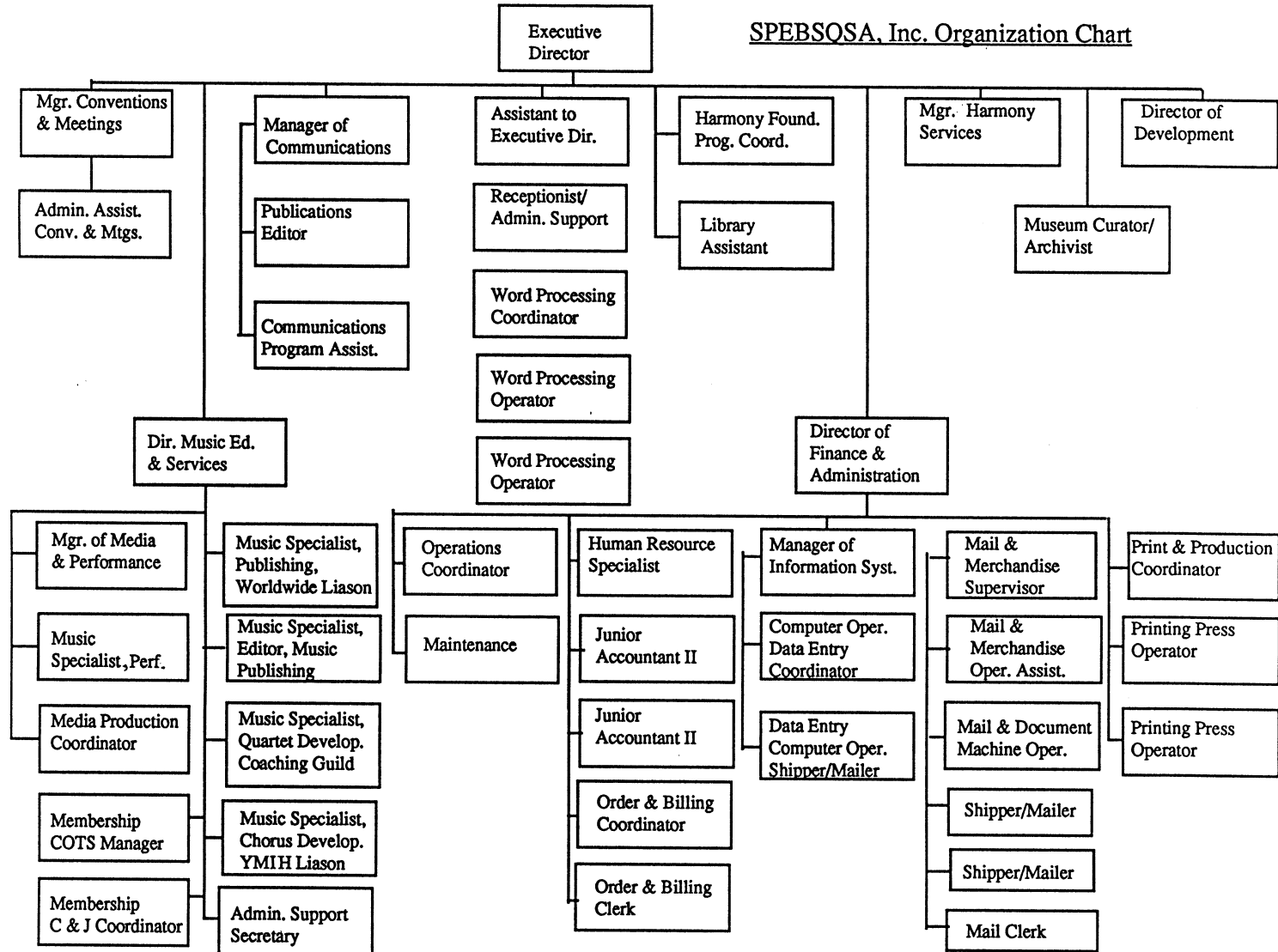
Music Publishing

- Publish Barberpole Cat II program.
- Continue to expand the "archive" series of barbershop classics.
- Explore ways to distribute music through commercial wholesalers.

Young Men In Harmony

- Increase use of audio "preview" tapes for mailings to music educators involved in the YMIH program.
- Develop ways to include barbershop harmony in college music curricula.

SPEBSOSA, Inc. Organization Chart



APPENDIX C

MARKETING AUDIT FOR SPEBSQSA, INC.

Part I. Marketing-Environment Audit

Macroenvironment

A. Demographic

1. What major demographic developments and trends pose opportunities or threats to this organization? The longer life span of the North American male should be an opportunity for SPEBSQSA since older males seem most attracted to the organization. This is a fact of life even though we would like to lower the average age (now at about 55) of our membership.
2. What action has the organization taken in response to these developments and trends? There have been suggestions that we should work with the A.A.R.P. (American Association of Retired Persons) to establish programs for their membership but no substantive work has been done to date. There has been a sprinkling of lecturers who have mentioned our organization in their presentations to retirees or pre-retirees.

B. Economic

What major developments in income, prices, savings and credit will affect the organization? If disposable incomes rise and more and more of that money is spent in recreation this could be a positive trend for the organization both in attracting members and encouraging

existing members to attend our conventions. If the recession continues, however, this could have an adverse effect on a hobby pursuit, which is a non-essential.

C. Ecological

What is the outlook for the cost and availability of natural resources and energy needed by the organization?
What are the concerns about the organization's role in pollution and conservation? The organization uses no natural resources and energy to create its products. Pollution is not a factor either since this is a non-industrial situation. Therefore, ecological factors are not really applicable to the situation.

D. Technology

What major changes are occurring in product technology? In process technology? What is the organization's position in these technologies? SPEBSQSA HAS tried to keep up with technology in running the operation. They are currently beginning a system of networking P.C.s to maintain and track most of the membership data as well as the financial and business data of the organization. They are also making more and more use of video and audio technology in their educational endeavors.

E. Political

What laws are being proposed that could affect marketing strategy and tactics? The only political situation which might effect the organization is equal rights. SPEBSQSA, Inc. is an all male organization because of the artistic

nature of the style of music and not political. This has not been challenged to date, obviously because people understand it is not a discriminatory policy but a preservation of an art form. There are two all-female organizations in North America which offer the same outlet to women.

F. Cultural

1. What is the public's attitude toward the products produced by the organization? The public's attitude toward barbershop harmony varies from infatuation to dislike but most people seem to enjoy listening to a certain amount of the music. This is probably due to the fact that it is uncomplicated, the harmonies are consonant (naturally pleasant to the ear) and the songs are often a throw back to nostalgic times.
2. What changes in consumer and business lifestyles and values have a bearing on the organization? Since many people consider barbershop harmony as nostalgic, or old fashioned the farther we progress in time from the origins of the music (the 1890s) the less in common the general public seems to have with the music. The natural appeal of the harmonies are less time-oriented but the songs become less and less familiar to younger audiences.

Task Environment

A. Markets

1. What is happening to market size, growth, geographical distribution, and profits? Since the U.S. and Canadian populations (including the male population) are on a slow increase this means that the potential market is also increasing. The geographical distribution of that market is basically following the population distribution, also. Since barbershop music does not appear to be as popular among ethnic groups such as hispanics and blacks, population areas which are growing as a result of an increased numbers of these minorities seemingly hold no extra market potential because of this growth. Profits within the organization would be slipping as membership in the organization has been on a slow, five year decline except for the fact that merchandising income and convention attendance has increased slightly and dues were increased in 1987 and again in 1991.
2. What are the major market segments? The major market segments would appear to be white males between the ages of fifteen and seventy within the U.S. and Canada.

B. Customers

How do customers and prospects rate the organization and its competitors on reputation, product quality, service, sales force, and price? The vast majority of the members praise the service they receive from the

international headquarters and are very appreciative of the staff. There are many members, however, who are not aware of all the service that is available to them. The members and their families who attend the conventions seem to enjoy themselves and feel they have received value for their money. There is a large percentage of repeat attendees. This is even more true with the two internationally run music schools. Members who attend really feel they have received a great value for their money. While merchandise sales have been on the increase there are some members who feel that merchandise is over priced or of inferior quality.

C. Competitors

1. Who are the major competitors? What are their objectives and strategies, their strengths and weaknesses, their sizes and market shares? There are no direct competitors although church, community and academic choirs are the closest competitors. Any hobby are pastime that vies for a man's time (including television watching) is also a competitor. Even family and job can be considered competitors.
2. What trends will affect future competition and substitutes for this product? As we become a more sedentary society the task of drawing men out of their homes will become more and more difficult. The increase of home entertainment (video tapes, electronic games, etc.) is a negative factor as well. Also the decline of

vocal music programs within the schools is a real detriment to future membership.

D. Distribution and Dealers

1. What are the main trade channels for bringing products to customers? Membership recruitment is basically done on a local level by current members guided by their local membership vice president. The international office provides program and consultation in this area. Merchandising is strictly mail order and through mini-shops at national events. Education is disseminated through schools, printed and audio-visual materials and by local visitation by staff music educators.
2. What are the efficiency levels and growth potentials of the different trade channels? The efficiency level could seemingly be higher. Further channels for marketing merchandise and educational materials could be sought. While growth potential in local membership recruitment probably seems non-existent since there is already a membership director in place at every local chapter, other distribution methods have not been exhausted.

E. Suppliers

What is the outlook for the availability of key resources used in production? Since the only key resource needed for most of the organization's functions is people this area is not applicable in the traditional sense of a supplier.

F. Facilitator and Marketing Firms

1. What is the cost and availability outlook for transportation services? Transportation services are not applicable.
2. What is the cost and availability outlook for warehousing facilities? Only in the merchandising area is warehousing a concern. Inventories are kept to a minimum to conserve precious space. While the organization does own additional space in one of its buildings this space is rented to tenants.
3. What is the cost and availability outlook for financial resources? The organization has just employed a director to solicit and administrate endowment and planned giving programs within the organization. This has the potential of new, substantial finances in the future.
4. How effective are the organization's advertising agencies and marketing research firms? There are no outside advertising agencies or marketing research firms used. Currently an in-house manager of communications is in charge of public relations on the national level. He seems to do a fair job considering the limited budget and staff with which he has to work. Every district (U.S. and Canada divided into 16 areas) and almost every chapter (800+ in U.S. and Canada) has a public relations officer. Their effectiveness ranges from nil to very good but probably has a less than

effective rating as an average because of time devoted to the job, expertise and resources.

G. Publics

1. What publics represent particular opportunities or problems for the organization? The media public represent an opportunity for the barbershop harmony society if they can be reached and react favorably to the organization. Other than that, as already mentioned, local publics must be attracted as potential members and audiences.
2. What steps has the organization taken to deal effectively with each public? Favorable public relations is continuously being sought by local groups sometimes successfully, sometimes not. While bits and pieces of national publicity have occurred no major breakthrough has yet been achieved. Often, during the organization's international convention in July one or more of the networks will run a short story during a news program. In 1990 a bit more coverage than usual was gained when a quartet from the Soviet Union visited the United States during the convention.

Part II. Marketing-Strategy Audit

A. Business Mission

1. Is the business mission clearly stated in market-oriented terms? Is it feasible? The mission statement

for the organization does seem to address marketing in broad terms and as far as it goes it does seem feasible.

B. Marketing Objectives and Goals

1. Are the organizational and marketing objectives stated in the form of clear goals to guide marketing planning and performance measurement? SPEBSQSA's five year plan contains strategy plans and organizational goals which do address some marketing objectives, especially in the area of membership. Performance measurement may not be as accurately provided for, however.
2. Are the marketing objectives appropriate, given the organization's position, resources, and opportunities?

The objectives as outlined in the five year plan to seem appropriate and obtainable.

C. Strategy

1. Is management able to articulate a clear marketing strategy for achieving its marketing objectives? Is appropriate to the stage of the product life cycle? Is the company using the best basis for market segmentation and marketing mix for that segmentation? Marketing strategic questions have not really been addressed. In fact, very few marketing issues have. This would appear to be the area in which the organization has done the least, coordinated forward planning.
2. Are enough resources or too many resources budgeted to accomplish the marketing objectives? Considering that marketing strategy is not really in place it is

difficult to determine if sufficient resources are budgeted to achieve the objectives. Examination of the budget, however, reveals that there is no marketing budget. There is money allocated in public relations and merchandising which does address some of the objectives.

Part III. Marketing-Organization Audit

The questions in this audit pertain to the marketing department and marketing officer. They have very little application to SPEBSQSA since there is no marketing structure within the organization. It is my observation that when marketing is examined within the organization only the merchandising area is considered, not the membership recruitment or even convention or school attendance. About ten years ago there was a marketing manager but he was only involved in merchandise. Also, about a year or two ago there was a committee formed of members who are professionals in merchandising but they too only involved themselves with the sale of our material goods. There is a committee for membership development who have tried some programs to enhance this aspect. A music advisory committee is being formed which may address some of the educational marketing areas.

Part IV. Marketing-Systems Audit

This audit involves examining the quality of the company's systems for analysis, planning, and control. The questions deal with marketing intelligence systems, marketing research, market and sales forecasting and control procedures.

SPEBSQSA has none of these in place on an ongoing basis. In fact, only hit or miss, non scientific marketing surveys have been conducted.

Part V. Marketing-Productivity Audit

A. Profitability Analysis

1. What is the profitability of the company's different products, markets, territories, and channels of distribution? The merchandising area has become more profitable within the last few years due to a slight upgrading of items for sale, a new, all-inclusive catalog that is sent to all members and increased sale of printed arrangements.
2. Should the company enter, expand, contract or withdraw from any business segments and what would be the short- and long-run profit consequences? It would seem that all the broad categories of merchandise, and of course membership development, and convention and school attendance are essential and basically profitable. Some

internal adjusting is probably in order but no broad elimination of operations. Expansion of marketing (especially merchandising of some materials such as recordings) into new market segments (e.g. senior citizen organizations) may very well be an area to explore. Expanding the merchandising area outside the organization would also be an important area to examine.

B. Cost-Effectiveness Analysis

1. Do any marketing activities seem to have excessive costs? Can cost-reducing steps be taken? The marketing activities which are conducted appear to be fairly efficient. Ways to decrease the cost of printing the merchandise catalog are being sought. A little over a year ago there were shipping charges added to all mail-orders (about 75% of all merchandising sales). This was a major step in alleviating a major cost. It did not seem to have a major effect on mail-order sales, either.

Part VI. Marketing-Function Audits

A. Products

1. What are the product-line objectives? Are these objectives sound? Is the current product line meeting the objectives? Product line objectives have not been clearly defined. If pressed organizational leaders

would probably reply that the objective with membership, education, conventions and merchandise is to give the member whatever it will take to make him happy and satisfied in his hobby. This is a rather soft objective and points to the fact that more concrete objectives do need to be established for all of the product lines.

2. Should the product line be stretched or contracted upward, downward, or both ways? Yes, the product lines all need to be examined to determine what direction they can move to serve the current members, potential members and provide profitability. New classes of membership is one idea which is being studied. This type of forward and broad based thinking needs to be expanded into all the products.
3. Which products should be phased out? Which products should be added? This will probably require an in depth market survey to properly answer the question. The four product lines--membership, education, conventions and merchandise--appear to be areas which should be kept within the organization. Within these areas some adjusting needs to be done to accomplish the best mix.
4. What is the buyers' knowledge and attitudes toward the company's and competitors' product quality, features styling, brand names, etc? What areas of product strategy need improvement? Since there is no direct competitor this question would seem to not be applicable. It does occur to me, however, that even

without this direct competition perhaps we could strive to strengthen the image of our own product, particularly in the merchandising area but even in the membership and convention area. The school area seems to be in a strong position, already.

B. Price

1. What are the pricing objectives, policies, strategies, and procedures? To what extent are prices set on cost, demand and competitive criteria? Pricing on merchandising is pretty much done on a straight 50% mark-up (items sold for \$10 were purchased from suppliers at \$5). Pricing on membership (dues) are calculated backward. When budgets are made and estimates of income from conventions, merchandising, dues etc. are figured in, dues are often looked at as a way to make up a deficit. Perhaps membership services should be calculated and dues set accordingly. Fees for schools are kept low to encourage attendance, but maybe value for money should be considered here, too.
2. Do the customers see the company's prices as being in line with the value of its offer? Merchandise--some items (particularly clothing) are viewed by some as too expensive. Other pricing seems acceptable, however. Membership--the \$12 dues increase (from \$38 to \$50) which was just approved at the beginning of 1991 has received mixed reaction from the membership. Some have expressed unhappiness with it but many other members

indicate that they understand the reasoning for the increase. It is too early to tell if the increase will affect membership renewal. Conventions--the registration fee of \$60 for the summer convention and \$30 for the midwinter convention seems to be acceptable by the attendees. Schools--most everyone feels that these are great bargains.

3. What does management know about the price elasticity of demand, experience curve effects, and competitors' prices and pricing policy? These are concepts and ideas which have not been fully utilized. The organization is on the right track, however, by establishing committees whose individual members do have experience in marketing areas.

C. Distribution

What are the distribution objectives and strategies?

Distribution is probably only applicable in the merchandise area. For the membership distribution is probably adequate but if merchandise is marketed outside the organization mail order may only be a start. Sale of recordings and some other items may be accomplished through specialty stores, mall vendor carts and theme parks to mention a few.

D. Advertising, Sales Promotion, and Publicity

1. What are the organization's advertising objectives? Are they sound? Advertising objectives are a one-at-a-time approach when some particular item or event needs to be

promoted. There is really no overall advertising strategy.

2. Is the right amount being spent on advertising? How is the budget determined? Again, there is really no budget established for advertising in particular. Not much advertising is done and the money is drawn from the general budget for that event, although any large item would probably include a small amount for promotion.
3. Are the ad themes and copy effective? What do customers and the public think about the advertising? Since it is all in-house it really is a hit or miss approach without any real professional input.
4. Are the advertising media well chosen? It is all in-house to this point. The organization's bi-monthly magazine is utilized as well as other periodic bulletins which go out to specific chapter officers. All-member mailings are also used to promote merchandise items. For selling within the organization these appear to be logical media. Perhaps other media have not been fully explored, however.
5. Is the internal advertising staff adequate? There is no internal advertising staff. This function is handled by the merchandise operations supervisor, the director of finance and administration and by the individual staff member who created the new item (if applicable).
6. Is the sales promotion budget adequate? Is there effective and sufficient use of sales promotion tools

such as samples, coupons, displays, sales contests?

Again, there is really no specific sales promotion budget. The merchandise committee has made some suggestions for use of coupons within the merchandise catalog.

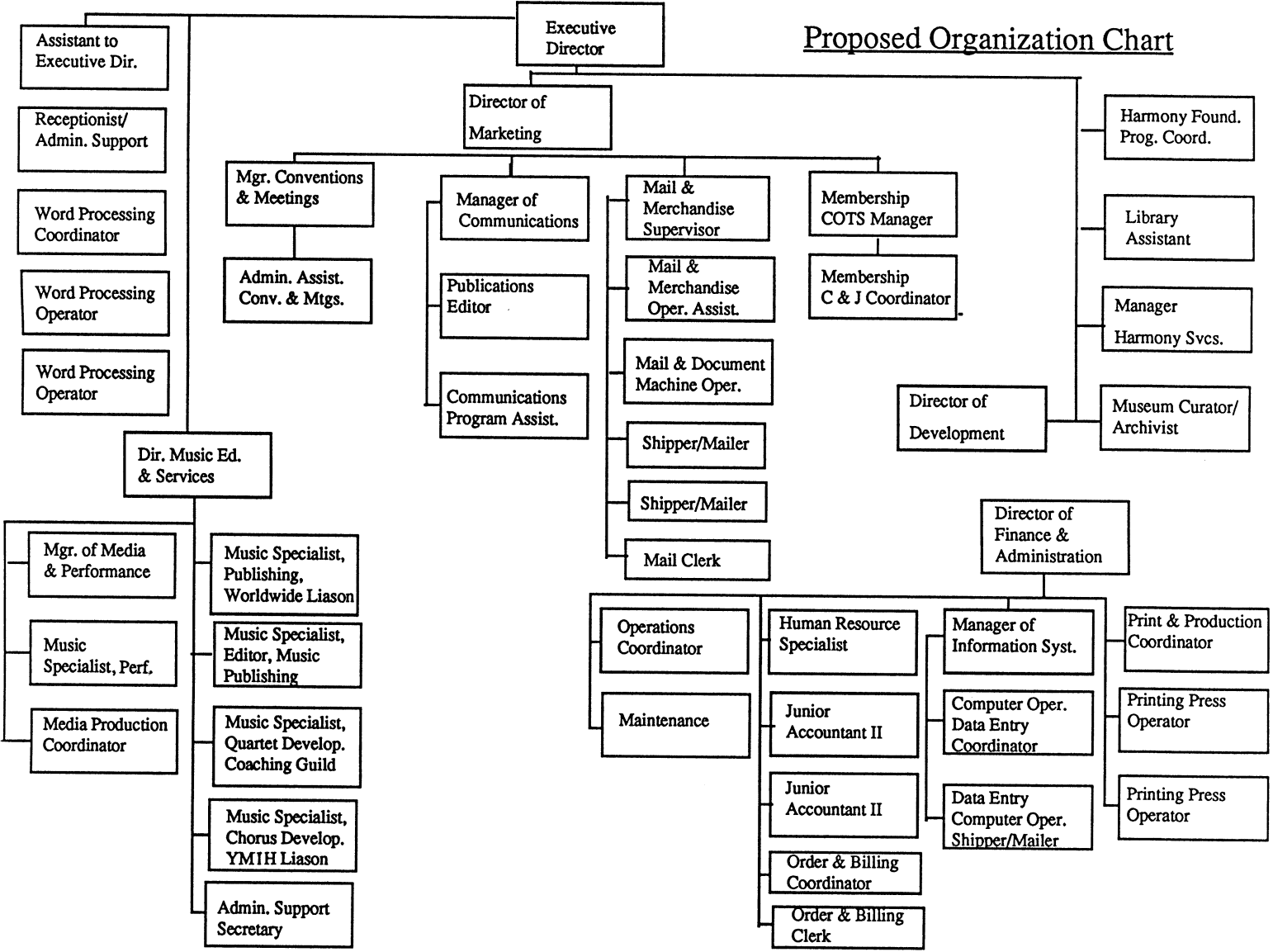
7. Is the publicity budget adequate? Is the public relations staff competent and creative? The budget is probably not adequate. Staff seems overworked and a new position has been added. This person will write news releases, etc.

About two years ago a professional public relations firm was engaged on a limited basis. This cost the organization a fair amount in our budget terms yet was just a drop in the bucket for the agency. They produced as well as they could for the money they had to work with and some results were seen but none that had a lasting impact.

E. Sales Force

There is really no sales force unless you consider the membership vice presidents in each local chapter. They are trained to do their job and given aids, but their effectiveness pretty much lies on an individual motivation basis. A new concept has just been introduced by the merchandise committee which would establish a barbershop emporium manager (merchandise promoter) in each chapter.

Proposed Organization Chart



APPENDIX D