

The Aesthetic Product as Entrepreneurial Driver: An Arts Perspective on Entrepreneurial Innovation

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This article presents a case study of the Pittsburgh New Music Ensemble (“PNME”), an arts organization transformed by reinventing its artistic product based on new methods of audience engagement. The PNME approach reveals valuable insights for artists, entrepreneurs, and scholars. These range from suggesting a methodology for artists and arts organizations to revitalize their art and reinvigorate their audience, to revealing new avenues for research on the nature of creativity within entrepreneurship. By viewing artistic innovation as a seminal act of entrepreneurship, scholars may contemplate how the arts can be more powerfully applied to mainstream entrepreneurship pedagogy and theory.

INTRODUCTION

The past five years have been difficult ones for arts organizations. A 2008 study by the National Endowment for the Arts shows audience participation in “benchmark” arts events (which include plays, musicals, classical music or jazz concerts, ballet and opera) dropped to 34.6 percent, a five percent drop from 2002 and the lowest level since surveys began in 1982 (NEA Report, 2009, pp. 1-3). Though the report identifies a number of factors contributing to this decline, it does not attempt to identify efforts to stem the broad declines described within it. And while there are no formal studies of methods employed by organizations to reverse this downward trend, anecdotal evidence suggests that efforts tend to be either based on long-accepted (but not empirically proven) conventional wisdom (e.g., “Symphony audiences don’t like contemporary music”) or are random efforts that may be creative and even, in the short term, effective, but which are not driven by any sort of deeper understanding of the issues operating or the best ways to engage with those issues. The result of this situation is that artists and arts organizations on the whole continue to struggle, and the successes that do occur are random and rarely replicable.

This paper suggests that an entrepreneurial approach to the problem offers a vehicle through which artistic presenters can re-frame the challenge of audience (re-)building as one of connecting a product of value to the needs of a market, and in so doing, gain new insights into potential ways to reverse the downward trajectory of attendance and financial support that so many organizations face. By studying actual arts organizations that have successfully reinvigorated their audience we can also gain new insights into the application of entrepreneurship theory. The organization examined in this paper is just such an example, with implications for artist and non-artist entrepreneurs alike, as well as entrepreneurship theory and pedagogy.

THE CASE OF PITTSBURGH NEW MUSIC ENSEMBLE

The Pittsburgh New Music Ensemble, founded in 1976, is one of the nation's first professional ensembles devoted to the performance of contemporary chamber music.¹ For its first twenty five years PNME was like most other new music ensembles: founder-driven, operating on small budgets that could fluctuate widely from year to year, and with a modest audience made up of professional associates, friends of the artists, and a small core of aficionados. As the organization aged and its founder's energy flagged, the creative energy of the participants dissipated, audiences shrank, and performance quality sagged (a phenomenon commonly referred to "founders syndrome"). In the case of PNME, the situation was sufficiently dire that the Board of Directors recognized that nothing short of a radical rebuilding of the group would save it from oblivion. The founder announced his retirement, and after a difficult transition new Artistic and Executive Directors were hired with a mandate to transform the organization both artistically and, if necessary, structurally.

With the help of a major grant from a local foundation, the group undertook a year-long planning process to contemplate what needed to be done. They began by reflecting on their own significant experience as music presenters generally and of contemporary music in particular, listened to feedback from frequent attendees, and engaged in informal discussions with peer groups across the country. These conversations revealed that the challenges PNME was facing – small audiences and inconsistent quality of performances – were not unique. The result of this evaluative stage was the realization that a completely new artistic product was in order if the organization were to break out of pure "survival mode" that most groups of its kind were stuck in. Such a new artistic product would, in turn, likely require an organizational restructuring to execute. The directors then engaged in a creative dialogue to determine what, precisely, this new artistic product might look like.

At the core of the resulting transformation was a change of focus away from the traditional orientation of arts presenting organizations (particularly, but not exclusively, "classical" music groups), which might be expressed thusly: *this is what we have to offer; won't you come and see it?* This is the entrepreneurial equivalent of inventing a new widget without consideration of the marketplace and then hoping one can convince the public to buy it: when such an approach is undertaken in a commercial venue, the new widget is not likely to be a success. Yet this is the exact approach that the traditional fine arts have taken with their product for the better share of the last 150 years, justifying their stance by arguing that appreciating offerings of "high culture" is part and parcel of membership in a civilized society.² To put it bluntly and in market terms: "you *should* want to buy this. [Now eat your peas!]" When applied to an art form that is likely to have a smaller audience to begin with – such as contemporary chamber music – this attitude guarantees what is the accepted norm for such groups: tiny audiences, shoe-string financial survival, and an existence on the periphery of the larger cultural landscape.

The new directors of PNME took a different approach, however. They started with their own observations regarding the experience of the audience at contemporary music concerts, pondering what characteristics a new music concert needed to have in order to be more compelling both to existing patrons and to a broader range of people as well. By taking a critical look at the traditional concert paradigm and informed by numerous conversations with peer organizations and audience members, they concluded that a typical classical concert (and particularly a contemporary chamber music concert, with its frequent stage changes and a programming structure that tended to string together large numbers of shorter, unrelated works) created too many points at which the audience could (and likely would) disengage from the experience. Once disengaged, it is always difficult to regain focus. The result was a concert that only the most die-hard new music fans would endure, and even then patrons would often lament the down-time between works and the disconnected nature of the concert itself. This was contrasted with the experience of a film, in which most patrons will continue to watch even if they don't think the film is particularly good: the continuous, integrated nature of the medium itself makes disengagement much more difficult.

This revelation regarding how audiences interact with live art inspired a new format for PNME concerts, one in which programs were intentionally restructured to create thematic unity and theatrical

continuity. Set changes were carefully choreographed to minimize the disruption between pieces, and non-musical elements such as video, projected images and spoken word maintained continuity over the arc of the program (which often flowed without intermission or even pauses between works). Finally, theatrical elements such as lighting, costuming, and movement framed the program as a dramatic experience, one in which the continuous engagement of the audience was of paramount importance. PNME Artistic Director Kevin Noe has dubbed this model the “Theatre of Music.”

These artistic changes in turn mandated organizational changes. In order to attract the most qualified artists capable of assuming a variety of roles beyond that of a traditional classical musician, PNME had to draw on artists from across the nation (and indeed internationally). Since conducting a traditional Fall-Spring season in this way would be prohibitively expensive, the season was converted to a summer festival format, presenting five weeks of concerts during late June and July. Given the intensity of the rehearsal schedule – and the need to schedule additional rehearsals for the many theatrical elements involved – artists were signed to contracts in which PNME was their sole commitment for the duration of the season. This in turn resulted in a different contract structure, a different rental arrangement with the venue (and indeed, a different venue), and a radically different cash flow (in which the vast majority of expenditures happened during a very narrow span of the calendar, requiring that nearly all of the year’s fundraising needed to happen before the beginning of the season).

It is important to stress that the Theatre of Music has never amounted to a “dumbing down” of the artistic product for the sake of hopefully reaching new audiences (a frequent and unfortunate mistake many Classical music organizations make). My observations of classical music groups across country reveal that the first mistake made when trying to attract new audiences is to assume they are incapable of interacting with the music on a sophisticated level. This condescension is in fact one major reason why “dumbing down” tends to have the opposite of its intended effect. In contrast, a central tenant of the Theatre of Music paradigm is that audiences seeking an aesthetic experience actually *welcome* the exertion of significant mental energy required of such experiences, and therefore demanding audience engagement with the art is not something to be shied away from but rather embraced. The trick is to create the necessary setting in which an audience can experience a meaningful mental and emotional connection to the art even when the repertoire is challenging and unfamiliar. The various elements of the Theatre of Music, coupled with extreme care and intentionality in the choosing of repertoire to create continuity and a dramatic thread, allows PNME to program challenging contemporary repertoire chosen purely on its own merits. The addition of other visual and theatrical elements, and the focus on creation of thematic and performance continuity, are therefore merely tools employed to transform the overall aesthetic experience of the audience; the ultimate goal is to maintain engagement so that patrons can effectively connect with the expressive impact of the music. This is in direct contrast to artists or arts organizations that consciously choose their material based on what they believe will appeal to the broadest possible audience by asking the least of them (i.e., modifying the *core artistic content itself* to cater to the lowest common denominator in perceived audience tastes). Therefore, what distinguishes the model is not a compromise of traditional artistic standards (quality of repertoire and/or performance), but rather an innovative approach to how the art is framed and integrated into a dramatic/theatrical experience. The entire concert becomes a work of art in itself – a work designed with the utmost attention to detail and polish at every level and which is structured with the audience’s experience of that work always foremost in mind.

In addition to being of interest to artists and presenters, the PNME case is an important entrepreneurial study as well, particularly in light of the fact that the premiere performance of the “new PNME” enjoyed attendance that was a company record at that time, and that in the eight years since the Theatre of Music was unveiled season attendance has grown more than 600 percent (a trend driven primarily by word-of-mouth and leveraging social networks as opposed to traditional marketing methods). In addition, the company has released two commercial recordings and received numerous accolades from critics, including special recognition at the International Fringe Festival in Edinburgh, Scotland. By any measure, PNME’s transformation was an extraordinary entrepreneurial success – success driven by artistic innovation designed to connect their audience with their art.

THEORETICAL IMPLICATIONS

While the PNME study is a powerful one for artists, arts administrators, and arts educators to contemplate, it also has fascinating implications for several aspects of entrepreneurship theory. The broader application of the PNME case is where its real power resides; therefore the various implications are offered as springboards for continued research into the relationships between artistic creation, aesthetic consumption, and entrepreneurial activity.

Implications for Artists

As mentioned above, artists have traditionally taken the attitude that the self-expression of their artistic impulse was the defining force of their work and that audiences are, at best, incidental, and at worst, irrelevant. The PNME model proves that artistic excellence and authenticity need not be sacrificed in order to reach a wider audience. In fact, not only are authenticity and audience connection not mutually exclusive, it is the authenticity itself – when expressed with an understanding of consumer behavior – that is crucial to establishing and maintaining that connection. This is nothing short of a revolutionary concept to most classically trained artists, particularly musicians. It must also be distinguished from the long-held practice of creating artistic content *designed at the outset* for broad popular acceptance.³ The PNME does not chose content based on perceived audience appeal, but rather structures programs with an understanding of audience behavior and sensibilities, creating a structure that is designed to maintain their interest and engagement with the art. The Theatre of Music model need not be a source of direct imitation for artists, but using an understanding of audience behavior as the central driver of creative reinvention of the concert experience can be a powerful concept for artists and presenters to apply to the challenge of shrinking audiences and dwindling financial support. It is also a potential “gateway” concept through which artists can begin to appreciate, in terms they already understand, how principles of entrepreneurship can be applied to their particular discipline.

Implications for Arts Administrators and Presenting Organizations

When faced with declining attendance and tightened budgets, most arts organizations react with external changes (a new marketing campaign, community outreach) or internal administrative changes (replacing or reorganization staff, recruiting a new crop of wealthy board members). These changes are sometimes successful in the short term, and can be valuable and even necessary components to an organization’s survival. The downside to such an approach is that it rarely changes the underlying issues driving the problem: audiences and their communities are valuing the artistic product less, and, as in any market, the less a product is valued the less viable it will be in the marketplace. An approach in which consumer behavior becomes the impetus for transforming both the product and the method of delivering it is likely to have a greater chance of viability and sustainability. The challenges associated with this paradigm shift – from granting greater artistic autonomy to Artistic Directors to the need to renegotiate contracts with artists and restructure organizations – is the subject of future writings, but bringing the artistic product to the beginning of the problem solving process instead of leaving it on the sidelines is a critical concept for artists and administrators to embrace. An additional benefit to this approach is that it provides artists and administrators, often at odds with each other over the best way to revitalize their organization in economically sustainable ways, to find common ground from which to create mutually-agreeable solutions to the complex problems facing their institutions.

Theoretical Implications

Costumers and Demand for Artistic Products

The question of whether arts entrepreneurs find opportunities by studying their marketplace and seeking needs not currently being met, or create opportunities by supplying art to their communities at an appropriate quality and price is outlined by Preece (2011). The concept is further refined in the work of York, Sarasvathy, and Larson (2010), in which “latent demand” (unmet but identifiable needs articulated by consumers) is contrasted with “inchoate demand” (“unformed...[and] non-existent in an articulated

form”)(p. 143). The PNME case clearly illustrates a fulfillment of inchoate demand. The architects of the Theatre of Music knew from their own experience, as well as, anecdotally, the experience of both existing audience members and potential audience members, that the typical contemporary chamber music concert was not, on the whole, a satisfying experience. The organization therefore redefined its artistic product based on this knowledge and their belief that if they could create a more satisfying experience for their audience, then ongoing demand would be generated. This also provides valuable support for the idea that the performing arts are an example of supplier-induced demand (Blaug, 2001, p. 127). Blaug, however, does not consider the creation of art forms driven by the consumer experience of the art, and York *et al.* apply the inchoate demand model solely to social entrepreneurship; further investigation of how these concepts apply to the arts could potentially generate useful application for artists and presenting organizations, as well as further illuminate the theories themselves.

Applications of the Effectuation Model

The mindset driving the Theatre of Music paradigm is reminiscent of the Effectuation Model articulated by Sarasvathy (2008), which asserts that entrepreneurship is a process borne out of creatively leveraging existing resources to connect with (or create) a new market rather than devising a process to deliver a pre-conceived product to an existing market (the traditional approach of artists). The PNME case suggests that Effectuation may be a more productive method of generating entrepreneurial opportunities in the arts, by encouraging artists and presenters to see the artistic product as a resource to be effectively leveraged to accomplish the ultimate goal of connecting with unmet need in the marketplace. This is fundamentally different than the usual treatment of the artistic product as the end in itself, and to see it as an isolated thing that exists in a state fundamentally disconnected from the needs of the audience it seeks to attract. A deeper exploration of these issues within the Effectuation Model is clearly in order, and will be the subject of future research on the part of the author.

Applications of the Hedonic Consumption Model

The Hedonic Consumption Model developed by Hirschman and Holbrook in the 1980s aimed to explain consumer behavior as it relates to products that are more about aesthetic experience (a concert, play, or film) than traditional consumer goods with specific utility (a toaster, table, or electric saw) (Hirschman and Holbrook, 1982). Subsequent work, synthesized by Charters (2006), further parses the consumption of non-utilitarian goods, distinguishing hedonic consumption as being primarily about pleasure (purchasing a bungee jumping excursion, for example) but not encompassing the broader range of cognitive and emotional experiences within complex aesthetic experiences (such as a Beethoven symphony or a Shakespeare play).

While the continuum between different categories of products (hedonic/aesthetic on one end of the scale and purely utilitarian on the other) is a critical observation, the focus of this work is still primarily as an instrument of marketing: the aim is to understand consumer behavior as it relates to existing products (Holbrook, 1982; Holbrook and Hirschman, 1982; Lacher, 1989; Lacher and Mizerski, 1994). Additionally, studies of aesthetic products (and the philosophical study of aesthetics in general) are based on the product first, and either studying how consumers react to it (hedonic consumption model) and/or the nature of the object itself that commands our attention (the philosophy of aesthetics) (Charters, 2006). In neither case is the consumer the beginning point of the process by which an aesthetic product is created. The PNME case is an example of inverting the traditional focus of the Hedonic Consumption Model, an inversion with direct implications for artists (the vast majority of artists and arts organizations proceed on the assumption that their product exists for the purpose of artistic expression, not the satisfaction of customer needs [Hirschman, 1983]), and for a broader understanding of how hedonic consumption can operate generally. Further research in this area may uncover a new perspective on the role of creativity and hedonic response within entrepreneurial innovation, one in which the aesthetic essence of a product isn't an incidental characteristic, but is the product itself. Such an understanding need not be limited to artistic ventures, as it would also provide insight into how creative ideas can be transformed into viable products in the marketplace.

Implications for Educators

Although educators have begun to codify pedagogical approaches to teaching arts entrepreneurship and to how best to combine mainstream business school entrepreneurship pedagogy with the idiosyncrasies of artistic career paths⁴, the typical business school pedagogy remains largely untouched by a deeper understanding of creativity that partnering with arts entrepreneurs can potentially provide. A vast amount of work has been done on the nature of creativity, and recent work by Ward and others has explored the specific role of creativity in entrepreneurship (Ward, 2004); researchers such as Richard Florida have also recognized the increasing role of creative thought across broad swaths of the 21st-century economy.⁵ But the question of *pedagogical application* of such work within business school curricula remains largely unexplored. The PNME study is an excellent example of how this vacuum can begin to be filled: by finding additional case studies of artistic creativity being the entrepreneurial seed for venture success, the business school can open up new ways to explore the role of creativity and model it for their students. What has previously been largely a one-way street (what the business school can teach artists) can become a two-way street (what artists can teach the business school).

CONCLUSIONS

During recent years of stress within the arts economy, artists and arts organizations in need of renewed vitality often look at their artistic product last; they will look first to issues of new funding, marketing initiatives, or other cosmetic and/or administrative issues. Often the art itself is simply taken for granted, or, ironically, is considered only as an afterthought and not as central to the question of organizational mission and identity. If artistic content is considered at all, it is usually in the context of altering it to accommodate the perceived tastes of a more popular audience, rather than examining the way in which the content they *wish* to perform is presented and framed. The result of this disconnect between the artistic product and its audience is that change initiatives are either short-lived or fail entirely, artistic integrity is often compromised, and the underlying issues of audience need go unaddressed.

The PNME case demonstrates how creating a new artistic product grounded in an understanding of how the consumer will receive it can be a powerful transformative force resulting in a rebirth of the organization, critical acclaim, and explosive audience growth while maintaining the highest artistic standards: an entrepreneurial success by any measure. The case also demonstrates the distinction between altering the artistic content in hopes of appealing to more individuals (the so-called “dumbing down” approach) versus using an understanding of audience behavior to create a more effective aesthetic experience of the art one wishes to present. The design of the Theatre of Music was driven by an understanding of consumer behavior, not an attempt to cater to the perceived tastes of a particular audience, and is therefore an example of a new type of artistic innovation with intriguing implications for a broad spectrum of the performing arts.

Further study is required to accumulate more cases like PNME. With a new category of artistic case studies, entrepreneurs can gain new insights into the nature of innovation by understanding the initial creative act through a new lens. With additional research, theories of demand generation, entrepreneurial effectuation, and hedonic consumption may be illuminated and broadened. This in turn has implications for the nature of entrepreneurship pedagogy, where educators continue to seek understanding one of the most sought-after aspects of entrepreneurship study: how to unleash creative thought.

ENDNOTES

1. I was Executive Director of PNME from 2003 (the second season of the “new PNME”) through 2007.
2. By “traditional fine arts organizations,” I refer to mainstream groups that specialize in canonic repertoire such as the symphony, ballet, opera, chamber music presenters, and mainstream theatre, along with the contemporary repertoire equivalents such as contemporary chamber music groups, modern dance companies, and contemporary/experimental theatre.

3. This is also in contrast with the time-honored tradition of an individual commissioning a specific work from an artist: while the artist is responding to the need of a particular customer (and may or not end up creating a work that pleases the customer and fulfills her/his expectations), this is distinct from developing a new way to connect artistic work with an audience en masse.
4. An excellent compendium of current thought on arts entrepreneurship pedagogy can be found in *Disciplining the Arts: Teaching Entrepreneurship in Context* (Beckman, 2011).
5. See Florida's seminal work, *The Rise of the Creative Class*.

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