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## ***THE CASE OF THE PITTSBURGH NEW MUSIC ENSEMBLE: AN ILLUSTRATION OF ENTREPRENEURIAL THEORY IN AN ARTISTIC SETTING***

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### **Abstract**

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 illustrates a number of theoretical concepts in action, and provides an example of how artists and artistic organizations may apply entrepreneurial principles to the development of their artistic products. Broader implications for the theories illustrated by the case are noted.

### **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 it describes. While there are no formal studies of methods employed by organizations to reverse this downward trend, my observations of struggling arts organizations nationwide suggest 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 a 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 these problems offers a vehicle through which arts 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. A case study of The Pittsburgh New Music Ensemble (PNME) provides an opportunity to explore this approach, and illustrates three theories in action: hedonic consumption, effectuation, and inchoate demand. Each of these areas will be briefly reviewed, with the PNME case serving as an example of these theories in practice.

By studying actual arts organizations that have successfully reinvigorated their audience we can also gain new insights into the application of entrepreneurship theory in artistic settings. The organization examined in this paper is just such an example, with implications for individual artist entrepreneurs and artistic organizations alike.

### **Theories Relevant to Entrepreneurship Illustrated by the PNME Case**

In addition to its value to artists and presenters, the PNME case may be read as an illustration of three theoretical areas concerning consumption, entrepreneurial decision-making, and market demand. These are summarized following.

#### **Hedonic Consumption**

Building on the seminal work of Levy, who noted that “People buy products not only for what they can do, but also for what they mean” (Levy, 1959, p. 118), Hirschman and Holbrook developed the hedonic consumption model in a series of papers published in the 1980s. Defined as “those facets of consumer behavior that relate to the multi-sensory, fantasy and emotive aspects of one’s experience with products” (1982, p. 92), the hedonic consumption model articulated a critical divergence in consumer behavior between consumption of products that are more about aesthetic experience (a perfume, for example) than traditional consumer goods with specific utility (a toaster, table, or electric saw). In the traditional models for consumption, the consumer determines the value of a product by its utility alone,

whereas hedonic consumption recognizes that the emotive and sensory aspects of a product can be equally powerful components in determining value to the consumer.

Subsequent work synthesized by Charters (2006), further parses the consumption of aesthetic products, distinguishing products that are primarily about delivering pleasure (purchasing a bungee jumping excursion, for example, or Hirschman and Holbrook's original example of perfume) from those that encompass a broader range of cognitive and emotional activities within a complex aesthetic experience (such as attending a Beethoven symphony or a Shakespeare play).

The hedonic consumption model has been foundational in the development of a theory of arts entrepreneurship: the model explicitly states that the value consumers find in artistic experiences is fundamentally different from that of traditional utilitarian products due to the stimulation of the consumer's senses and/or emotions. Further, Hirschman and Holbrook identify another aspect to their model that is of particular relevance to the PNME case, namely the fact that consumption of aesthetic products "generates and requires substantial mental activity on the part of the consumer" (1982, p. 96). Identifying this dynamic was central in the re-designing of PNME's artistic product, as will be seen in the case following.

### **Effectual Entrepreneurship**

The work of Saras Sarasvathy (e.g. 2001) identifies a critical gap in the traditional understanding of markets and products, which operate on the assumption that the central elements required for deciding, for example, price, already exist. An example of such an assumption would be the standard classroom exercise in which price is determined by studying the relationship between cost and revenue, or by exploring the nature of the demand curve for the product in question. Sarasvathy (2001) poses a critical question that is more often than not the plight faced by many entrepreneurs: how does one determine demand for a product – and thus make a reasonable projection of revenue – when no market currently exists for it? Can one accurately determine marginal cost when no such product has been made before? Pondering these and other questions led Sarasvathy to develop the model of effectual entrepreneurship that 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. She further posits that the effectual model may be a more accurate reflection of the process most would-be entrepreneurs, who have little or no access to outside investors, actually undertake (2001, 2008).

As defined by Sarasvathy, effectual entrepreneurship is a process for making decisions; in contrast to choosing "between means to create a particular effect" (the traditional approach), an effectual entrepreneur "chooses between many possible effects using a particular set of [existing] means" (2001, p. 245). The result is an open-ended process in which the initial impulse for a product (launching a fast food Indian restaurant, in Sarasvathy's example) might lead to an entirely different business (a cooking school that teaches Indian cuisine).

One particular way in which effectuation arises is from contingent problem solving, for which the first step is identifying a specific unmet need. The entrepreneur then evaluates the resources at hand and sets out to meet that need with whatever resources are available. This aspect of effectuation is particularly relevant to the PNME case, as explored following.

### **Inchoate Demand**

Though the concept of ill-formed demand is not new (as summarized in York, Sarasvathy, and Larson, 2010), a general definition and theory of how such demand operates in the marketplace was first articulated by Geroski (2003). Geroski identifies a fundamental difference between "articulated demand," which is focused on an existing product and the specific (articulated) desire for that product expressed by consumers, versus "inchoate" demand, which can only be a "general demand" for things that do not yet exist, and therefore lacks specific characteristics (Geroski, p. 28).

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,” which is “unformed...[and] non-existent in an articulated form” (p. 143). While Geroski maintains that inchoate demand is critical in the creation of new products and markets, York et al. show how these early entrants into new markets are not random occurrences: “They are driven by a set of beliefs about the nature of inchoate demand in their industry.” Further, “There is no conscious choice to discover and exploit an opportunity [...]; rather, the new firms are creating opportunity by shaping inchoate demand into tangible articulations” (p. 145).

Because of its focus on the creation of art absent a specific articulated demand, Blaug’s assertion that the arts are an example of supplier-induced demand (2001, p. 127) is relevant to the discussion of inchoate demand as well. 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. The PNME case offers an illustration of how inchoate demand may operate in an arts setting and adds an additional layer to Blaug’s use of supplier-induced demand by its focus on the consumer experience as the driving force in the development of the artistic product.

### **The Case of Pittsburgh New Music Ensemble**

The Pittsburgh New Music Ensemble, founded in 1976, is one of the nation’s first professional ensembles exclusively devoted to the performance of contemporary chamber music.<sup>1</sup> 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. When the founder retired in 2001, 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. 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 necessary if the organization were to break out of the pure “survival mode” in which most groups of its kind were stuck. 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, “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 approach that the traditional fine arts have taken with their products for the better share of the last 150 years, justifying their stance by arguing that appreciating offerings of so-called “high culture” is part and parcel of membership in a civilized society.<sup>2</sup> 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. 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; even then patrons would often lament the breaks 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 do not think the film is particularly good: the continuous, integrated nature of the medium itself makes disengagement much more difficult.

This observation 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 similar to that of a film. Set changes were carefully choreographed to eliminate 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. The use of additional visual and theatrical elements is always with a specific intent: they must either serve the dramatic thread of the program or aid in maintaining a seamless flow (as in a video or spoken word piece that draws the audience's focus away from a set change happening elsewhere on stage). 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 U.S. and 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, an unfortunate mistake many classical music organizations make. My observations of classical music groups across the country reveal that the first mistake made when trying to attract new audiences is to assume audience members 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 tenet of the Theatre of Music paradigm is that, as stated by Hirschman and Holbrook, audiences seeking an aesthetic experience actually welcome the "substantial mental activity" required of such experiences (1982), 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.

An excellent example of how a Theatre of Music concert is structured is the Quartet for the End of Time concert, first premiered in 2009 and being revived for the 2012 season. The show opens with a single spotlight on three clay flowerpots, downstage center. The percussionist enters, sits cross-legged in front of the flowerpots, and performs Frederic Rzewski's mystical piece, *To the Earth*. The staging for Messiaen's Quartet for the End of Time is pre-set upstage of the percussionist in total darkness with the exception of the three candle pedestals that have been lit as the percussionist enters. During the last section of the Rzewski, the performers for the Messiaen quietly enter and take their places, so that as soon as the Rzewski concludes and the spotlight fades, the lights come up on the Messiaen set and the players begin the Quartet. To stage the conclusion of the piece – nearly an hour later – director Noe was faced with critical questions: “how does one follow such a monumental and arresting work? And how will the group transition to the rest of the program? We could just end with the Messiaen, but the reason for programming it was to place it in context and provide commentary on its impact. How do we handle that critical moment immediately following its conclusion, however?” Recognizing that the success of the entire show hinged on this crucial point, Noe spent literally months pondering its solution. Eventually, he found the answer: John Cage's iconic *4' 33"*, in which the time indicated is broken up into three movements of silence. What better way to follow the powerful mysticism of the Messiaen than to simply give the audience four and a half minutes of silence to contemplate what they have just heard? Furthermore, the structure of the Cage piece allowed the players of the Messiaen to exit, in sequence, and extinguish the three candles as they did. As the pianist – the designated performer for the Cage – finished the piece and extinguishes the final candle, the thunderous drum beats of George Crumb's *Idyll for the Misbegotten* resound through the hall, accompanied by a blaze of lights illuminating portions of the stage that have hitherto been dark; the transition to the final piece of the program is complete. The resulting program is 70 minutes long without any breaks or applause, and creates a mystical journey of the utmost power and impact. The use of lighting is critical; no other theatrical devices were required in this case. The addition of other visual and theatrical elements are simply 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 approach to concert design 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 to cater to the lowest common denominator in perceived audience tastes). Therefore, what distinguishes the PNME 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 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. The premiere performance of the “new PNME” enjoyed attendance that was a company record at that time. 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. PNME's transformation was an extraordinary entrepreneurial success – success driven by artistic innovation designed to connect their audience with their art.

### **Theories at Play in the PNME Case**

Although the new directors of PNME were not being consciously “entrepreneurial” as they set out to rebuild their group, their approach illustrated entrepreneurial thinking in a number of important ways. In the general sense, turning the mindset from one of “present it and they will/should come” to a customer-oriented approach of “how we can create a better experience for our audience” is

entrepreneurial thinking at its core. In addition, the PNME case provides an excellent study in how several specific theories relevant to entrepreneurship can operate within an arts setting.

### **Hedonic Consumption**

PNME's consideration of how to create an aesthetically engaging product for its audience relates directly to the hedonic consumption model, but with an interesting twist. 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 model 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 as 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). This inversion also broadens our understanding of how the hedonic consumption model can operate in an arts setting. The enormously positive response that PNME has enjoyed also underscores a specific aspect of the model, which maintains that "substantial mental activity" can represent value to the aesthetic consumer: the very nature of the continuously integrated and dramatic style of the PNME concert results in an intense experience for the audience, which is encouraged to remain engaged with unfamiliar and challenging material for an extended period of time. The enormous increase in numbers of the PNME audience over the past decade – growth that has largely attracted patrons who are not aficionados of contemporary music – along with audience feedback gathered by directors, performers, and surveys alike, indicates that challenging the audience is not only not a deterrent to growth, but is actually one of its driving forces. This stands in sharp contrast to the traditional sort of survey-based programming, because those survey responses inevitably result in programming what the audience already knows. In the case of PNME, the audience is not likely to be familiar with any of the works programmed; consequently, the goal is to create a concert that will stimulate the most potent hedonic response possible, rather than what is simply the most familiar, or "easy."

### **Effectual Entrepreneurship**

The mindset shaping 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). When implementing the new Theatre of Music, the directors began with the company's core resources. On the artistic side, this included their expertise and excellence in the realm of contemporary chamber music. On the operational side, they worked within their modest cash resources and their established presence in the community (embodied in patrons, audience members, and local institutional supporters). A local grant provided short-term support for a very small amount of equipment purchases and operational support, but the vast majority of the re-launch of the new PNME was accomplished through leveraging existing resources to their maximum extent. In short, the new PNME was by and large an act of artistic entrepreneurship.<sup>3</sup> This 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.

### **Inchoate Demand**

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. They also inferred, from their professional experience as artists, that there was an unfulfilled desire on the part of their audience for a different kind of artistic experience of concert music generally. They also believed that if a more compelling vehicle for presenting contemporary chamber music could be developed, a broader audience could be harnessed as well. Just as York et al. (2010) note that identifying inchoate demand tends to result in products/ventures that are familiar to the observer, PNME's directors used their own knowledge and experience in the field of contemporary music to guide the redefining of its artistic product in such a way as to satisfy the desire of their audiences for a more compelling and engaging experience – a desire that was previously “unformed...[and] non-existent in an articulated form” (p. 143).

It is important to note that the entrepreneurial impulse was not a new venture; rather, the entrepreneurial impulse was the art itself, a new artistic product (and a new organizational identity) designed to better connect with its market/audience.

### **Implications**

The broader application of the PNME case is where its real power resides; it is more than an example of entrepreneurial success in an arts setting or an illustration of important entrepreneurial theories in action. The way in which PNME went about reinventing itself, and the theories exercised in that process, has broader implications for artists, arts organizations, and scholars of arts entrepreneurship theory.

### **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 illustrates 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 audience sensibilities – that is crucial to establishing and maintaining that connection. This is a completely new 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.<sup>4</sup> The PNME does not chose content based on what they believe will be most easily accepted by their audience, 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. This understanding was informed by their own experience as artists, the experiences of colleagues and peer groups, and by keen and careful observation of their own audiences.

That said, the Theatre of Music need not be a source of direct, literal imitation for artists. Rather, it should be viewed as what can result when an understanding of how the sensibilities of one's audience (both existing and potential) can be the central driver of creative reinvention of the concert experience. This is a powerful concept for artists and presenters to apply to the challenge of shrinking audiences and dwindling financial support. Such a reorientation of the artist's perspective deserves further case examples of how individual artists and arts organizations implement such an approach (both in terms of their own creative process and their business success). Study of what I will term “applied creativity” may in turn result in new conceptual frameworks and practical tools for working artists across a range of disciplines.

## **Implications for Arts Administrators and Presenting Organizations**

Through discussions with colleagues and carefully following the travails of arts organizations nationwide, I have noted that organizations faced with declining attendance and tightened budgets tend to react first with external changes (a new marketing campaign, community outreach) followed by 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 needs 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. Bringing an understanding of the audience's relationship to 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.

There are a handful of symphony orchestras that are beginning to take just such an approach in the face of deepening financial crises and declining audiences. The Colorado Symphony, for example, has recently negotiated a new contract with its musicians that will allow players not required for a given subscription concert to engage in community outreach and educational programs across the broad geographical range of the Front Range urban corridor. The result will be a greater community engagement in both new and existing markets, at little additional cost to the organization. Another example is the Brooklyn Philharmonic, which is restructuring its artistic product to better reflect the history and culture of Brooklyn (as distinct from its larger and more influential neighbor, Manhattan) by engaging local artists in neighborhood-based initiatives designed to create grass-roots connections with the organization. The orchestra is also modifying its business model through new cooperative marketing relationships with their corporate sponsors. Given a few more years for these initiatives to take root, these groups will provide excellent opportunities for case studies that could help define new paradigms for the symphony orchestra's relationship with its community, and how that relationship can help create a financially sustainable institution. Such case studies in turn may provide useful models for other types of arts presenting organizations.

## **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, and how those frames influence the relationship between their audience and the art being offered. 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 an organization, critical acclaim, and explosive audience growth while maintaining the highest artistic standards: in short, an entrepreneurial success. 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 the audience's inchoate need 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 such inchoate demand, 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.

While the PNME study is a powerful one for artists and arts administrators to contemplate, it also raises fascinating questions for scholars of entrepreneurship theory to contemplate. For instance, what new sorts of products (artistic or otherwise) might emerge if the aesthetic essence of a product is not an incidental characteristic, but is the product itself? Might such products expand beyond purely artistic ones into the realm of objects of utility (the ultimate Platonic union of form and function)? Can the hedonic consumption model be applied beyond the realm of marketing, serving as a focusing mechanism for developing an aesthetic component in a wide range of products and services? How might further exploration of the concept of inchoate demand highlight the roles that creativity and aesthetic sensibility can play in the innovative development of new products/ventures of all kinds? These questions are offered as springboards for continued research into the relationships between artistic creation, aesthetic consumption, and entrepreneurial activity.

With accumulation of 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. These illustrations may in turn further illuminate theories of hedonic consumption, effectual entrepreneurship and inchoate demand, and help practicing entrepreneurs – artists and non-artists alike – unlock new avenues for creativity and innovation in their entrepreneurial endeavors.

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<sup>1</sup> I was Executive Director of PNME from 2003 (the second season of the “new PNME”) through 2007.

<sup>2</sup> 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.

<sup>3</sup> While there is no consensus definition of the term “artistic entrepreneurship,” in this context I am referring to the use of entrepreneurial strategies within the creative process itself.

<sup>4</sup> 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.