

Institution: De Montfort University		
Unit of Assessment: 17		
Title of case study: Increasing financial independence of Serendipity Arts Limited		
Period when the underpinning research was undertaken: 2008–2019		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Professor Tracy Harwood	Professor of Digital Culture	June 2000–present
Period when the claimed impact occurred: 2016–2019		
Is this case study continued from a case study submitted in 2014? N		
1. Summary of the impact <p>Research by Professor Harwood has resulted in a critical case that demonstrates digital transformation leading to commercial development of a diversity-led performing arts business. The business has been able to devise and monetise new digital products and services that exploit its unique archive of creative assets. It has transformed from its primarily charitable focus to increase its ability to be self-sustaining by generating value and income from what it previously would have offered free of charge. It has grown by increasing its business activity, changing the way in which it operates by using digital platforms, devising a new business model and developing its market. This, in turn, has also made it more resilient in responding to funding opportunities and, most recently, the Covid-19 crisis in the art sector.</p>		
2. Underpinning research <p>Research reflects three core themes of investigation published in journals and a book since 2008, broadly relating to the context, product and process of business development. The themes are (1) how arts and culture add value to business (context); (2) the development of digital products and markets (product); and (3) how business and customer relationships may be supported to develop increased business benefit (process).</p> <p>In Harwood and Smith [R1], the value of arts and culture was examined in a case study to understand how business value may be derived from performance to support change management. A performance arts (music composition) intervention was commissioned by Transported Art, enabling a unique project to be explored. This research identified the benefits of a reflexive process between artists and firm employees for supporting development of a firm's brand. Empirical findings highlighted how benefits of the process impacted and transcended the whole business and its operations, including its external stakeholders such as customers and suppliers. The research contributed not only to outcomes such as how a business may benefit from working with artists but also resulted in a methodology for understanding how arts can enhance the business operations to derive new types of value for its markets. Earlier work by Harwood and Garry [R2, R3] took a gestalt perspective of how value is co-created, transformed, transferred and consumed when roles of consumers and producers become 'blurred', focusing on the issue of legal ambiguity of ownership in creative practices. Findings from two different studies found that the nature of ownership informs creative endeavour from both an organisational and a community perspective which in turn provides an ongoing environment for value creation processes that are beneficial to all parties, for example through product, brand and market development, through customer interactions, and by developing new methods and employing new technologies in business practices. The themes and practices related to approaches to co-production of value are pertinent to the critical case context highlighted in the development of Serendipity.</p> <p>Building on this further, Harwood and Garry [R4] focused on the development of digital products and marketing practices, examining new forms of virtual digital service customer engagement practices using the concept of 'gamification' as an experience environment. The award-winning paper explored the processes for developing digital, virtual and gamified products</p>		

and services, and how customer behaviour in markets is influenced by their use, highlighting both positive and negative strategies. The research identified beneficial and divergent behavioural intent as well as business-customer relational considerations for market development as possible outcomes of using gamified products and services. This work was further extended in Buhalis et al. [R5], which looked at impacts of emerging technologies such as location-based services on service disruptions in the experience economy (tourism sector). These foci are aspects that have been embedded within the digital products and services at Serendipity.

In an earlier authored book, Harwood, Garry and Broderick [R6] **explored business and customer relationship development**. The text summarised and extended extant research, which had emerged from an earlier paper published in 2006. Of relevance to the current REF case are aspects of how relationships are developed and maintained, the different organisational perspectives on theories discussed and the contemporary examples illustrating their application in different business contexts. The text demonstrates that relationship marketing is a business philosophy which is essential in a digital age where co-production and co-creation with stakeholders, customer retention and positive word-of-mouth marketing are key to long-term success in service and experience-based businesses. The text examined the characteristics and determinants of client sophistication within credence (professional) services markets to explore their effect on business relationships. Conclusions highlighted the level of client sophistication that moderates service evaluation and the interdependencies between organisations, as well the nature of the atmosphere in which interactions take place and relationships develop and may be sustained. This ultimately impacts levels of trust between and extent of commitment by parties. The tenets of this work have underpinned how contracts for suppliers of Serendipity have been shaped.

3. References to the research

- [R1] Harwood, T. and Smith, S. (2017) 'An evaluation of performance arts in generating business value', *Arts and the Market*, 7(1): 80–100; <https://doi.org/10.1108/AAM-04-2016-0003>
- [R2] Harwood, T. and Garry, T. (2014) 'Co-creation and ambiguous ownership within virtual communities: The case of the Machinima community', *Journal of Consumer Behaviour*, 13(2): 148–156; <https://doi.org/10.1002/cb.1437>
- [R3] Harwood, T. and Garry, T. (2010) "'It's mine!' – Participation and ownership within virtual value co-creation environments", *Journal of Marketing Management*, 26(3/4): 290–301; <https://doi.org/10.1080/02672570903566292>
- [R4] Harwood, T. and Garry, T. (2015) 'An investigation into gamification as a customer engagement experience environment', *Journal of Services Marketing*, 29(6/7): 533–546; <https://doi.org/10.1108/JSM-01-2015-0045> (awarded Best Paper of 2015 by journal publisher)
- [R5] Buhalis, D., Harwood, T., Bogicevic, V., Viglia, G., Beldona, S. and Hofacker, C. (2019) 'Technological disruptions in services: Lessons from tourism and hospitality', *Journal of Services Management*, 3(4): 484–506; <https://doi.org/10.1108/JOSM-12-2018-0398> (awarded Highly Commended paper of 2019 by the journal publisher)
- [R6] Harwood, T., Garry, T. and Broderick, A. (2008) *Relationship Marketing: Dimensions, Perspectives and Contexts*, Maidenhead: McGraw Hill; ISBN 9780077114220

4. Details of the impact

Serendipity is a Leicester-based diversity-led arts organisation formed in 2010 which became part of Arts Council England's (ACE) National Portfolio in 2018 (awarded June 2017). As the only diversity-led performing arts organisation in the National Portfolio, Serendipity has become a recognised leader of innovation in this sector of the UK creative economy. Without the ability to exploit its increased activity, stakeholders would have no, or very limited, access to Serendipity's unique proposition, which would result in a reduction in audience size and income as a

consequence. This has built confidence in the business and enabled it to advance its corporate vision. As the Director of Diversity at ACE comments: 'Serendipity is internationally recognised for its diversity-led practice and reach which has benefitted significantly from its partnership and collaborations with Professor Harwood.' [C2]

A series of interventions undertaken over three years (2016–2019) have developed Serendipity and its business environment for African/-Caribbean diaspora performing arts, leading to business growth and increased demand for arts and cultural products. Linking to underpinning research, Harwood worked with the CEO to explore how to develop new digital products (virtual performances, shop, e-learning materials, digital texts such as e-books) [using findings from R1 to R5], markets (new audiences) and a business model (subscription tiers and strategy for income generation) [drawing on findings from R6]. This led to the development of an Innovate UK Knowledge Transfer Partnership awarded in 2018 (GBP109,948; KTP010965, delivered between April 2018 and September 2019) which supported development of Serendipity's commercial proposition [aligning with findings in R1, R2, R4]. The focus was on how Serendipity's programme could be exploited, resulting in a new strategy for digitisation that is now central to its business model. This led to five FTE jobs (in marketing and business development, product and project development and support, and administration); structural changes in the business's operation that resulted in changes to all existing job descriptions which now incorporate a broader range of commercial activities; and new products that support its activities and programme, including income targets for new product lines, consultancy and sponsorship. Furthermore, faced with Covid-19 challenges which prevented many cultural organisations from offering a programme at all during 2020 because of venue closures, Serendipity was immediately in a position to move its programme and strategy fully online. As the Director of Tourism, Culture & Investment at Leicester City Council, comments in his supporting statement:

The value of this work has been obvious during the recent COVID pandemic. Some organisations who run programmes supported by the council had to cancel their activities entirely and subsequently did not receive our financial support this year. Serendipity were very quickly able to generate alternative on-line formats for both their key programmes and therefore we were able to fund them. Without the investment and support being referred to here they would also have lost out. [C3]

A key challenge faced was exploiting cultural assets for business sustainability by developing new products, services and markets that maximise income from assets. To address this, and building on research findings [in R1, R2 and R3], it has devised a new supplier contract for its international performing artists whereby digitisation (recorded images, voice, text and associated data) and related intellectual property rights are now exploitable through a range of new resources such as books (including audio and e-books) and merchandise such as posters, prints and postcards, clothing and bags, as well as reused in new ways related to ongoing development of digital engagement platforms including social media promotion (related to R4 and R5), streaming services and paywalls (mobile apps, e-learning, digital membership schemes, audience experience opportunities) and product licensing deals [reflecting findings in R6]. This draws on its extensive print-based archive representing a back catalogue of Black culture that had never before been commercially exploited by the business. It has also developed a new website incorporating a shop platform with analytics and links to its financial accounting processes. As a consequence of the increased visibility, which has resulted from extended digitalised activities and clarity arising from the revised contractual arrangements which sets out intellectual property agreements, supplier-artists now have improved and enhanced opportunities to benefit from Serendipity's income-generating and business-related activities. In her supporting statement, the CEO of Serendipity states: 'Contracts with our artists have been developed to enable us to provide a breadth of digital services and appropriately exploit intellectual property rights' [C1].

The outcome has been a new business model; reduced reliance on grant funding resulting in a more independent and sustainable business arising from increased income from event ticket sales and new digital products (e.g. e-books, subscriptions, online events); increased visibility through marketing activities building new audiences and extending audience reach, which in turn

has led to development of new programmes and growth in demand for diversity-led events. For example, its grant income funded a primarily East Midlands-based events programme focused on two core activities: Let's Dance International Frontiers (LDIF) and Black History Month (BHM), both highlighting African/-Caribbean diaspora stories and Black history in local communities. Both now contribute to an extended, year-round programme. Its recent launch of Temperature on the Streets, a podcast and news bulletin programme reflecting a wider range of diversity-led activities within the region, and an annual magazine, Black Ink, including stories of cultural activities, have already achieved high levels of recognition in the national and international media (e.g. *Guardian* newspaper, *British Theatre Guide*, among numerous others). This has increased the scope and scale of its business ecology, increasing the number of its stakeholders and suppliers of professional services, technical and venue provision, as stated by the Artistic Director of Tabanka Dance Ensemble:

As a result of Serendipity's work with Professor Harwood, Serendipity is internationally recognised for its diversity-led reach. Dance companies, including Tabanka Dance Ensemble, see the value in being part of Serendipity's programmes for the connections, collaborations and future developments that can be achieved as a result. Including reaching new audiences, future work opportunities and the chance to work across formats (conferences and workshop residencies, publications and digital platforms). [C4]

Serendipity also now has a range of online platform-based assets that have enabled it to grow its remote audiences, including in the Americas, Africa and Europe. Its digital developments meant it was immediately able to switch to an online programme for its events as the Covid-19 virus closed venues. Impact on its business has therefore been manageable rather than catastrophic. Moving offices in October 2019 to accommodate its growth as a consequence of business developments, it has built a new library targeting community and research audiences, a meeting space and a box office for ticket sales, and has developed a state-of-the-art training facility seating up to 24 people through which it runs courses and events, and which it hires to other businesses. Serendipity's CEO comments in her supporting statement:

With new facilities, Serendipity now has the physical space and capacity for the increase in its activities, including an in-house box office (which had previously been managed by a third party), a bespoke state-of-the-art training and room hire facility, and an archive library that now provides access to the extensive resources and black history back catalogue. [C1]

Research and knowledge exchange contributed towards Serendipity's successful application to become an ACE NPO (2018–2022, GBP840,000), as well as develop its programme of events and activities, by providing a robust commercial footing for its audience engagement strategy. Online, Serendipity reached 50,000 impressions in 2019 (53% increase from 2018 – impressions are the visibility of social media posts in follower timelines). It has also developed performance artists and creative businesses who are suppliers, collaborators and partners by improving their access to resources and income-generating opportunities, even when the pandemic has meant international artists have been unable to travel to the UK to complete their contracts. With increased emphasis on paid-for consultancy, the CEO has developed an international audience extending beyond performers as suppliers, to include an international corporate client-base for whom she advises on African/-Caribbean performing arts diaspora, archiving and curating Black history.

5. Sources to corroborate the impact

- [C1] Corroborating statement from the CEO of Serendipity.
- [C2] Corroborating statement from the Director of Diversity, Arts Council England (ACE).
- [C3] Corroborating statement from the Director of Culture and Economic Regeneration, Leicester City Council.
- [C4] Corroborating statement from creator of Talawa Technique, and Artistic Director of Tabanka Dance Ensemble.