

A Deming Communication Management Strategy:
Applying W. Edwards Deming's Management Methods to Communication
Planning and Practice

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Introduction

“Price has no meaning without a measure of the quality being purchased. [...] Striking deals with the cheapest supplier is the accepted American way of doing business. [...] But if low cost guarantees low quality anywhere in the supply chain, then the final product, though it may be cheap, will also be of low quality” (Walton 62-63).

There can be no discussion of Deming without a discussion of quality; his management theories purport to improve the production quality of manufactured goods, and the success of Japanese industry under his tutelage gives credence to his claims. However, a production process yields a very tangible notion of quality, as it yields a tangible product. The communication professional’s product – a disseminated message – has little tangibility, if any at all, and the quality of that product is less apparent and immediate than in many industries. Applying Deming to the communication field is admittedly difficult, but nonetheless possible: “The Deming method will work anywhere. It is universal” (Walton xv).

Even Deming himself admits that utilizing his method is difficult. It is more than applying a process – it is a reworking of philosophy as well as practice, and learning the points and pitfalls takes time. Moreover, the acceptance and internalizing of an ideology is a long affair.

That said, the primary focus here will be the elaboration, extension, and application of the idea at the heart of the introductory quotation, namely the fourth of Deming’s 14 points: “End the practice of awarding business on price tag alone” (Walton 35).

Making Point Four Work in the Communication Industry

Below is an extremely simplified visual of the manufacturing process:

Raw Materials → Process → Product

Dealing exclusively with the lowest bidding supplier often results in the sacrifice of the finished product's value. The essence of Deming's fourth point is that a break down in quality anywhere along the production line leads to a poor quality product. The same could be said for the communication industry, as we visualize that task as follows:

Information to Proliferate → Message Creation → Disseminated Message

If the information a communication practitioner receives is flawed in any way – be it false, misrepresented, misinformed, or inapplicable to specific goals – then the remainder of the process is irrelevant: *the disseminated message will be flawed.*

The solution is quite simple: “You don't need to receive the junk that comes in. You can never produce quality with that stuff” (Walton 14). Deming argues that the manufacturing of poor quality goods can often be traced to the subpar materials used to make them. He believes it is the job of management to pinpoint and correct such problems, as only they have the power to do so, but “managers are wont to blame workers for results that are beyond their control” (Walton 46). Even the most skilled and diligent of workers cannot *create* quality per se; input invariably provides a ceiling for output quality.

The same is true for the communication professional, except he or she often lacks the liaison managerial figure to pass concerns upward through bureaucracy and provide a quality check on the information flowing downward. All too often, the process is one-way where it should be two-way.

Sadly, the communication professional, like the worker, is all too often blamed for the consequences of actions ultimately beyond his or her control. Recapturing this control and maintaining accountability is paramount. The communication practitioner must cross the line and become management in many respects; isolating these individuals spells failure for any

communication strategy, and possibly the company at large. “People can work superbly in their respective departments, [...] but if their goals are in conflict, they can ruin the company. It is better to have teamwork, working for the company” (Walton 75).

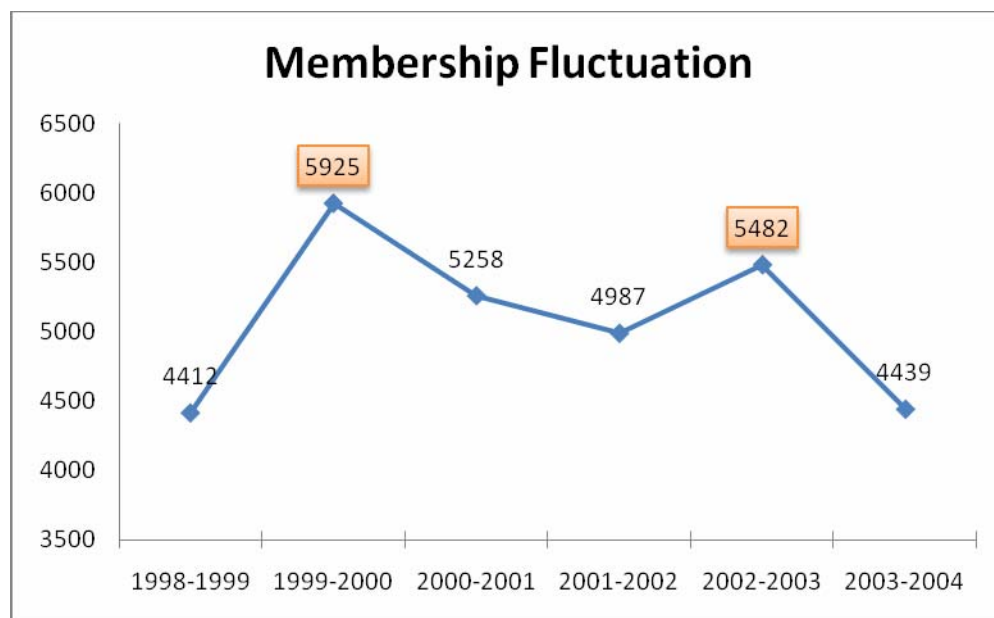
It is most important for the communication practitioner to become involved at the early stages of any properly developed communication strategy. It must become his or her job to insure that the information an organization wishes to proliferate can and will accomplish the specific organizational goal that it claims to, otherwise the company will have wasted time, effort, and money.

The following account is a case study of a local art museum with a well-defined goal: increase museum membership to increase revenue. Information was passed down and a message was created and disseminated; unfortunately, that information did not include crucial details necessary to accomplishing the museum’s goal. As a result, the message was ill-formed and resources were expended needlessly in a failed attempt to accomplish the central goal.

Background on the Problem

The museum, located in Louisville, KY, operates under a business plan that was described by Lonna Versluys, the museum’s communication director, as reliant on special exhibitions. According to Versluys, the museum’s economic success depends upon “blockbuster” exhibits that draw large audiences. The increased crowd sizes that result from hosting pieces by renowned artists contributes to revenue directly through greater community involvement – i.e. more visitors and members. The museum attempts to mount such exhibits every two to three years. Its last two blockbuster exhibits were “Rembrandt to Gainsborough” and “Millet to Matisse”, which drew 83,355 visitors and 76,144 visitors, respectively (University of Louisville 7).

During these blockbuster exhibit years, museum membership levels experienced somewhat of a surge, but there was a concern about membership attrition rates in years following these high-caliber exhibits.



As the above chart illustrates, the peak membership years – 1999-2000 and 2002-2003 – highlighted in orange, also mark blockbuster exhibit years. One can easily see the membership increase as well as the predictable decline that follows blockbuster exhibit years (Annual Reports).

How Museum Membership Works

Membership contributes directly to gross revenue via yearly dues. Each audience niche is in some way persuaded to become more involved through individual membership. The table below lists the different membership levels and their annual minimum dues (Lobby Pamphlets).

Member Category	Price
Director’s Circle	\$1,000.00
Fellow	\$ 500.00
Associate	\$ 250.00
Contributor	\$ 125.00
Family/Dual	\$ 65.00
Individual	\$ 45.00
Senior Citizen	\$ 25.00
Teacher	\$ 25.00
Life/Board/Other	NA

Depending on their membership levels, members receive different benefits, increasing as their contributions and membership levels ascend. According to lobby pamphlets, these benefits range from exhibit and gift shop discounts to free parking passes and admission to special programs.

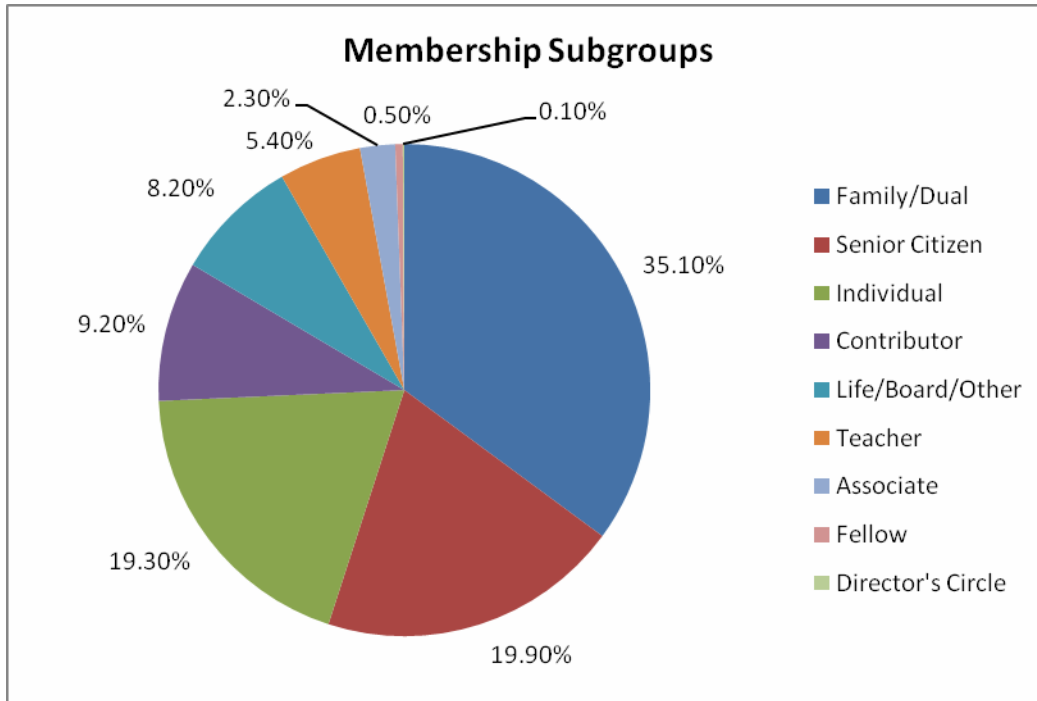
Naturally, upper-level museum management was concerned about declining membership, not only because of the decreased commitment to the museum and its mission that such declines represented, but also because of lost revenue from membership dues. At this point, the museum

devised a communication strategy to reach out to potential members to regain previous losses – the goal: *increase revenue by increasing membership*.

The Plan

Versluys indicated that the museum heavily targeted families and children. A significant portion of the museum's programming is focused on this market segment: Family First Days, Family Free Flicks, family tours and art classes are employed to draw families to the museum. The museum also reaches this segment by catering to schools through group tours and offering teachers online lesson plans that involve students with the museum's art pieces; furthermore, the museum contributes to the Kentucky Educational Television art tool kit mailed to local humanities teachers (Versluys 2/1/2006 and 3/2/2006).

These efforts are based largely on the idea that museum visitors have the greatest potential to become members because they will benefit the most from membership services. Furthermore, when attracting visitors that will likely upgrade to steady finance-contributing members, it makes logical sense to examine current members and recruit similar individuals. Below is a chart that illustrates the composition of museum members as a function of membership category (Active Membership List).



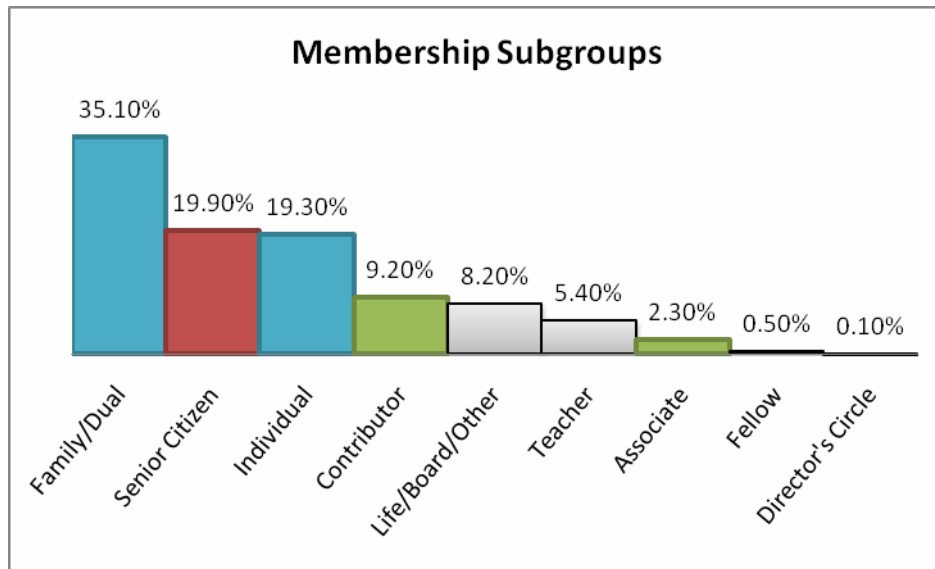
In simply viewing this chart, one easily sees that family/dual, senior citizen, and individual members comprise nearly 75 percent of museum membership; this appears to be the proper audience to target if the museum wishes to increase membership.

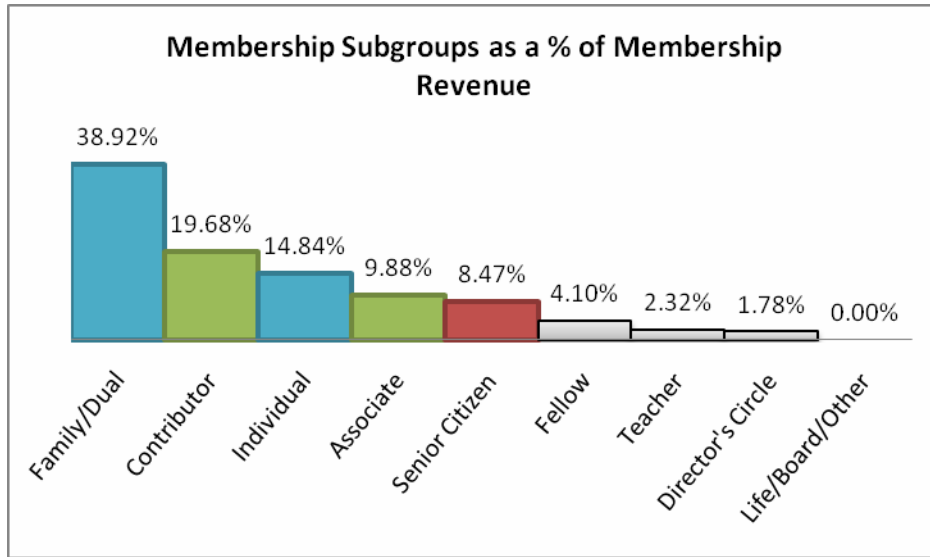
Furthermore, since visitors similar to the subgroups with the most members are presumably the visitors most likely to upgrade to member status, targeting these specific visitors is the most effective way to bolster membership.

The museum adopted this commonsense approach: it appears perfectly logical, but upon closer inspection of the beginning data – the information to be proliferated – a better method inevitably emerges.

A Deming Data-Based Communication Strategy

The key to understanding the museum’s misstep is understanding the museum’s goal: *increase revenue by increasing membership*. The objective is not to achieve the greatest possible increase in overall membership, but rather the greatest increase in *revenue* through increased membership. Perhaps the simplest way to recognize the problems of museum’s communication plan is to approach the data from a different vantage. The following pareto charts illustrate a previously unseen dimension: priority members (Active Membership List).





The first pareto chart does not reveal anything new; it is simply a different method for graphing membership subgroups than the previous pie chart, and it also makes for an easy comparison to the second pareto chart, which is of greater interest. This second chart displays each subgroup's contribution to membership revenue, *not* simply raw membership.

The subgroups highlighted in blue remain in the same position in each chart; the family/dual members account for roughly one-third of both membership and membership revenue, and individual members account for about one-fifth. These findings show little fault in the museum's original plan, but the shifting subgroups create serious concerns.

Highlighted in red, senior citizen members – who make up nearly one-fifth of the total museum membership – account for less than 10 percent of membership revenue. This group clearly contributes little monetarily, so marketing to these people for the purposes of increasing membership revenue is foolish, despite the fact that so many members fall into this subgroup.

Finally, the green-highlighted subgroups in the above charts represent a should-be target audience. Though only 2.3 percent of museum members are associate members, that subgroup accounts for 9.88 percent of membership revenue; and members in the contributor subgroup

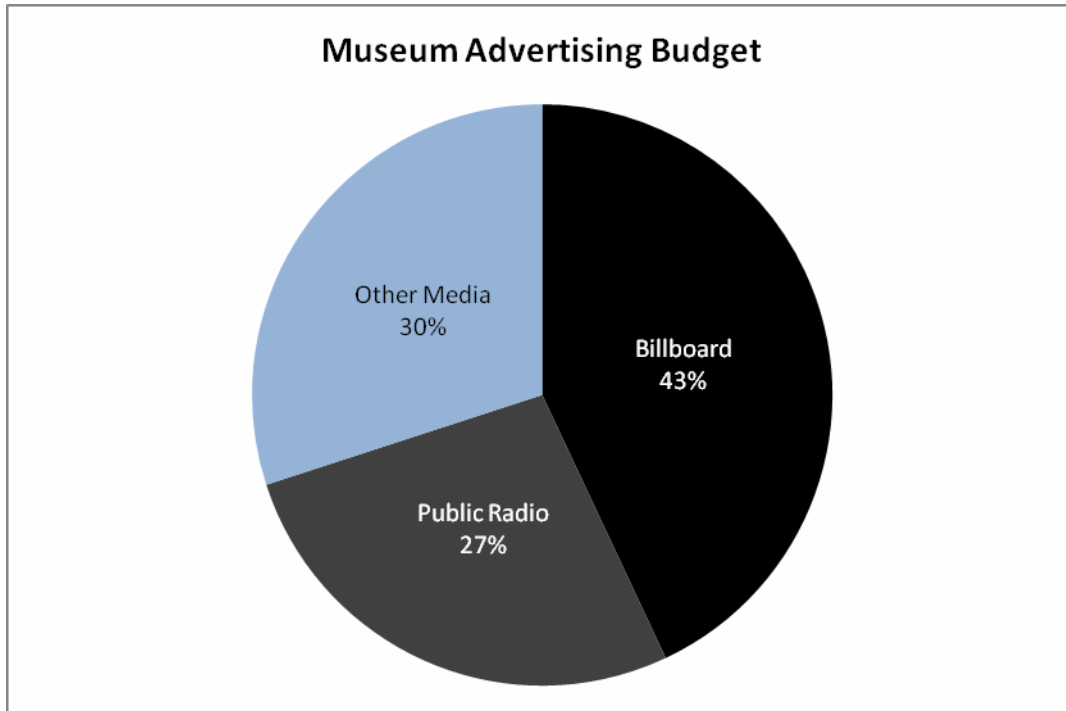
account for 9.2 percent of total membership and 19.68 percent of total membership revenue. Those increases are four and twofold, respectively.

The reason for these shifting subgroups is simple, and somewhat obvious: members pay different dues based on their subgroups. Though fewer people can afford contributor and associate memberships, the high cost of their dues results in their large contributions to membership revenue, and consequently, their increased importance as a target audience to the museum's immediate goal.

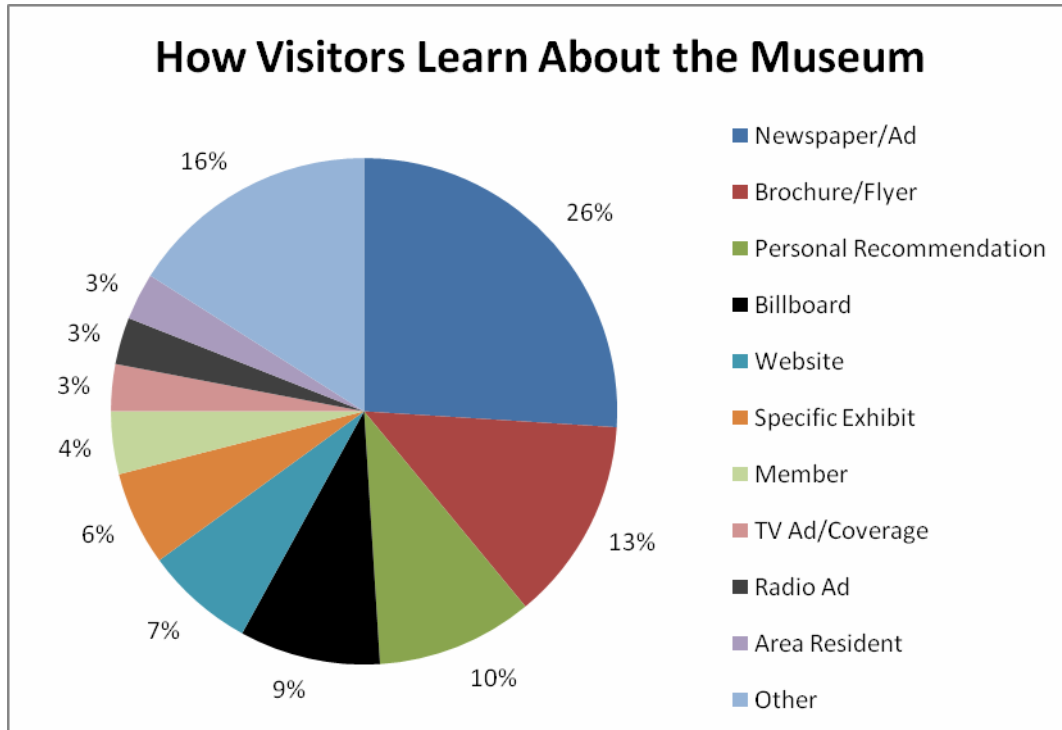
Missing the Mark

Although the pareto chart analysis may justify targeting families to increase their membership revenue contributions, it also shows that wealthy individuals must also be reached to effectively and efficiently increase membership revenue.

That said, the museum's main mode of message dissemination is advertising, so organizational advertising efforts must reach the target audience, which, after the pareto chart analysis, clearly includes at least moderately wealthy individuals. Not only must the message connect to those individuals, so must the medium, and according to Versluys, the museum allocated its advertising budget as follows:



The museum obviously places an incredible amount of faith in billboards and public radio to reach potential visitors, members, and patrons; but according to outside research on individuals' responses to various media, those particular media buys may not be justified. Here are some of the findings in that report (Horizon 8):



According to the Horizon report, only 12 percent of museum visitors learned about the institution through either public radio or billboard advertising, yet the museum spends a staggering 70 percent of its advertising budget on those two media. It appears that the museum fails to reach most of its audience through its advertising efforts. Even worse, billboards and public radio spots appear especially unlikely to reach wealthy audience.

The Billboard Debacle

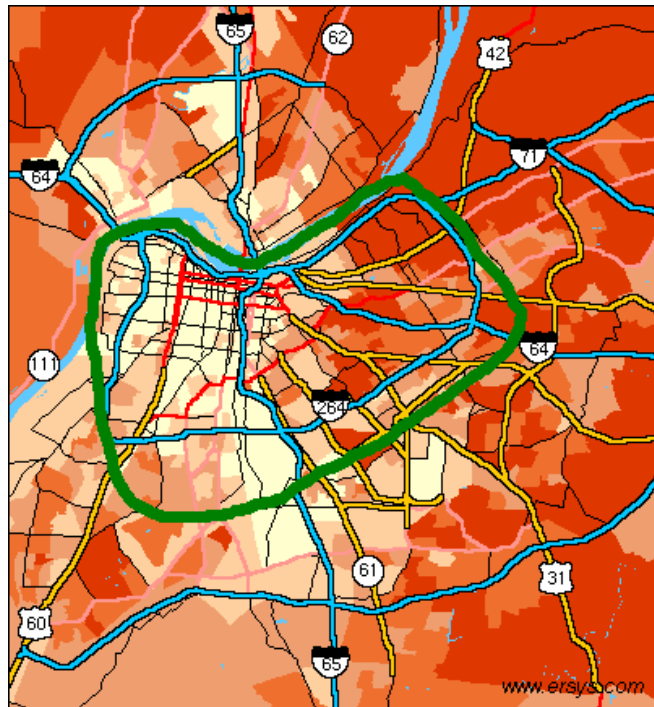
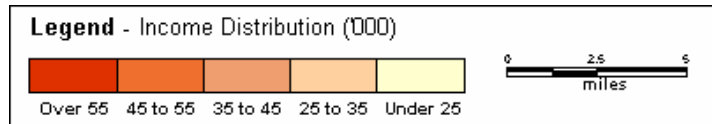
Billboards can be affective marketing tools if used in the correct manner. According to Elliot Young's study, billboards can raise awareness of an institution through multiple exposures to commuters. They also have the potential to reach many demographics, provided individuals within those demographics see them.

Young's point raises the most critical concern about billboards: placement. Stephen Swoyer argues that based on placement, a billboard can target a specific audience. Therefore, to

target wealthier individuals, the museum must place billboards in driving locations that these people frequent.

This poses a problem. According to Versluys, the museum does not place billboards outside Louisville’s old city limits – the city limits that existed prior to the 2003 merger of the Jefferson County and city of Louisville’s governments – because patrons feel they obstruct the landscape. The museum does not wish to disturb the natural beauty that visitors and donors appreciate.

It is difficult to argue against an organization for taking to heart its customers concerns, but if the current billboard policy is maintained, there is little point in using the medium to reach the higher income target audience. The following data from the U.S. Census Bureau will help illustrate this point.



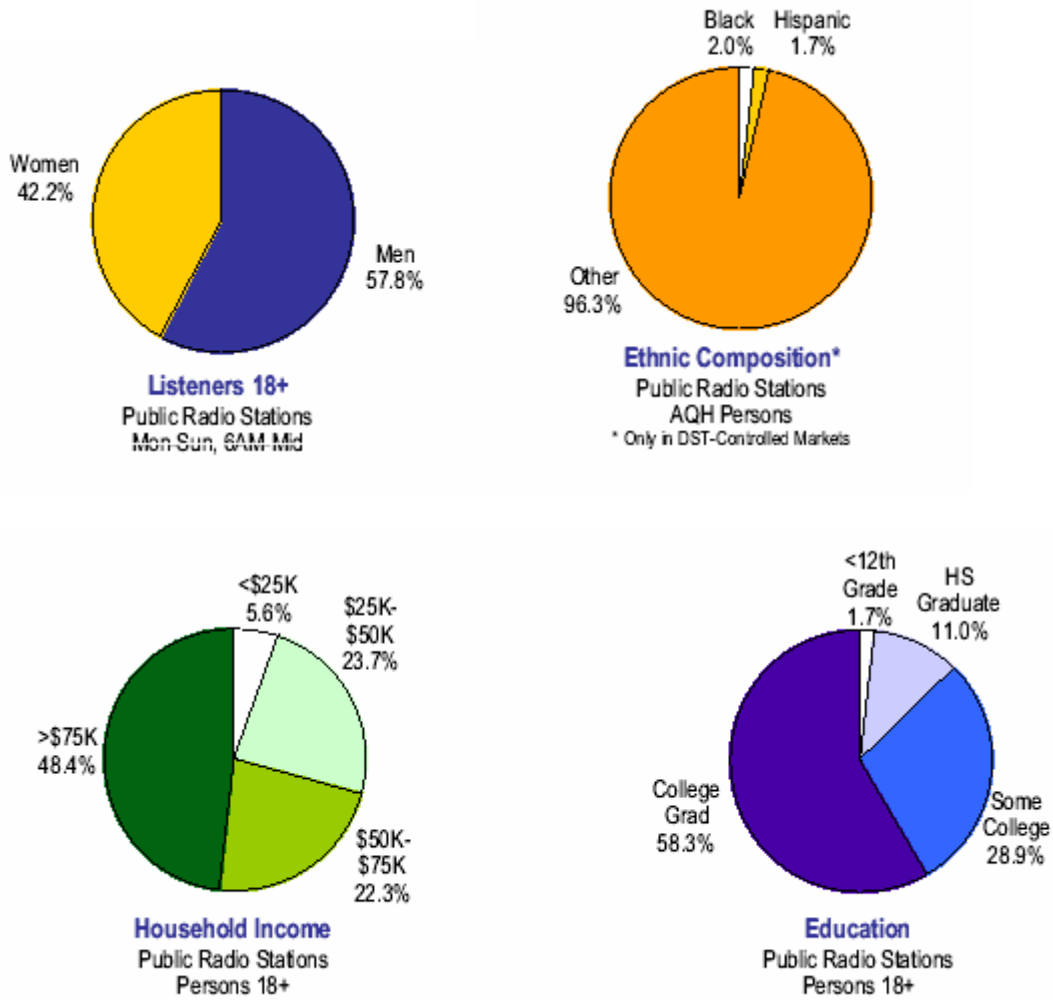
The legend shows the household income distribution in Louisville and the dark green circle marks the boundaries of the old city of Louisville, the area in which the museum places its billboard ads. This area also comprises a large portion of low-income households, with the wealthier individuals typically residing toward the north and east of these limits.

While it is true that wealthy individuals may work within the old city limits or venture to downtown Louisville for recreation or other reasons, there are likely several persons that do so rarely because they work closer to home and have fewer reasons to travel to the inner city. The uncertainty in this matter is enough to raise concerns about using the billboard medium in the current approach; to reach the high-income target audience, billboards must be applied in a different manner or largely scrapped as an efficient message dissemination tool.

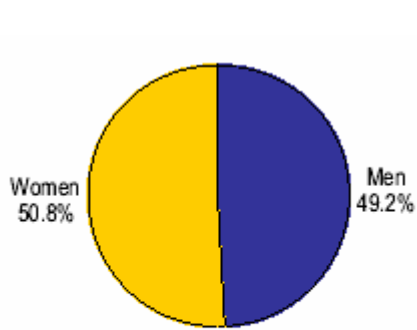
The Weaknesses of Public Radio

Public radio is slightly different, with an interesting problem in reaching wealthy individuals. According to Arbitron's "Public Radio Today" study, public radio listeners tend to be demographically similar to wealthy museum visitors and members.

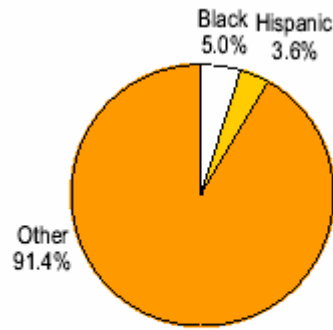
As described by its program guide, WFPK 91.9 FM is a Louisville public radio station that plays alternative music aimed at adult audiences. The following are demographic statistics from the Arbitron report on alternative music public radio listeners:



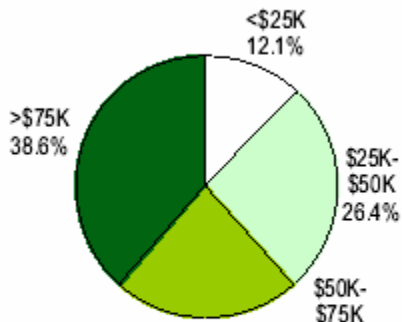
Again, from observing its website, WUOL 90.5 FM defines itself as “Your Classical Choice, Louisville, Kentucky.” Here is the demographic breakdown for classical music public radio listeners from the same study:



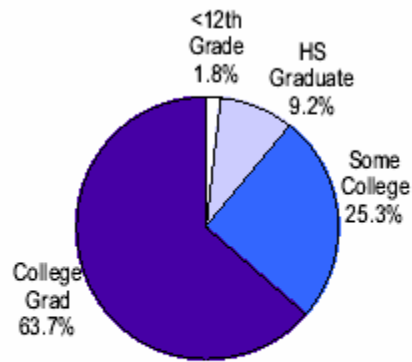
Listeners 18+
Public Radio Stations
Mon-Sun, 6AM-Mid



Ethnic Composition*
Public Radio Stations
AQH Persons
* Only in DST-Controlled Markets

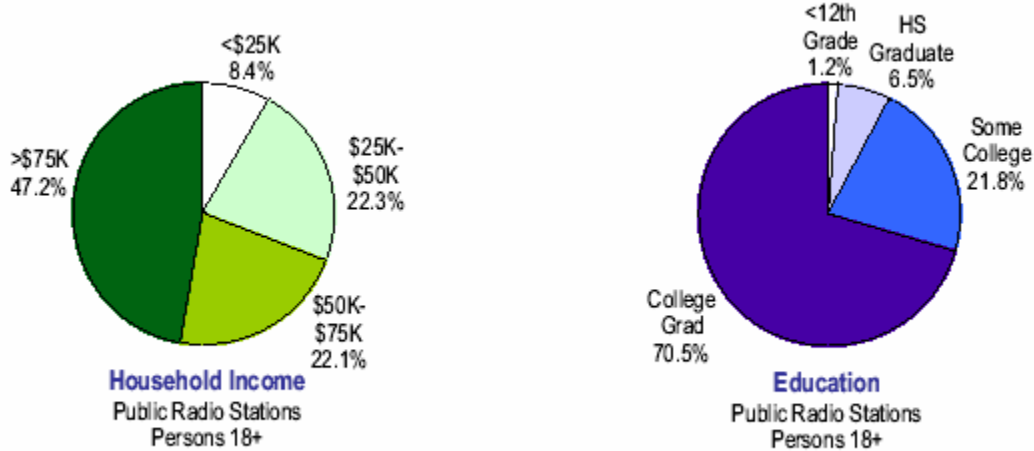
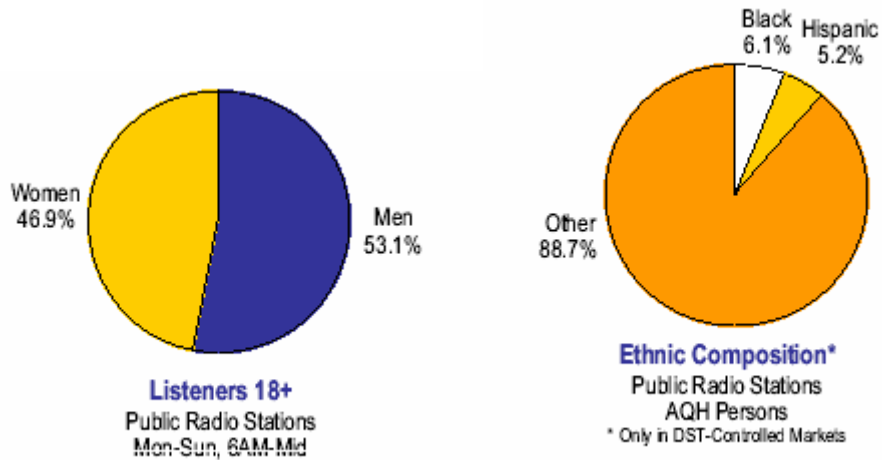


Household Income
Public Radio Stations
Persons 18+



Education
Public Radio Stations
Persons 18+

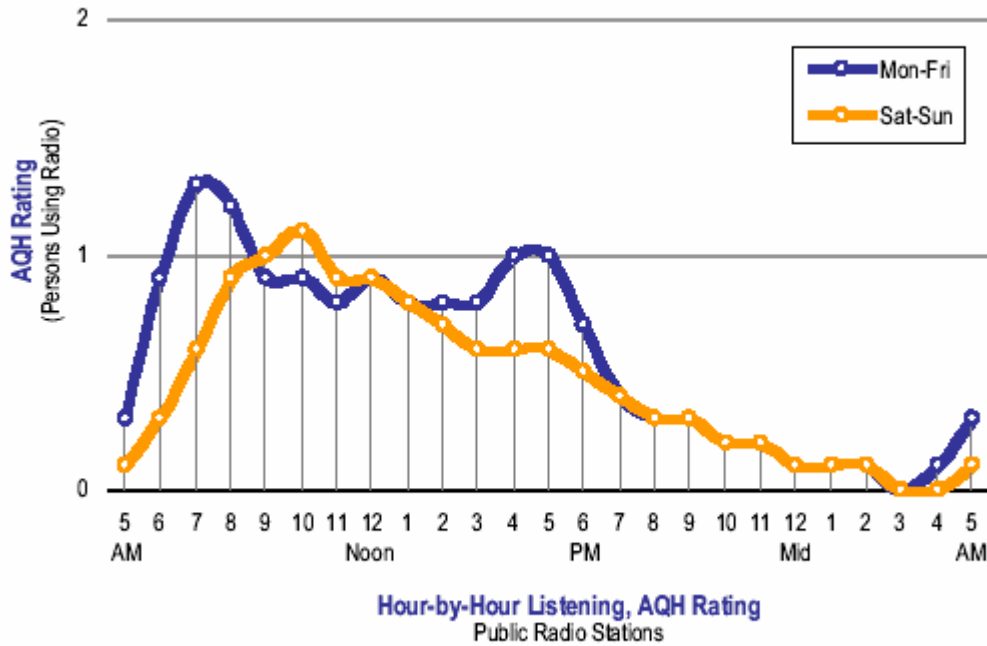
Lastly, the program guide on WFPL 89.3 FM’s website clearly displays its orientation to talk and news. Many of its programs are syndicated from NPR, most notably the popular shows “Morning Edition,” and “All Things Considered.” Once more, here are the Arbitron stats:



Although by no means an exact match, the average public radio listener is typically white, educated and – most important to this discussion – affluent. The problem that arises here, then, is not so much one of matching a medium and a target audience, but one of value.

According to Versluys, the museum’s contract with the Public Radio Partnership is \$35,000 per year and calls for 10-second promotional spots to be played throughout each day on all three Louisville public radio stations. Like the billboard debacle, the problem is placement: the museum does not get to choose when the spots air. As the graph below – taken from the

Arbitron study – illustrates, listeners tune in mostly during morning and evening commutes.
 Listenership remains steady throughout the day, but a dramatic drop off begins at 5 p.m.



In reviewing the museum’s advertising spot schedule, one easily sees that advertisements are aired randomly throughout the day, including the hours when few people are listening. A good demographic match does little if targeted individuals fail to here the message.

The solution is simple. Public Radio Partnership employee Gray Smith described another type of media buy that offers time slots from 6 a.m. to 8 p.m., which is a closer fit to times with the greatest number of listeners than the current buy. By narrowing its temporal aim, the museum can effectively stretch its public radio advertising dollars, spending its budget more efficiently.

Beyond Traditional Media

The hard truth of the matter, despite the previously described suggestions for improving billboard and public radio advertising, is probably much simpler: mass media outlets are often poor choices for reaching niche audiences. This notion likely holds true for the museum, which seeks not only to communicate with wealthy individuals, but also to develop a relationship with those individuals via membership.

In his book, “Liberation Management,” Tom Peters encourages organizations to build stronger and longer relationships with specific high-value consumers who have a larger “lifetime” value for those organizations (713-714). For institutions like the museum that seek out a specific niche audience, it is important to recognize the lifetime value of members. If a person builds a relationship with the museum over the years, remains a member, advances membership levels, and donates regularly, he or she will have contributed a great deal to the institution. By losing that customer early on through faulty communication planning, the museum loses all those benefits the person will provide, not just during the present but during the future as well.

Customer Twins: Finding New Audiences

Still, reaching beyond tradition media is a difficult task, just as it is difficult to convince many people to invest heavily in any organization. When it comes to membership for example, not everyone is willing to spend \$1,000 a year to be a museum member in the Director’s Circle, but those individuals are extremely valuable nonetheless (Lobby Pamphlets). As previously explained, higher-tier members have a great impact on museum revenue: locking in one higher-tier member can make a much larger impact than locking in multiple lower-tier members.

The task then becomes finding and targeting this special audience, and there are numerous ways to do so. One such method is one of comparative analysis, which makes the task of niche marketing considerably less daunting. Bob Stone outlines a procedure for finding that target audience in his book, "Successful Direct Marketing Methods." Stone's approach uses a company called National Demographics and Lifestyles that compiles enhanced demographic and lifestyle data into a database called the Lifestyle Selector to find what are called "customer twins."

To find these "customer twins," the museum would merely provide the Lifestyle Selector with a list of the names of high-tier members to determine if they are among the tens of millions of Americans in its database. From among those high-value contributors whose Lifestyle Selector files contain information on their demographic and psychographic make-ups, the Lifestyle Selector in turn outputs a composite profile of these donors containing several demographic characteristics and other personal information. Then the resulting profile, which describes those members who already give generously to the museum, would be run back through the database; this process would yield a new list of names. These names represent those people whose lifestyles are very similar to those individuals deeply involved financially with the museum through high-tier membership. Again, the underlying assumption is that individuals demographically and psychographically similar to existing high-tier members will also be likely candidates to contribute to the museum in the same manner.

Companies like Equifax, TRW, Axicom, Metromail, Donnelley or R.L. Polk perform this procedure (Stone 48-50, 128-129; Thompson 431). The procedure is relatively inexpensive, and if through direct mailings just one person becomes a member of the Director's Circle, it will have already paid for itself.

Conclusion

Of course the idea of customer twins is just one suggestion to better target a museum message to the correct audience, but the focus here has been less on the method of dissemination and more on what message is to be disseminated. For all the hard work and money spent, the museum had little to show where it truly counts: results. And the reason for this is the supply chain.

What seems to have been forgotten is the meaning of results; a result is simply a response, an output, or an effect. All of these synonyms are telling in that each follows naturally from a complimentary precedent: a process, an input, or a cause. Results are important, but it must be remembered that they are the end game, the last step in a communication supply chain:

Information to Proliferate → Message Creation → Disseminated Message

In creating a communication strategy, the input is comparable to the output no matter the amount of good, creative work and expenditures that are poured into the process.

Deming is right to say that all employees must work diligently to create higher quality and that management must make changes when necessary because only management can. Communication is an industry of intangibility in many ways, as was previously described, and this is sometimes the case for managing the message as well. This being said, the communication practitioner must be prepared to fill that management role and inspect and control the supply chain from beginning to end, as each apex is equally important. The mantra is logical and simple: quality begets quality, junk begets junk.

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