

ESTIMATING THE FINANCIAL IMPACT OF THE WEST END'S THEATRE CRITICS

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ABSTRACT

The paper sets out a method to quantify the impact of theatre critics on the West End in 2003. Using a sample of 32 productions launched with open-ended runs, the impact of good reviews and bad is estimated. Account is taken of the circulation of different papers, the proportion of readers who are theatregoers, the nature of the different reviews and the size of theatre in which each production takes place. The author estimates that the net financial impact of the reviews in 2003 was positive and values it at £18.7m. This is equivalent to 6.3 per cent of the West End's total box office. A low correlation ($R^2 = 0.12$) is found between positive reviews and the length of run. The slope of the trend is in the expected direction, namely positive. The author notes that *The Evening Standard*, the newspaper with the biggest impact on West End theatregoers, was the most negative towards the 32 productions analysed.

Introduction

So long as there have been plays there have been critics to pass judgement on them. Theatres came to Britain with the Romans who built one at St Albans. Indeed, the word critic comes from *criticus*, so theatre critics may lay claim to be the world's second oldest profession.

The West End's theatre industry has a love-hate relationship with the critics. Some actors claim never to read reviews or to take no notice of them if they do. By contrast, producers and managers accept that a set of good or bad of reviews may make or break their production. They invite the critics to opening night, give them complimentary tickets for the best seats and start early so that the reviews can appear the next morning.

For their part the critics can be ruthless to the point of cruelty or adulatory to the point of absurdity. They have memories as long as elephants and can be as unpredictable. The motto of the Critics' Circle, *audacter et sincere*, means be bold and sincere.

Many critics believe that it is part of their job to ensure that their readers do not go to productions of which they, the critics, disapprove. They think that they can judge what real theatregoers will enjoy, ignoring that they themselves are far from being real theatregoers.

They go to three or four productions a week while a regular theatregoer makes eight visits a year.¹ Inevitably critics' tastes are different. How many readers of this article have been to a show with rave notices only to be disappointed if not worse?

But consider the converse. How many readers have been to a show with awful reviews and come away thinking that the critics were wrong? The answer probably is much fewer, and there is a reason. Research shows that word of mouth is the most important influence in determining which shows people go to, followed by press reviews and articles.² Obviously the impact of press reviews that appear en bloc within days of the opening night have an immediate impact that lingers in theatregoers' memories for months. During that time they discuss with other theatregoers what they have seen and enjoyed. Gradually word of mouth builds to reinforce or rebut what the critics have written.

The time difference between the impact of the reviews and of word of mouth means that it may be possible for critics to kill new productions which real theatregoers might have enjoyed but never have a chance to see. Like doctors, it is said, theatre critics can bury their mistakes.

Are critics aware of the power of their reviews? Of course, but some claim that too much is made of it. After all "it's only one person's opinion and they might be wrong", as Charles Spencer, *The Daily Telegraph's* principal theatre critic once put it.

The purpose of this paper is to quantify the impact of the West End's theatre critics in financial terms and to draw conclusions. As I am breaking new ground I shall explain in detail the assumptions I am making from which my estimates are derived.

Which papers do theatregoers read?

It seems likely that most theatregoers read one daily and one Sunday paper. In addition, many London commuters read *The Evening Standard*. It follows that most theatregoers see at most two to three reviews of each new production. In fact 19 titles regularly carry reviews and are listed in Table 1.

The MORI study cited earlier³ found that in 1997 the newspapers most commonly referenced by its sample of theatregoers were *The Times* (20.2 per cent) and *The Sunday Times* (30 per cent). These and figures for other papers are shown in the Raw Data columns of the table. The circulations of the papers are shown in column 2.

We can use these figures to estimate the percentages of each paper's readers who read the theatre reviews. Suppose that exactly the same proportion of *Daily Telegraph* readers read the theatre reviews as *Times* readers, the larger circulation of *The Telegraph* would have resulted in a *higher* proportion of the sample referencing *The Telegraph* than *The Times*. In fact the percentage of *Telegraph* citations was *lower* at 17 per cent so it follows that the *Telegraph's* readers were less likely than *The Times's* readers to read the theatre reviews.

¹ MORI. *The West End theatre audience. A research study conducted for the Society of London Theatre, 1998, p27*

² *Ibid*, p39

³ It has not been updated.

Using *The Times's* figure of 20.2 percent I have adjusted the percentages of the other papers arithmetically by the ratio of their circulations to that of *The Times*. This becomes my estimate for the percentage of *Telegraph* readers and of other papers who read the theatre reviews.

A different method is needed for those papers that do not appear in the MORI report. Later in this paper I describe the 32 productions that opened in the West End in 2003 that were my sample for further analysis. Table 1 shows the number of productions out of 32 reviewed by each paper.⁴ *The Times* reviewed 26 while *The Scotsman* reviewed five. The number of productions reviewed seems a reasonable proxy for the level of interest by the readership of the paper in question. For example, *Time Out* and *What's On* are bought specifically by people in search of theatre as well as other forms of entertainment. By applying the ratio of the number of productions they reviewed to that of *The Times* the percentage of their readers who read the theatre reviews is scaled at 22.5 per cent and 23.3 per cent respectively. At the other end of the scale *The Scotsman's* percentage becomes 3.2 per cent. These figures seem intuitively plausible.

Table 1. Estimated percentages of readers in Greater London who read theatre reviews

	Circulation 2002-03 1000s	Of which in London estimated 1000s	Daily papers regularly read by theatregoers		Sunday and weekly papers regularly read by theatregoers		Productions reviewed out of 32
			Raw data (1)	Adjusted See text	Raw data (1)	Adjusted See text	
Daily Express	920	110	5.0	3.2			23
Daily Mail	2,368	284	16.0	3.9			25
Daily Telegraph	894	107	17.0	11.0			28
Evening Standard	412	391	8.0	11.3			28
Financial Times	434	174	5.0	6.7			27
Guardian	370	44	16.0	25.1			25
Herald	86	4		8.8			14
Independent	205	25	13.0	36.7			25
Independent on Sunday	189	23			9.0	27.6	18
Jewish Chronicle	38	19				17.9	23
Mail on Sunday	2,342	281			17.0	4.2	17
New Statesman	25	3				7.0	9
Observer	460	55			9.0	11.4	19
Scotsman	69	3		3.2			5
Spectator	60	7				7.0	9
Sunday Express	961	115			5.0	3.2	30
Sunday Telegraph	694	83			15.0	12.5	25
Sunday Times	1,379	165			30.0	12.6	21
Time Out	86	86			7.0	22.5	29
Times	580	70	20.2	20.2			26
What's On	41	41				23.3	30

Notes

- 1) Source: MORI for The Society of London Theatre. *The West End Theatre Audience*, 1997, pp20-21
- 2) *The Times's* 20.2 per cent is taken as the basis. The other percentages are adjusted by the papers' circulations compared with *The Times* or by the number of productions reviewed compared with *The Times*. See the text of the paper.

Source: Ian Senior

⁴ Data on the number of reviews were drawn by the author from *Theatre Record*.

The raw financial impact of theatre reviews on an individual production

A theatre critic reviewing a production takes no account of the economics of the production. A scalding review, or a good one, will be read by the same number of readers irrespective of the size of the theatre and/or the number of performers. If the review is extremely bad (a “pan”), I make the simple assumption that most or even all the readers will initially decide to avoid the production. Conversely, if it is a rave, most or all readers will make a mental note to include it in their list of shows to see providing the content of the production broadly appeals to them. I define the impact of the initial reading of the review as the “raw impact”.

Table 2 shows the circulation of all the papers concerned with an estimate of the percentage that is in the Greater London area. For national titles the percentage used is 12 per cent. I have also used the following estimates:

Estimated readership in Greater London	
<i>Evening Standard</i>	95%
<i>Financial Times</i>	40%
<i>Herald and Scotsman</i>	5 %
<i>What's On and Time Out</i>	100%
<i>Jewish Chronicle</i>	50%

Of course many theatregoers are not resident in the London region. The MORI study showed that 40 per cent of theatregoers live in the Greater London area. To make the estimating process tractable, I focus on Greater London’s resident theatregoers. The final figures are scaled up in Table 4 to give global estimates.

Table 2 shows the papers’ circulations, the estimates of the percentages living in the Greater London Area and the proportions of each paper’s readership that reads the theatre reviews (from Table 1). Assume that readers, on the basis of a pan, decide not to see a production or, on the basis of a rave, decide to see it. Assume also that each reader takes a companion, and multiply the number of theatregoers by the average price of a West End ticket, £25.48.⁵

The results are shown in the final column of Table 2. *The Evening Standard* has by far the biggest raw financial impact at £2.2m per production. *The Sunday Times* in second place is well behind at just over £1m. These raw figures can be thought of as the positive (negative) impact on the box office of a big production over a year of a rave (pan) by the papers concerned. Because of the immediacy of theatre reviews it is likely that at least half the raw impact is felt on the box office of the production concerned in the first three months. In the absence of data I have not tried to estimate the time-distribution of the raw financial effect.

The total raw impact of reviews on an individual production is £10.6m. This can be interpreted as the impact on the box office over one year of a set of 19 rave reviews for a big show of wide appeal in a big theatre such as Drury Lane. Similarly if the reviews were

⁵ Lidsone G, Stewart-David M. *Box office date report 2001*, Society of London Theatre, p27

universal pans, £10.6m would be the negative impact. In practice few shows attract universal raves or pans. The value of the raves and positive reviews are offset by the value of the negative reviews and pans. Neutral reviews do not affect the box office in my model.

Table 2. Raw financial impact of reviews on a given production, 2003

Paper	Circulation 1000s (1)	Of which in	Of which regular	1000s	2 tickets at
		Greater London (est) 1000s	theatre-goers (est) % (2)		£25.48 for 1 production £1000s
Evening Standard	412	391	11.3	44.1	2,247
Sunday Times	1,379	165	12.6	20.9	1,064
Time Out	86	86	22.5	19.3	982
Times	580	70	20.2	14.1	717
Daily Telegraph	894	107	11.0	11.8	603
Mail on Sunday	2,342	281	4.2	11.8	603
Financial Times	434	174	6.7	11.6	591
Daily Mail	2,368	284	3.9	11.1	568
Guardian	370	44	25.1	11.1	568
Sunday Telegraph	694	83	12.5	10.4	532
What's On	41	41	23.3	9.6	487
Independent	205	25	36.7	9.0	461
Independent on Sunday	189	23	27.6	6.3	319
Observer	460	55	11.4	6.3	319
Daily Express	920	110	3.2	3.5	177
Sunday Express	961	115	3.0	3.5	177
Jewish Chronicle	38	19	17.9	3.4	172
Spectator	60	7	7.0	0.5	26
Herald	86	4	8.8	0.4	19
New Statesman	25	3	7.0	0.2	11
Scotsman	69	3	3.2	0.1	6
Total					10,649

1. ABC data, 23 Jan 04

2. Table 1.

Source. Ian Senior

Adjusting the raw financial impact

Clearly two other significant factors must be considered. First, many reviews lie in between being a rave or a pan. They may be somewhat positive, neutral (or with positive and negative aspects in balance) or somewhat negative. In considering the impact of reviews that are positive (but not raves) I multiply the raw impact by 0.5. If a review is neutral, I multiply the raw impact by zero, which of course produces zero. If a review is negative (but not a pan) I multiply the raw impact by -0.5. If the review is a pan, I multiply the raw impact by -1.

Second, the size of the theatre is an important but *indirect* influence that affects the raw impact of the review. When producers choose a theatre they think of the numbers that their product may attract. A full-scale musical such as *Anything Goes* is suitable for Drury Lane

with 2,200 seats rather than the Arts theatre with 340. The latter is obviously more suitable for small-cast productions and possibly controversial material such as *The Vagina Monologues*. Every theatre review describes the play concerned, so even if a review gives a rave to an avant-garde production in a small theatre, many readers will not want to see it.

My way of taking into account the size of the theatre concerned for each production is to multiply the raw impact figure by number of seats in the theatre divided by 2,200, the number in Drury Lane. This gives the “adjusted impact” which is a more realistic reflection of the impact of a given review on the box office concerned.

It can now be seen that my model for measuring the impact of any given review takes account of the following factors:

- the circulation of the paper within the Greater London area;
- the estimated percentage of its readers within the Greater London area who read theatre reviews;
- the nature of the review (rave, positive, neutral, negative and pan); and
- the size of the theatre.

In the next section I apply these concepts to a sample of 32 plays that opened in the West End in 2003.

The sample

The data source for my detailed analysis of individual productions is *Theatre Record*. This journal reproduces full copies (less the headlines) of every review that appears in the papers listed in Table 1. The reviews cover not just the 52 full member-theatres of the Society of London Theatre⁶ (“SOLT”) but also the fringe theatres within the Greater London area and a considerable number of provincial theatres. In 2003 *Theatre Record* published reviews of no less than 670 productions.

The 52 theatres that are full members of SOLT comprise 10 subsidised theatres including the three houses of the Royal National Theatre, and 42 commercial theatres. A fundamental difference between the 42 commercial West End theatres and all others is that their productions generally have open-ended runs. Successes such as *The Mousetrap* and *Cats* may occupy a theatre for 20 years or more; flops close in weeks. The economic risks and rewards of the West End’s commercial theatres are far higher than for all the other productions. The latter have ‘limited seasons’, typically three to six weeks. They can predict their costs accurately. Although they make profits or losses depending on the size of the audiences, both profits and losses are capped by the predefined duration of the run.

⁶ For a full list see Lidstone G, Stewart-David M. *Box Office Data Report 2001*. SOLT, Section II, p4

The risk/reward structure for the open-ended, commercial productions is heightened because producers⁷ must always assume that the show will be a success. The money comes from investors, sometimes picturesquely known as angels, who back the show in the hope of getting a return on their investment. The investment required for a show that is hoped to run for years clearly must be higher than for a limited-season production. The cost of the set, costumes, orchestrations and publicity are all correspondingly higher. The casts may be bigger and must include at least two 'namey' performers to draw audiences. If the production is a brand new work rather than a revival, more rehearsal time is needed.

By contrast, the subsidised West End theatres including the National Theatre all put on productions for limited seasons. Because of the subsidies they can afford the cost of mounting big shows for short runs. Some of them transfer to commercial West End theatres for open-ended seasons. *Anything Goes* and *Jerry Springer – the Opera* are two such that are included in my sample for 2003.

Because of the heightened risk and rewards of open-ended productions my sample for this study consists of all the productions that opened in 2003 for open-ended runs. *Theatre Record* recorded 32 and they are shown in Table 3 in chronological order.

Same show, different critics, different ratings

For the sample of 32 shows I classed the reviews by every critic of every show, using the rating 1 = rave, 0.5 = positive, 0 = neutral, = -0.5 = negative and -1 = pan. For many shows the reviews were mixed. Only a small number gained universal raves and positives or universal pans and negatives. This demonstrates how personal are the views of critics. Critics themselves are well aware of the diversity of their reviews and consider this to be a strength of theatre criticism in the West End. They argue that the position here is far healthier than on Broadway where just two or three papers collectively can kill shows within days.

⁷ Sometimes known as impresarios.

Table 3. Open-ended productions that opened in the West End in 2003

Production	Theatre	Seats	Opened	Closed	Performances
Auntie and me	Wyndham's	750	14 Jan	26 Apr	117
Singalong-a- Abba	Whitehall	648	9 Jan	5 Apr	100
Zipp	Duchess	476	4 Feb	19 Apr	85
Dance of Death	Lyric	949	4 Mar	22 Mar	21
Joseph and the Technicolour Dreamcoat	New London	929	3 Mar		Still running
My Brilliant Divorce	Apollo	775	24 Feb	17 May	94
Pretending to be me	Comedy	800	18 Feb	26 Apr	77
Cliff	Prince of Wales	1,113	12 Mar	10 May	68
Rat Pack	Strand	1,050	18 Mar		Still running
Mum's the word	Albery	877	18 Mar	7 Jun	93
Ragtime	Piccadilly	1,200	19 Mar	4 June	89
Jus' like that	Garrick	724	8 Apr	2 Aug	133
The Madness of George Dubya	Arts	340	7 Apr	23 Aug	160
Three sisters	Playhouse	756	3 April	29 June	99
Tell me on a Sunday	Gielgud	888	15 Apr		Still running
Sex In Chicago	Comedy	800	14 May	2 Aug	85
After Mrs Rochester	Duke of York's	650	22 Jul	25 Oct	109
Midsummer Night's Dream	Comedy	800	14 Aug	8 Nov	97
R&J	The Arts	340	8 Sep	7 Nov	69
Cyberjam	Queens	960	23 Sep		Still running
The Price	Apollo	775	11 Sep	10 Jan	140
Rat Pack Confidential	Whitehall	648	18 Sep	15 Nov	68
Noises Off	Piccadilly	1,200	5 Aug	8 Nov	112
Anything Goes	Drury Lane	2,200	7 Oct		Still running
See U Next Tues	Albery	878	2 Oct		Still running
Thoroughly Modern Millie	Shaftesbury	1,405	21 Oct		Still running
Wait until dark	Garrick	650	15 Oct	23 Dec	80
Money to burn	The Venue	350	9 Oct	11 Oct	3
Tonight's the Night	Victoria Palace	1,575	7 Nov		Still running
Jerry Springer, the Opera	Cambridge	1,253	10 Nov		Still running
Sweet Panic	Duke of York's	650	12 Nov		Still running
Happy Days	The Arts	340	18 Nov		Still running

Sources

Dates of openings and closings, *Theatre Record*

Number of theatre seats, *Theatre Monkey*. Note that the numbers may vary slightly with the production

Number of performances estimated by the author on the basis of eight per week

Having rated the reviews for each show, I then adjusted the financial impact by the size of the theatre to give the adjusted impact. Finally, I summed the resulting figures by each paper across all 32 shows. The results are given in Table 4 below. It shows that in 2003 the *Daily Telegraph* and *The Times* had the highest net positive financial impact and *The Evening Standard* had the most negative net impact. The sum of the 19 papers produced a positive impact of £11.2m on Greater London based theatregoers. Since Greater London theatregoers accounted for 60 percent of the total of seats sold in 1997⁸ the impact on all theatregoers is found by scaling up the Greater London figures accordingly. The total net impact becomes £18.7m.

⁸ MORI. *The West End Theatre Audience*, July 1998, p28. This publication has not been updated.

Table 4. Estimated adjusted net financial impact of theatre reviews on 32 West End productions, 2003

Paper	Greater	All
	London	
	£1000s	£1000s
Daily Telegraph	2,518	4,197
Times	2,376	3,960
What's On	1,959	3,265
Time Out	1,482	2,469
Sunday Times	1,371	2,285
Sunday Telegraph	1,199	1,998
Financial Times	913	1,522
Mail on Sunday	589	982
Jewish Chronicle	498	830
Sunday Express	410	683
Daily Express	263	439
Guardian	151	252
Herald	33	55
Daily Mail	23	38
New Statesman	3	5
Scotsman	1	1
Spectator	-38	-63
Observer	-264	-440
Independent	-427	-712
Independent on Sunday	-692	-1,154
Evening Standard	-1,153	-1,922
Total	11,214	18,691

Source. Ian Senior

How important is the net financial impact?

The figures in Table 4 relate to 32 open-ended productions only. No conclusions can be drawn about the other productions with limited seasons.

It can be argued that individual reviews whether good or bad do no more than divert theatregoers away from shows that critics consider bad to those they consider good. If so, the number of seats sold would remain the same and the impact on the West End box-office as a whole would be neutral.

A second possibility is that good and bad reviews have a direct impact on theatregoers propensity to go to the theatre at all. Consider the extreme case in which every reviewer panned every production for a year. Theatregoers might well respond by saying there was nothing worth seeing and by going to a film or restaurant instead.

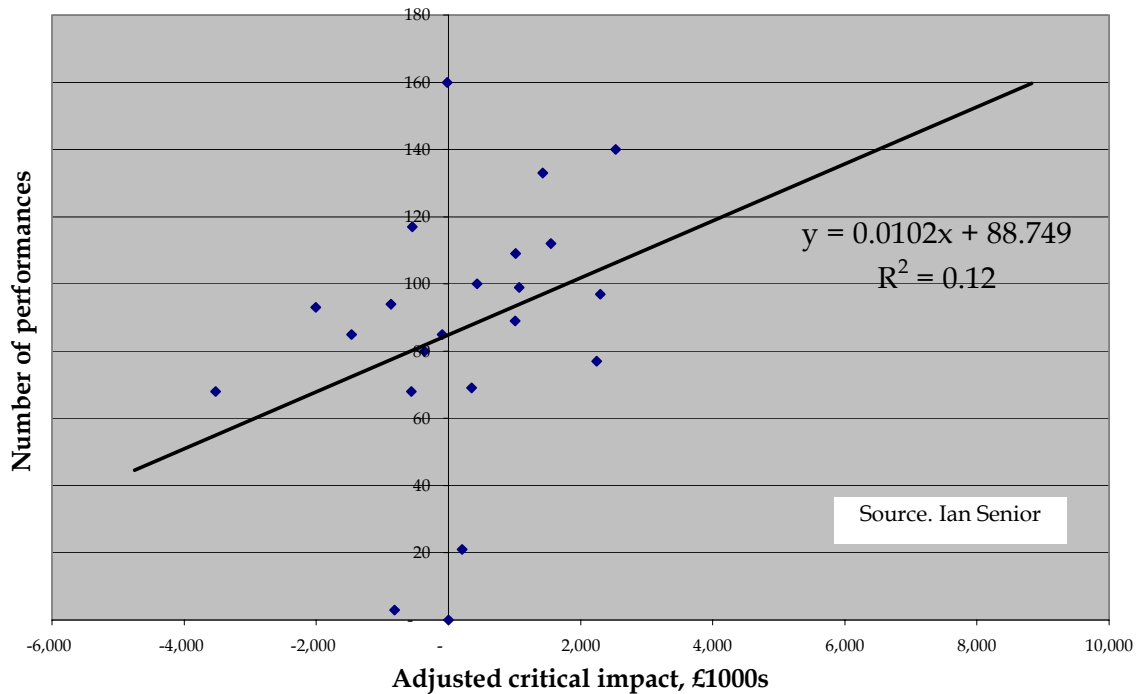
A third possibility is that if theatregoers follow the critics' recommendations they may often be disappointed because, as noted earlier, critics are *not* real theatregoers and, in some cases, have axes to grind. This being so, their attempts to redistribute theatregoers among the productions on offer may prove negative to theatregoers' levels of enjoyment overall.

For the present, let us take the neutral view and imagine that if all reviewers in 2003 had written purely descriptive and non-judgemental reviews of all the productions the total box-office have been £18.7m worse off. In 2001, the latest year for which figures are available, SOLT theatres had revenue of £299m, so the impact of the critics in 2003 may have been equivalent to 6.3 per cent of the total box-office.

The relationship between reviews and the length of run

The ability of critics to kill shows has been mentioned earlier. Examples and counter-examples could be given. However, the data from the shows listed in Table 3 throw some light on the matter. The Figure below shows the relationship between the adjusted critical financial impact for each show against the number of its performances. Shows that are still running have been excluded. The trend line, its equation and R^2 , the coefficient of correlation, are shown. If there were a perfect correlation between the reviews and length of run, R^2 would be unity; if there were no correlation R^2 would be zero. The rising slope of the trend says that there is a positive correlation between good reviews and longer runs, but with R^2 at 0.12 it is clear that many other factors influence the length of runs.

Figure. Relationship between reviews and number of performances



Conclusions

This paper has shown that, using the data available and plausible assumptions, the financial impact of theatre critics on individual West End productions and on the West End box office as a whole can be estimated, producing plausible results. The influence of individual papers has been ranked and summed to estimate a net positive value in 2003 of £18.7m. However, it must be a source of concern to West End producers that the most powerful paper, *The Evening Standard*, was the most negative towards the West End's offerings in 2003.

Taken at face value, the theatre critics may have had a positive influence equivalent to about 6.3 per cent of the total West End takings in 2003.

The power of the critics to assist or damage the run of individual productions is supported by the correlation found, but the low R^2 suggests that many other factors also determine the length that open-ended productions run in the West End.

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