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Benchmarking the Performing Arts: a Price Level Index for Publicly Funded German Music Theatres

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ABSTRACT

There is a constantly growing gap between rising fixed costs and stagnating revenues in German publicly funded music theatres (PGMTs). The structural crisis can be assumed to be even worse after a restart of the performing arts following the COVID-19 pandemic. The potential of pricing policy, which has been fundamentally verified in literature, is not systematically exploited in PGMTs. The data situation in Germany regarding theatres in general is quite comprehensive and not comparable to the rest of the world. But one important key figure is missing for implementing a more revenue-oriented price policy: the average price level of PGMTs. Although there already exist quite comprehensive studies by Schöblier (2016) on pricing in publicly funded German theatres (PGTs) and by Ozeghov and Ozhegova (2018) on price discrimination, there is no assessment of the general price structure for PGMTs. The goal of this study is to fill this gap in research, giving an average price level for PGMTs as well as introducing a PGMT index as a basis for a more differentiated price policy and benchmarking.

KEY WORDS

Baumol's cost disease, performing arts, cultural economics, price level, benchmarking

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