

Performing Arts Marketing: Issues and Challenges among Theatre Associations in Malaysia

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Abstract

This article explores the critical issues and challenges faced by Theatre associations in Malaysia in marketing their productions effectively. It also examines strategic solutions to enhance their sustainability within the cultural and creative ecosystem. Using a qualitative approach, this study employs in-depth interviews, direct observations, and focus group discussions (FGD) with three key Theatre associations: Sabah Theatre and Arts Management Association (STAGE Production), Kelab Katarsis Seni (KATARSIS), and Kelab Teater Asar Negeri Sembilan (ASAR). Findings reveal five major challenges: increasing competition among Theatre associations, financial constraints affecting visibility, weak financial management and auditing practices, the speculative nature of the Theatre market, and competition from dominant digital entertainment. To address these issues, this study proposes strategic measures, including strengthening internal financial audit mechanisms, compliance with accredited financial reporting standards, realistic budget planning, and diversifying revenue sources. The study emphasizes the need for theatre associations to adopt modern and effective marketing approaches, not only to boost ticket sales but also to ensure organizational sustainability in a highly competitive industry. Integrating digital technology, strengthening brand identity, and fostering collaborations with stakeholders are essential for resilience and growth. The implications of this study offer valuable insights for Theatre practitioners in crafting more effective marketing strategies while contributing to the broader discourse on developing Malaysia's performing arts ecosystem.

Keywords: audience development, cultural sustainability, performing arts marketing, theatre associations, theatre marketing

Introduction

Theatrical performance, often referred to as the “art of the stage,” has long been an integral part of human civilization, serving as a medium for artistic expression, cultural representation, and social commentary. As a dynamic and collaborative art form, theatre integrates multiple creative elements, including acting, music, dance, set design, and storytelling, to create immersive experiences for audiences. Whether in classic stage productions, contemporary performances, or community-based theatre, this art form continues to captivate audiences worldwide by transporting them into realms of imagination and emotion through the magic of live performance. Beyond entertainment, theatre plays a significant role in shaping societal narratives, fostering dialogue, and reflecting the complexities of human existence.

Despite its cultural and artistic significance, theatre faces increasing competition in the modern entertainment landscape, particularly from digital media platforms that offer audiences a more convenient and accessible means of consuming content. Additionally, economic challenges, resource constraints, and changing audience preferences have further intensified the struggle of theatre companies and associations to sustain their operations. In Malaysia, theatre associations, whether profit-driven or non-profit, are essential in preserving and promoting local performing arts. These associations serve as platforms for artistic development, cultural enrichment, and community engagement. However, their survival largely depends on their ability to market their productions effectively, secure financial resources, and adapt to an evolving entertainment industry.

The distinction between theatre companies and non-governmental organizations (NGOs) in the performing arts sector is crucial in understanding their operational challenges. Theatre companies typically function as professional, structured entities that aim to produce and showcase performances as part of a sustainable business model. Their financial viability often relies on revenue from ticket sales, sponsorships, and grants. Conversely, theatre NGOs amalgamate the transformative power of the performing arts with the social objectives of non-profit organizations. These NGOs use theatre as a tool for social advocacy, education, and community development, often relying on external funding and volunteer contributions to sustain their activities. Although these NGOs are not primarily profit-driven, they still require strategic marketing efforts to promote their work and secure financial sustainability.

However, according to Zairul Anuar Md. Dawam, (2000) and Pisali & Amat (2018), NGOs should not be exempt from engaging in marketing practices that can generate profit and other financial benefits. This aligns with the opinion expressed by Reed (2010);

Many different types of organizations engage in business activities, particularly marketing. However, other organizations such as churches, universities, charitable organizations, political parties, civic clubs, theatre associations, consumer organizations, and hospitals also conduct business processes such as marketing activities to facilitate exchanges.

Similarly, Sanderse et al. (2020) argue that NGOs can engage in marketing activities across various fields to establish a business system:

Business, which encompasses various concepts such as marketing as a way of thinking, is commonly practiced by business organizations. However, the business sector is no longer limited to firms or profit-making organizations alone; instead, business practices can also occur within non-profit organizations.

Therefore, the discussion by Reed (2010) aligns with the views of Sanderse et al. (2020), which suggest that NGOs, including theatre associations, can adopt business concepts without prejudice by marketing their stage productions.

While theatre associations in Malaysia are bound by their social missions rather than profit-making motives, they cannot overlook the necessity of marketing as a means of ensuring organizational sustainability. Most theatre association members consist of theatre practitioners, activists, students, and amateur artists who engage in theatre primarily as a passion-driven endeavour. Many of these associations operate at a grassroots level, focusing on community outreach and artistic development rather than large-scale commercial success. However, there is also a distinction between amateur and professional theatre associations, where the latter pursue structured strategies to promote theatre as a viable industry while adhering to their respective social missions. Given these variations, theatre NGOs often face unique challenges in distinguishing themselves from commercial theatre companies. Their reliance on external funding, limited access to marketing resources, and the niche nature of their audience base create an environment where competition with commercial firms is not always feasible.

Thus, this article aims to explore the critical issues and challenges faced by theatre associations in Malaysia in their efforts to market theatrical productions effectively. It will also examine potential solutions and strategic approaches that could help theatre associations navigate these challenges, strengthen their financial sustainability, and remain relevant in an increasingly digitalized entertainment industry. By understanding these

challenges, theatre associations can develop innovative strategies to expand their reach, attract diverse audiences, and sustain their presence in Malaysia's cultural and creative ecosystem.

Issues and challenges related to marketing in the performing arts sector, particularly among theatre associations, have increasingly attracted the attention of researchers and practitioners in the creative industry (Wasserman, 2023). According to Ostrower and Calabrese (2019), recent literature highlights several interrelated issues and challenges, including financial constraints, digital transformation, audience development, and the balance between artistic and commercial values. While these themes often recur across various studies, the approaches and emphasis differ based on cultural background, economic structure, and the policies and arts ecosystems in place in different countries.

For instance, a study conducted by Reinelt (2014) focusing on the UK revealed that theatre associations in the country face significant financial pressures. However, unlike many theatre associations in developing countries, they are viewed as more strategic and resilient, particularly in their use of data analytics to refine marketing strategies and strengthen audience relationships through engagement-based marketing approaches. Walmsley (2019) supports these findings by highlighting the active role of the UK government through Arts Council England (ACE), which provides various forms of support to enhance the marketing capacity of arts organizations. Compared to countries where support may rely more heavily on subsidies or ad hoc assistance, the UK's approach demonstrates a synergy between government policies and organizational initiatives in addressing market challenges. Nonetheless, Reinelt (2014) also highlights that the primary challenges in the UK extend beyond financial issues. These include the competitive pursuit of both public and private funding, as well as the need to align artistic offerings with market demand without compromising artistic integrity. This creates a dilemma between economic sustainability and the preservation of aesthetic values—an issue that resonates globally within the theatre marketing landscape.

In contrast to the context in the UK, research conducted in the United States highlights an approach that places greater emphasis on diversifying sources of income. Studies by Kolb (2013) and reports from the National Endowment for the Arts (NEA, 2021) reveal that theatre associations in the United States actively explore various strategies such as corporate sponsorships, digital subscriptions, crowdfunding, and the production of ancillary merchandise as means to sustain their operations. Unlike the centralized model seen in the United Kingdom, the decentralized nature of the art support system in the United States has encouraged the growth of community-driven initiatives and a broader application of digital marketing innovations. However, this reliance on technology has also resulted in a significant access gap between urban and rural areas, raising audience concerns about reach disparities. Compared to the UK's more robust, policy-driven, and publicly funded arts infrastructure, the American landscape demonstrates a more organic, market-driven diversity of strategies. Both contexts, however, reflect different realities while sharing a common goal: to ensure the resilience of theatre associations in the face of economic and technological change.

Different from the Australian context, a study by Radbourne and Glow (2018) highlights the critical issue of how theatre associations struggle to measure the actual impact of marketing strategies on audience development. This challenge becomes more evident when dealing with complex and digitally literate audiences who demand more responsive and data-driven marketing approaches. Although the Australian government has provided various forms of support, such as grants and marketing empowerment programs, small-scale arts organizations struggle to ensure consistent audience growth. This issue is further compounded by the difficulty in cultivating a positive public perception of performing arts as relevant and valuable in everyday life (Creating Our Future: Results of the National Arts Participation Survey – Creative Australia, 2023). Compared to the United States and the United Kingdom, Theatre associations in Australia appear more constrained, caught between dependence on government support and limited internal capacity to adapt marketing strategies to the expectations of digital audiences (Radbourne & Glow, 2018; Walmsley, 2019; Kolb, 2020). This situation reflects a universal dilemma faced by theatre associations: how to maintain audience connection in a world increasingly fragmented in terms of interest, media, and perceptions of the arts.

The same goes for the Japanese context, Gerstle (2024) reveals that Theatre associations face unique challenges in attracting younger generations more drawn to digital entertainment and contemporary pop culture. Despite the country's education system consistently emphasizing cultural heritage awareness, Theatre has failed to position itself as a relevant cultural product in the mainstream market. This illustrates a disconnect between educational policy and consumers' practical, cultural engagement. Interestingly, according to Ryūichi (2021),

marketing strategies in Japan tend to remain traditional, relying on personal networks, local community support, and word-of-mouth promotion, rather than the systematic use of digital technologies as seen in the United States or the United Kingdom. This raises the question of whether Japanese Theatre associations are too bound to conventional approaches, limiting their potential to expand their audience base through digital media. Thus, compared to Western contexts, Japan's approach is more relational and localized but faces the risk of losing relevance among younger audiences living within a global entertainment ecosystem.

Looking at Southeast Asia, countries such as Singapore present a relatively strong institutional support system for the performing arts, primarily through agencies like the National Arts Council (NAC). However, marketing challenges persist, especially regarding audience segmentation and long-term audience development. According to Hoe (2025), although Theatre entities in Singapore benefit from stable infrastructure and structured funding schemes, they still face difficulties sustaining audience engagement, particularly among younger generations. The study emphasizes the need for personalized digital marketing strategies and creative branding to remain relevant in a highly competitive and media-saturated environment. Furthermore, Alnasser and Yi (2023) found that small-scale Theatre collectives often lack dedicated marketing personnel, resulting in inconsistent promotional efforts despite high artistic quality. This problem is exacerbated by the difficulty in evaluating marketing effectiveness, especially within hybrid performance models (online and in-person) in the post-COVID-19 era. This indicates that while Singapore's model demonstrates strong institutional backing, it still requires adaptive marketing strategies to align with evolving patterns of art consumption among modern audiences (Lee Wei Hao, 2020).

In contrast, the Philippines presents a unique context where grassroots Theatre and community-based performances are prominent within the performing arts landscape. However, limited funding and digital infrastructure, especially outside urban areas, pose significant obstacles to effective marketing strategies. Tiatco (2011) stresses that most Theatre associations in the Philippines rely heavily on word-of-mouth marketing and personal networks due to financial constraints and lack of access to professional marketing tools. Although some Manila-based Theatre associations have begun embracing social media marketing, their reach remains limited due to audience fragmentation and stiff competition from mainstream entertainment, such as commercial films and digital media.

Meanwhile, in Thailand, performing arts marketing strategies—both traditional and contemporary—are heavily influenced by cultural policies, the tourism industry, and institutional support. According to Thamkulangkool (2021), although the Thai government actively promotes cultural heritage through festivals and national events, independent Theatre groups are often sidelined from receiving equal promotional support. Their lack of access to national platforms or formal collaboration networks makes it difficult to maintain visibility in public spaces. Moreover, Denison (2012) found that audience development in Thailand is hindered by insufficient arts education and a general lack of public awareness regarding local Theatre. This has resulted in a small and declining audience base. Marketing efforts are also relatively weak and not fully integrated with digital platforms, except in initiatives funded by international grants. Compared to countries like Singapore, which possess strategic support systems and advanced technological capabilities, Thailand illustrates a disparity between national efforts to promote cultural heritage and the inclusive engagement of independent Theatre groups.

Based on this review of existing studies, it is evident that globally, marketing issues in Theatre associations have received considerable attention, particularly in relation to digital transformation, audience development, and financial sustainability. However, scholarly research specifically addressing the marketing challenges Theatre associations face in Malaysia remains scarce and underexplored. Most local studies tend to emphasize aspects of production, performance aesthetics, or general funding issues, without exploring marketing as a crucial strategy for the sustainability of theatre associations. Therefore, this study aims to address that research gap by examining in-depth and contextually the marketing issues and challenges faced by Theatre associations in Malaysia.

Methodology

This study employs a qualitative approach due to its ability to analyse the research based on thematic analysis and descriptive elaboration (Creswell and Guetterman, 2018). The case study approach was chosen because it effectively explores the meaning of concepts derived from the studied phenomenon. According to Grenier (2019), the case study concept is highly suitable for conducting analytical research to identify phenomena related to complex issues and challenges. This is because the analytical process involves an ongoing procedure that focuses on the unique aspects of the research design, as it is based on experiences and knowledge acquired from it. This statement aligns with Yin (2018), who asserts that identifying an issue or challenge involves an empirical inquiry—a form of case study conducted to recognize phenomena that are unclear and subject to change depending on time, situations, and the sample under investigation.

Accordingly, the data collected consisted of both primary and secondary data. Primary data collection utilized direct observation protocols, questionnaires, in-depth interviews, and Focus Group Discussions (FGD) with three theatre associations selected based on the suitability of the case study design criteria (Creswell and Guetterman, 2018). These theatre associations include: (i) Sabah Theatre and Arts Management Association (STAGE Production); (ii) Kelab Katarsis Seni (KATARSIS); and (iii) Kelab Teater Asar Negeri Sembilan (ASAR).

Respondents were selected from each of these associations using the purposive sampling technique (Creswell and Guetterman, 2018), in which participants were chosen based on the researcher's judgment and predetermined criteria. Subsequently, the researcher decided to select respondents exclusively from among the highest-ranking committee members of the associations, including the chairperson, vice-chairperson, treasurer, secretary, and one other executive committee member. The breakdown of the respondent list is presented in Table 1. The justification for this selection is to obtain rich and detailed information regarding the understanding of a particular situation or subject by the study sample Yin (2018). While secondary data were obtained from literature reviews that are relevant to the research. The literature consists of journals, theses, dissertations, books and studies of research that have been done before.

Table 1. Classification of Research Respondents

Position	Respondent Code			Total
	STAGE Production	KATARSIS	ASAR	
Chairperson	A1	B1	C1	3
Vice Chairperson	A2	B2	C2	3
Treasurer	A3	B3	C3	3
Secretary	A4	B4	C4	3
Committee Member	A5	B5	C5	3
Total				15

In identifying the issues and challenges presented by the research participants, this study employs two main strategies. The first strategy involves listing the issues and challenges raised by the participants. The second strategy maps these issues and challenges thematically by aligning them with secondary data sources through a literature review analysis.

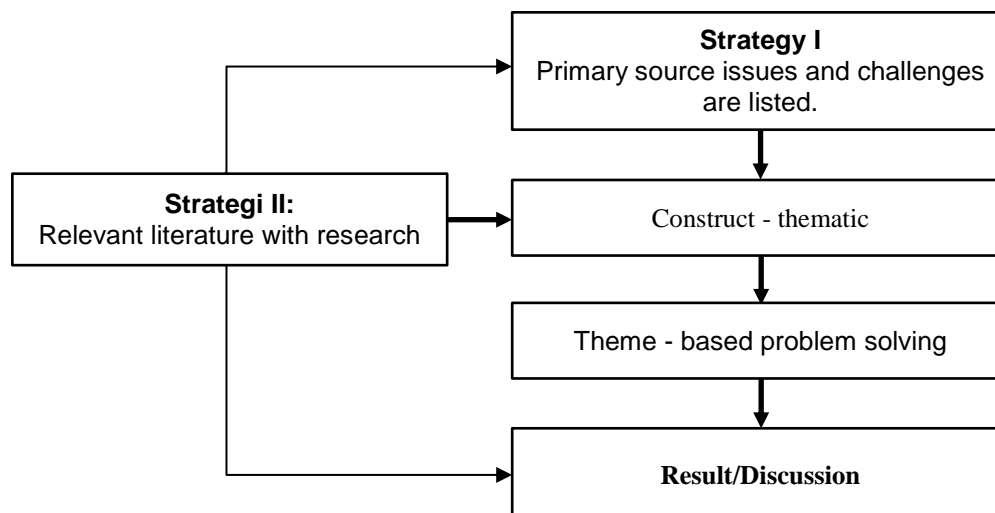


Figure 1. Research Framework

This approach has three main characteristics, according to Yin (2018): (i) it utilizes existing materials; (ii) there is no direct contact with the research subject; and (iii) it examines the materials from a different perspective than for which they were originally produced. This method was primarily used in the previous chapter to define comparisons and explore how the identified issues and challenges differ from prior research findings. Figure 1 illustrates the research framework for this study.

Results

Based on the analysis of data obtained from primary sources and cross-referenced with secondary sources, this study confirms that the issues and challenges in theatre marketing in Malaysia are complex and multilayered, influenced by interrelated internal and external factors. Various dimensions of issues within theatre associations have been coded, where each minor issue identified through interviews, focus group discussions (FGDs), and document analysis was subsequently categorized into more specific codes. The combination of these codes then formed the main themes, which serve as the foundation for understanding the key challenges faced by theatre associations in maintaining their competitiveness and operational sustainability.

Accordingly, through the thematic coding approach, this study has identified five (5) main themes representing the most dominant challenges in theatre marketing in Malaysia. These themes not only summarize the minor issues raised by the study samples but also provide a comprehensive overview of the theatre marketing ecosystem within the reality of Malaysian theatre associations. By organizing these challenges into broader themes, the study systematically examines the problems and constructs a clear narrative regarding the causes, impacts, and potential solutions.

Consequently, the systematic categorization of issues through coding allows the researcher to understand the relationship between macro and micro factors influencing the marketing strategies of theatre associations. Beyond merely identifying challenges, the formation of themes also contributes to a deeper understanding of the patterns of difficulties faced by these associations and how they strive to adapt within the dynamic performing arts landscape. The detailed presentation of each challenge in this study not only helps identify gaps in existing marketing strategies but also opens the space for a more critical discussion on long-term strategies that can be implemented to ensure the sustainability of the theatre industry in Malaysia.

Increased Competition in Theatre Associations

Competition is subjective, as its meaning depends on how an individual, group, organization, or entity defines the competitive space they create (Thatchenkery & Piezunka, 2024). In the context of theatre associations, their mission, vision, and objectives generally align with similar goals—namely, fostering theatre for social

awareness and serving as a foundation for the growth of the industry. However, despite these shared aspirations, competition still exists, leading to key issues and challenges faced by industry players.

The codification of emerging issues highlights audience fragmentation and the challenge of capturing attention. This issue was emphasized by the study participants, as the primary challenge is attracting audience attention in an increasingly competitive landscape. According to respondent A1;

In the past, theatre audiences were more centralized because there were only a limited number of theatre groups. However, with more associations being established today, audiences have become increasingly fragmented. This makes it much harder for us to attract and retain a consistent audience.

The fragmentation of audiences has made it increasingly difficult for theatre associations to maintain a significant number of attendees for each production (Kerrigan, 2010). To stand out in an increasingly competitive market, theatre associations must develop differentiation strategies—whether by offering unique value to their audience or diversifying performance content to cater to various interests (Camilleri, 2017). However, these strategies come with their implications, including higher operational costs, which can be a burden, especially given the constraints of limited revenue sources.

Another key issue coded within this theme is the limitation of funding sources and the inequality in grant distribution. Theatre associations rely on multiple funding channels, including government assistance and private-sector sponsorships. However, as stated by respondent B3,

Although government grants are available, the funding remains insufficient as it is distributed equally among all associations without considering the actual needs of each organization.

The equal distribution approach to funding can be seen as an inclusive measure, but at the same time, it creates a dilemma, as not all associations have the same operational needs (Petrova, 2011). Additionally, securing grants requires strict compliance with financial regulations set by the Registrar of Societies Malaysia (ROS), making the process even more challenging for smaller or newly established associations. To secure additional funding, theatre associations often rely on private-sector sponsorships. However, this study found that most companies tend to sponsor associations that already have a strong name and established reputation. This issue was also highlighted by respondent A2, who stated that,

We often struggle to secure sponsorships because companies are more inclined to support well-established associations. This significantly limits our growth opportunities.

This phenomenon aligns with Engelen and Brettel (2010) cultural marketing theory, which suggests that companies are more likely to allocate funds to entities that offer returns in terms of publicity and prestige. As a result, newly established associations face a double challenge—not only do they need to build their reputation, but they also have to compete with well-established associations that already have an advantage in securing sponsorships and financial support. This situation has a long-term impact on the sustainability of theatre associations, as the increasing competitive pressure ultimately becomes a key factor in determining their survival in the industry. This study found that several associations are at risk of dissolution due to their inability to maintain relevance and competitiveness. This concern was echoed by respondent C1, who stated that,

Many newly established associations survive for no more than three to five years because they struggle to compete in terms of resources and marketing compared to well-established and popular theatre associations within the performing arts scene.

This highlights that a sustainable marketing strategy is critical to ensuring that a theatre association can survive in a competitive industry. However, sustainability does not rely solely on an association's internal strategies; it is also influenced by broader ecosystem factors, such as government policies supporting performing arts and public awareness of theatre's significance as a cultural heritage and a medium for social

education. Therefore, competition among theatre associations in Malaysia is not just about capturing audience attention but also involves the challenge of securing financial resources and building a strong brand. Without adequate support and the right strategies, many associations face the risk of decline or dissolution. A strategic and proactive framework must be implemented to strengthen the industry through realistic approaches, including reforming the grant system, increasing awareness of the importance of performing arts and fostering strategic collaborations between the public and private sectors to support the sustainability of theatre associations in the country.

Financial Constraints and the Struggle for Visibility

As discussed in the previous theme, the increasing competition among theatre associations directly impacts financial resources, making financial challenges one of the primary issues these organisations face. However, this issue extends beyond just competing for funding—it is more about how limited financial resources affect marketing strategies and the ability of associations to strengthen their brand and artistic products.

The codification of this issue highlights the prioritization of expenditure and the marginalization of marketing. Theatre associations in Malaysia typically obtain funding from two main sources: revenue from ticket sales and related products, and grants or sponsorships from the government and private sector. In most theatre productions, budget allocation prioritizes creative aspects such as set construction, props, costumes, makeup, as well as lighting and audio technology. Additionally, emolument payments for creative personnel, including actors, directors, stage managers, and production managers, constitute a significant expense. As a result, marketing often becomes a secondary concern in budget distribution, leading to small-scale promotional campaigns with minimal impact. This analysis is further supported by the perspective shared by respondent C2, who stated that,

Although funding is secured, its allocation prioritizes technical and production aspects. As a result, marketing is often overlooked, as it is perceived to be less important than other elements of the performance.

This situation creates a dilemma for theatre associations because, without an effective marketing strategy, they struggle to generate sufficient revenue to cover the costs of future productions.

Additionally, the second coded issue that amplifies this challenge relates to limited reach and the challenge of digital promotion. This was highlighted as a major concern by almost all research respondents, who cited audience reach limitations due to insufficient financial resources for large-scale marketing campaigns. Social media serves as the primary promotional platform for most theatre associations due to its cost-effectiveness. However, reliance on free promotions through WhatsApp, Telegram, and social media shares does not guarantee wide audience engagement. Respondent B2, for instance, explained,

We can only rely on free promotions on Facebook and Instagram. But to truly reach a larger audience, we need to pay for ads, which are expensive and beyond our budget.

According to Kotler and Armstrong (2018), the effectiveness of digital marketing depends on the use of paid advertisements, which enable audience targeting based on promotional algorithms, audience segmentation, and ad appeal. Without investment in paid digital marketing, theatre associations risk a decline in audience numbers, ultimately affecting their operational sustainability. Furthermore, traditional marketing strategies—such as printing bunting, banners, posters, and renting billboards—are still essential for building credibility and production prestige. However, the high costs of printed promotional materials and advertising space rentals like billboards and information boards pose a significant constraint for theatre associations operating on a tight budget.

To address these challenges, one viable solution for theatre associations is the Cultural Sector Support Grant (GSSK), introduced by the Ministry of Tourism, Arts, and Culture Malaysia (MOTAC). This grant aims to support cultural and artistic activities by providing funding to arts organizations that meet specific criteria.

Many of the associations in this study acknowledged the benefits of strategic solutions through GSSK funding, as illustrated by respondent A3:

We applied for GSSK last year, and it significantly helped our marketing efforts. With the funding, we were able to produce professional promotional videos and pay for social media ads to reach a wider audience.

Relatively, GSSK not only provides funding for production costs but also enables associations to invest in marketing, developing more engaging promotional content such as teaser videos, professional photography sessions, and paid digital ads. With access to this grant, associations no longer need to sacrifice one of the most crucial elements in theatre production is marketing.

However, not all associations qualify or can secure this grant. This issue forms the third coded challenge supporting this thematic analysis. As stated by respondent A1:

The main challenge is the competitive application process and strict documentation requirements. Not all associations can meet the necessary criteria.

Previous studies indicate that theatre associations that successfully secure government funding are typically those with strong administrative records and well-documented financial reports (Pisali & Amat, 2018). Therefore, theatre associations intending to leverage grants such as GSSK must ensure they have robust administrative capabilities and a well-defined marketing strategy in their applications.

Given these challenges, budget limitations in theatre associations not only affect their production capabilities but also have a profound impact on their marketing strategies, ultimately influencing their competitiveness and long-term survival. To ensure sustainability, theatre associations must explore alternative financing strategies, including maximizing grant opportunities such as GSSK, establishing strategic partnerships with the private sector to increase marketing investments, and adopting a more structured approach to balancing budget allocations between production and marketing. Without effective marketing, even a high-quality production risks failing to attract the desired audience engagement. Therefore, a well-structured marketing strategy and stable funding sources are crucial to ensuring the continued growth and recognition of Malaysia's theatre industry within the national performing arts landscape.

Financial Governance Deficiencies and the Lack of Internal Auditing

Financial management is a critical element in the sustainability of a theatre association. However, the lack of an efficient financial management system remains a major challenge for many associations. As highlighted in previous findings, financial constraints and limited resources have put significant pressure on associations to ensure the efficiency of their expenditure management. However, a deeper analysis of the study's findings reveals that this issue is not solely about the amount of funding available but also stems from weak internal auditing systems, inadequate financial controls, and a lack of transparency in fund management, all of which have far-reaching implications for the sustainability of these organizations.

The first coded issue identified in this challenge is weak internal auditing and a lack of financial oversight. This study found that many theatre associations have yet to implement a transparent and systematic internal audit system in their financial operations. Several associations lack clear procedures for conducting regular financial reviews, making it difficult to control cash flow and assess the effectiveness of their expenditures. This finding aligns with statements from all three treasurers among the study's respondents. For instance, respondent B3 stated:

We do not have a dedicated team to manage finances effectively. All transactions and fund management are handled by only a few individuals, without a clear auditing mechanism.

This situation highlights an imbalance in financial governance, which can lead to fund mismanagement and excessive spending without proper oversight (Throsby, 2010). Some associations still rely on manual

record-keeping systems that are not updated regularly, making it difficult to verify financial transactions when needed. Respondent C3 emphasized:

We know that auditing is important, but we do not have enough time or manpower to manage our financial system professionally. That's why many records are only kept informally.

This response reflects a major weakness in financial management among theatre associations, particularly in implementing internal audits and complying with systematic accounting standards. This finding is consistent with Throsby (2010), who argues that theatre associations often prioritize creative and production aspects over administration and financial management, leading to gaps in financial monitoring systems. A lack of a strong audit structure can result in inefficient fund management and increase the risk of financial misappropriation. Furthermore, Hill et al. (2017) highlight that smaller arts organizations often struggle with human resource management, as individuals within the organization are required to handle multiple responsibilities simultaneously. This constraint makes them more likely to adopt informal financial management approaches, which ultimately affects sponsor and stakeholder confidence.

The second coded issue relates to the neglect of financial auditing and its implications on public funding. Accordingly, to Rahman (2021), some associations tend to overlook the importance of proper financial auditing despite regularly receiving grants and funding from government agencies or private organizations. However, they fail to provide complete and detailed financial reports, which are crucial for ensuring transparency in the use of public funds. A lack of financial transparency not only damages the reputation of theatre associations but also hinders their ability to secure larger funding allocations. For instance, Yayasan Khazanah offers funding allocations of up to RM20 million, yet many associations fail to qualify due to their weak financial governance.

According to Yayasan Khazanah's funding requirements and other major grants, applicants must submit audited financial records certified by a licensed auditor to demonstrate their financial integrity. Without clear audit records, many theatre associations are forced to rely on small-scale funding, which is insufficient to support their long-term operations. Respondent B1 shared their experience of failing to secure funding due to the absence of an audit system.

We tried applying for funding from Yayasan Khazanah, but our application was rejected because we couldn't provide a complete audit report. In the end, we had to rely solely on our limited internal funds.

This situation underscores the reality that without a well-structured financial system and high levels of transparency, the chances of securing long-term financial support remain extremely limited.

The third coded issue supporting this theme is poor financial planning and overestimation of revenue. Many associations overspend beyond their actual revenue, primarily due to unrealistic financial projections. Some associations tend to invest heavily in production elements to attract audiences and potential sponsors but fail to consider the financial risks involved, particularly the uncertainty of ticket sales revenue. As stated by respondent A1:

We assumed that ticket sales would be enough to cover production costs, but in the end, we suffered losses because the actual audience turnout was lower than expected.

This phenomenon, commonly known as 'mismanagement of cash flow', occurs when associations fail to regulate their expenditures, ultimately struggling to pay debts to suppliers or their creative workforce (Hill et al., 2017). In more severe cases, some associations fail to fulfil sponsorship agreements due to financial imbalances, causing them to lose the trust of financial supporters. This could have long-term consequences, where theatre associations experience continuous financial deficits and ultimately face the risk of dissolution.

Given these challenges, weak financial management systems and a lack of internal audit transparency remain key barriers for theatre associations in Malaysia. Without a systematic financial control framework and proper audit execution, associations will not only struggle to maintain stable cash flow but will also miss out

on opportunities to secure larger funding from both government and private entities. To ensure the sustainability and growth of Theatre associations, it is essential to; institutionalize internal audit practices by developing clear financial reporting structures, strengthen financial governance by implementing proper financial controls, leverage grant opportunities through improved financial documentation and compliance, and explore alternative funding sources, such as corporate sponsorships and strategic industry partnerships. Ultimately, without effective financial governance, even the most artistically successful theatre associations may struggle to survive. Therefore, establishing robust financial strategies and ensuring greater financial transparency should be a top priority for the long-term sustainability of Malaysia's theatre industry.

The Unpredictability of Theatre Market Value and Audience Dynamics

In the context of theatre associations, "speculative market value" refers to the market value of a theatre production, which is determined based on projected ticket sales, audience interest, critical reception, and trends within the performing arts industry. However, unlike corporate firms or established performing arts companies that possess stable market data, theatre associations operate in a dynamic and unpredictable environment due to various internal and external factors influencing the success of a performance. Findings from this study indicate that most theatre associations in Malaysia operate within an unstable and uncertain market. While a dedicated audience base exists, their attendance patterns remain inconsistent. This analysis was consistently reflected across all research respondents. For instance, respondent B1 stated:

We have a loyal following, but their attendance depends on various factors—personal schedules, interest in the performance genre, and ticket prices. It is difficult to guarantee the success of every show.

This response illustrates that the theatre market is highly unpredictable, requiring proactive and strategic measures to anticipate audience behaviour. The challenge lies in the subjective and flexible nature of audience reach, which fluctuates due to various internal and external factors.

Accordingly, the clear codification of issues that shape this theme stems from audience fragmentation and market volatility. In general, theatre audiences in Malaysia do not exhibit a strong preference for following a specific theatre association exclusively. Instead, their attendance decisions are influenced by factors such as timing, location, and the appeal of a performance. This creates uncertainty in ticket sales, as each production must compete to capture the attention of the same audience pool. This challenge was highlighted by respondent A5, who is involved in marketing and publicity, stating:

We always worry about the turnout for our performances. Sometimes, even with well-executed promotions, audience numbers remain unpredictable.

Furthermore, ticket pricing plays a crucial role in audience purchasing decisions. Unlike films or digital entertainment, which offer lower-cost access, theatre ticket prices often become a major concern in attracting a wider audience. This qualitative insight is also supported by respondent B5, who stated:

Ticket prices are often the deciding factor. Audiences are more likely to choose other entertainment options if they feel that theatre tickets are too expensive compared to the value offered.

This pricing factor becomes even more critical when compared to the competitive entertainment industry, which offers more affordable and easily accessible alternatives. Audiences today are increasingly cautious in making entertainment spending decisions, especially amid a challenging economic climate. As a result, if theatre ticket prices are perceived as too high compared to their perceived value, whether in terms of experience, production quality, or the appeal of performers, audiences are more likely to opt for cheaper entertainment alternatives.

Another coded issue that emerged is Geographical Limitation and Regional Audience Loyalty. This study found that the reputation and brand of a theatre association are often confined to a specific geographical area. Theatre associations operating in a particular state or city struggle to expand their influence beyond their region due to the presence of other established associations with a loyal local following. Respondent C5 highlighted this challenge, stating:

We can attract audiences within our area, but gaining viewership from outside is difficult. Each region already has its theatre association that audiences tend to support.

This phenomenon suggests that the local theatre market remains fragmented and lacks a unified system that could ensure stable audience turnout across different states or regions.

Another critical coded issue within this theme is resource disparity and competitive advantage in production value. The imbalance of resources between small and large theatre associations significantly affects speculative market value. This study found that well-funded theatre associations tend to offer more captivating and high-impact productions because they have the financial capability to hire popular actors, create sophisticated stage designs, and deliver a more exclusive theatre experience. The alignment of responses across all research samples was carefully considered. A particularly notable response from respondent C4 emphasized this disparity:

We know that popular actors can attract a larger audience. But for smaller associations, we simply cannot afford to pay high-profile performers. In the end, we have to rely on other strategies, which may not be as effective.

This gap in resources makes it difficult for smaller associations to compete fairly, as they cannot produce performances with the same level of production quality as larger organizations. This also impacts their ability to attract sponsorships, as sponsors tend to support productions that are already well-known and influential.

Another emerging coded issue is branding and the role of star power in marketability. The presence of renowned actors is far more effective in drawing audiences than the reputation of the director or production itself. While in the international film and theatre industry, renowned directors can attract audiences, in Malaysia, the popularity of actors plays a dominant role in determining ticket sales success. This indicates that marketing strategies in Malaysia's theatre industry remain heavily centred on individual appeal rather than the narrative or artistic value of production. This presents a significant challenge for theatre associations striving to build their brand and reputation based solely on artistic quality, without relying on big names in the industry.

The reinforcement of issues and challenges within this theme suggests that the uncertainty of theatre market value in Malaysia is driven by factors such as audience fragmentation, geographical limitations, resource disparity, and dependency on actor popularity. To ensure the sustainability of the industry, theatre associations must explore more structured marketing strategies, expand their influence beyond local communities and adopt a more flexible and sustainable business model (Boorsma, 2006). By strengthening these strategies, the local theatre industry can compete in a broader market while reducing its reliance on speculative market values that remain highly unpredictable.

The Impact of Digital Entertainment on Theatre Associations

Theatre associations face increasing competition from digital entertainment platforms, which can present several challenges to their operations. The sample of this research acknowledges that the big challenge from this issue is the audience shift to digital platforms that offer convenient and accessible options for consuming entertainment. As a result, the sample may experience a decline in audience attendance as people opt for the convenience of watching content from the comfort of their homes. This situation also leads to competition for attention between the theatre performances, which cannot be listed in an easily accessible file format, unlike digital media materials or the digitization of stage performances into digital media form. Digital entertainment platforms provide a wide array of content choices, resulting in fierce competition for audience attention. Theatre

associations must find innovative ways to capture and maintain their audience's interest amidst the abundance of online entertainment options.

In the rapidly evolving digital era, theatre associations face significant challenges in maintaining their appeal against the dominance of digital entertainment platforms. The rise of streaming services such as YouTube, TikTok Live, Instagram and Facebook have fundamentally transformed the way audiences' access and consume entertainment content. This study found that competition from digital entertainment not only impacts physical audience attendance but also affects financial models, marketing strategies, and the long-term sustainability of theatre associations. As respondent C1 explained:

In the past, theatre was the primary choice for those who wanted to experience live performances. But now, audiences have too many options on digital platforms. They no longer need to leave their homes to watch high-quality performances.

This statement reflects a significant shift in audience behaviour, where entertainment satisfaction is now largely dependent on convenience, accessibility, and the availability of content in digital formats.

As a result, the key coded issue reinforcing this challenge is the decline in physical attendance of audiences. Most theatre associations reported a drop in audience turnout for live performances. This study revealed that many audience members prefer to consume entertainment at home due to its greater flexibility and cost efficiency. As respondent B5 noted:

Watching a theatre requires planning—buying tickets, travelling to the venue, and finding parking. But with Netflix or YouTube, audiences just need to click and enjoy entertainment anytime.

This perception highlights a crisis in theatre's competitive edge, as the live theatre experience struggles to match the convenience and flexibility offered by digital entertainment. This aligns with research by Kerrigan (2010), which suggests that younger generations are more inclined toward interactive and on-demand entertainment, posing a major challenge for theatre associations in capturing their attention. Additionally, traditional passive-viewing models in theatre are becoming increasingly challenging, as modern audiences have grown accustomed to digital content that offers interactivity, such as live-streamed events where audiences can comment and participate in real-time discussions.

A direct consequence of declining audience attendance is the reduction in ticket sales revenue. Without a stable cash flow, theatre associations struggle to cover operational costs, leading to a more significant coded issue—revenue decline and funding challenges. Respondent C3 described this dilemma:

If audience numbers drop, ticket sales revenue also declines. Without a stable income, we have to look for alternative funding sources, which is not easy.

This financial uncertainty forces theatre associations to rely on alternative funding sources, such as government grants, corporate sponsorships, and crowdfunding. However, competition for these funding sources is intensifying, with many associations vying for limited allocations. This creates a macro-level dilemma that affects theatre associations across the industry.

The key question that arises is: How can theatre associations compete in a digital entertainment ecosystem that is increasingly dominating the industry? Many global theatre associations have begun adapting to the digital model by integrating technology into their productions. However, this study found that many Malaysian theatre associations are still struggling to find the best strategy to adapt to the digital landscape. This issue demonstrates that competition with digital entertainment is not just about audience appeal, but also about the ability to invest in technological innovation.

This study concludes that competition from digital entertainment not only reduces audience attendance but also threatens the financial models and sustainability of theatre associations. With changing audience behaviour favouring flexible and easily accessible entertainment, theatre associations can no longer rely solely on traditional models. Instead, they must strategically integrate digital approaches, including incorporating

technology into productions, implementing more aggressive digital marketing strategies and collaborating with online entertainment platforms. By adopting these strategies, theatre associations can not only maintain their relevance in the digital era but also expand their reach to a wider and more global audience.

Discussion

Competition among theatre associations in Malaysia has intensified due to the growing number of active groups. While all aim to promote the performing arts, they now face challenges such as audience fragmentation and limited funding. This makes it difficult to maintain a stable audience base and affects their sustainability. Many associations struggle due to weak marketing and poor financial management. To overcome these challenges, they need stronger marketing strategies, increased collaboration, and innovative ways to highlight the uniqueness of their performances.

Moreover, the financial constraints are a major challenge for theatre associations. Limited funding forces them to cut back on marketing, reduce production budgets, or halt operations. With government grants and sponsorships being scarce and competitive, many rely on uncertain income, mainly from unpredictable ticket sales. These limitations weaken promotional efforts and overall sustainability. To overcome this, associations must diversify income through membership programs, merchandise sales, and long-term corporate partnerships. Therefore, to ensure long-term sustainability, theatre associations must explore alternative revenue streams, such as membership programs, merchandise sales and strategic partnerships with corporate sponsors that can provide long-term financial support.

Another major challenge is poor financial management and the lack of a structured internal auditing system, which hinders associations from securing additional funding. Many theatre associations in Malaysia lack transparent and systematic financial records, leading to a loss of trust from sponsors and funding agencies. Without a robust financial management system, it becomes difficult for associations to secure larger grants. Therefore, improving financial transparency should be a top priority by implementing digital accounting software and ensuring financial reports are regularly audited by certified firms. This approach will not only enhance internal financial management but also increase the credibility of associations among stakeholders. Additionally, associations must develop more realistic financial planning systems, avoiding over-reliance on ticket sales and instead diversifying revenue sources to mitigate long-term financial risks.

The uncertainty of market demand in the theatre industry is another major concern. In the performing arts landscape, the market value of a production is often speculative, as its success is difficult to predict due to various factors influencing audience reception. Beyond the intrinsic appeal of production, factors such as the association's brand reputation and the popularity of actors play a significant role in determining audience turnout. This creates challenges for smaller or lesser-known associations, as they struggle to attract audiences compared to larger, more established associations with strong industry recognition. To address this, long-term strategies should focus on brand-building and enhancing public recognition. This includes data-driven marketing strategies, which allow associations to analyse audience trends and tailor their productions accordingly. Expanding national and regional networks through collaboration with other theatre associations to introduce successful productions to broader audiences.

This study also identifies the shift in audience behaviour as a major challenge for theatre associations competing with digital entertainment. Today, audiences gravitate toward on-demand and interactive content, which is easily accessible through digital platforms. This has led to a decline in theatre attendance. To overcome this, theatre associations must adopt more strategic approaches to reignite audience interest. One potential solution is leveraging digital marketing more aggressively, including social media engagement, video-based promotion, and content strategies on platforms such as YouTube and TikTok. Additionally, the hybrid theatre model, where live performances are simultaneously streamed online, can be an effective strategy for reaching a wider audience and strengthening competitive advantage in the modern entertainment landscape.

On the other hand, this study also emphasizes the importance of enriching the unique aspects of live theatre to maintain its appeal. Strategies such as audience interaction, experimental performances, and innovative use of technology to create immersive experiences can introduce new dimensions to the theatre experience that digital entertainment cannot replicate. Moreover, collaborations with digital platforms present an opportunity for theatre associations to adapt their content into formats that resonate with modern audiences.

This approach not only increases exposure but also opens new revenue streams through subscriptions and profit-sharing models. By embracing this model, theatre associations can reduce their dependence on ticket sales alone and transition towards more sustainable and long-term revenue generation strategies.

Conclusion

In conclusion, the intensifying competition among theatre associations, financial constraints, market volatility, and the rise of digital entertainment present major challenges for the performing arts sector in Malaysia. To ensure long-term survival and growth, theatre associations must develop stronger and more structured marketing strategies, expand beyond their local communities to reach a broader audience, adopt more flexible and sustainable business models, leverage technology and digital platforms to stay competitive and improve financial governance and transparency. By strengthening these strategies, theatre associations can compete in a wider market and reduce their reliance on unpredictable speculative market value, ultimately securing a more resilient future for the Malaysian theatre industry.

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