

Stop Surviving and Thrive:

The patron-centered business model

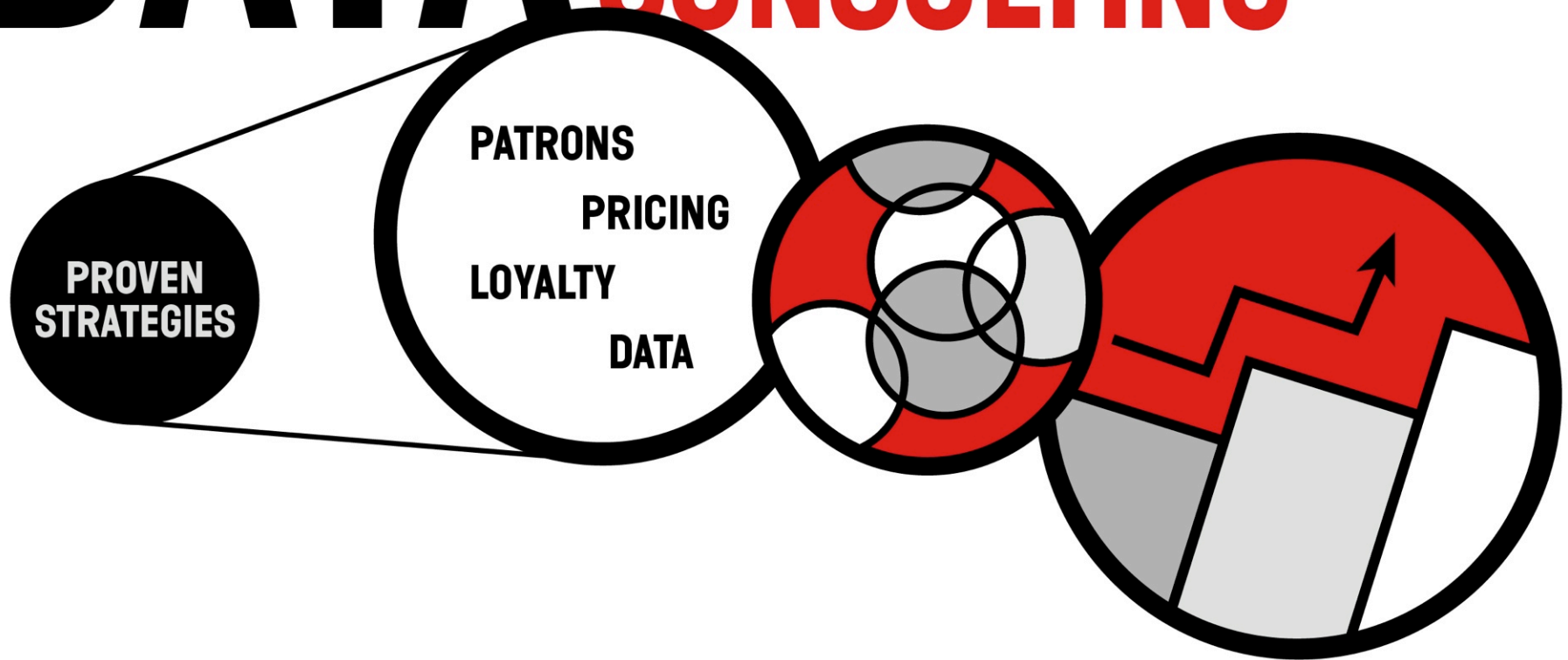
Hosted by
Keri Mesropov,
VP of Client Service
TRG Arts



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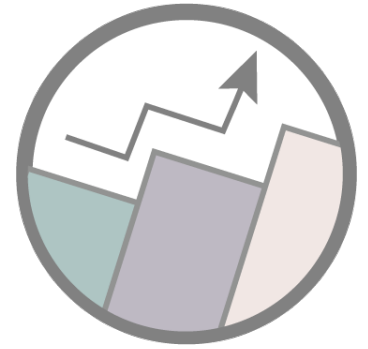
DATA-DRIVEN CONSULTING



What We Believe

Arts Help Communities

Thrive!



Arts/culture strengthens communities
Learning, healing, decision-making, **fun**

NEWYORKCITYBALLET



Lincoln Center

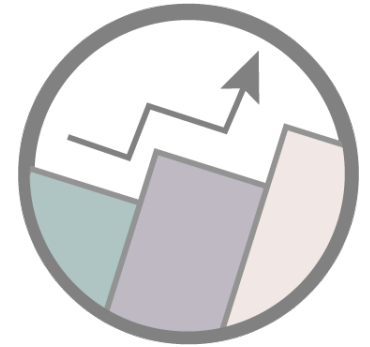


music + sci-fi + pop culture



Why We're Here

Thrive with...



Arts and cultural orgs = audience and patron centered

Patrons + Patron revenue = sustainability.

Transformation: knowledge into action that gets results.

Alignment:

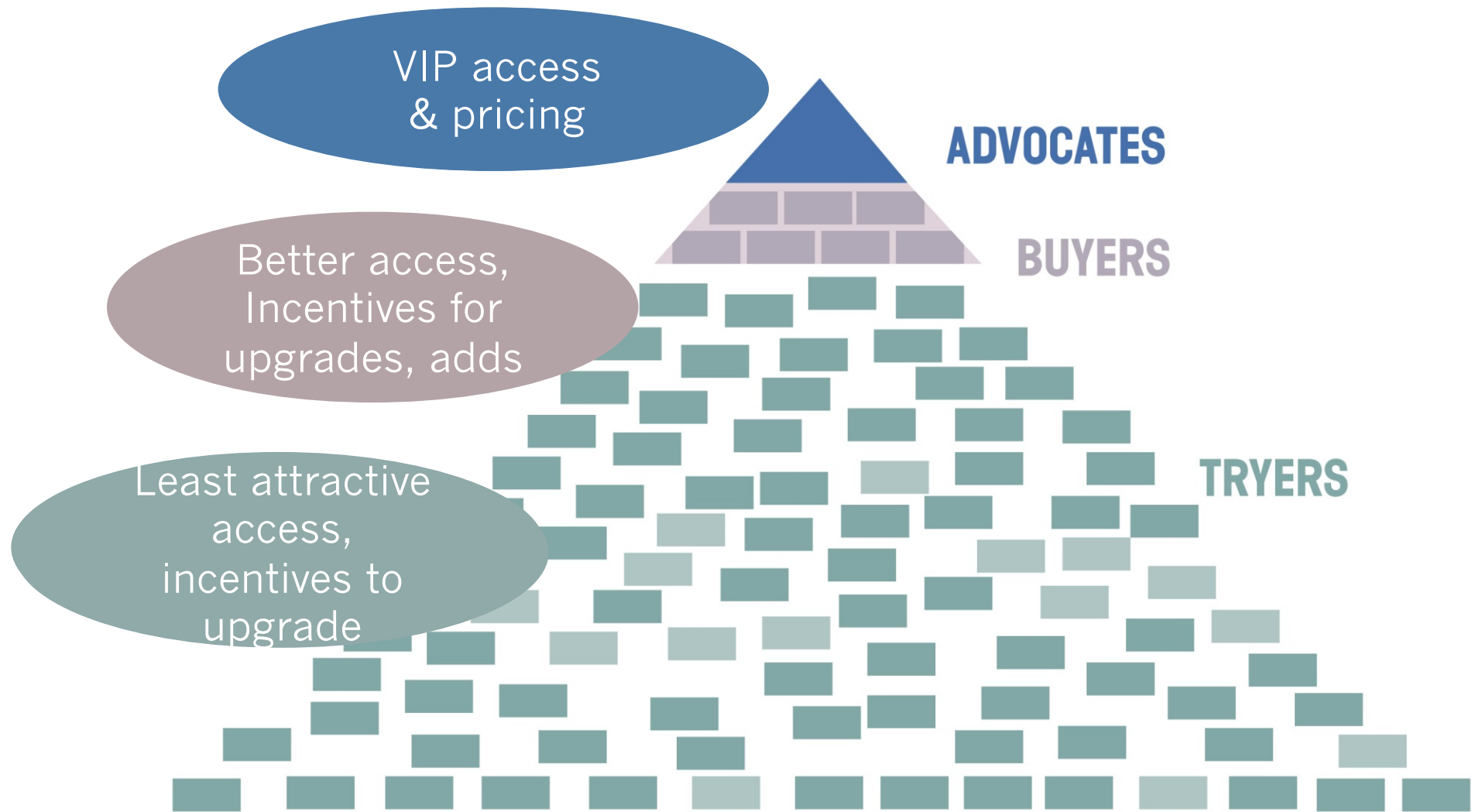
This is the toughest job.

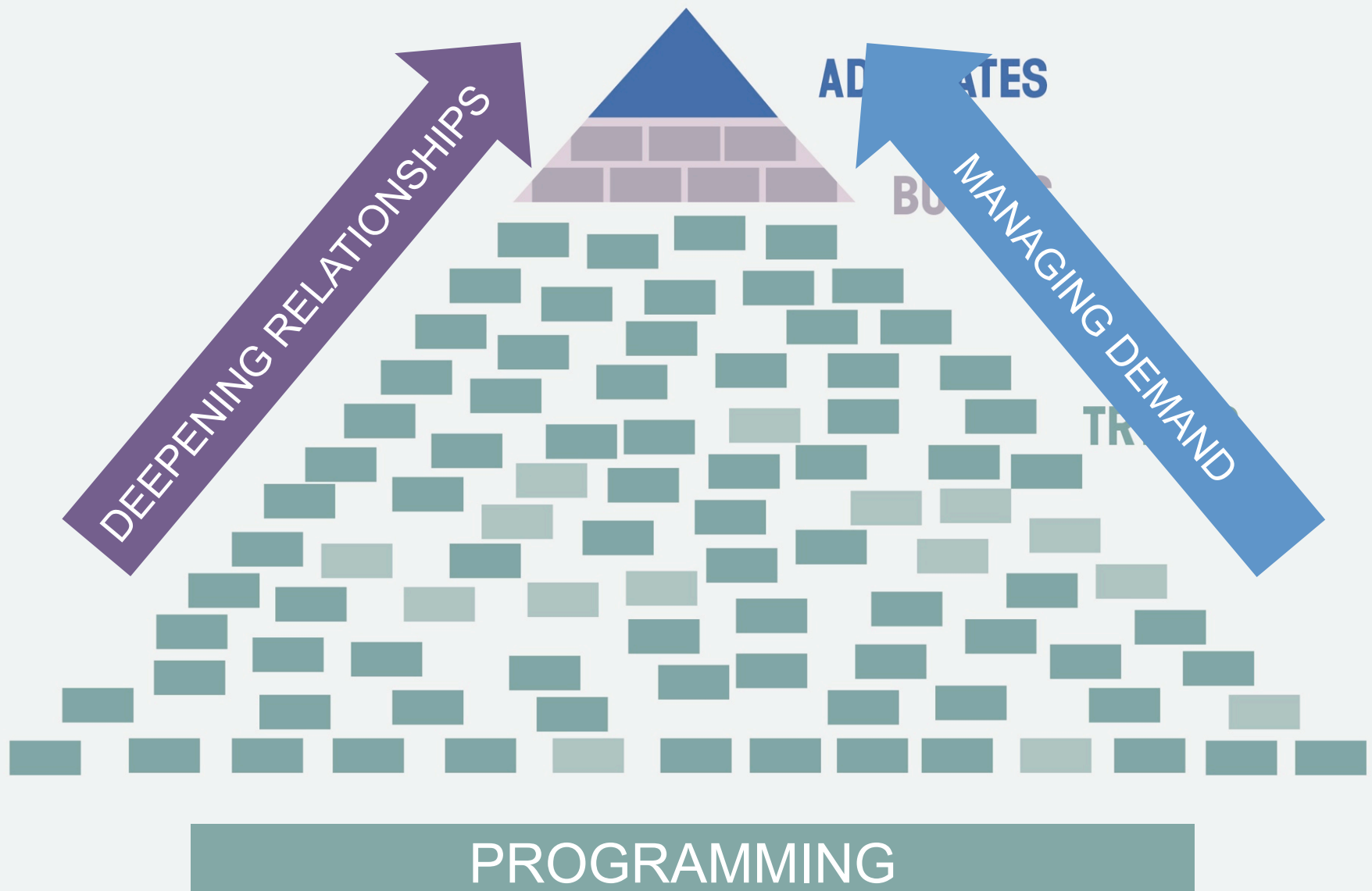


Patron-centered revenue sources



Sustainable Income: *Integration* of Loyalty & Demand Management





EVOLUTION OF A PATRON



**NEW
SINGLE
TICKET
BUYER**

**REPEAT
TICKET
BUYER**

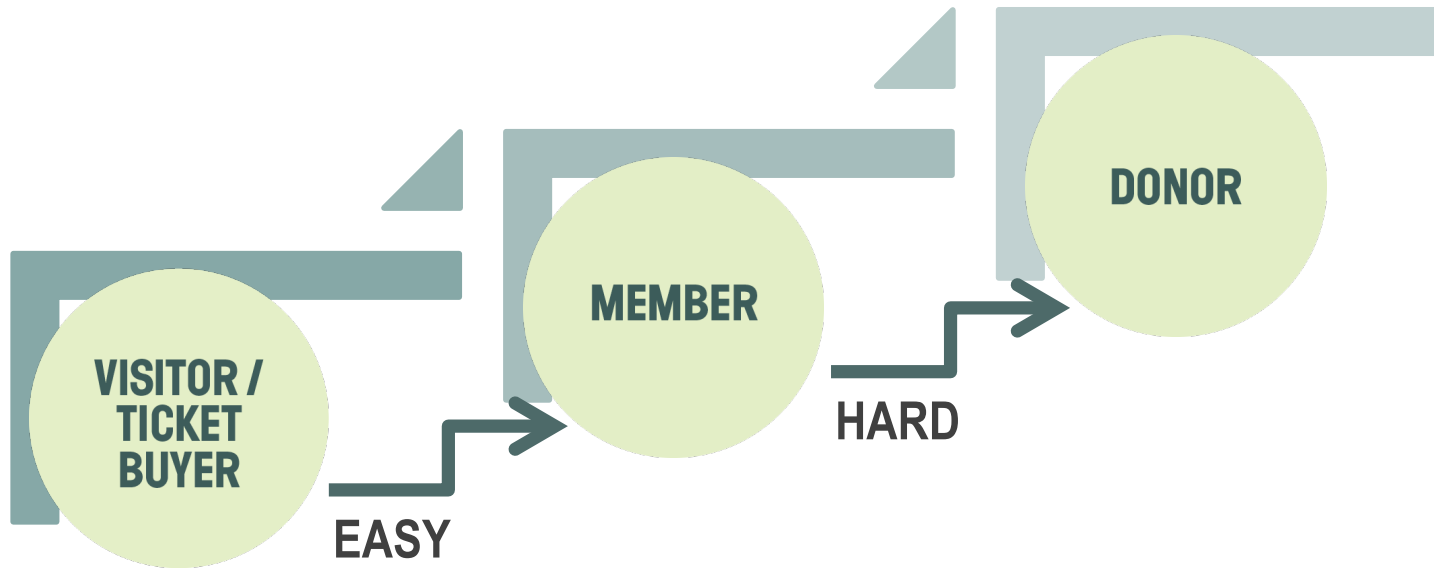
**MULTI
TICKET
BUYER**

**SUBSCRIBER
/MEMBER**

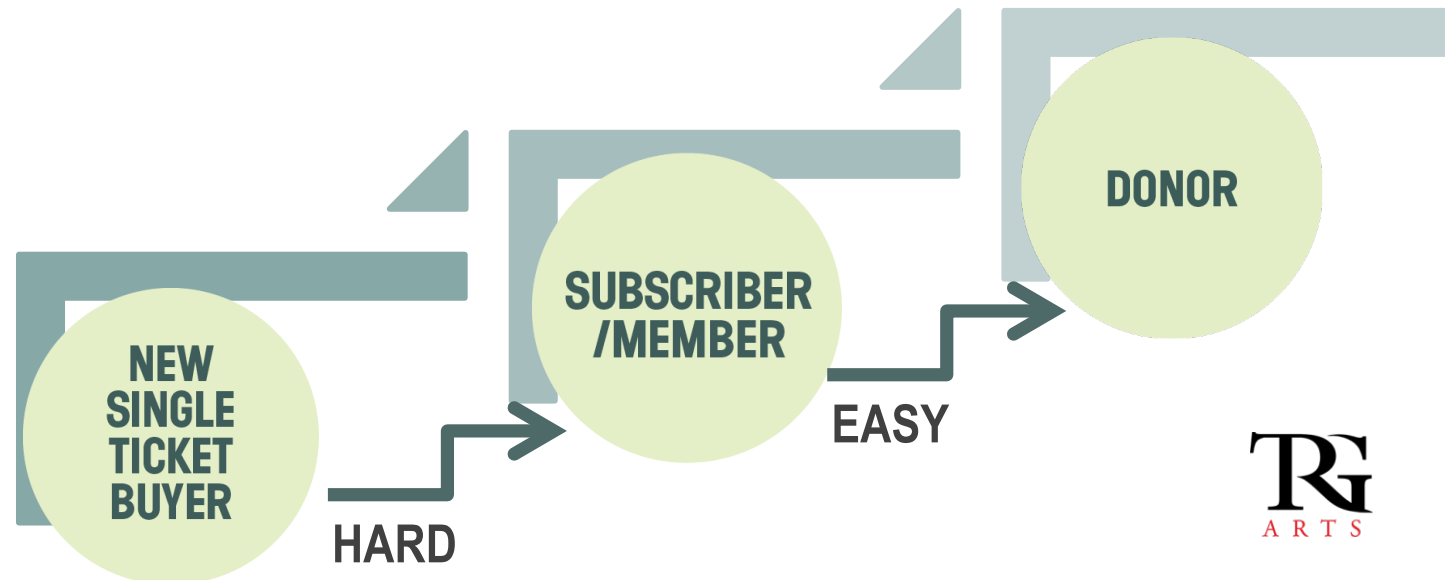
DONOR

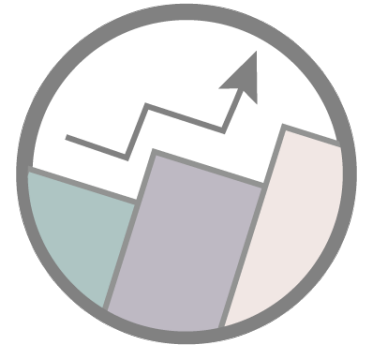
**ADVOCATE/
INVESTOR**

museum



performing arts



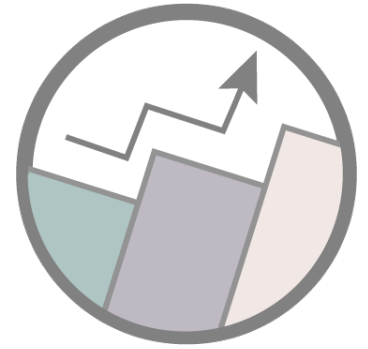


Beginning the change:

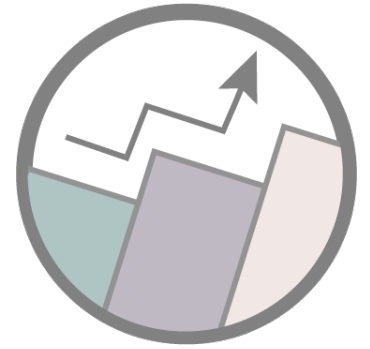
Breaking down the silos.

Beginning the Change

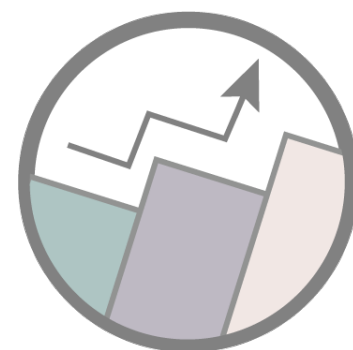
Breaking down the silos



1. Start with your data.
2. People and process—your infrastructure.
3. Integrate programming.
4. Leadership is everything.



Without Data?
No leadership context.
Just anecdote.



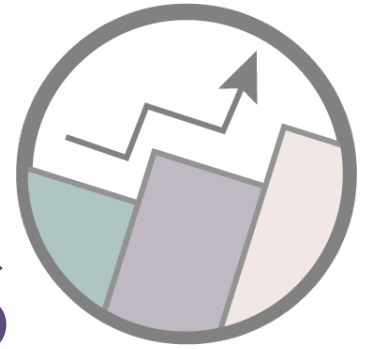
Start With Your Data

How dependent are you on patrons?

1

% of patron revenue

% of Patron \$ to Total \$



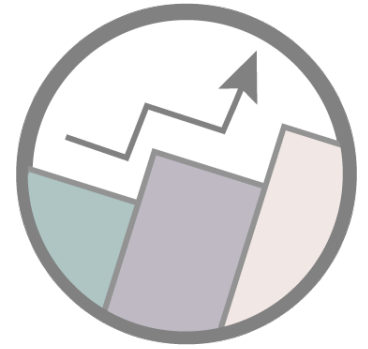
Source: your budget

Timespan: most recent season/year

$$\frac{\begin{array}{l} \text{revenue from:} \quad \text{ticket sales} \\ + \quad \quad \quad \text{individual gifts} \\ + \quad \quad \quad \text{memberships/subs} \\ + \quad \quad \quad \text{events/ galas} \end{array}}{\text{total revenue (including foundation, corporate, government)}}$$

% of patron revenue

Recent examples



92%

63%

48%

33%

72%

81%

60%

71%

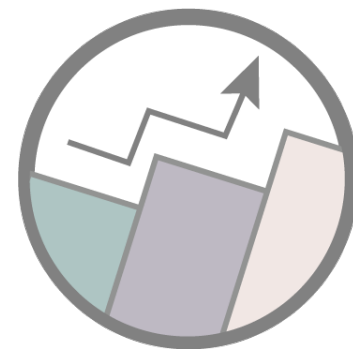
CATEGORY			% of total
TICKET SALES		\$ 10,122,798	25%
	Ticket Revenue	\$ 9,742,956	
	Exhibitions	\$ 215,129	
	Workshops	\$ 164,713	
INDUSTRY		\$ 3,043,915	7%
MEMBERSHIPS		\$ 3,030,895	7%
SALES		\$ 1,314,919	3%
	Retail	\$ 767,027	
	Concessions	\$ 499,268	
	Advertising	\$ 48,624	
SPONSORSHIPS		\$ 12,701,113	31%
GOV'T FUNDING		\$ 5,106,829	12%
	Federal	\$ 1,484,543	
	State	\$ 2,224,700	
	Local	\$ 1,059,500	
	Other	\$ 338,086	
PHILANTROPY		\$ 2,233,279	5%
OTHER REVENUE		\$ 3,667,059	9%
	Investment Income	\$ 285,856	
	Service Fees	\$ 1,322,972	
	Touring	\$ 130,117	
	Content	\$ 48,701	
	Third Party Rentals, Exhibitions	\$ 1,879,413	
TOTAL		\$ 41,220,807	

\$14m
from
people

2014

Net Revenue Analysis

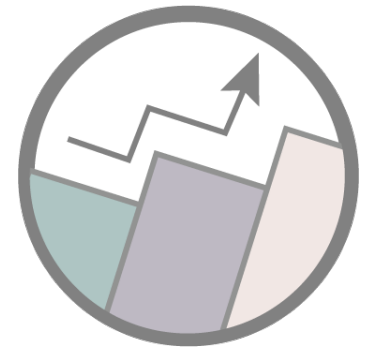
A performing arts example



	Single Ticket Buyers
Per Patron Yield	\$53.84
Cost of Sale	20%
Renewal Rates	23%

Advocates, Buyers & Tryers

5th Avenue Theatre



11% revenue

Average Super Advocate: \$40,000
Average Advocate: \$4,000

1 Super Advocate
= 10 Advocates

43% revenue

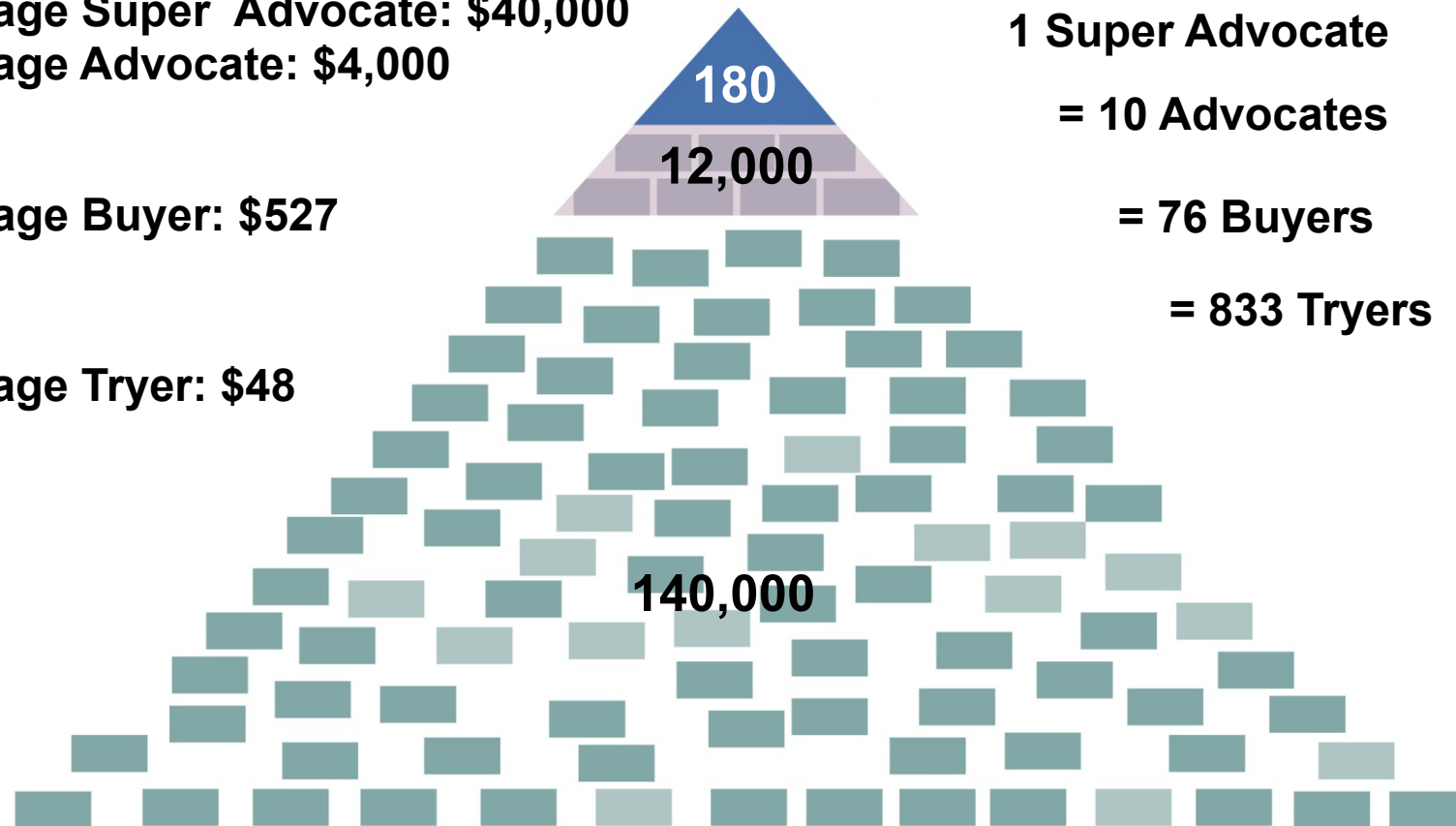
Average Buyer: \$527

= 76 Buyers

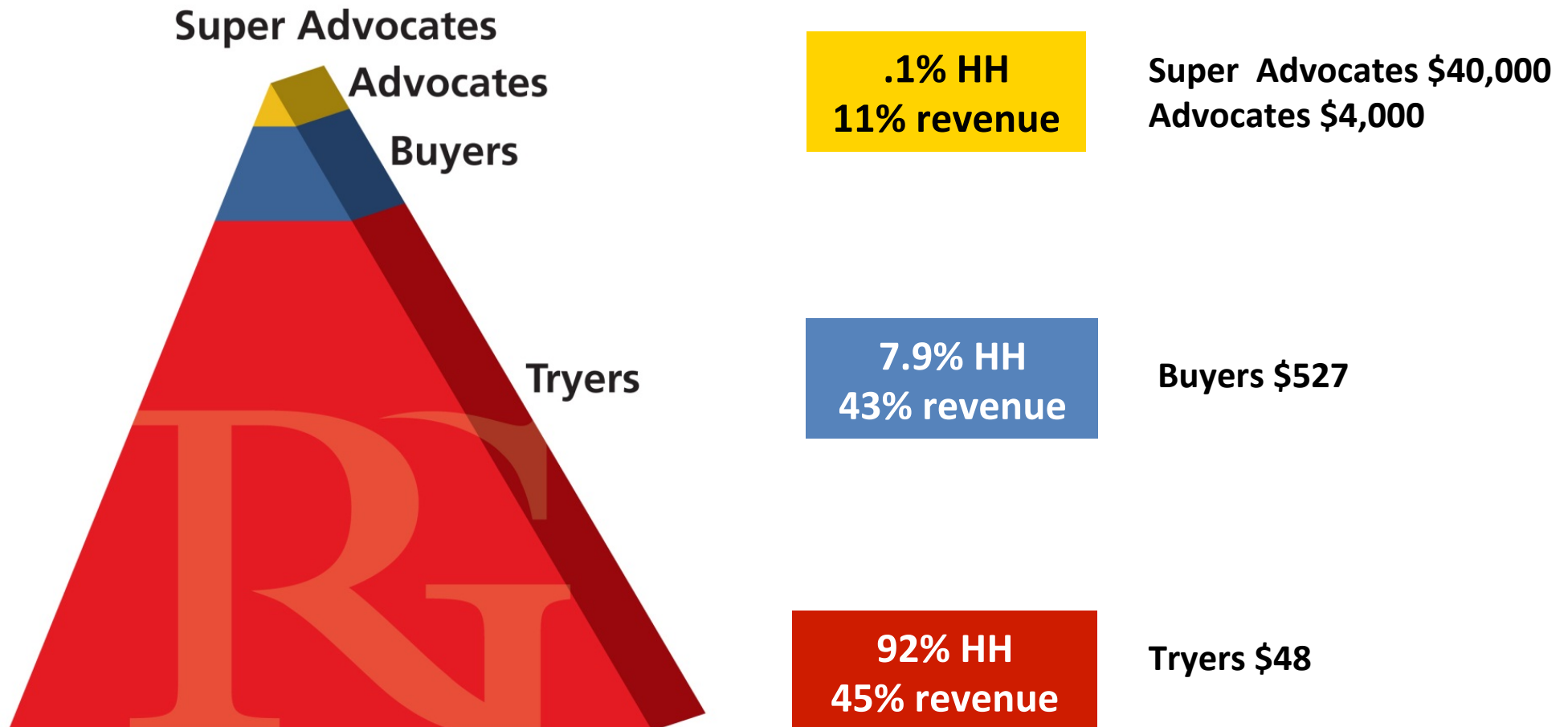
45% revenue

Average Tryer: \$48

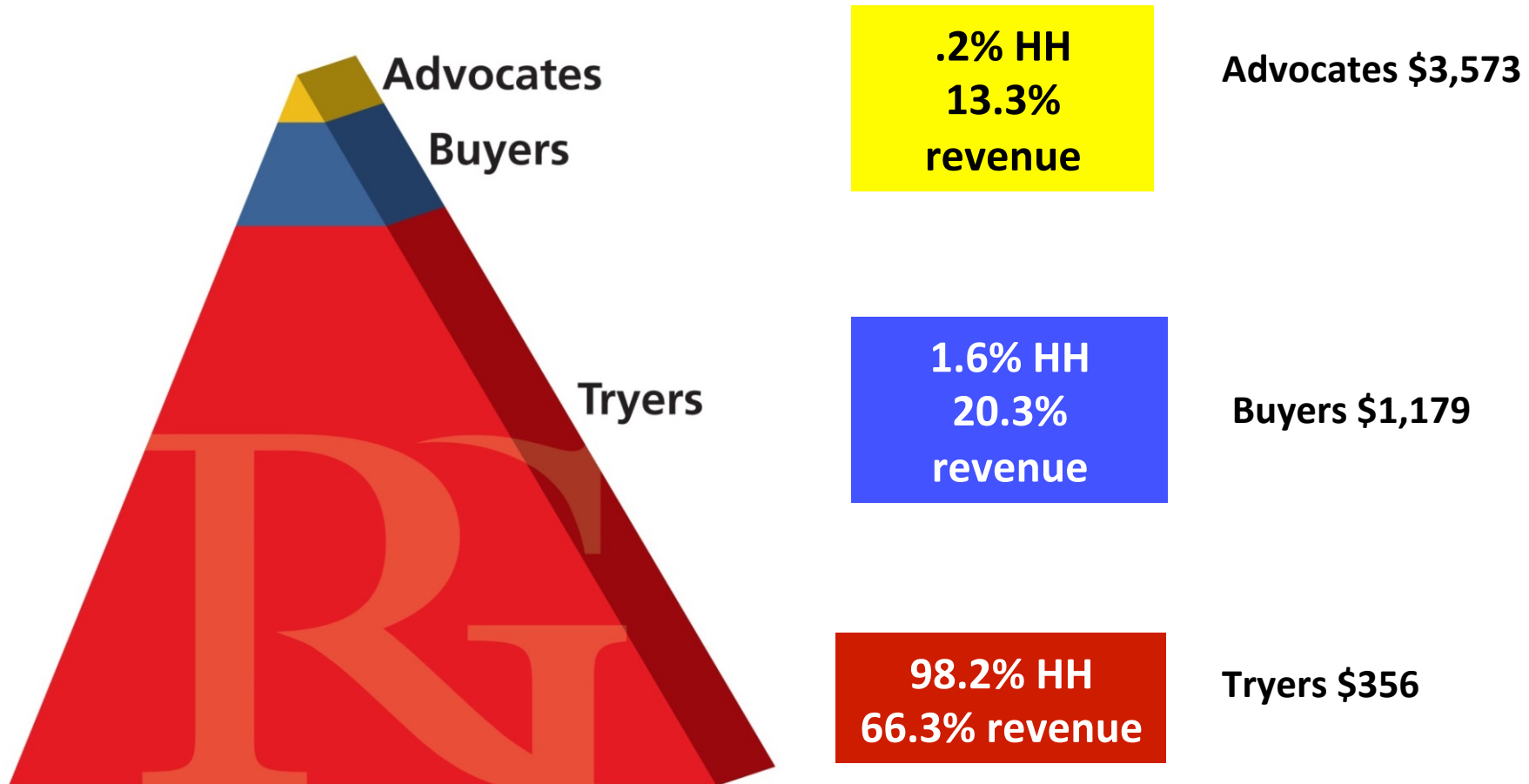
= 833 Tryers



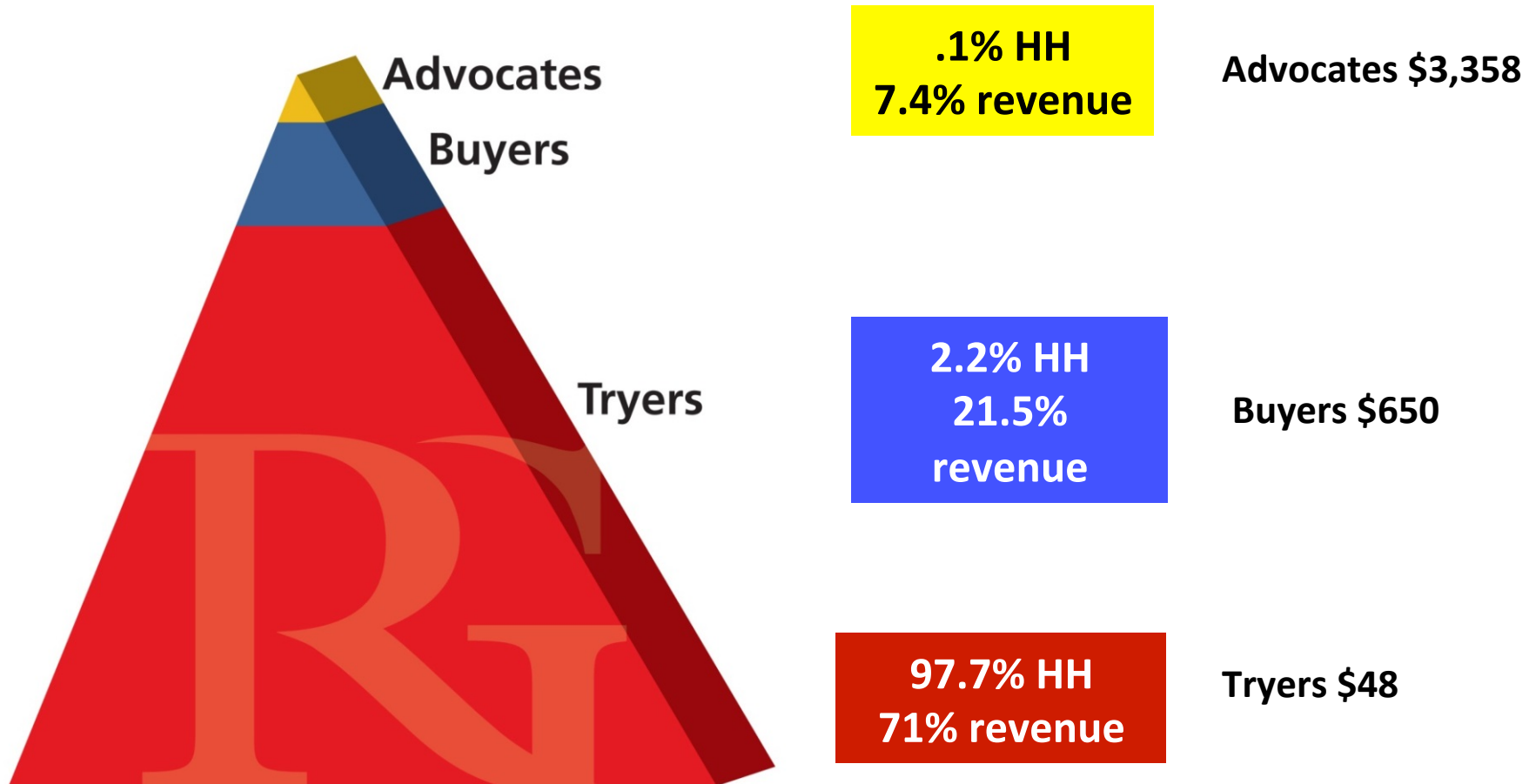
Loyalty: Theater case study



Loyalty: museum, gallery case



Loyalty: presenter case



Loyalty: opera case

.06% HH
39% revenue

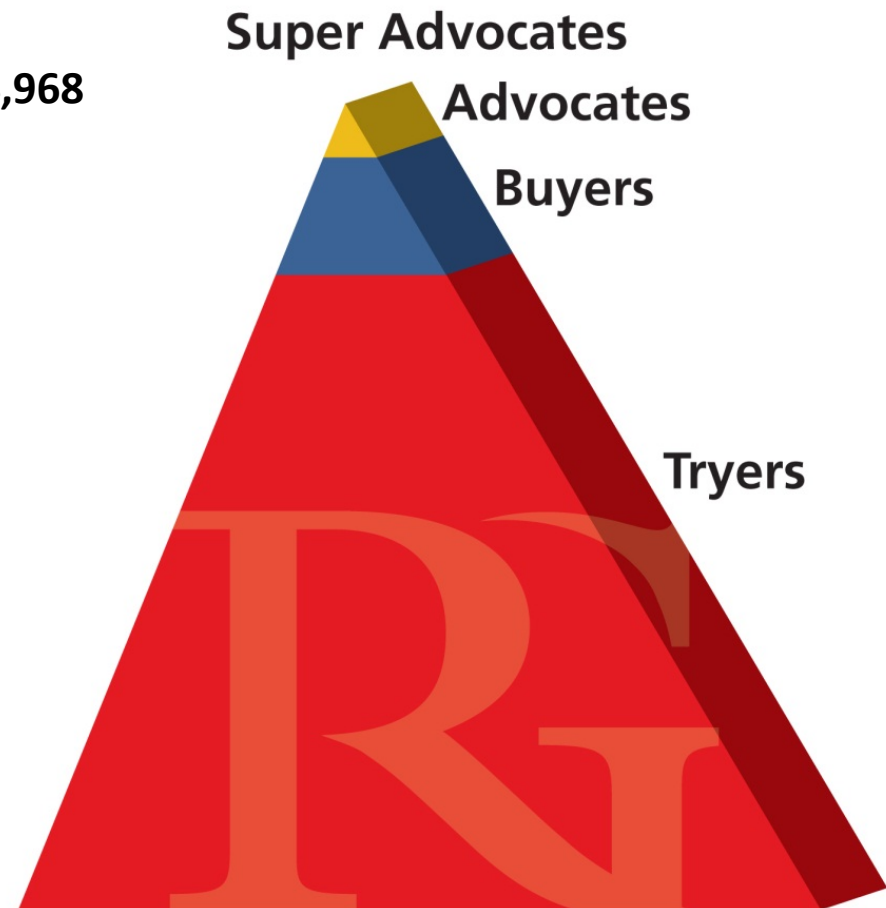
Super Advocates \$14,968
Advocates \$2,375

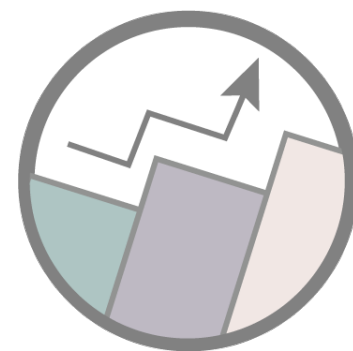
1.6% HH
13% revenue

Buyers \$724

98% HH
48% revenue

Tryers \$41





People and Process

Your organization's loyalty infrastructure

2



Daily Infrastructure

Your People

Loyalty: the art of the upgrade.

- Investment, Training
- Incentives, Systems
- Management, Leadership

Whom does *your* staff work for?

CREATE INCENTIVES TO GET RESULTS



Weekly Infrastructure Your Process



Integrated Work Sessions

Key staff, executive participation
Focus to start:

Projects
Inventory & revenue
Patrons







Integrate Programming

The connection to loyalty



3

Programming, Venues Understand Impact?



1. Proportion of revenues
2. Budgeting reality—what can the exhibit, series produce?
3. Cost of sale—what does it cost to yield \$
4. Existing vs. new audiences
5. Cross-over between performance types
6. Impact on loyalty growth

Programming: Case study

Impact on retention and attrition

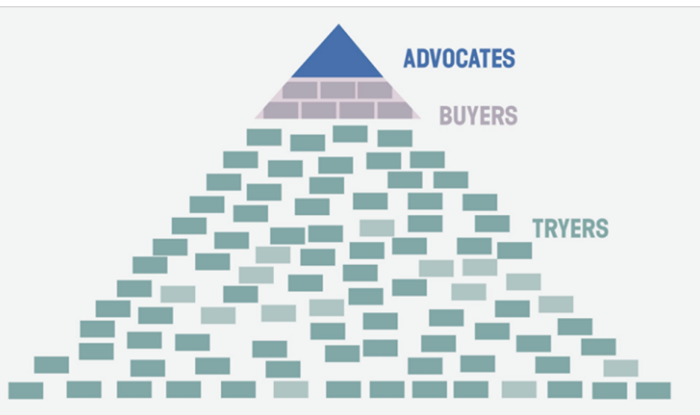
	% Perfs	% Rev	Avg Total Rev	Avg ST Rev	Avg ST Units	Avg Per Capita Rev	Avg Cost of Sale	Avg Cap Sold	Avg Genre ST New-to-File	Avg Genre Overall Attrition
	38%	53%	\$ 5,573,024	\$ 3,007,397	83,688	\$ 35.94	28%	59%	59%	60%
comedy	9%	12%	\$ 1,280,742	\$ 659,900	19,597	\$ 33.67	27%	61%	63%	56%
drama	9%	13%	\$ 1,310,469	\$ 639,633	18,865	\$ 34.03	37%	57%	56%	67%
literary adaptation	4%	7%	\$ 768,283	\$ 557,020	12,279	\$ 45.36	17%	73%	59%	53%
musical	4%	8%	\$ 831,614	\$ 534,161	14,115	\$ 37.84	18%	73%	43%	54%
new work	3%	2%	\$ 239,292	\$ 68,508	1,884	\$ 35.98	76%	32%	62%	46%
Shakespeare	9%	11%	\$ 1,142,624	\$ 554,754	17,188	\$ 32.28	34%	55%	62%	66%

*Includes 5 most recent years of data from core product only. Excludes *A Christmas Carol*, *The Seagull*, *King Lear*.

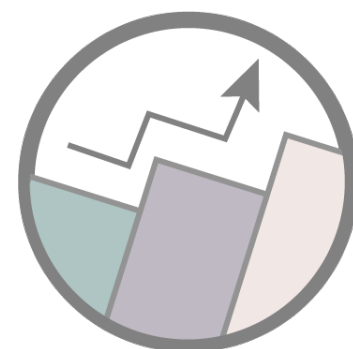
Genre PLI: Overview

Genres reveal affinity patterns within overall loyalty

Premiere	Comedy	Drama	Adaptation	Musical	Family/ Holiday	Shakespeare
209 HH \$208 avg/HH	208 HH \$133 avg/HH	208 HH \$132 avg/HH	209 HH \$78 avg/HH	209 HH \$61 avg/HH	209 HH \$60 avg/HH	208 HH \$36 avg/HH
2,170 HH \$94 avg/HH	2,174 HH \$79 avg/HH	2,173 HH \$76 avg/HH	2,143 HH \$44 avg/HH	2,152 HH \$34 avg/HH	2,093 HH \$40 avg/HH	2,112 HH \$19 avg/HH
21% HH \$22 avg/HH	20% HH \$21 avg/HH	14% HH \$16 avg/HH	14% HH \$17 avg/HH	13% HH \$13 avg/HH	63% HH \$30 avg/HH	9% HH \$10 avg/HH



Reflects 5 most recent years of data.



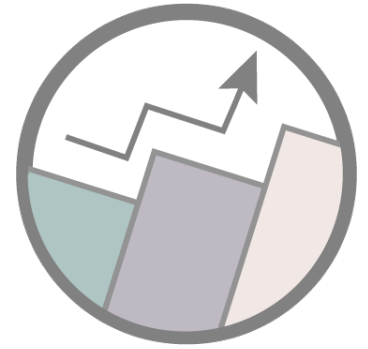
**Leadership is
everything
Accountability, culture**

4

STOP doing
EVERYTHING

Beginning the Change

Breaking down the silos



1. Start with your data. **KNOW** what it tells you.
2. People and process. **CREATE** incentives.
3. Integrate programming. **EVALUATE** its impact.
4. Leadership. **CHAMPION PATRONCENTRIC!**

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