Patron Growth Initiative - PGI 3

League of American Orchestras
2015 Conference
Patron Growth Initiative – PGI 3

Purpose: Help orchestras increase lifetime value through a more holistic approach to patron engagement

PGI 3 has been graciously funded by the following orchestras:

- Boston Symphony Orchestra
- Chicago Symphony Orchestra
- Cincinnati Symphony Orchestra
- Houston Symphony
- Los Angeles Philharmonic
- National Symphony Orchestra
- New York Philharmonic
- Seattle Symphony
- The Cleveland Orchestra
- The Philadelphia Orchestra

Project facilitator: Jack McAuliffe, Engaged Audiences LLC

Researchers: Kate Prescott and Kim Williams-Shuker, Ph.D.
Patron Growth Initiative – PGI 3

- Datamining
  - Database of 1,233,246 households
  - HHs purchasing classical subscription season tickets or making donations FY05-FY14

- Survey Research
  - Total sample of 16,393 patron households
  - Weighted to reflect patron composition within database

- Data Appends
  - Experian demographic append against 200,000 households
  - Households randomly selected in relative proportion to orchestra size
Patron Growth Initiative – PGI 3

Key PGI 3 Objectives:

- Ten-year trends and implications
- Buyer - donor dynamics by age cohort
- Patron attitudes, perceptions, and preferences
- Most critical generational issues and target priorities
- Strategies for marketing, development, patron engagement
<table>
<thead>
<tr>
<th>Age Cohorts</th>
<th>2015 and 2025 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age in 2015</strong></td>
<td><strong>18-34</strong></td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>75,346,777</td>
</tr>
<tr>
<td><strong>% of Adult Population</strong></td>
<td>30%</td>
</tr>
<tr>
<td><strong>Age in 2025</strong></td>
<td><strong>28-44</strong></td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>79,613,680</td>
</tr>
<tr>
<td><strong>% of Adult Population</strong></td>
<td>29%</td>
</tr>
</tbody>
</table>

Age Cohorts

% of U.S. Population

% of Orchestra Patrons

Notes: Experian appended data from 166,808 randomly selected patron HHs, excluding One-Time Buyers prior to FY11.
Total HHs = 1,233,246

Cluster Analysis based on:
- Annual # of subscription concerts
- Annual # of single ticket concerts
- Attendance tenure, FY05-FY14
- Annual amount of total donations
- Total amount of donations, FY05-FY14
- Donations tenure, FY05-FY14
- Total revenue, FY05-FY14
Patron Commitment Segments
Cluster Analysis of FY05-FY14 Concert Attendance/Donations

Note: Extreme Patrons defined as HHs with $50,000+ generated revenue in FY05-FY14
FY05-14 Ticket and Donations Revenue Sourced by Patron Segments

- Extreme Patrons: 2%
- Loyal Subscribers: 9%
- Loyal Donors: 5%
- One-time Donors: 9%
- Newer Subscribers: 2%
- Newer STBs/Multi-buyers: 5%
- Lapsed Subscribers: 4%
- One-time/Uncom. Buyers: .2%

% of HHs: 72%
% of Ticket Revenue: 50%
% of Donations Revenue: 70%
attendance and ticket sales trends
Total Buyer Households

Total buyer households are growing; this holds across almost all orchestras.

Notes: Cleveland FY07 data used in FY06

FY06 – FY14
+9%
Total Buyer Households by Buyer Type

Fixed Sub HHs on steep decline; CYO and STB HHs up. Fixed Sub HHs lapsing out rather than trading down.

Notes: Cleveland FY07 data used in FY06; LA and Cleveland are Fixed only, no CYO
Distribution of Total Buyer Households

As of FY14, Fixed Sub HHs are one-quarter of all Buyer HHs.

Notes: LA and Cleveland are Fixed only, no CYO; data excludes Flex
Status Quo Projection of Buyer HHs

And potentially nonexistent for some orchestras by 2025.

Based on avg. constant rate of change per year
Distribution of Total Buyer HHs
Age Cohorts

Early Silents cohort will be essentially gone by 2020.

Notes: 166,800 HHs with Experian appended age data, March 2015.
Almost half of patron Gen Xers have children under 18 living at home.
Demographics: Estimated Presence of Children 2025

The baby bump will move into the Millennials by 2025.
Total Attendance
Total Tickets Purchased by Buyer HH Type

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed HHs</th>
<th>CYO HHs</th>
<th>STB HHs</th>
<th>Flex HHs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY06</td>
<td>1,078,948</td>
<td>63,095</td>
<td>330,352</td>
<td>12,560</td>
</tr>
<tr>
<td>FY07</td>
<td>1,016,608</td>
<td>87,834</td>
<td>349,774</td>
<td>12,255</td>
</tr>
<tr>
<td>FY08</td>
<td>992,603</td>
<td>105,693</td>
<td>348,762</td>
<td>12,255</td>
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<tr>
<td>FY09</td>
<td>924,405</td>
<td>125,450</td>
<td>330,472</td>
<td>12,260</td>
</tr>
<tr>
<td>FY10</td>
<td>848,997</td>
<td>109,205</td>
<td>358,065</td>
<td>13,462</td>
</tr>
<tr>
<td>FY11</td>
<td>805,275</td>
<td>121,097</td>
<td>393,544</td>
<td>9,853</td>
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<tr>
<td>FY12</td>
<td>740,080</td>
<td>144,537</td>
<td>380,607</td>
<td>9,980</td>
</tr>
<tr>
<td>FY13</td>
<td>711,744</td>
<td>150,926</td>
<td>403,889</td>
<td>13,071</td>
</tr>
<tr>
<td>FY14</td>
<td>668,182</td>
<td>163,383</td>
<td>420,025</td>
<td>11,320</td>
</tr>
</tbody>
</table>

-15% -38% +159% +27%
Ticket sales revenue has remained relatively flat over time despite falling attendance.

Ticket Sales Revenue

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY06</td>
<td>$82,861,724</td>
</tr>
<tr>
<td>FY07</td>
<td>$84,102,769</td>
</tr>
<tr>
<td>FY08</td>
<td>$85,060,248</td>
</tr>
<tr>
<td>FY09</td>
<td>$81,701,423</td>
</tr>
<tr>
<td>FY10</td>
<td>$78,550,812</td>
</tr>
<tr>
<td>FY11</td>
<td>$83,491,508</td>
</tr>
<tr>
<td>FY12</td>
<td>$79,118,635</td>
</tr>
<tr>
<td>FY13</td>
<td>$79,648,288</td>
</tr>
<tr>
<td>FY14</td>
<td>$81,441,211</td>
</tr>
</tbody>
</table>

FY06 – FY14

-2%
Silents and Boomers make up the vast majority of ticket sales with Early Silents on a steep decline.

Notes: 166,800 HHs with Experian appended age data, March 2015
**Average Ticket Price**
**By Age Cohort Buyers**

Silents and Boomers paying more than than younger generations. Gen Xers on upward trend but Millennials care paying less over time.

<table>
<thead>
<tr>
<th>Age Cohort Buyers</th>
<th>FY06</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
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<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Silents</td>
<td>$63</td>
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</tbody>
</table>

Notes: 166,800 HHs with Experian appended age data, March 2015
Average Household Income Levels
Price Sensitivity
Average Price Willing to Pay for Orchestra's Classical Concert

- Millennials
- Gen Xers
- Boomers
- Silents

<$50K
$50-$99K
$100-$199K
$200K+

$35
$46
$53
$65

$43
$53
$60
$65

$46
$53
$60
$75

$49
$60
$71
$94

$46
$62
$78
$101

<$50K
$50-$99K
$100-$199K
$200K+
Price Sensitivity
Average Price Willing to Pay for Orchestra's Classical Concert
donor and donations trends
Total Donor Households

Donor HHs decline in FY09 and remain relatively flat thereafter.

Notes: Total donor HHs including donor non-buyers; FY07 Cleveland data in FY06

63% of all donors gave in just 1 or 2 years.
Total donations revenue has almost doubled since FY06.

Notes: FY14 includes three $10 MM+ donations; FY06 includes Cleveland’s FY07 donations.
Donations revenue is sourced primarily from Fixed Sub HHs and Donor Non-Buyer HHs.

Donor Non-buyers: other series attenders (e.g. Pops), subs lapsing before FY06, loyal attenders who lapse one year, etc.

Notes: FY14 includes three $10 MM+ donations; FY06 includes Cleveland's FY07 donations
Fixed Subscriber Households and Donations

Fixed Sub donors are decreasing at the same rate as Fixed Sub HHs.

When Fixed Subs lapse, donations do too.
Comparison of FY07 and FY14 $100,000+ Annual Donations

Increasing reliance on mega-gifts.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY07</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000,000+</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$1,000,000-9,999,999</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$500,000-999,999</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$100,000-499,999</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$10,000,000+</td>
<td>-</td>
<td>27 HHs</td>
</tr>
<tr>
<td>$1,000,000-9,999,999</td>
<td>-</td>
<td>192 HHs</td>
</tr>
<tr>
<td>$500,000-999,999</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>$100,000-499,999</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

162 HHs: $64,688,873
48% of all donations

245 HHs: $139,985,668
67% of all donations

$32,144,435
15 HHs
$25,522,438
136 HHs
$7,022,000
11 HHs
$47,651,821
23 HHs
$39,219,200
3 HHs
$18,522,438
$7,022,000
$32,144,435
$-
$-
$20,000,000
$40,000,000
$60,000,000

PRESCOTT & ASSOCIATES
Total Revenue Sourced by Donations vs. Ticket Sales

Increasing reliance on donations revenue.
Total Revenue by Age Cohort

Notes: 166,800 HHs with Experian appended age data, March 2015.
A total of 334 HHs across 10 orchestras accounted for 37% of all revenue for FY07-FY14; .5% of all households accounted for 60% of all revenue.

<table>
<thead>
<tr>
<th>Revenue Tier</th>
<th># of HHs</th>
<th>% of HHs</th>
<th>% of Revenue</th>
<th>% Early Silents (80+)</th>
<th>% Late Silents (70-79)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500,000+</td>
<td>334</td>
<td>.02</td>
<td>37</td>
<td>33</td>
<td>30</td>
</tr>
<tr>
<td>$100,000 - $499,999</td>
<td>1,175</td>
<td>.10</td>
<td>12</td>
<td>30</td>
<td>30</td>
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<tr>
<td>$50,000 - $99,999</td>
<td>1,516</td>
<td>.12</td>
<td>5</td>
<td>31</td>
<td>26</td>
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<tr>
<td>$25,000 - $49,000</td>
<td>3,487</td>
<td>.28</td>
<td>6</td>
<td>26</td>
<td>31</td>
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<tr>
<td>All Other Patrons</td>
<td>1,226,684</td>
<td>99.5</td>
<td>40</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>1,233,196</td>
<td>100%</td>
<td>100%</td>
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</tr>
</tbody>
</table>

Top Rev Tiers Age Cohort: Early Silents (30%), Late Silents (29%), Boomers (33%), Other (8%)
subscriptions and concert preferences
Perceptual Map of Subscription Motivations
Silents and Boomers

- Love classical music live
- Concerts bring me pleasure
- Real fan of the orchestra
- Subscribing for years
- Liked number of programs
- To support the orchestra
- To retain seats
- Subscriptions are discounted
- Package fit well with schedule
- Appreciate benefits/perks
- Nice to go more often
- Could choose concerts

Silents

Baby Boomers
Perceptual Map of Subscription Motivations
Gen Xers and Millennials

- Love classical music live
- Concerts bring me pleasure
- Liked number of programs
- Subscriptions are discounted
- To support the orchestra
- Real fan of the orchestra
- Could choose concerts
- Nice to go more often
- Package fit well with schedule
- To retain seats
- Appreciate benefits/perks
- Subscribing for years
- To retain seats
Patrons cite real ‘practical’ barriers as reasons for lapsed subscriptions.

- 42% of lapsed subscribers cited schedules or personal finances as reasons for not renewing.
- 34% mentioned programs or packages.
- 30% noted personal situation as a factor.
- 14% cited moving or distance as an issue.
- 10% mentioned traffic or location.
- 6% cited attending other arts events.
- 6% cited other reasons.

Younger generations far more program and discount driven in subscription decisions.

Q: As specifically as possible, what were the most important factors in your decision not to purchase a subscription package this season? Open-ended question.
<table>
<thead>
<tr>
<th>Concert Format Description</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Traditional Classical Concerts</strong></td>
<td>Traditional classical full-length concerts with an intermission, typically featuring three symphonic works</td>
</tr>
<tr>
<td><strong>Broadway Concerts</strong></td>
<td>Semi-staged performances of Broadway musicals with the orchestra and actors performing on stage (e.g. Sound of Music, Wicked, My Fair Lady, Sweeney Todd)</td>
</tr>
<tr>
<td><strong>Film Concerts</strong></td>
<td>Orchestras perform the complete score of popular full-length films as they are projected on a large screen (e.g. West Side Story, Pixar, Wizard of Oz, Lord of the Rings)</td>
</tr>
<tr>
<td><strong>Video Game Concerts</strong></td>
<td>Orchestras perform music from popular video games as iconic video game clips are projected on a large screen (e.g. Final Fantasy, Legend of Zelda, Video Games Live)</td>
</tr>
<tr>
<td><strong>Multisensory Concerts</strong></td>
<td>Concerts that are somewhat edgier, with heavy emphasis on theatrical elements, visual enhancements, and unique staging and lighting</td>
</tr>
<tr>
<td><strong>Great Composer Festivals</strong></td>
<td>Week-long concert/event immersions into the works of a major composer (e.g. Bach Festival, Beethoven Festival)</td>
</tr>
<tr>
<td><strong>Concerts with Popular Stars</strong></td>
<td>Concerts featuring popular stars accompanied by the orchestra (e.g. Chris Botti, Natalie Cole, Ben Folds, Idina Menzel)</td>
</tr>
<tr>
<td><strong>Popular Classics</strong></td>
<td>Concerts are built around a theme and feature popular classical pieces from composers such as Bernstein, Gershwin, Tchaikovsky, and Sousa along with colorful commentary from the conductor</td>
</tr>
<tr>
<td><strong>Enrichment Concerts</strong></td>
<td>Concerts with enhancements like pre-concert talks, onstage stories and commentary, and visual projections that provide a deeper understanding of the classical pieces and composers</td>
</tr>
<tr>
<td><strong>Multidisciplinary Concerts</strong></td>
<td>Classical concerts that feature collaborative presentations with other artists (e.g. dance, jazz, theater, cirque)</td>
</tr>
<tr>
<td><strong>Heritage Concerts</strong></td>
<td>Concerts celebrating specific ethnic heritages (e.g. Chinese New Year, Hispanic Heritage Month, Black History Month)</td>
</tr>
<tr>
<td><strong>Classical-Fusion Concerts</strong></td>
<td>Concerts featuring orchestra ensembles along with DJs, electronic/dance music, rap, jazz, etc. in dance club settings</td>
</tr>
<tr>
<td><strong>Multimedia Concerts</strong></td>
<td>Traditional classical concerts enhanced with rich visuals and lighting effects</td>
</tr>
<tr>
<td><strong>Casual Concerts</strong></td>
<td>Orchestra ensembles playing in smaller, more casual club settings with seating at tables</td>
</tr>
<tr>
<td><strong>Community Concerts</strong></td>
<td>Large-scale, free classical concerts in local neighborhoods</td>
</tr>
</tbody>
</table>

Q: Orchestras offer different classical concert formats to satisfy the tastes of their patrons. We realize that specific programs influence enjoyment, but based on your experiences or perceptions, to what extent do you enjoy (or would enjoy) these types of classical concerts?
Q: We realize that specific programs influence enjoyment, but based on your experiences or perceptions, to what extent do you enjoy (or would enjoy) these types of classical concerts?

- Enjoy extremely
- Enjoy very much
- Enjoy somewhat
- Don’t enjoy that much
- Don’t know

## Concert Formats Enjoyment

### Total Patrons

- **Traditional Classical Concerts**
  - 54% Enjoy extremely
  - 35% Enjoy very much
  - 9% Enjoy somewhat
  - 2% Don’t enjoy that much
  - 2% Don’t know

- **Great Composer Festivals**
  - 32% Enjoy extremely
  - 37% Enjoy very much
  - 20% Enjoy somewhat
  - 7% Don’t enjoy that much
  - 4% Don’t know

- **Popular Classics**
  - 29% Enjoy extremely
  - 38% Enjoy very much
  - 23% Enjoy somewhat
  - 9% Don’t enjoy that much
  - 1% Don’t know

- **Community Concerts**
  - 26% Enjoy extremely
  - 33% Enjoy very much
  - 25% Enjoy somewhat
  - 10% Don’t enjoy that much
  - 6% Don’t know

- **Enrichment Concerts**
  - 24% Enjoy extremely
  - 35% Enjoy very much
  - 27% Enjoy somewhat
  - 10% Don’t enjoy that much
  - 4% Don’t know

- **Shorter Classical Concerts**
  - 18% Enjoy extremely
  - 40% Enjoy very much
  - 28% Enjoy somewhat
  - 10% Don’t enjoy that much
  - 4% Don’t know

- **Casual Concerts**
  - 16% Enjoy extremely
  - 34% Enjoy very much
  - 30% Enjoy somewhat
  - 13% Don’t enjoy that much
  - 7% Don’t know

- **Broadway Concerts**
  - 19% Enjoy extremely
  - 28% Enjoy very much
  - 28% Enjoy somewhat
  - 22% Don’t enjoy that much
  - 3% Don’t know

- **Multidisciplinary Concerts**
  - 14% Enjoy extremely
  - 30% Enjoy very much
  - 34% Enjoy somewhat
  - 17% Don’t enjoy that much
  - 5% Don’t know

- **Film Concerts**
  - 16% Enjoy extremely
  - 25% Enjoy very much
  - 28% Enjoy somewhat
  - 23% Don’t enjoy that much
  - 8% Don’t know

- **Concerts with Popular Stars**
  - 15% Enjoy extremely
  - 25% Enjoy very much
  - 29% Enjoy somewhat
  - 26% Don’t enjoy that much
  - 5% Don’t know

- **Multimedia Concerts**
  - 11% Enjoy extremely
  - 26% Enjoy very much
  - 32% Enjoy somewhat
  - 24% Don’t enjoy that much
  - 7% Don’t know

- **Multisensory Concerts**
  - 9% Enjoy extremely
  - 23% Enjoy very much
  - 33% Enjoy somewhat
  - 27% Don’t enjoy that much
  - 8% Don’t know

- **Heritage Concerts**
  - 6% Enjoy extremely
  - 17% Enjoy very much
  - 36% Enjoy somewhat
  - 32% Don’t enjoy that much
  - 9% Don’t know

- **Classical-Fusion Concerts**
  - 5% Enjoy extremely
  - 11% Enjoy very much
  - 20% Enjoy somewhat
  - 51% Don’t enjoy that much
  - 13% Don’t know

- **Video Game Concerts**
  - 4% Enjoy extremely
  - 6% Enjoy very much
  - 10% Enjoy somewhat
  - 60% Don’t enjoy that much
  - 20% Don’t know

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**Notes:**

- **Most traditional formats (cut across age cohorts):**
  - Traditional Classical Concerts, Heritage Concerts, Classical-Fusion Concerts

- **More ‘popular’ formats:**
  - Great Composer Festivals, Multidisciplinary Concerts, Film Concerts

- **Edgier/niche formats:**
  - Popular Classics, Community Concerts, Enrichment Concerts, Shorter Classical Concerts, Casual Concerts, Broadway Concerts, Multisensory Concerts, Multimedia Concerts, Concerts with Popular Stars, Multidisciplinary Concerts, Video Game Concerts
Perceptual Map of Concert Format Preference Clusters

- **Traditional Classical (26%)**
  - Traditional Classical
  - Enrichment Concerts
  - **Popular Classical (14%)**
  - Great Composer Festivals
- **Crossover/Visual (33%)**
  - Popular Stars
  - Video Game Concerts
- **Casual Concerts (27%)**
  - Community Concerts
  - Casual Concerts
  - Shorter Concerts
- **Multidisciplinary**
  - Multimedia Concerts
  - Multi-Sensory Concerts
- **Classical-Fusion**
  - Broadway Concerts
  - Film Concerts
  - Great Composer Festivals
  - Popular Classics
- **Heritage Concerts**
  - Video Game Concerts
  - Multi-Sensory Concerts
  - Great Composer Festivals
  - Popular Classics

PRESCOTT & ASSOCIATES
Concert Format Preference Clusters
By Age Cohort

- Early Silents: 36% Traditional Classical, 22% Popular Classical, 13% Crossover/Visual, 29% Casual Concerts
- Late Silents: 30% Traditional Classical, 19% Popular Classical, 23% Crossover/Visual, 28% Casual Concerts
- Boomers: 24% Traditional Classical, 13% Popular Classical, 34% Crossover/Visual, 30% Casual Concerts
- Gen Xers: 15% Traditional Classical, 7% Popular Classical, 46% Crossover/Visual, 32% Casual Concerts
- Millennials: 10% Traditional Classical, 5% Popular Classical, 58% Crossover/Visual, 28% Casual Concerts
Q: Thinking about your preferences, age and lifestyle, if you could create the ideal classical concert experience, what would it be like?

Most Common Ideal Experiences
Q: Thinking about your preferences, age and lifestyle, if you could create the ideal classical concert experience, what would it be like?
Making Concerts More Compelling

61%: Greater personal relevance

Q: What would make classical concerts more compelling for you? (Click all that apply)

- Concerts included more pieces I like: 28%
- I understood more about the pieces: 28%
- If pieces were introduced from the stage: 25%
- Classical music was personally meaningful to me: 21%
- I was more familiar with the music: 20%
- Experience included more pre-concert activities: 17%
- Concerts were more intellectually engaging: 16%
- Concerts were more emotionally moving: 14%
- Concerts focused more on contemporary classical: 14%
- Concerts were more relaxed/less formal: 13%
- Experience included more post-concert activities: 12%
- Concerts were more of a social occasion: 11%
- Concerts were more visually engaging: 11%
- More people my age attended: 10%
- Concerts were shorter: 7%
- I liked classical music more: 6%
- Concerts were more fun: 6%
- Concerts were more entertaining: 5%
- Experiences were designed more for my age group: 5%
- Concerts were enhanced with technology: 3%
donors and donations
Respondents selected up to 4 benefits:

- 2 free “be my guest” tickets for your friends: 55%
- Discounts on single ticket purchases: 49%
- Complimentary tickets to 2 open rehearsals: 45%
- Access to seat upgrades: 45%
- Complimentary orchestra CD: 32%
- Advance ticket purchases before the public: 28%
- Discounts at local shops/restaurants: 16%
- 10% discount at orchestra gift shop: 10%
- Young donor receptions: 8%
- Name recognition in concert program books: 5%
- Donor e-newsletter: 3%
- Access to donor helpline for questions: 1%

No major differences between donors and non-donors

Q: These are the types of benefits one might receive with donations of $100-$500. If you were to select up to four of these benefits which ones would you choose?
Benefits Preference: Mid-range Benefits
Among Donors with Most Recent Gift of $500-$9,999

Respondents selected up to 7 benefits:

- Free ticket exchange: 54%
- Priority seating: 46%
- Advance ticket purchases before public: 45%
- Reserved parking at reduced fee: 45%
- Access to seat upgrades: 36%
- Complimentary tickets to 4 open rehearsals: 35%
- No ticket service fees: 34%
- Discounts on single ticket purchases: 32%
- 4 free “be my guest” tickets for your friends: 31%
- Complimentary orchestra CD: 23%
- Complimentary backstage tour/insider event: 22%
- Name recognition in program books: 19%
- Buy 1 get 1 free coupon for a concert: 19%
- 10% discount at orchestra gift shop: 14%
- Masterclass with musician: 12%
- Discounts at local shops/restaurants: 10%
- One-time access to donor lounge: 10%
- Access to donor helpline for questions: 8%
- Archives tour: 7%
- Donor e-newsletter: 7%
- Young donor receptions: 4%

Q: These are the types of benefits one might receive with donations of $500-$9,999. If you were to select up to seven of these benefits, which ones would you choose?
Benefits Preference: High End Benefits
Among Donors with Most Recent Gifts of $10,000+

Respondents selected up to 10 benefits:

- Free ticket exchange: 59%
- Access to donor lounges: 59%
- Complimentary reserved parking: 58%
- Access to concierge/VIP ticket service: 57%
- Priority seating: 52%
- Invitations to private recitals/chamber concerts: 43%
- Access to donor receptions/parties: 47%
- Advance ticket purchases before public: 46%
- Intimate meet & greet conversations with musicians: 38%
- Access to donor dining areas: 35%
- Dinner with the Artistic Director/Executive Director: 30%
- Access to seat upgrades: 28%
- No ticket service fees: 26%
- Name recognition in program books: 26%
- 4 free “be my guest” tickets for your friends: 20%
- Complimentary tickets to 8 open rehearsals: 19%
- 2 complimentary tickets to a concert: 16%
- Complimentary orchestra CD: 16%
- Masterclass with musician: 12%
- 10% discount at orchestra gift shop: 11%
- Complimentary backstage tour/insider event: 9%
- Access to donor helpline for questions: 8%
- Discounts at local shops/restaurants: 8%
- Archives tour: 7%
- Donor e-newsletter: 6%
- Discounts on single ticket purchases: 6%
- Buy 1 get 1 free coupon for a concert: 2%
- Young donor receptions: 1%

Q: These are the types of benefits one might receive with donations of $10,000 or more. If you were to select up to ten of these benefits which ones would you choose?
Donation Motivations
Current Donors

Q: For what reasons do you donate to this orchestra? (Click the more important reasons for you)

- Support
- Personal relevance/enjoyment

Overall pattern holds across age cohorts

Believe orchestra is important community asset - 74%
Love orchestra and want to support it - 70%
Love classical music and want to support it - 68%
Want to help ensure their future - 61%
Enjoy concerts so like to give back - 45%
I believe in their mission/cause - 43%
To help ensure high artistic quality - 44%
In appreciation of musicians' talent - 42%
To help bring classical music to wider community - 36%
Appreciate their commitment to community - 34%
To support educational programs for children - 32%
Because ticket sales don’t cover costs - 30%
Like being member/part of the family - 18%
Appreciate benefits/perks - 14%
Like being major supporter of the orchestra - 15%
Like to make gift with subscription - 12%
Q: What have been some of your reasons for not making a donation to this orchestra?
Q: What have been your primary reasons for not donating to the orchestra?
Reasons for Not Donating
Non-Donors by Income Level

Q: What have been your primary reasons for not donating to the orchestra?
Within each generation competition is significant.

Q: To which if any of the following have you made monetary donations in the last year?
Reported Past Year Donations
Current Orchestra Donors

Orchestra donors are more apt to be donors across the board.

Q: To which if any of the following have you made monetary donations in the last year?
Orchestra Donor Penetration
% Ever Donated (Reported)

Q: Have you ever made a monetary donation to this orchestra, above and beyond purchasing tickets?
Donor Penetration
% Ever Donated by Age Cohort and Income

Q: Have you ever made a monetary donation to this orchestra, above and beyond purchasing tickets?
Donor Penetration
% Ever Donated By Age Cohort and Buyer Status

Base: Buyer clusters within survey respondents
Q: What might further encourage you to donate to this orchestra? (Click all that apply)
brand relationships
Brand relationship perceptions have improved significantly over past five years.
There's also positive evidence of Surprise & Delight on attitudinal change among the most committed patron segments.

- Extremely likely to donate in coming year: 83% (S&D Ext Patrons/Loyal Subs) vs. 37% (Other Ext Patrons/Loyal Subs)
- Bought/definitely buying 2015-16 subscription: 80% (S&D Ext Patrons/Loyal Subs) vs. 75% (Other Ext Patrons/Loyal Subs)
- Deserves my support: 59% (S&D Ext Patrons/Loyal Subs) vs. 41% (Other Ext Patrons/Loyal Subs)
- An organization I very eager to support: 64% (S&D Ext Patrons/Loyal Subs) vs. 44% (Other Ext Patrons/Loyal Subs)
- Cares about me as a person: 26% (S&D Ext Patrons/Loyal Subs) vs. 17% (Other Ext Patrons/Loyal Subs)
- Treats me like a valued patron: 51% (S&D Ext Patrons/Loyal Subs) vs. 33% (Other Ext Patrons/Loyal Subs)
- Is reaching out to wider community: 58% (S&D Ext Patrons/Loyal Subs) vs. 38% (Other Ext Patrons/Loyal Subs)
- Is working hard to better engage patrons: 57% (S&D Ext Patrons/Loyal Subs) vs. 38% (Other Ext Patrons/Loyal Subs)
- Is making concerts more exciting: 41% (S&D Ext Patrons/Loyal Subs) vs. 29% (Other Ext Patrons/Loyal Subs)

Base: Chicago, New York and Cincinnati S&D patrons in 2013-14 and 2014-15; S&D Patrons (N=100); Others (N=1390)
Surprise & Delight has impacted attitudinal and behavioral change among newer/less committed patrons.

Surprise & Delight
Newer Subs/Multi-buyers – Strongly Agree/Agree

Is reaching out to wider community
- S&D Newer Subs/Multi-buyers: 72%
- Other Newer Subs/Multi-buyers: 64%

Is working hard to better engage patrons
- S&D Newer Subs/Multi-buyers: 81%
- Other Newer Subs/Multi-buyers: 64%

Is making concerts more exciting
- S&D Newer Subs/Multi-buyers: 69%
- Other Newer Subs/Multi-buyers: 62%

Treats me like a valued patron
- S&D Newer Subs/Multi-buyers: 76%
- Other Newer Subs/Multi-buyers: 53%

Cares about me as a person
- S&D Newer Subs/Multi-buyers: 43%
- Other Newer Subs/Multi-buyers: 30%

Deserves my support
- S&D Newer Subs/Multi-buyers: 72%
- Other Newer Subs/Multi-buyers: 63%

An organization I very eager to support
- S&D Newer Subs/Multi-buyers: 74%
- Other Newer Subs/Multi-buyers: 67%

Bought/definitely buying 2015-16 subscription
- S&D Newer Subs/Multi-buyers: 78%
- Other Newer Subs/Multi-buyers: 39%

Extremely/very likely to donate in coming year
- S&D Newer Subs/Multi-buyers: 41%
- Other Newer Subs/Multi-buyers: 26%

future implications
Future Implications

Current Scenario:
- Donations account for 70%+ of patron-generated revenue
- Increasing reliance on very few patrons for huge percent of revenue
- Fixed subscriptions on steep decline even among most loyal subs
- Many donations linked to subscriptions, dropping off as subscriptions lapse
- Majority of major donors and loyal subscribers are 70+, about 30% are 80+, 20% are 85+
- One-quarter of revenue coming from patrons could leave revenue stream within 10 years
- Younger generations show no signs of replacing potential revenue losses

Broad Implications:
- Major shifts in organizational culture may be required
- Revenue replacement strategies should be on agenda now
- Marketing, development—and artistic—will be tied to successful patron growth strategies
Transitioning for the Future

‘What We Do’ mindset

Classical Concerts

- Artistic focused on classical concerts
- Programming largely artistically-driven
- Assume audiences get the music (or should)
- Subscription concerts are the pillar
- Some experimenting with alternative formats
- Product is primarily in-hall experiences
- Family/community concerts minimal offerings
Transitioning for the Future

Classical Concerts

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2015

Classical Inspired Experiences

- Embrace range of concert experiences
- Audience preferences feed into planning
- Bringing patrons along is the protocol
- Greater offering of non-sub concerts
- Portfolio management of concert formats
- Alternative modes to concert/music access
- Far greater emphasis on family/community

‘What We Do’ mindset

‘Why Do We Exist’ mode
Current Patron Lifetime Value Hierarchy

- Early Silents
- Late Silents
- Baby Boomers
- Gen Xers
- Millennials

Buyer Commitment vs. Donor Commitment
Lifetime Value Timeline

- Early Silents
- Late Silents
- Baby Boomers
- Gen Xers
- Millennials

2015
Lifetime Value Timeline

- Early Silents
- Late Silents
- Baby Boomers
- Gen Xers
- Millennials

Building lifetime value within each age cohort

Concert Experiences
Personal Relevancy
Communications
Solicitations
‘Tribe’ Differences

2015
Lifetime Value Building Blocks

- Early Silents
- Late Silents
- Baby Boomers
- Gen Xers
- Millennials

2015

- Parallel Planning and Execution
- Love the One You’re With
- Embrace Change

Love the One You’re With

PRESCOTT & ASSOCIATES
Target Priorities

**Early Silents**
- 50% decline in Buyer HHs since FY06
- Large majority will pass within 10 years
- Accounted for 25% of FY14 revenue
- 20% of top revenue HHs

**Target Priority: Very High**
- 60% of all top tier revenue HHs are Silents

**Late Silents**
- 24% decline in Buyer HHs since FY06
- 30% of all revenue in FY14
- Donation penetration up slightly

**Baby Boomers**
- Highly sophisticated legacy programs
- Build base of major donors, beyond mega
- Increased appreciation efforts
- Transitioning Loyal Subs to Loyal Donors

**Gen Xers**

**Millennials**

**Loving Loyalists**

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2015
Target Priorities

Early Silents

Late Silents

Steady As They Go

Baby Boomers

Gen Xers

Millennials

Priorities:
- Improving retentions rates (e.g. CYOs)
- Spreading the love
- Upgrading donors
- Targeting ‘super subscribers’

- About one-third of all top tier revenue HHs are Boomers

- 36% of all buyer HHs, little change over time
- 37% of fixed sub HHs, 38% of CYOs
- Total revenue up 36% since FY06
- In or entering retirement years
- Stand to inherit significant sums

Target Priority: High

2015
Target Priorities

Early Silents

Late Silents

Baby Boomers

Low Engagement

Gen Xers

Millennials

Target Priority: Lower

- Much slower HH growth than Millennials
- 5% of revenue, no change over time
- Working with kids
- High household expense years
- More program-driven
- Similar concert tastes to Millennials

Priorities:
- Maintaining any sort of frequency
- Target older Gen Xers
- Alternative formats
- Relaxed/family-friendly
- Flexibility

2015
Target Priorities

Early Silents

Late Silents

Baby Boomers

Gen Xers

Millennials

Those Darn Millennials

2015

Priorities:
- Alternative formats
- Increasing brand connectedness
- Improving perceived value
- Young professionals programs
- Tapping into musicians/students

Target Priority: Moderate/High

- Growing portion of patron base
- Significantly lower incomes
- High college debt
- Extremely price sensitive
- Moving into parenting years
- More program-driven

Target Priorities

Growing portion of patron base
- Significantly lower incomes
- High college debt
- Extremely price sensitive
- Moving into parenting years
- More program-driven

2015
Strategic Considerations

Marketing/Organization

1. Better leveraging CYOs
   - Market earlier, promote more heavily
   - Move Fixed Subs when ready to lapse
   - Add/enhance benefits and discounts
   - Treat CYO patrons like real subscribers

2. Addressing key attendance barriers
   - Busy lives/scheduling:
     - greater exchange flexibility
     - half season packages
     - collaborative events
     - simplified materials/ticket buying
   - Financial:
     - test lower prices/less discounting
     - added value concert formats
   - Programming:
     - more compelling communications
     - more personally relevant concert experiences

3. Developing greater brand connectors
   - Creating more brand fans
   - Building loyalty among multi-buyers/younger generations
### Strategic Considerations

#### Development/Organization

1. Reducing donor lapse
   - Increased focus on sustained giving
   - Stronger support/personal relevance messaging
   - Greater appreciation efforts (e.g. S&D tactics)

2. Better understanding of Donor Non-Buyers
   - Who are these patrons
   - Do they require less concert-driven benefits

3. Revisiting benefits structures
   - More personalized/meaningful benefits
   - Designed to maximize connectedness
   - Investment spending on non-donors
Strategic Considerations

Patron Engagement

1. Investment spending on appreciation efforts
   - More of what’s working
   - Broaden reach, maintain personalization

2. Upping customer experience
   - Continual end-to-end improvements

3. Speaking with one voice
   - Consistency across departmental communications
   - Same look, feel, and tonality
   - Unified touch points

4. Stronger community engagement
   - Large-scale/wide-spread community events
   - Collaborative events
   - Getting out/bringing in
   - Giving back (e.g. volunteerism days)
Patron Growth Initiative - PGI 3

League of American Orchestras
2015 Conference