

League of American Orchestras

2011 National Conference

Churning Butter into Gold: Patron Growth Initiative

About the Patron Growth Initiative

- PGI Purpose: To help orchestras grow total lifetime value.
 - Year-long effort included datamining, qualitative, and quantitative research.
- Database of 545,000 patrons from 9 large US orchestras was created.
 - Patrons were defined as households who purchased subscription season classical concert tickets or made a donation at least once between FY05-FY09.
 - Each record included all classical concert purchases (tickets, concerts, dollars) and all donations (annual fund, endowment, special appeals, capital campaigns, matching gifts, special events) for each season.
- Extensive survey was conducted among 13,000 patron households with the data linked back to transaction/donation database.

About the Patron Growth Initiative

- Project was funded by orchestras, with direct participation by senior marketing and development staff:

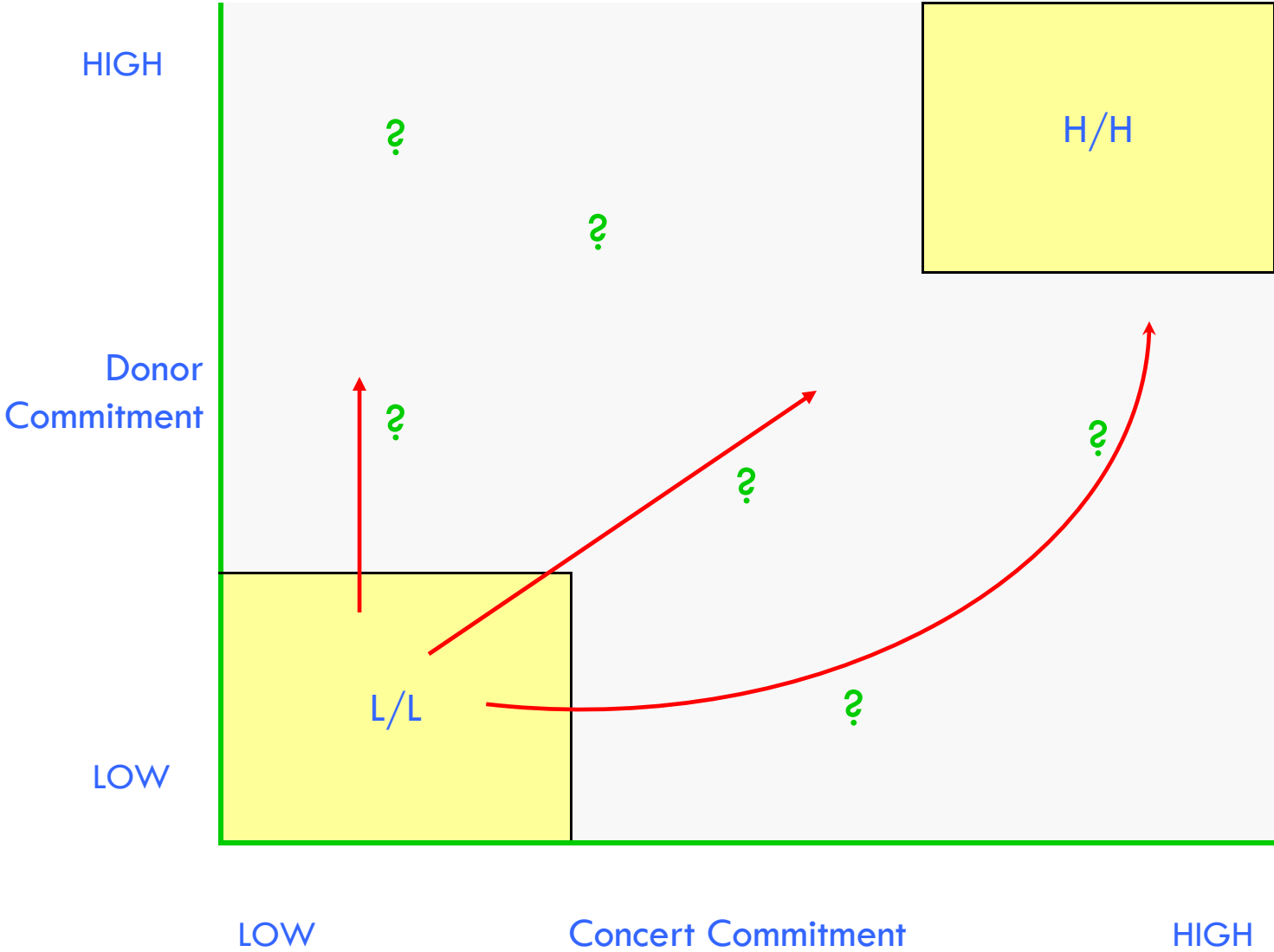
Atlanta Symphony Orchestra
Boston Symphony Orchestra
Chicago Symphony Orchestra
Cincinnati Symphony Orchestra
Houston Symphony Orchestra
Los Angeles Philharmonic
New York Philharmonic
Pacific Symphony Orchestra
The Philadelphia Orchestra

Charlie Wade
Bart Reidy, Kim Noltemy
Kevin Giglinto, Peggy Titterington
Susan Plageman, Sherri Prentiss
Glenn Taylor
Tim Landi, Shana Mathur
Judith Helf, David Snead
Michael Buckland, Gary Good, Sean Sutton
Janice Hay, Ari Solotoff

- Project facilitator - Jack McAuliffe, Engaged Audiences LLC
- Lead researchers - Kate Prescott and Kim Williams-Shuker, PhD

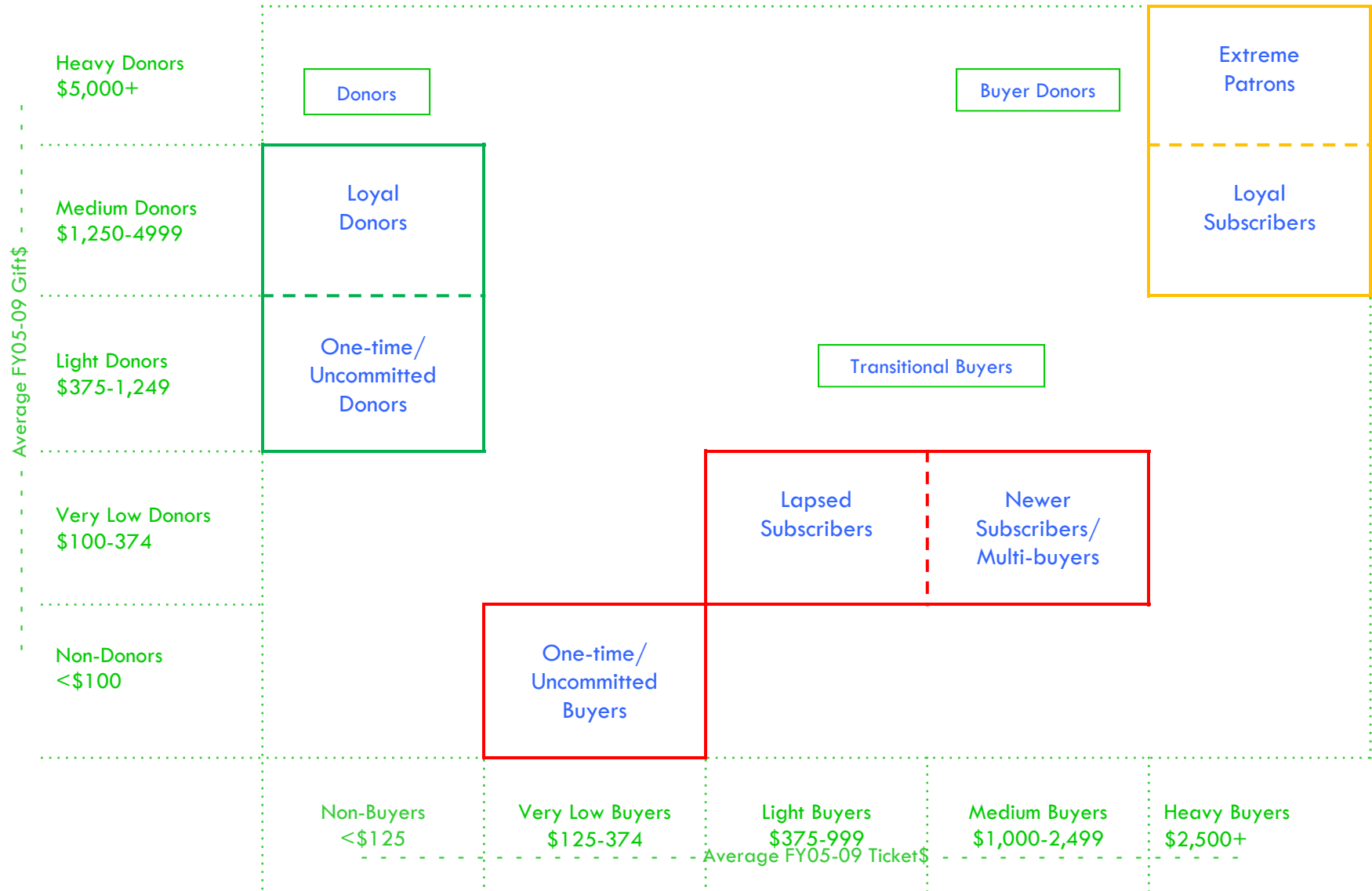
datamining: identifying patron commitment clusters

Key Conceptual Question: What are the patron commitment clusters and pathways?



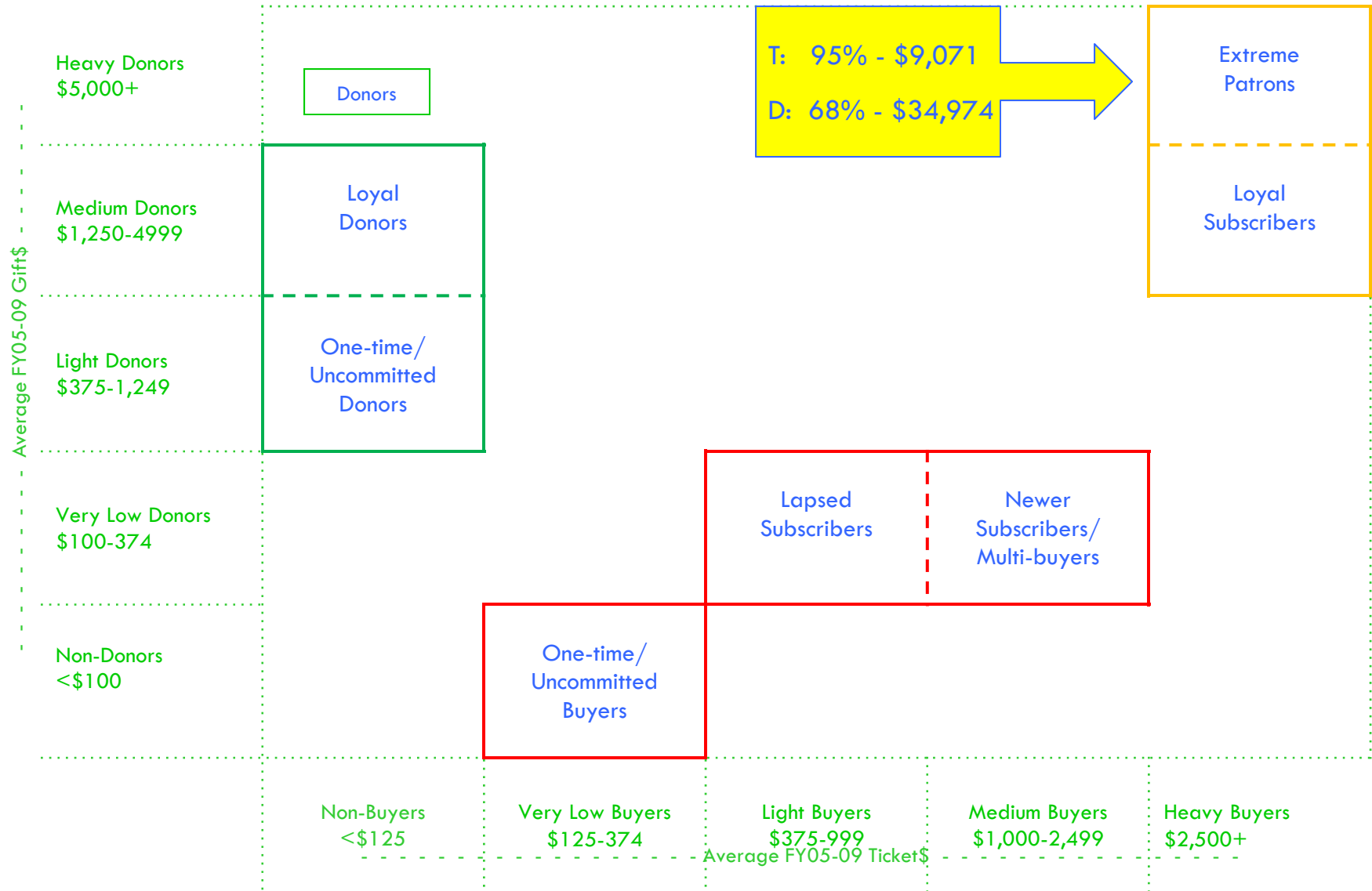
Patron Commitment Clusters

-- Cluster Analysis of FY05-09 Transactions/Donations Database --



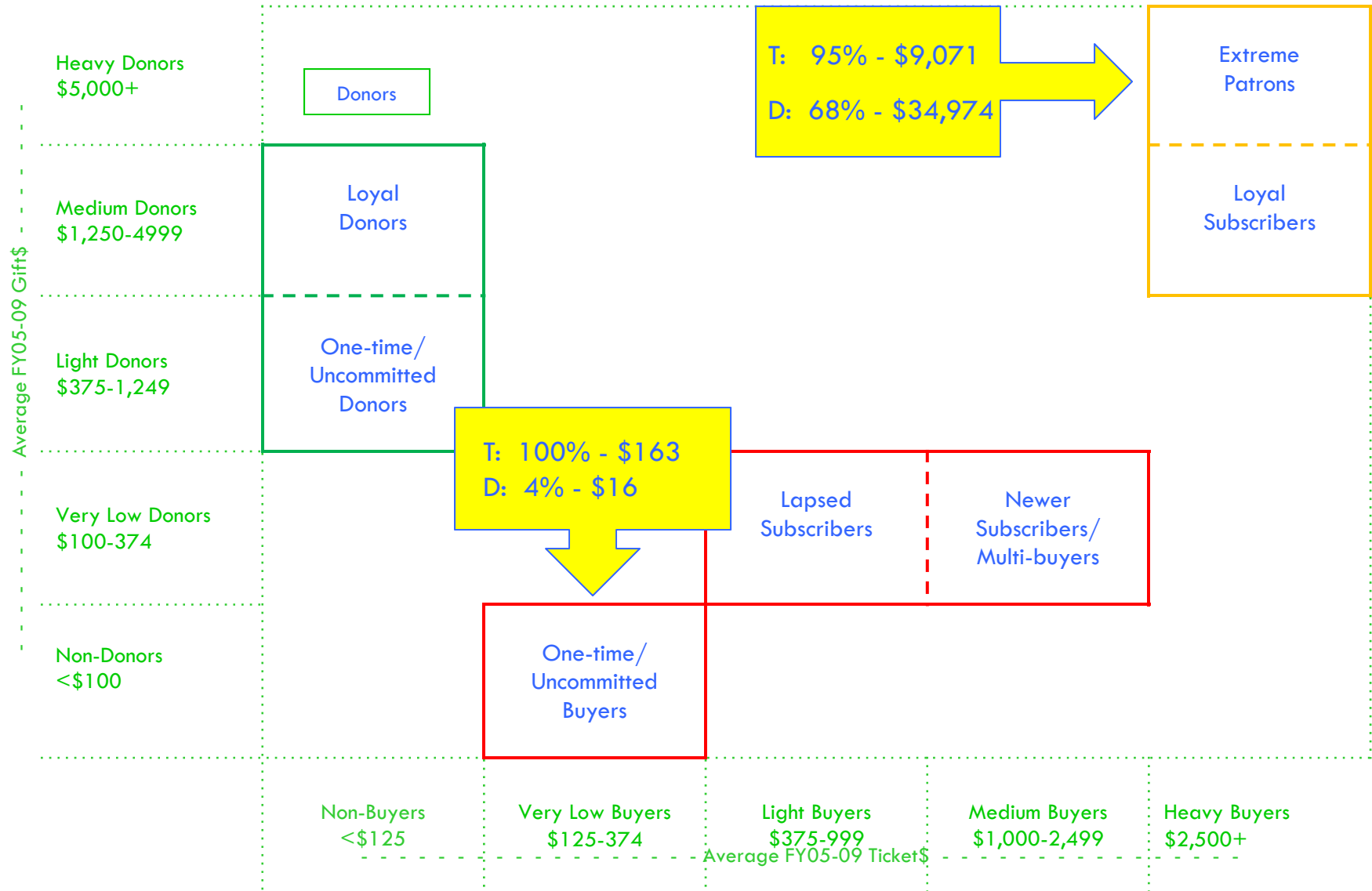
Patron Commitment Clusters

-- Cluster Analysis of FY05-09 Transactions/Donations Database --



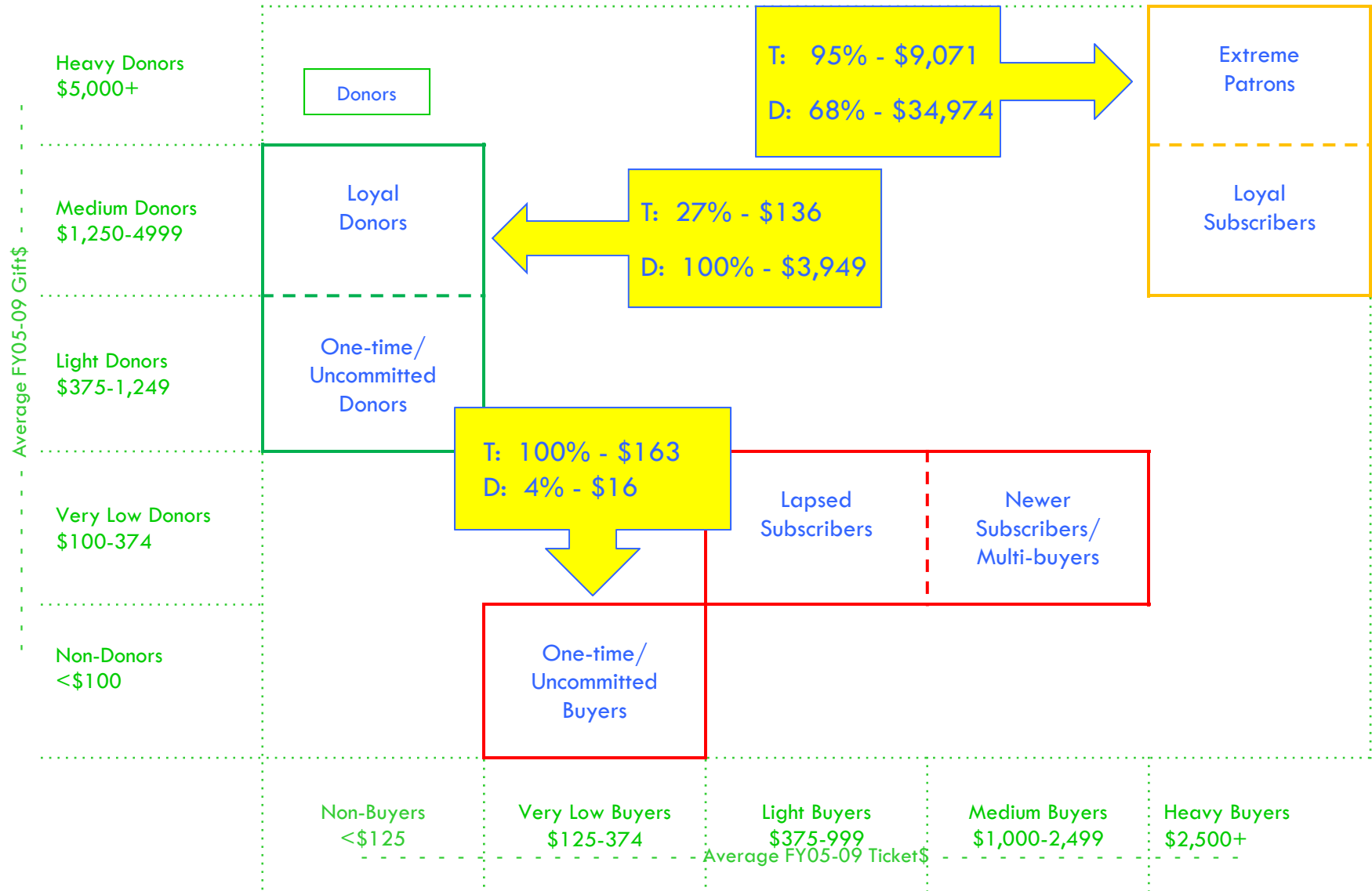
Patron Commitment Clusters

-- Cluster Analysis of FY05-09 Transactions/Donations Database --



Patron Commitment Clusters

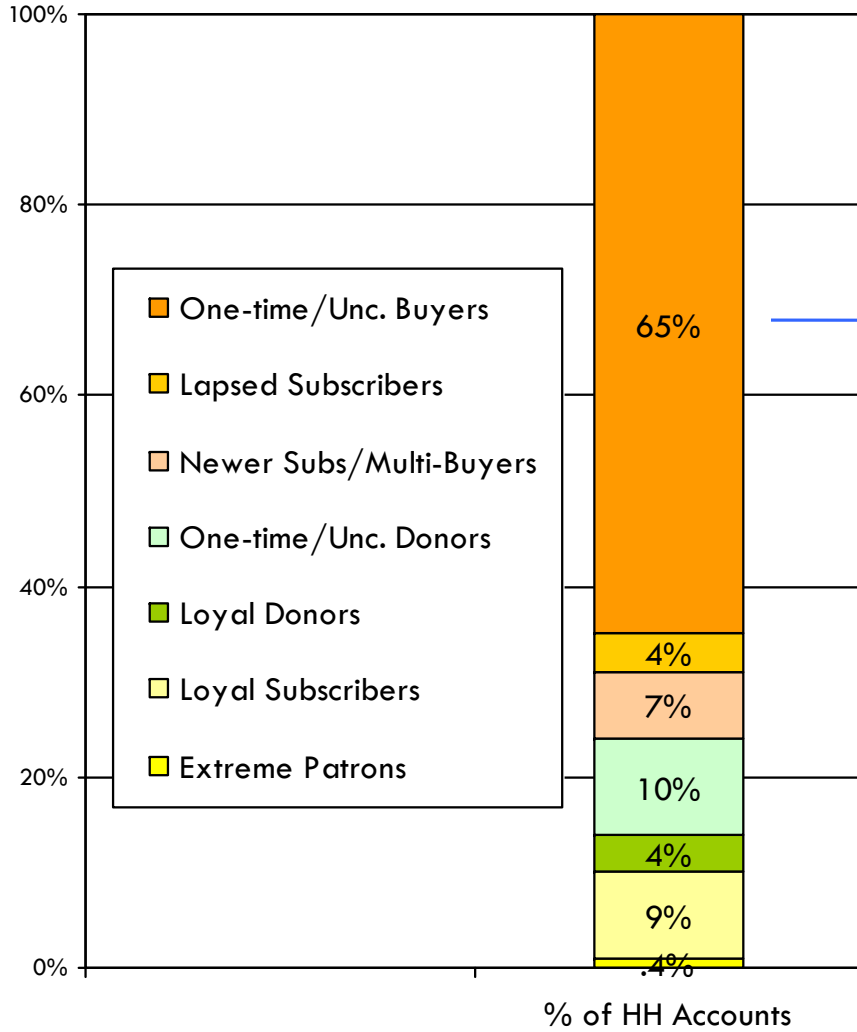
-- Cluster Analysis of FY05-09 Transactions/Donations Database --



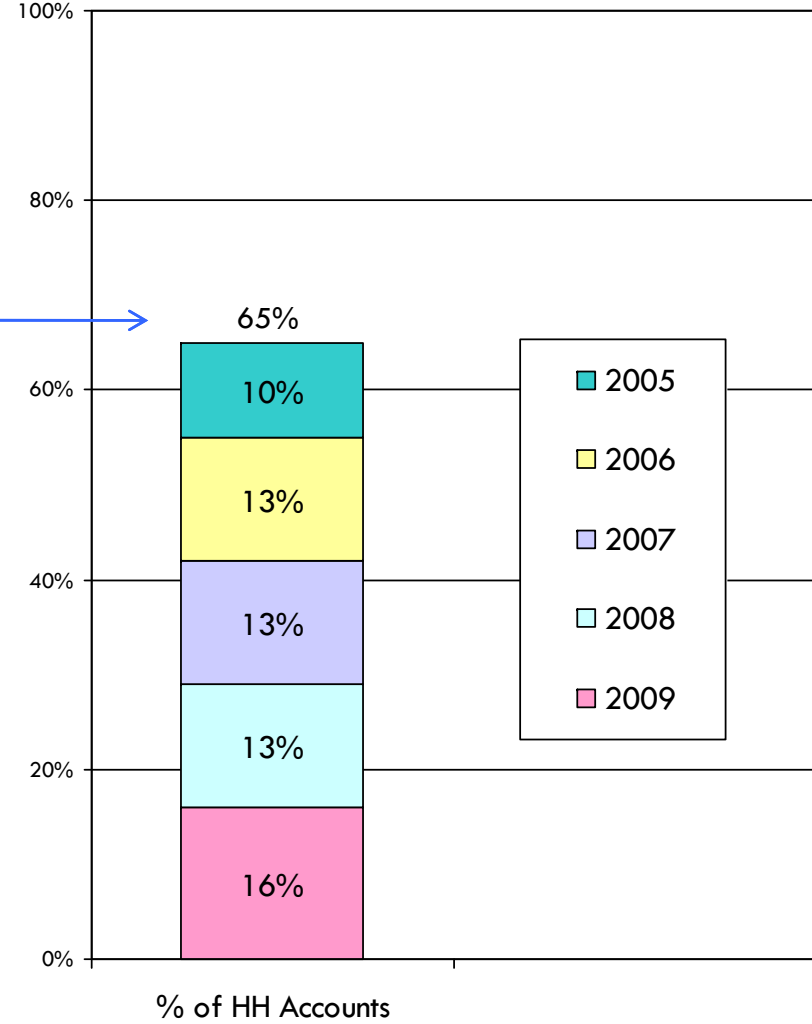
Size of Patron Commitment Clusters

-- % of Total HHs --

Primary Clusters

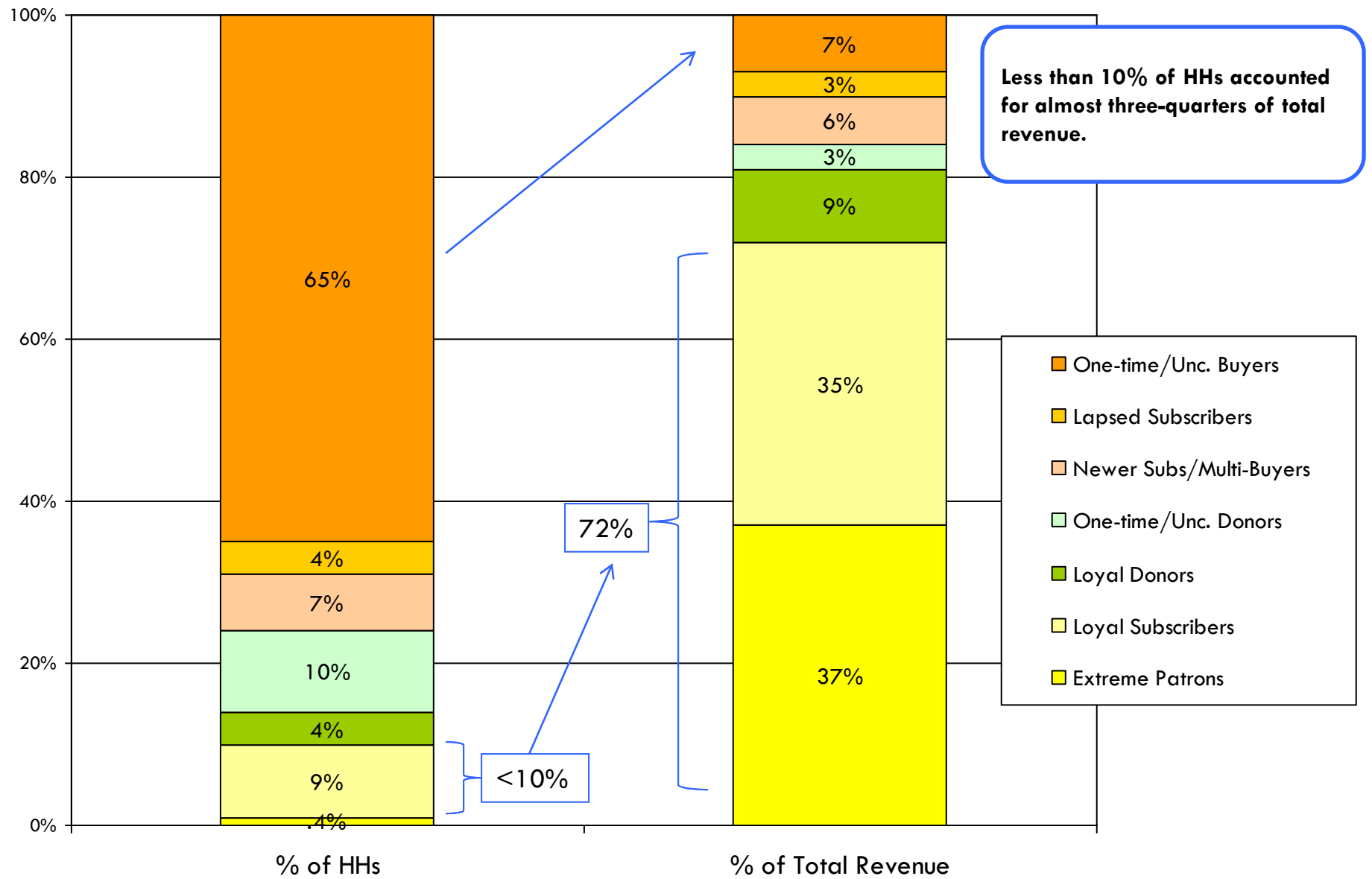


One-Time/Uncommitted Buyer Sub-clusters

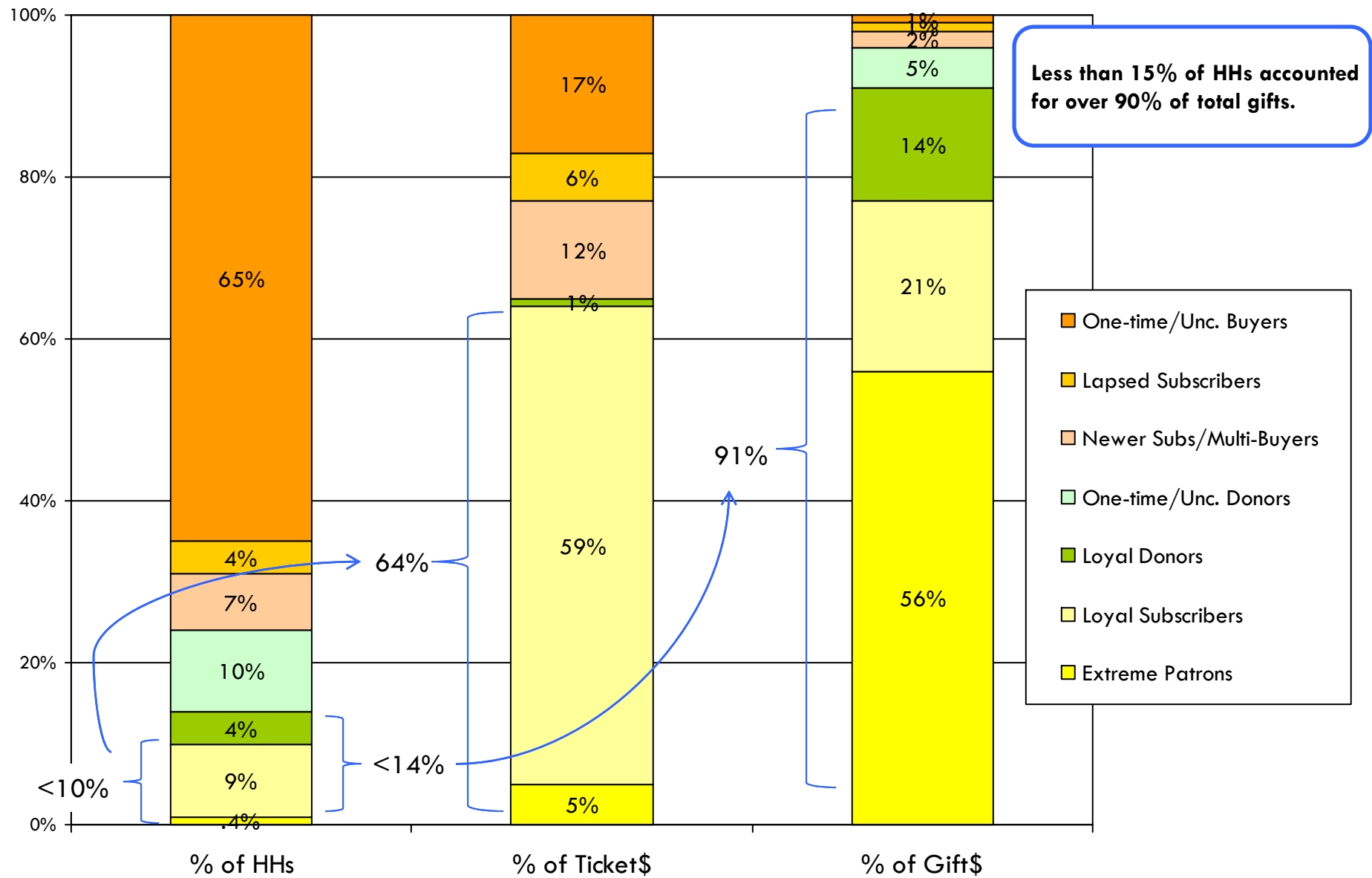


burning platform

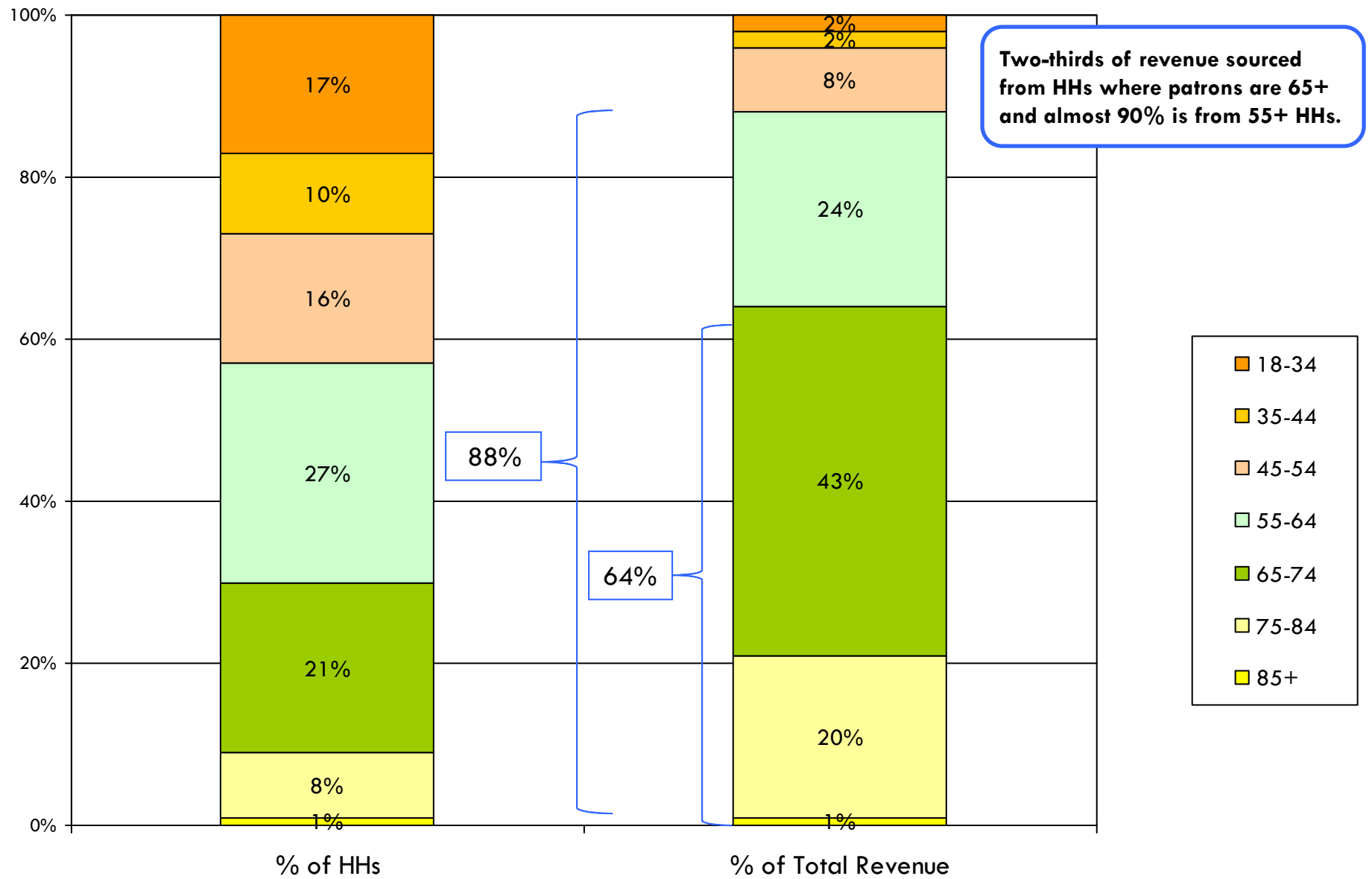
FY05-09 Revenue Sourced by Patron Clusters



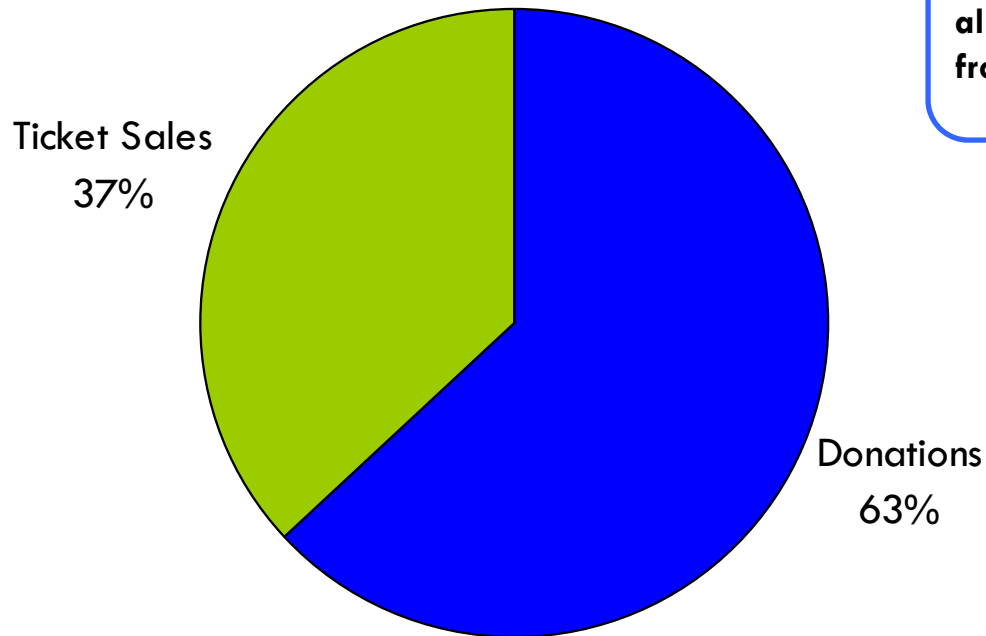
Ticket Sales and Gifts Sourced by Patron Clusters



Age Effects on Revenue

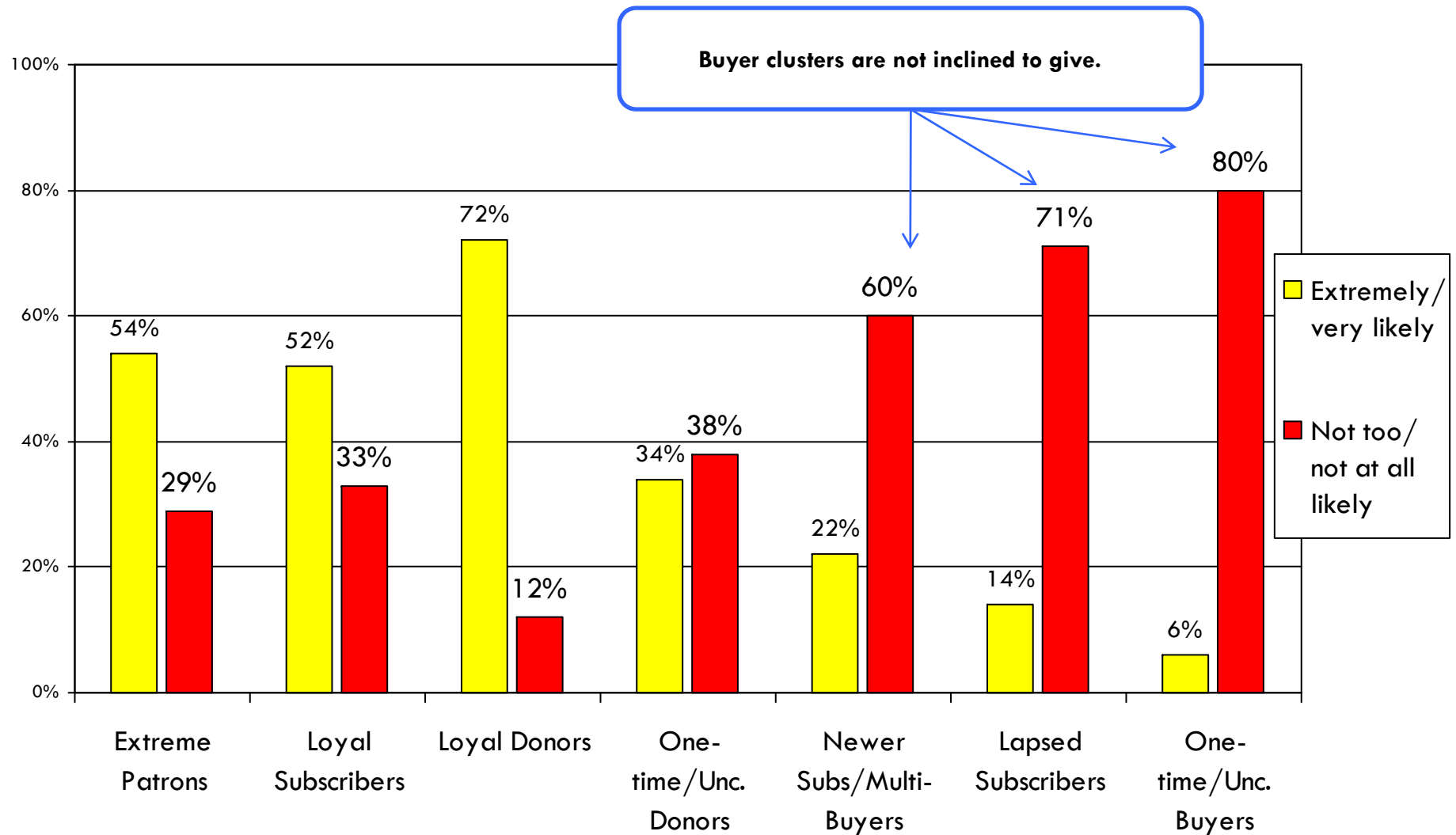


Total Revenue Derived from Donations and Ticket Sales



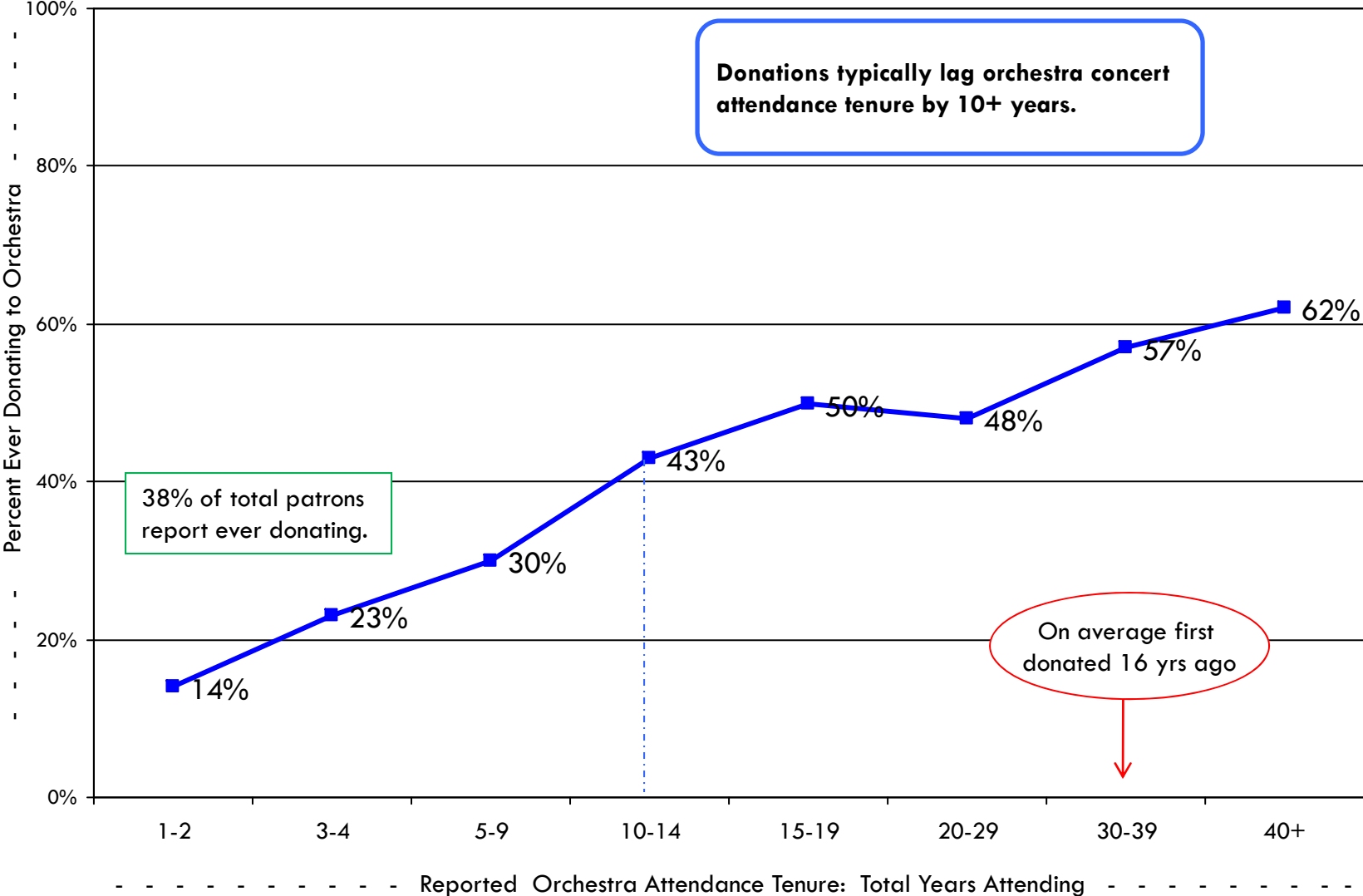
Donations are extremely critical to total revenue; almost two-thirds of FY05-09 revenue came from gifts.

Reported Donation Likelihood In the Next Year

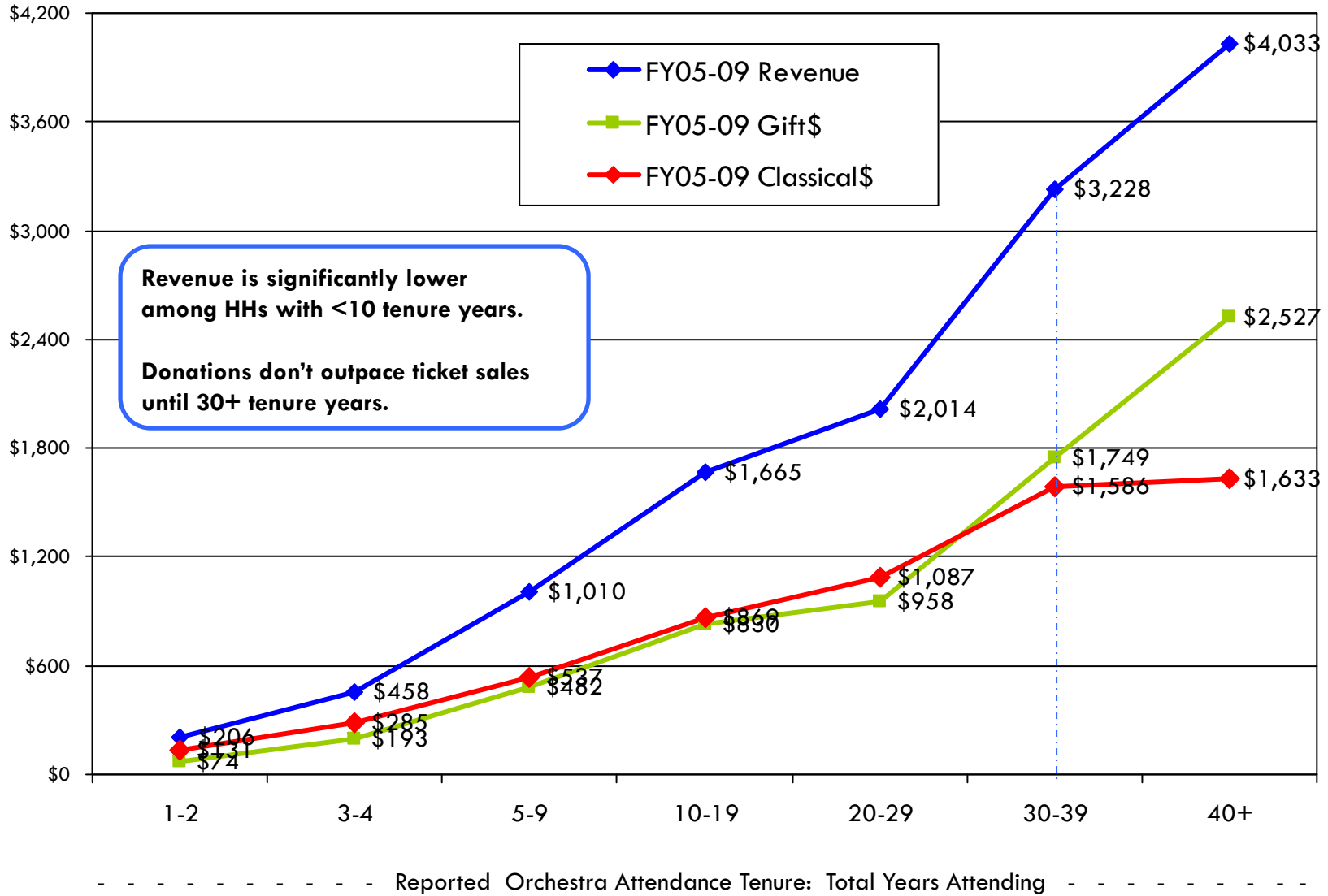


Measure: 5-point scale from Extremely Likely to Not At All Likely

Donations Penetration by Orchestra Attendance Tenure



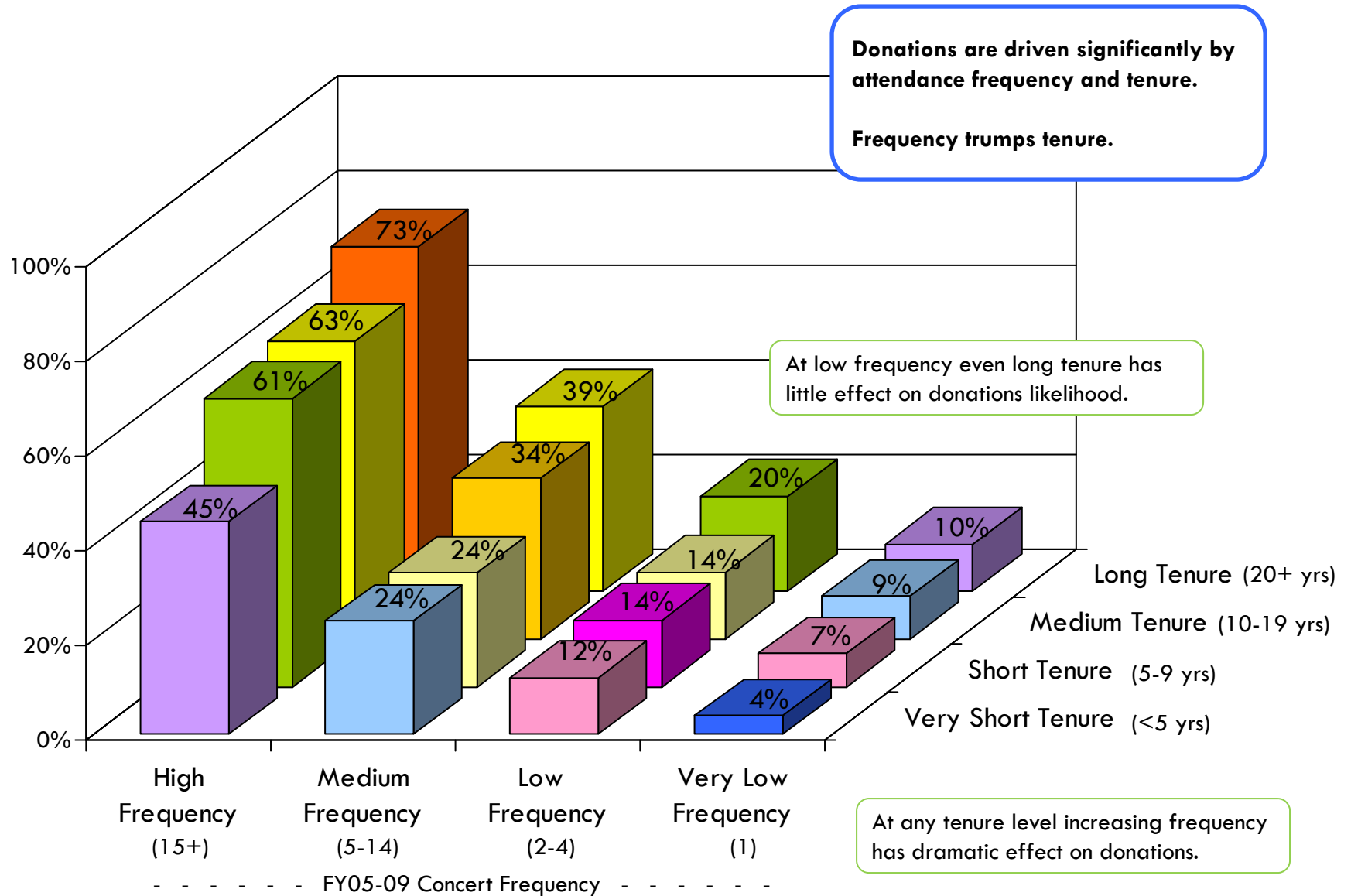
Average Household \$Value By Attendance Tenure



silver lining

Significant Relationship Between Concert Going & Donations

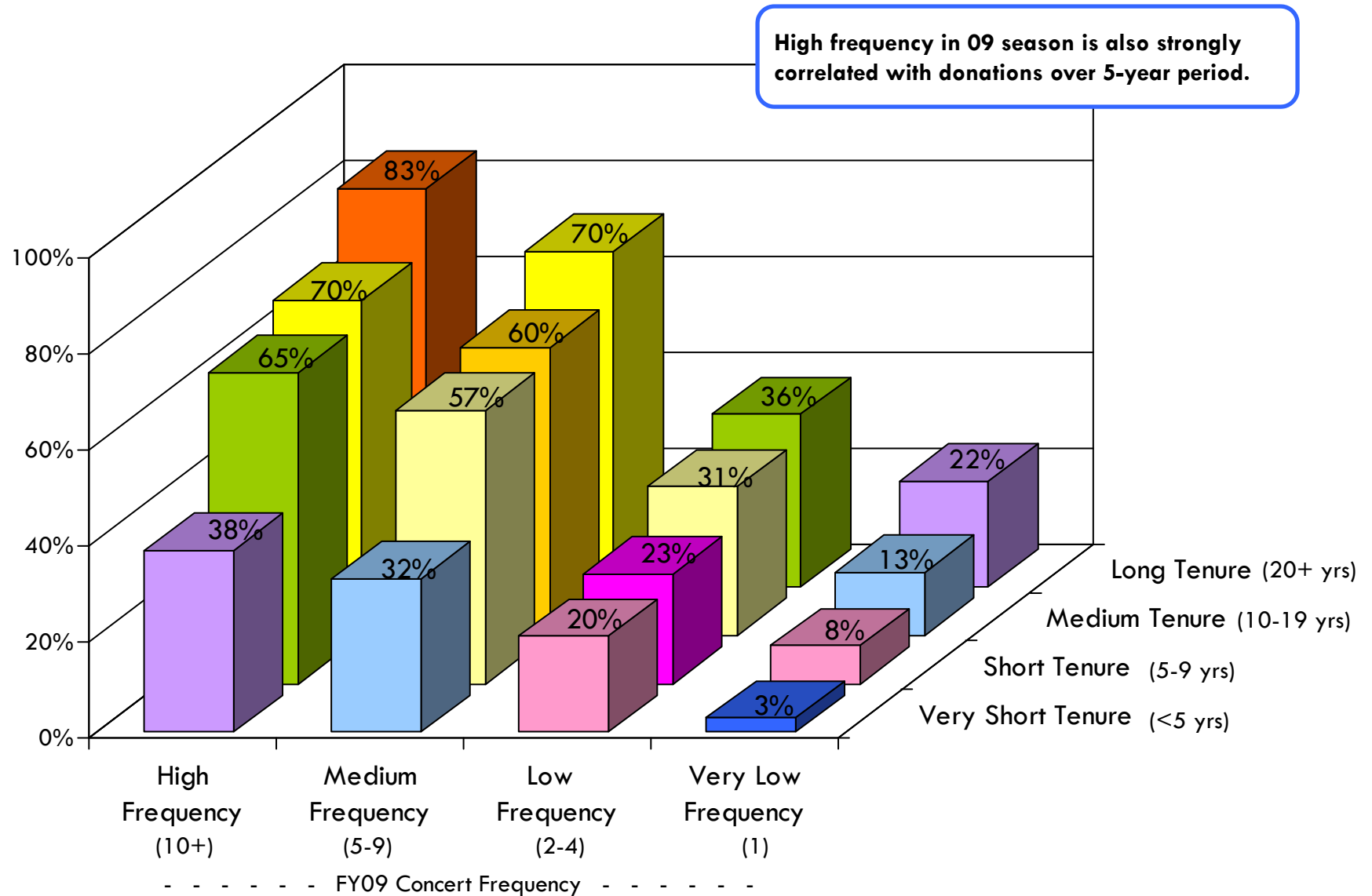
% Donating in FY05-09 By Tenure & FY05-09 Frequency



Base: Buyer clusters; FY05-09 database donations.

Significant Relationship Between FY09 Attendance & Donations

% Donating FY05-09 By Tenure & FY09 Frequency

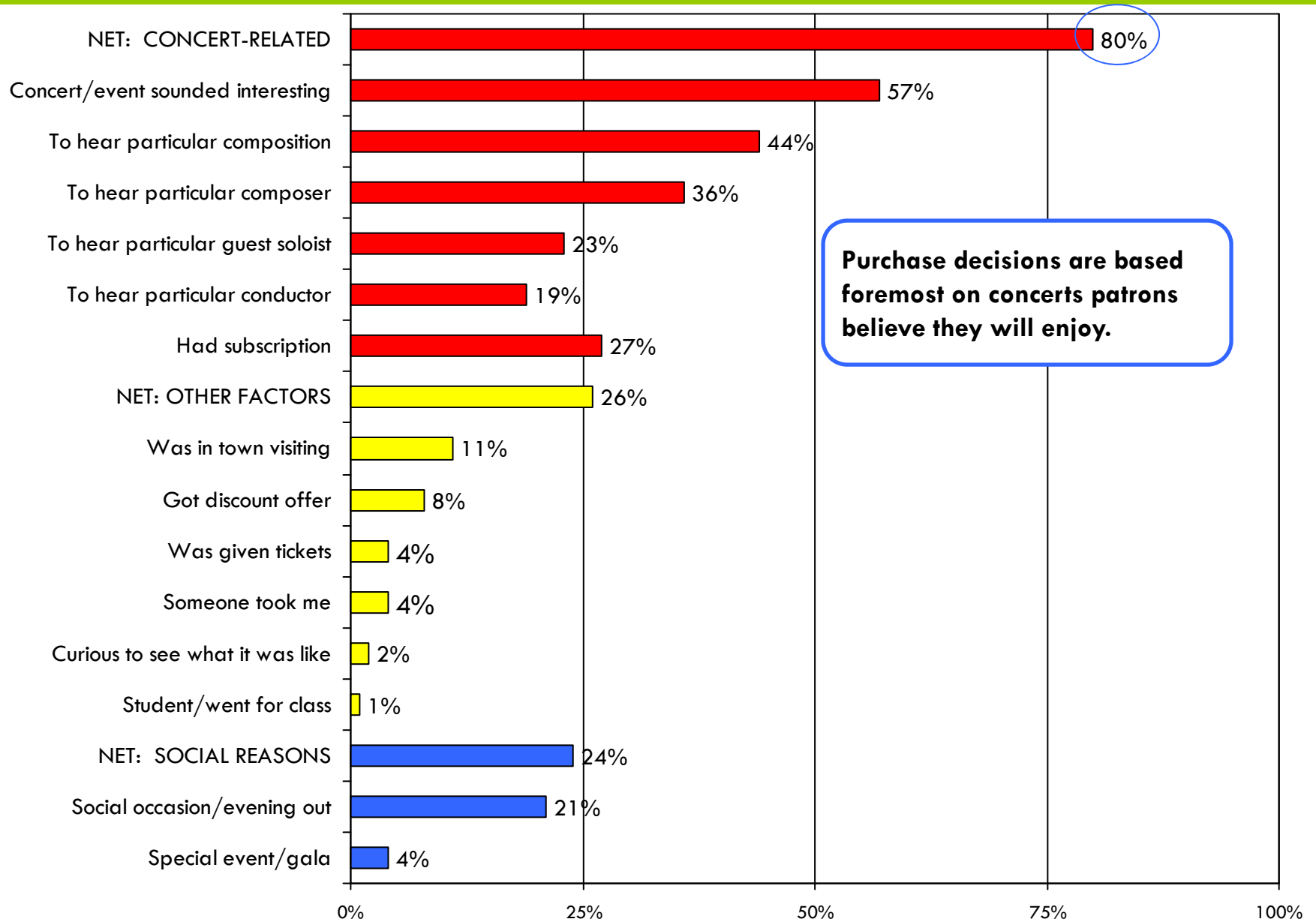


Base: Buyer clusters; FY05-09 donation - database.

recommended actions

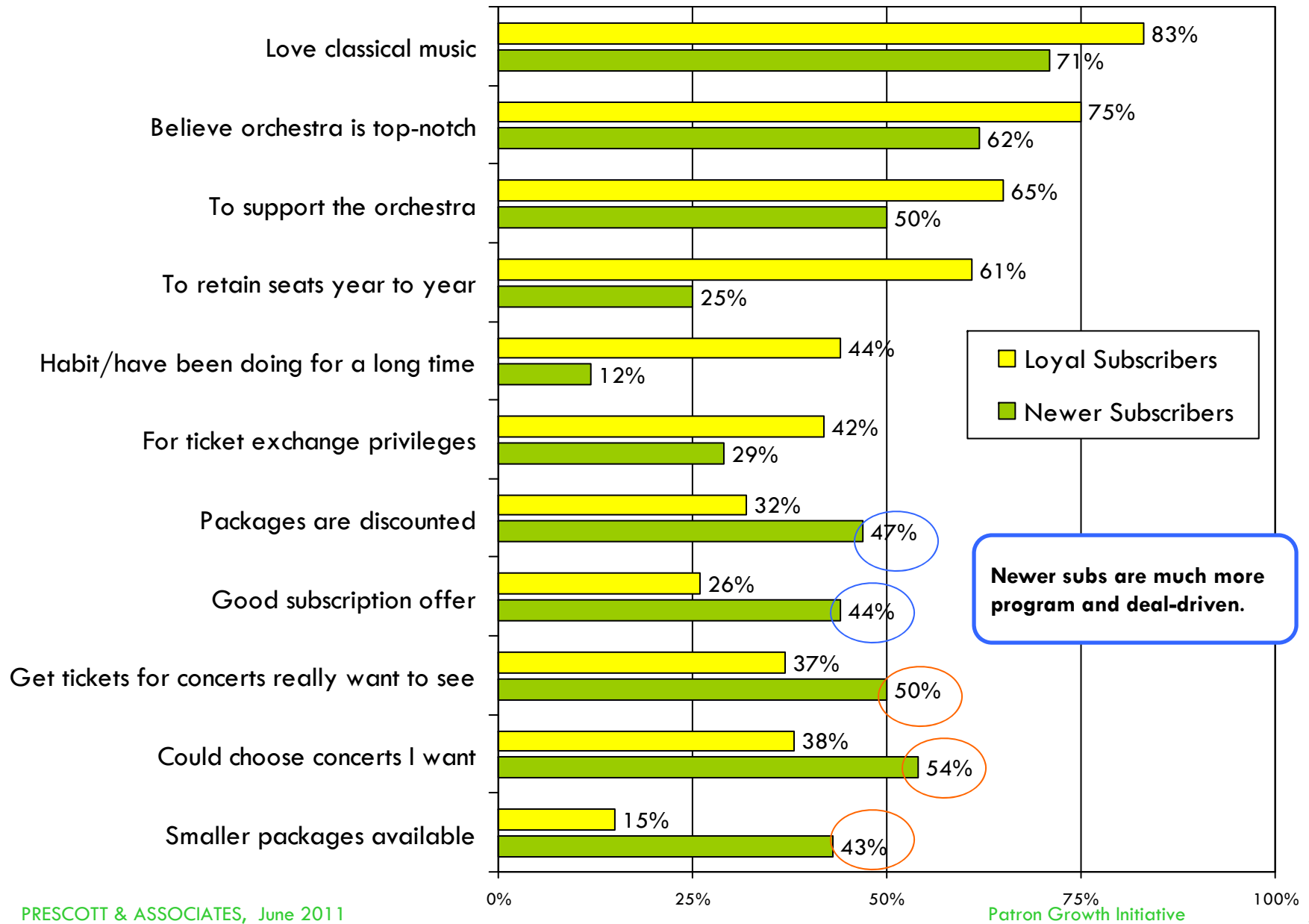
-
1. drive frequency and tenure through *compelling* concert experiences

Primary Reasons for Attending Most Recent Concert

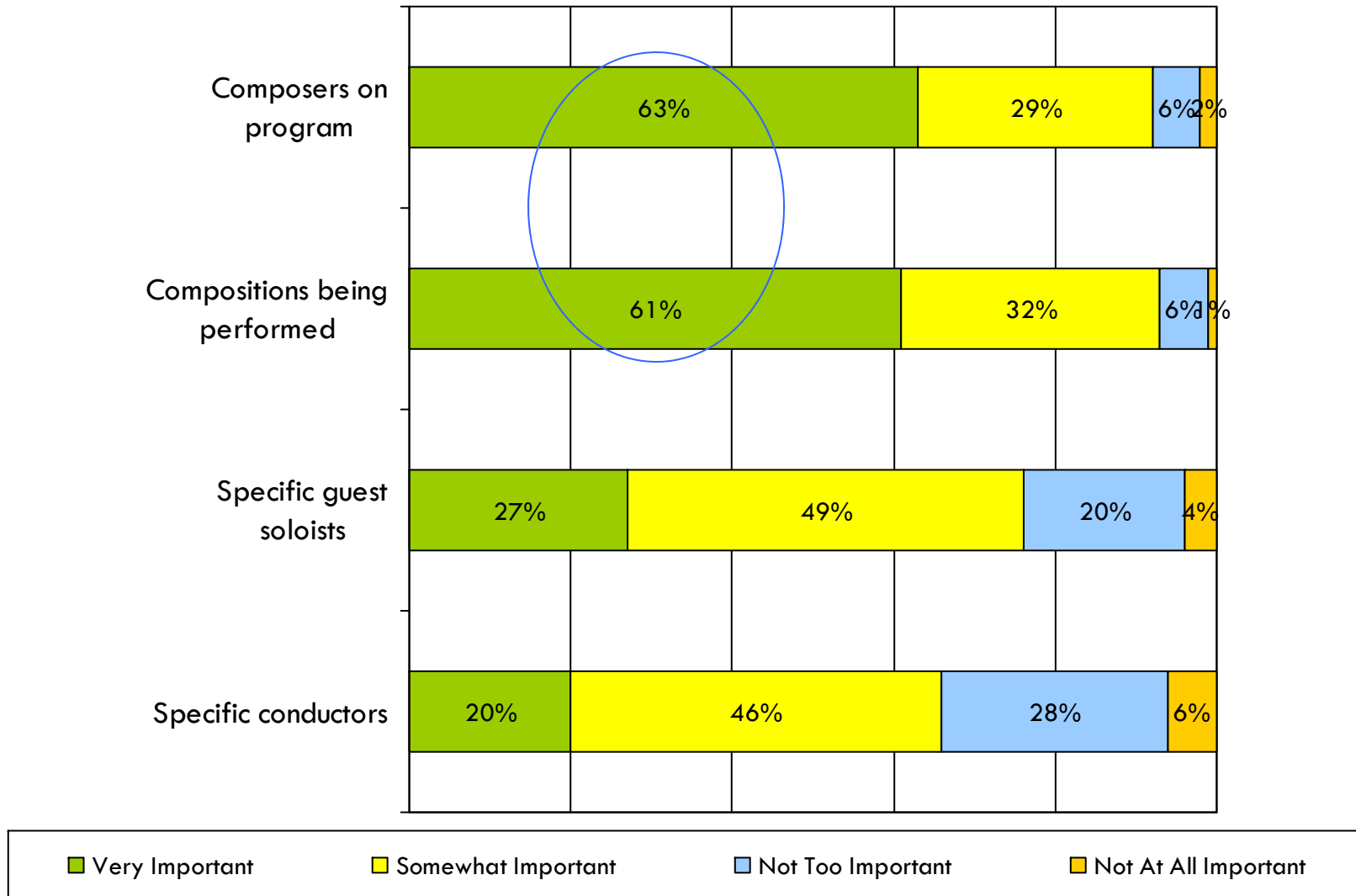


Purchase decisions are based foremost on concerts patrons believe they will enjoy.

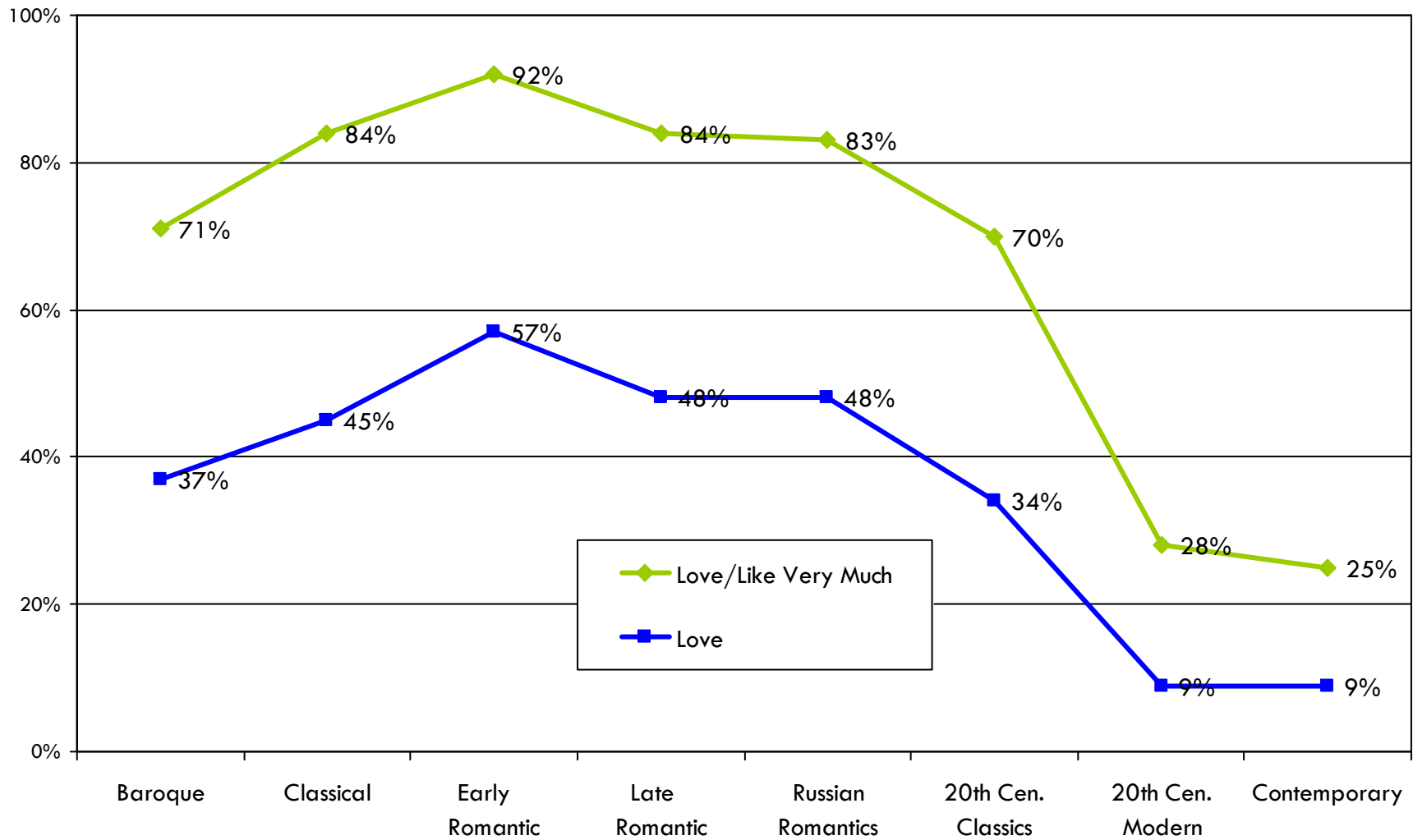
Primary Reasons for Purchasing a Subscription



Importance of Concert Elements in Attendance Decisions



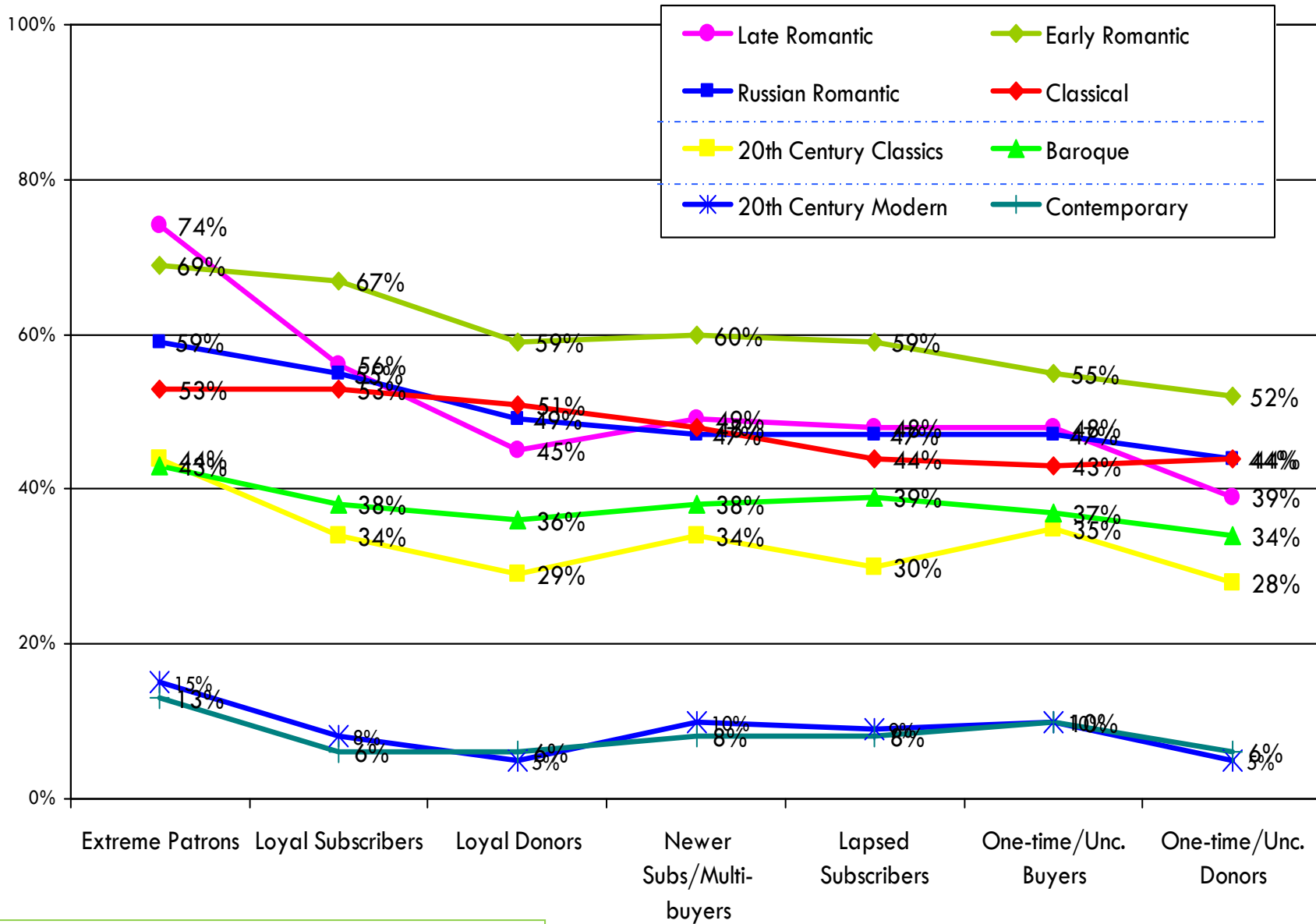
Interest in Classical Music Periods



Measure: 4-pt scale from 'Love' to 'Don't Care For'

Interest in Classical Music Periods

-- 'Love' Musical Period --

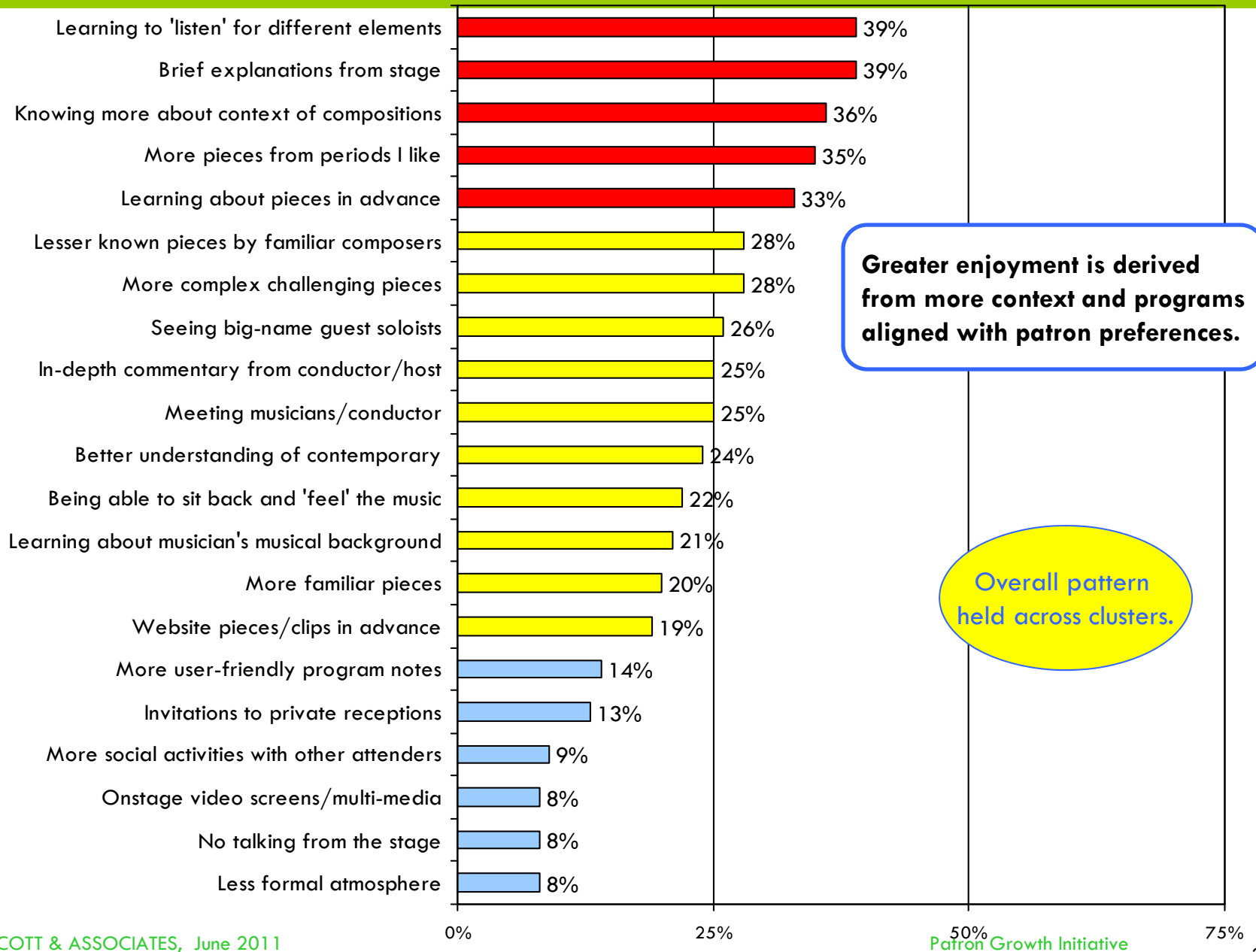


Measure: 4-pt scale from 'Love' to 'Don't Care For'

Patron Growth Initiative

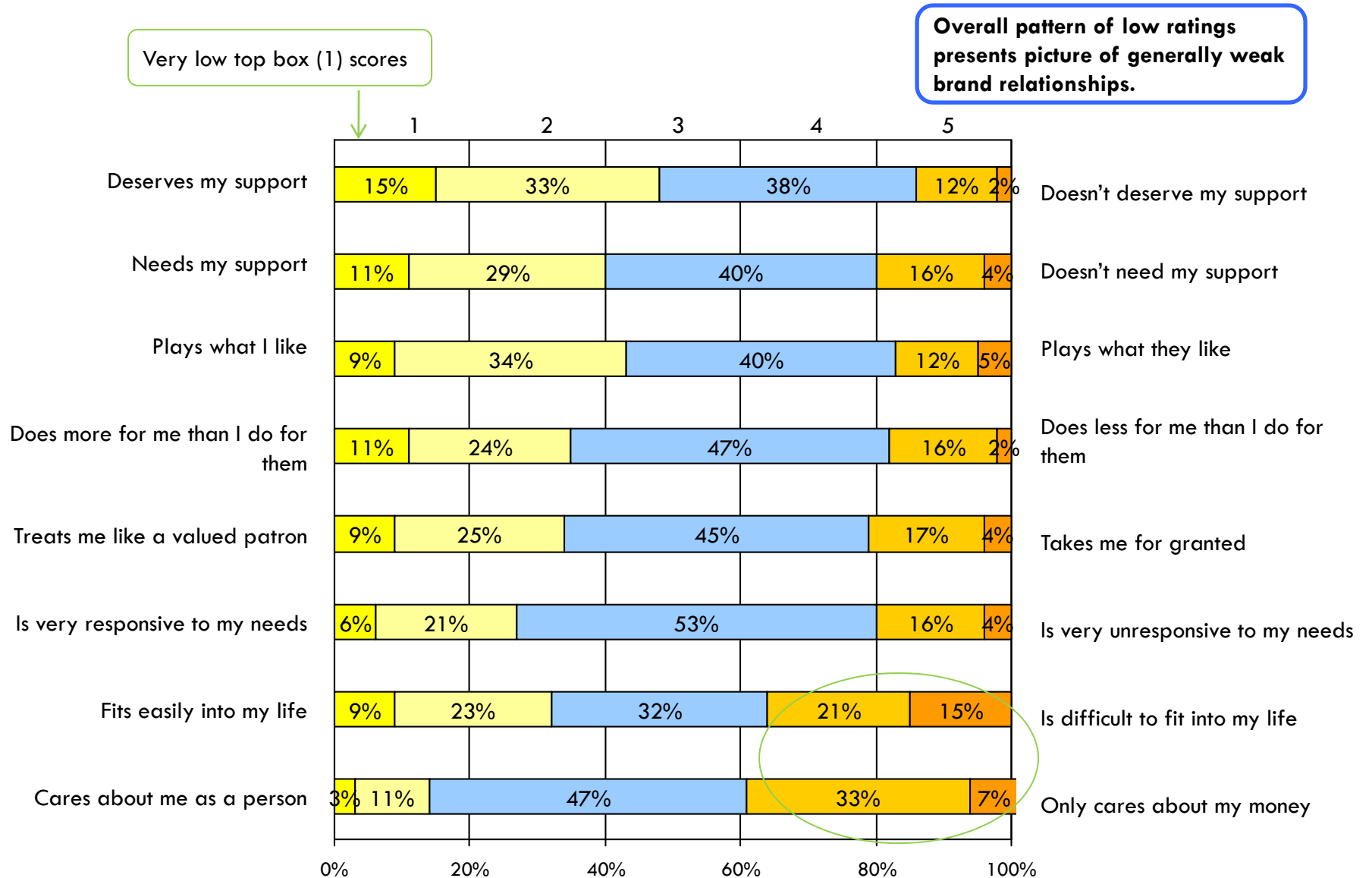
Concert Enjoyment Factors

-- Would Make Concerts More Enjoyable --



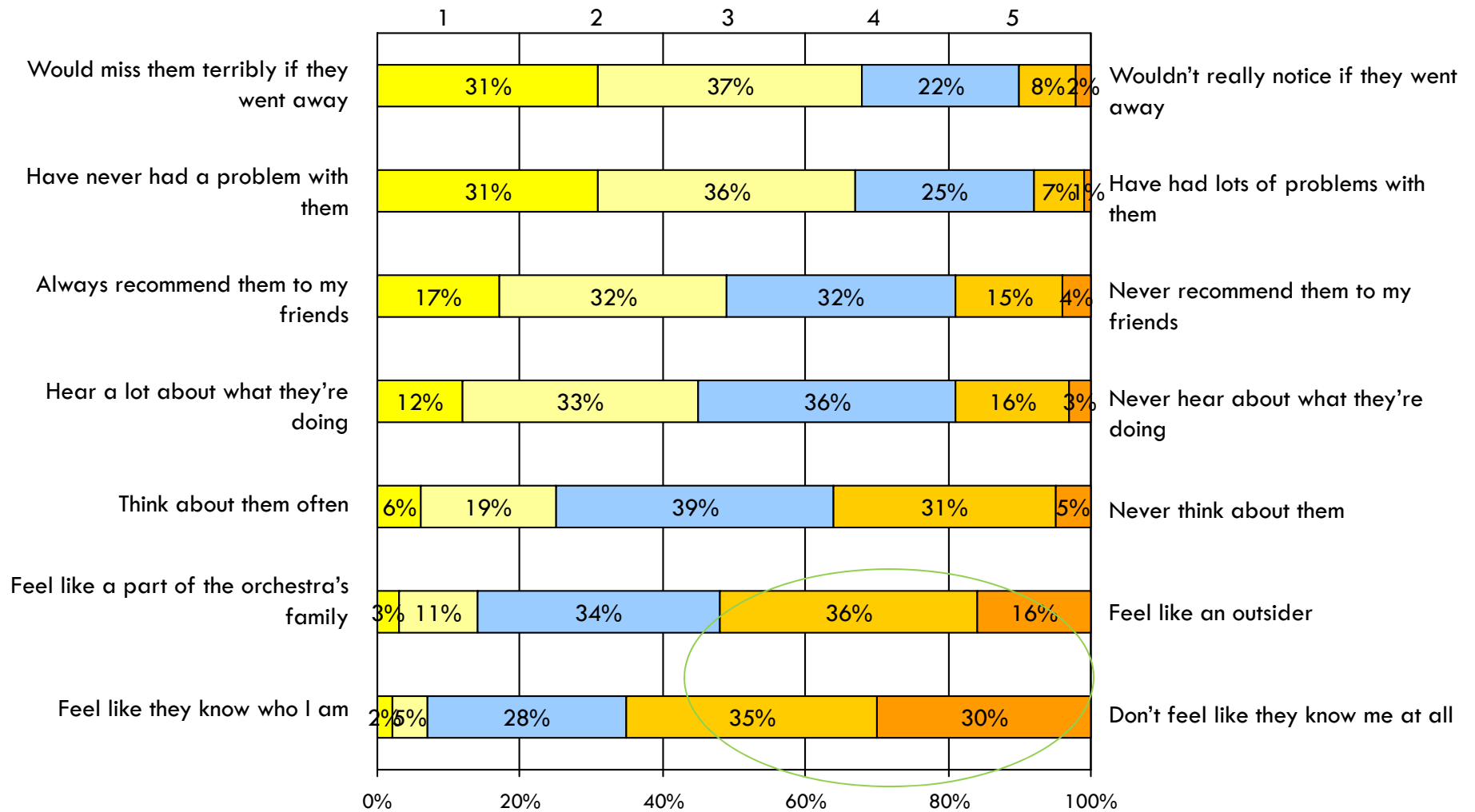
2. build stronger brand relationships

Patron Perceptions of Relationship with Orchestra



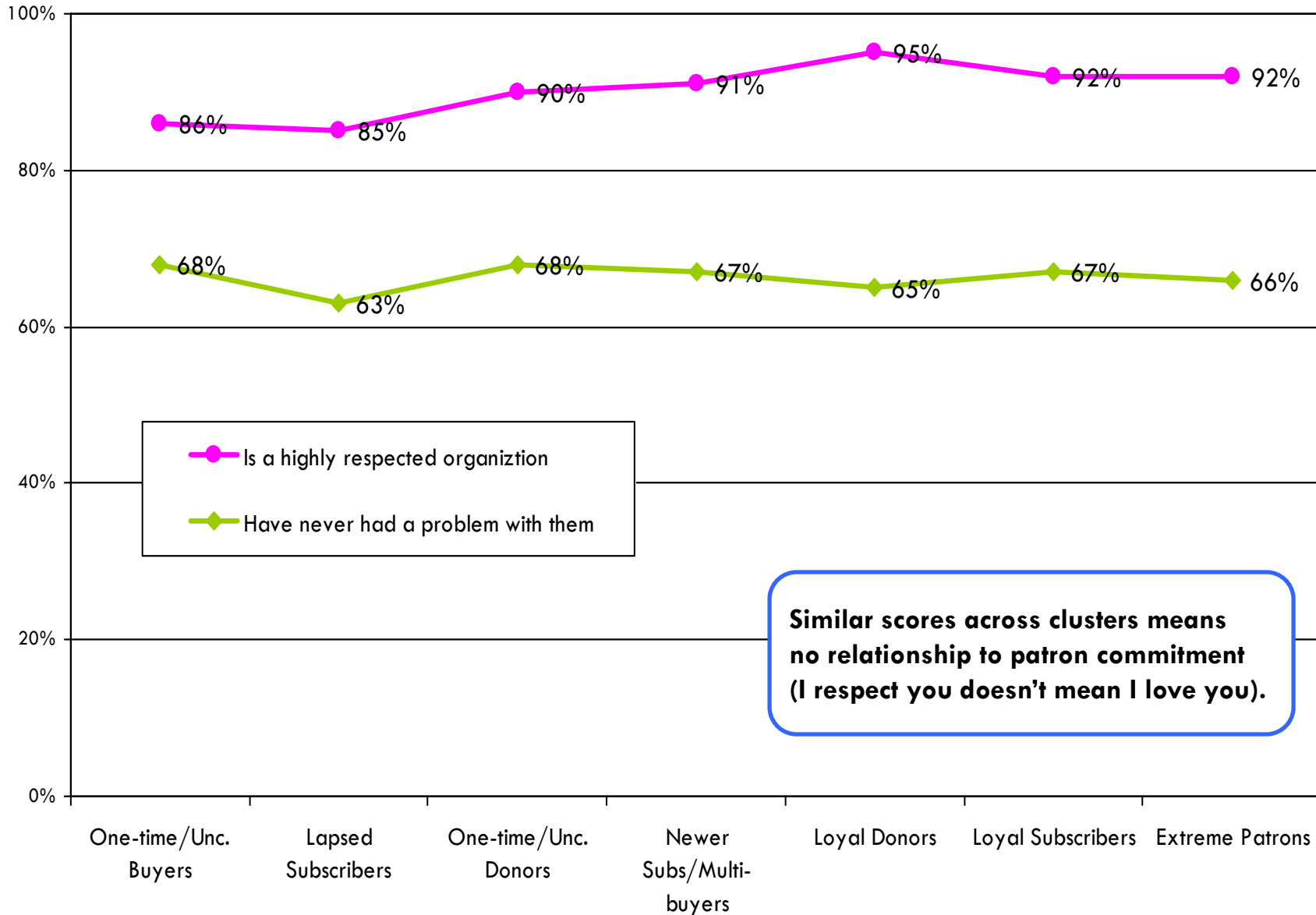
Patron Perceptions of Relationship with Orchestra

While patrons would miss their orchestra, feelings of closeness are especially weak.



Brand Relationship Factors

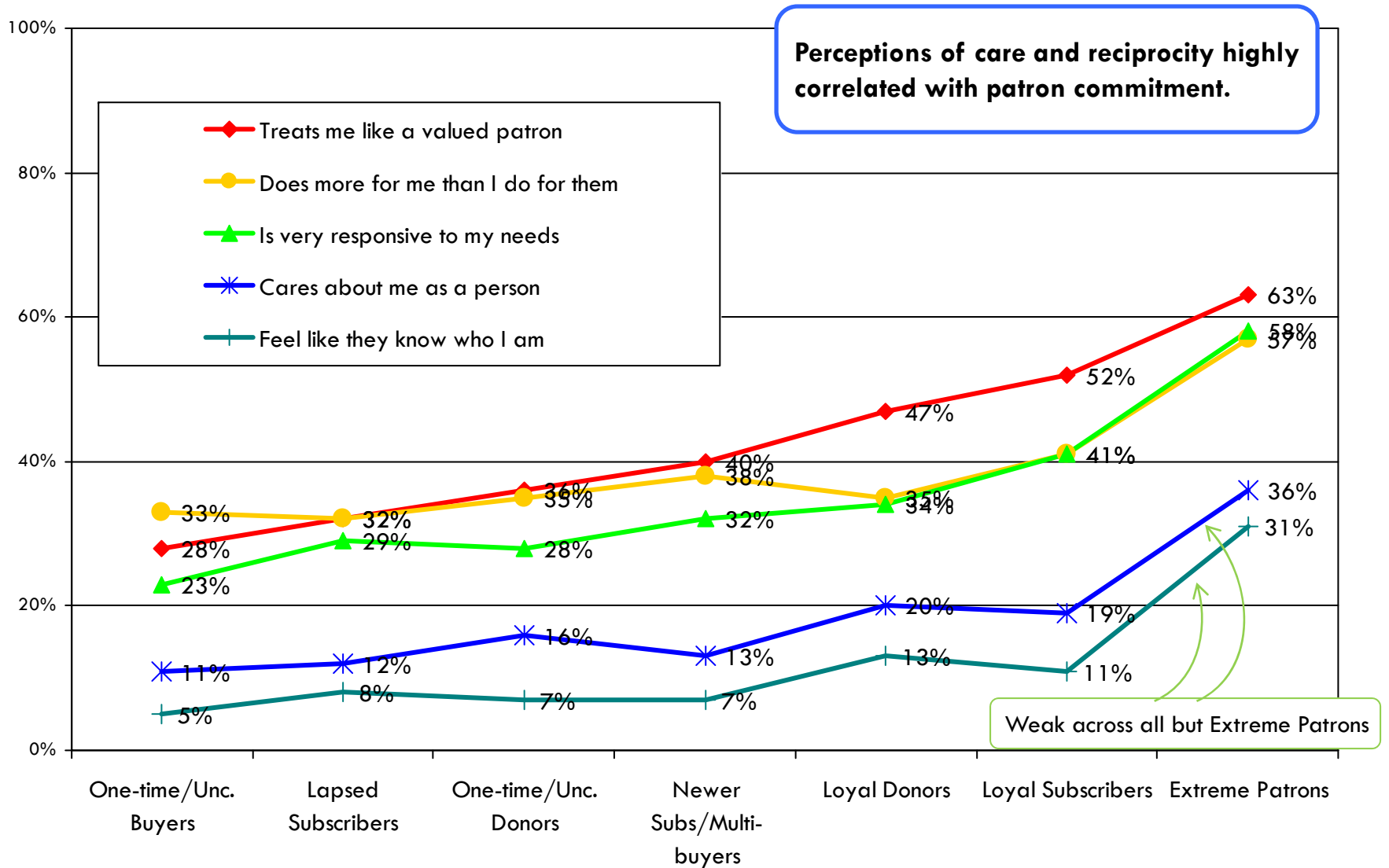
-- Respect and Good Customer Service --



Similar scores across clusters means no relationship to patron commitment (I respect you doesn't mean I love you).

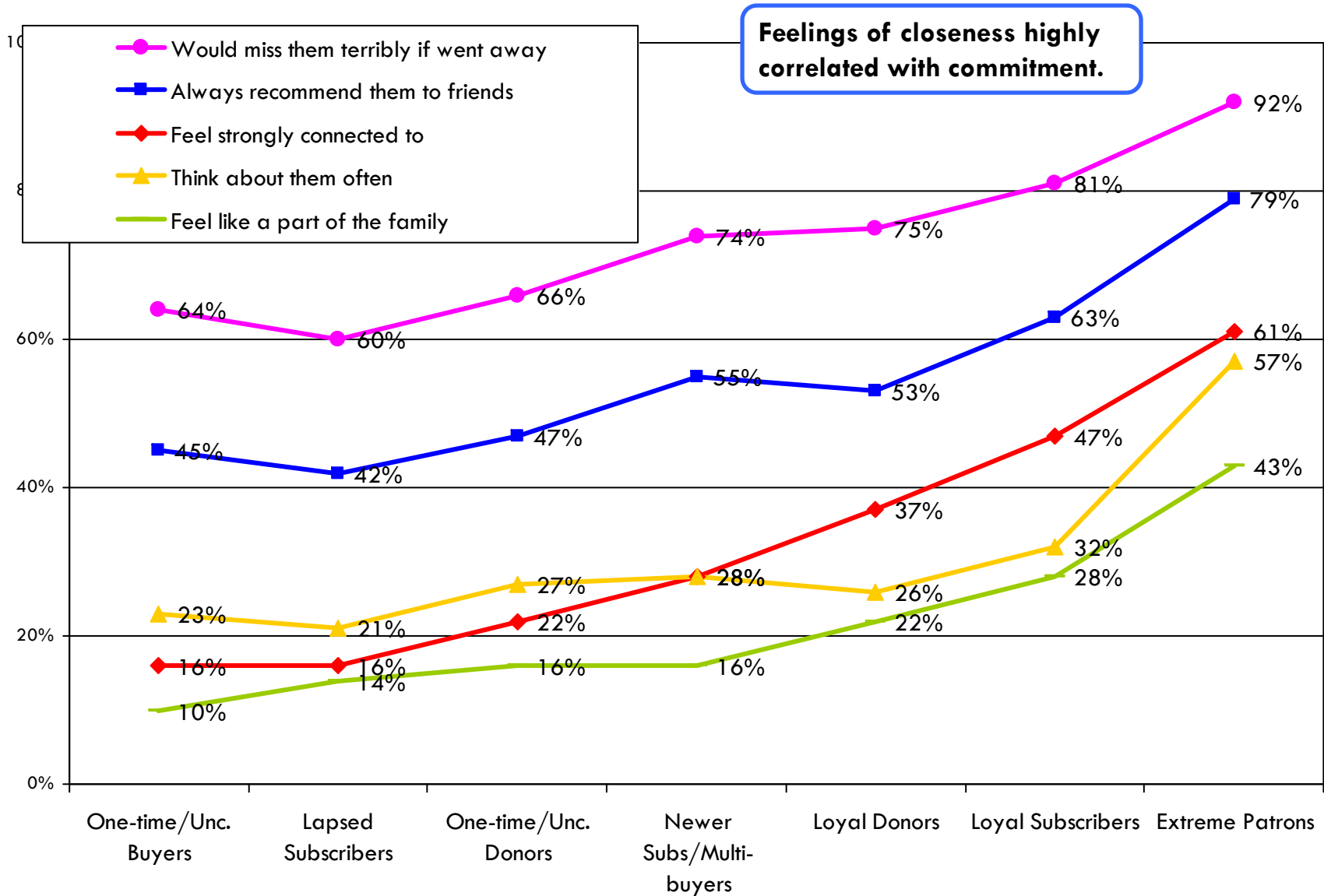
Brand Relationship Factors

-- Care/Reciprocity --



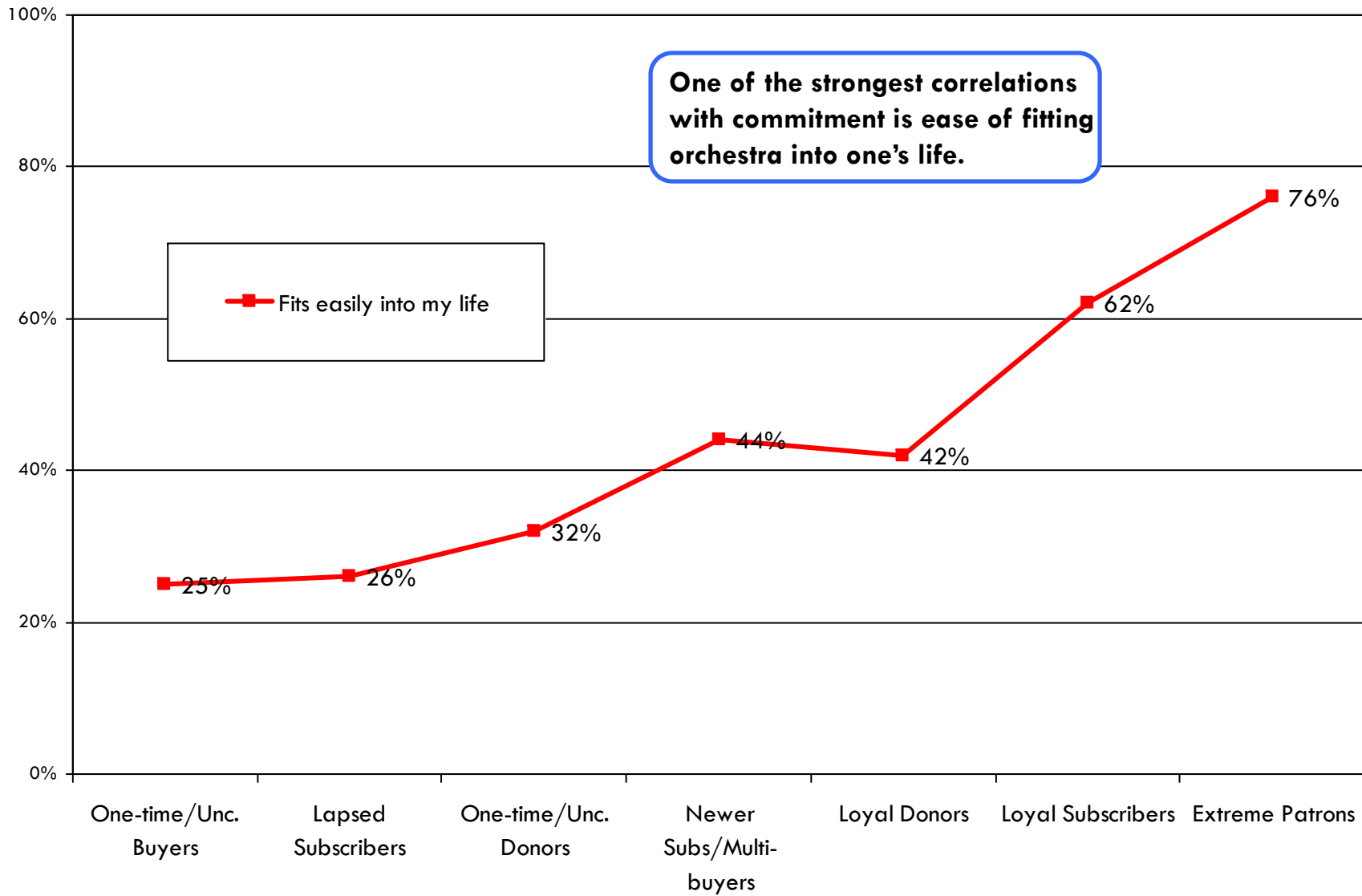
Brand Relationship Factors

-- Closeness/Attachment --



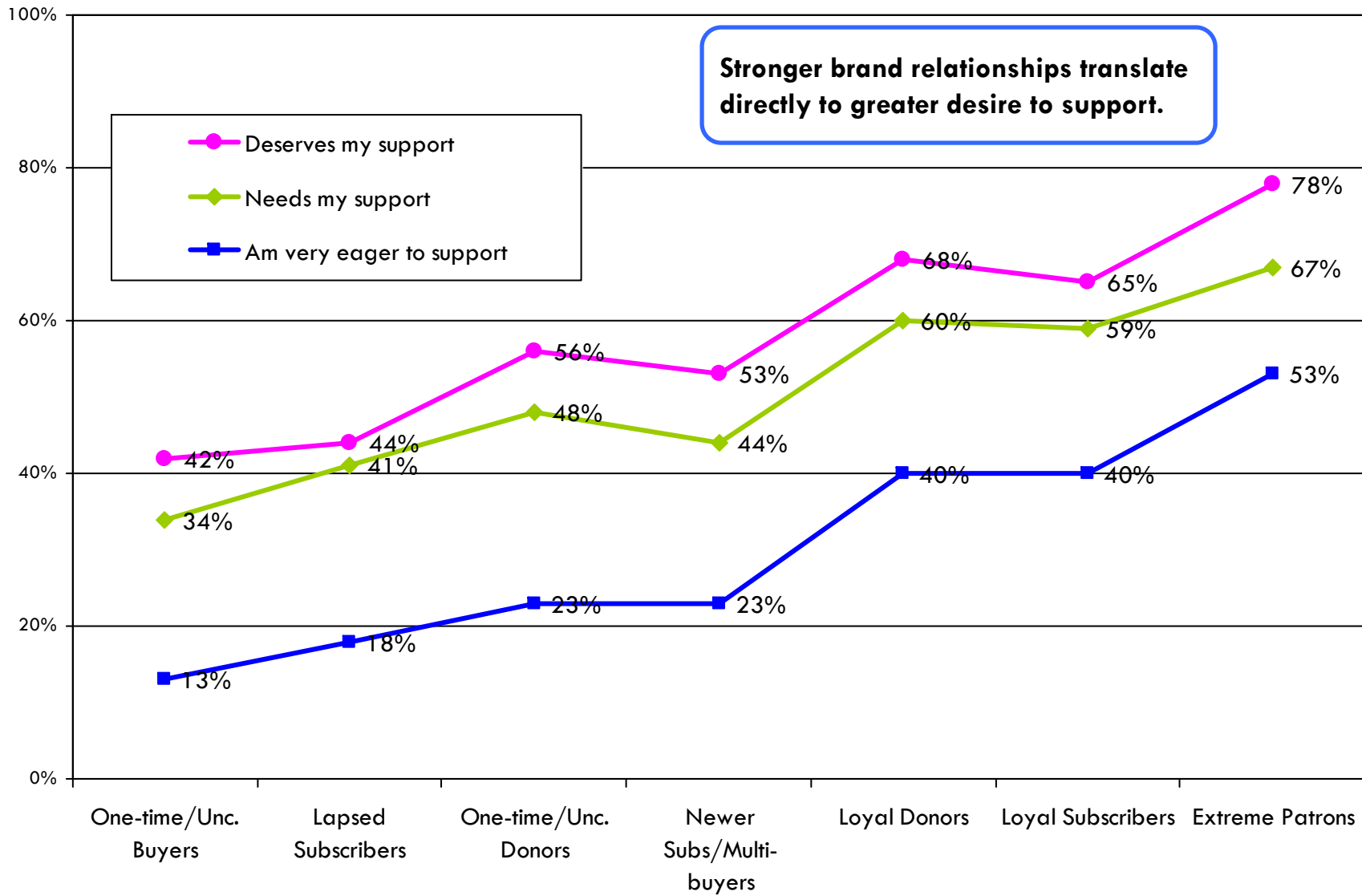
Brand Relationship Factors

-- Relationship Ease --



Brand Relationship Factors

-- Desire to Support --



Orchestra Brand Relationship Typology

Q: Think about you and this orchestra in terms of being in a relationship, as if the orchestra was another person. Please describe the type of relationship you have and explain a bit about why you think that.

Partnerships

Marital/Love
Insider
Family Member
Good/Close Friends

Acquaintanceships

Acquaintances/Causal Friends
Distant Friends (distance)
Distant Acquaintances
Distant Cousin/Aunt/Uncle
One-Night Stands
Neighbors
Business

Compartmentalized Partnerships

Fan/Supporter
Admirer
Teacher-Student/Mentor

Negative/Disjointed

Love-Hate Relationship
Damaged Friendship
Unequal/One-sided
No Relationship
Not Interested

Source: Brand Relationship Typology was developed based on coding 7,787 verbatim responses to the above question.

Partnerships

"It's like my beloved wife."

- Deep closeness, long-term commitment
- Intimacy, warmth, deep affection
- Rewarding and mutual

"I'd think of the orchestra as a parent. It is nurturing, soothing, comforting, challenging, educational, wise, welcoming."

*"A cherished friend, warm, constant, clever and talented.
No explanation required, she's just there!"*

*"Inextricably bound to one another . . .
one of my most significant relationships."*

Compartmentalized Partnerships

- Pride, support, appreciation
- Awe, admiration, respect
- More one-sided than even playing field

"This orchestra is Cincinnati's pride and joy. It's wonderful to know that it's one of the best in the nation."

"Admire and respect from a distance with limited personal interaction. Similar to an elected official that I respect and have heard speak."

"Excellent teacher and willing student."

Acquaintanceships

- Comfortable but not close
- Likeable but limited, distant
- Inconvenient, impersonal, transactional

“Like a distant cousin I see very rarely. Have fun when I see them, but don't feel any need to make a special effort to see them more often. When it happens, it happens.”

“Someone who looks familiar and I might even know their name but we don't talk.”

“I look to hook up occasionally, not have a steady relationship.”

“Business relationship-that's it. If you put on concerts I like, I will go.”

Negative/Disjointed Relationships

“Love - hate. For 4 years we asked to change our seats to the aisle of our row and never received a response.”

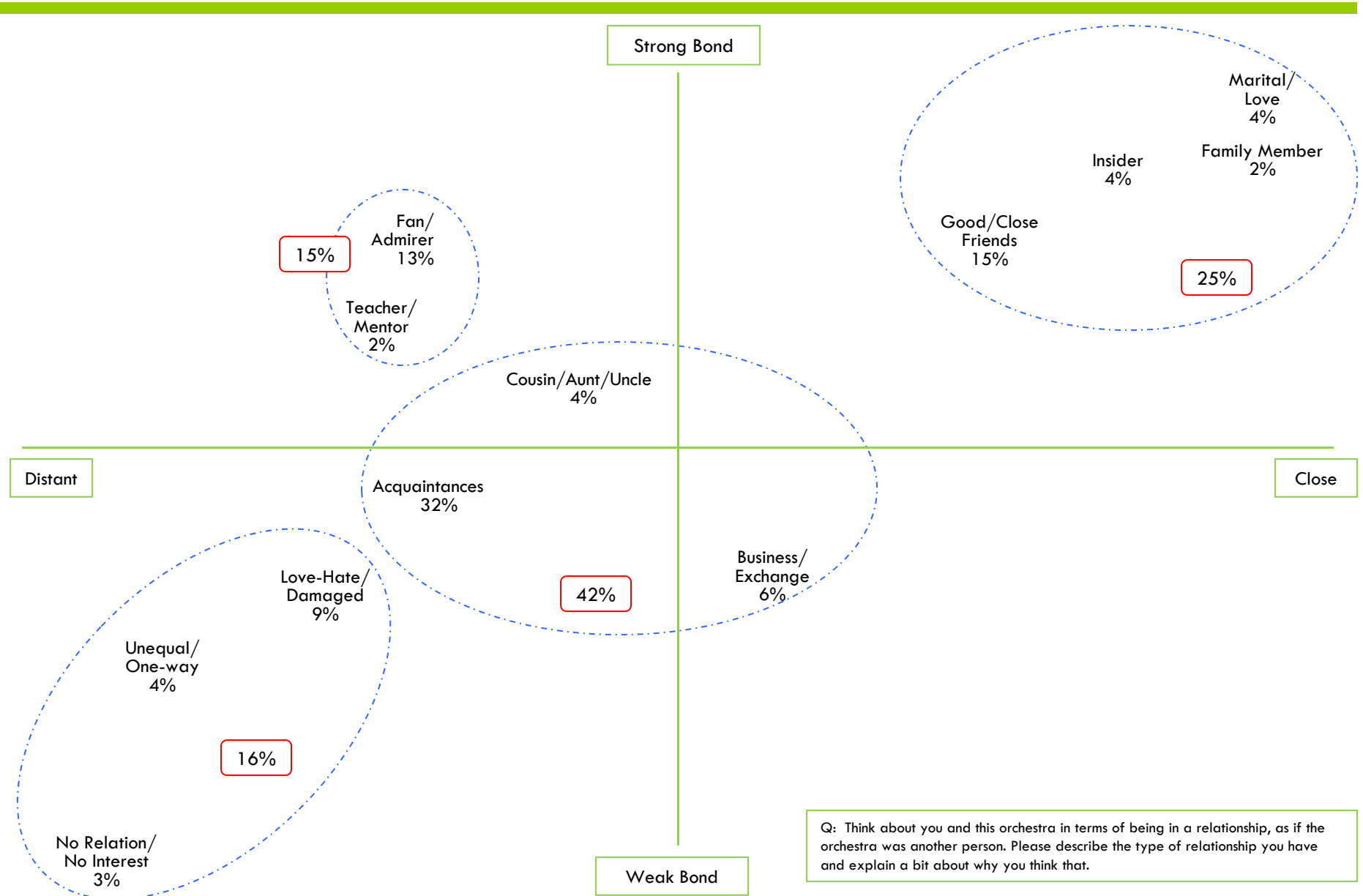
- Disappointment, frustration
- Impersonal, cold, one-sided
- Spoiled, self-absorbed, out-of-touch

“Reminiscent of my first wife: beautiful but haughty. Does as she pleases with no regard for my opinion and freely spends my money without asking.”

“A relationship implies reciprocity. The orchestra treats me as though I were an anonymous one among thousands of others. Not flattering, and not very friendly.”

“Dysfunctional; the orchestra is about the orchestra, and nothing beyond that.”

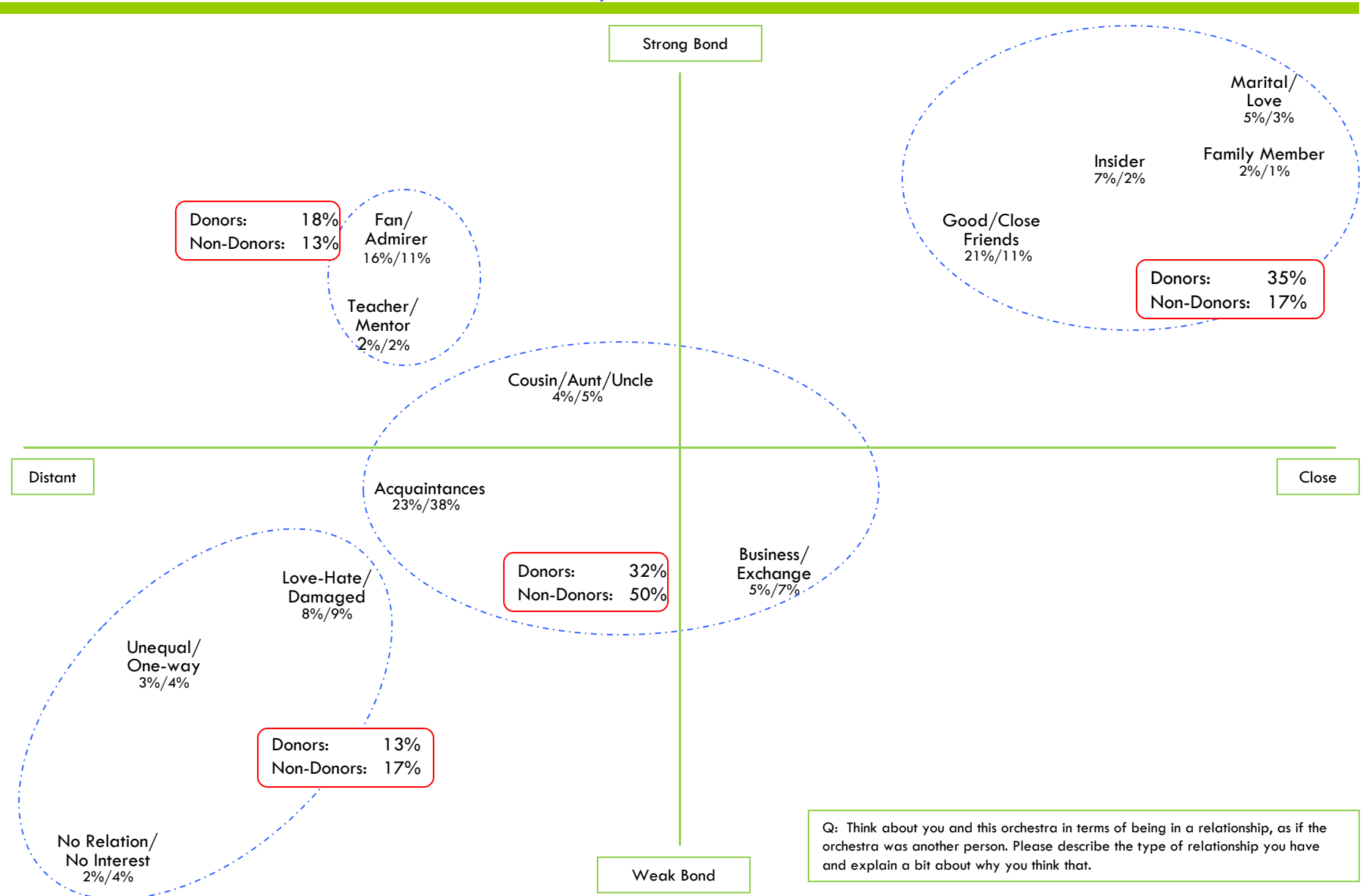
Orchestra Brand Relationship Map



Q: Think about you and this orchestra in terms of being in a relationship, as if the orchestra was another person. Please describe the type of relationship you have and explain a bit about why you think that.

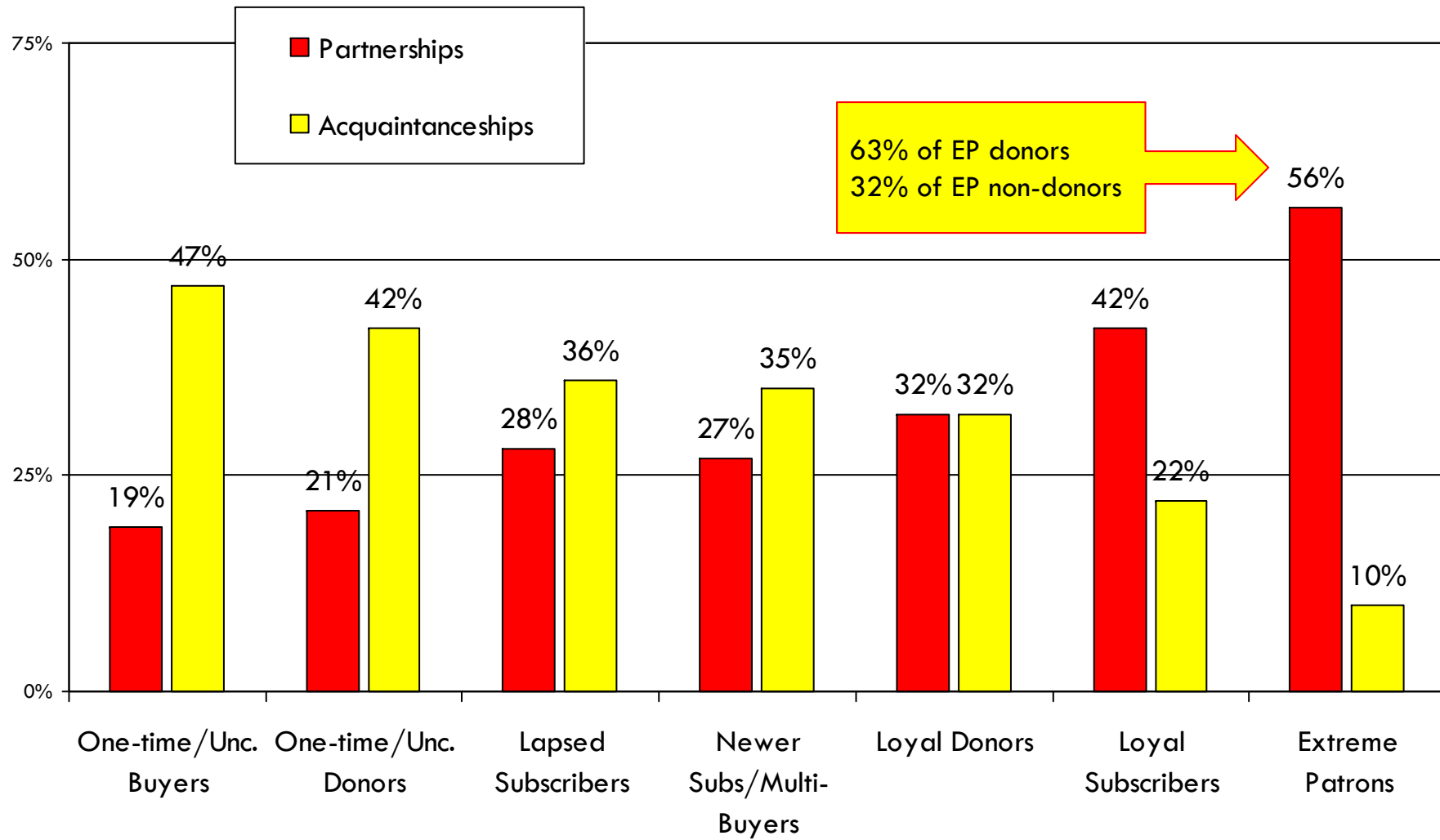
Orchestra Brand Relationship Map

-- By Donor Status --



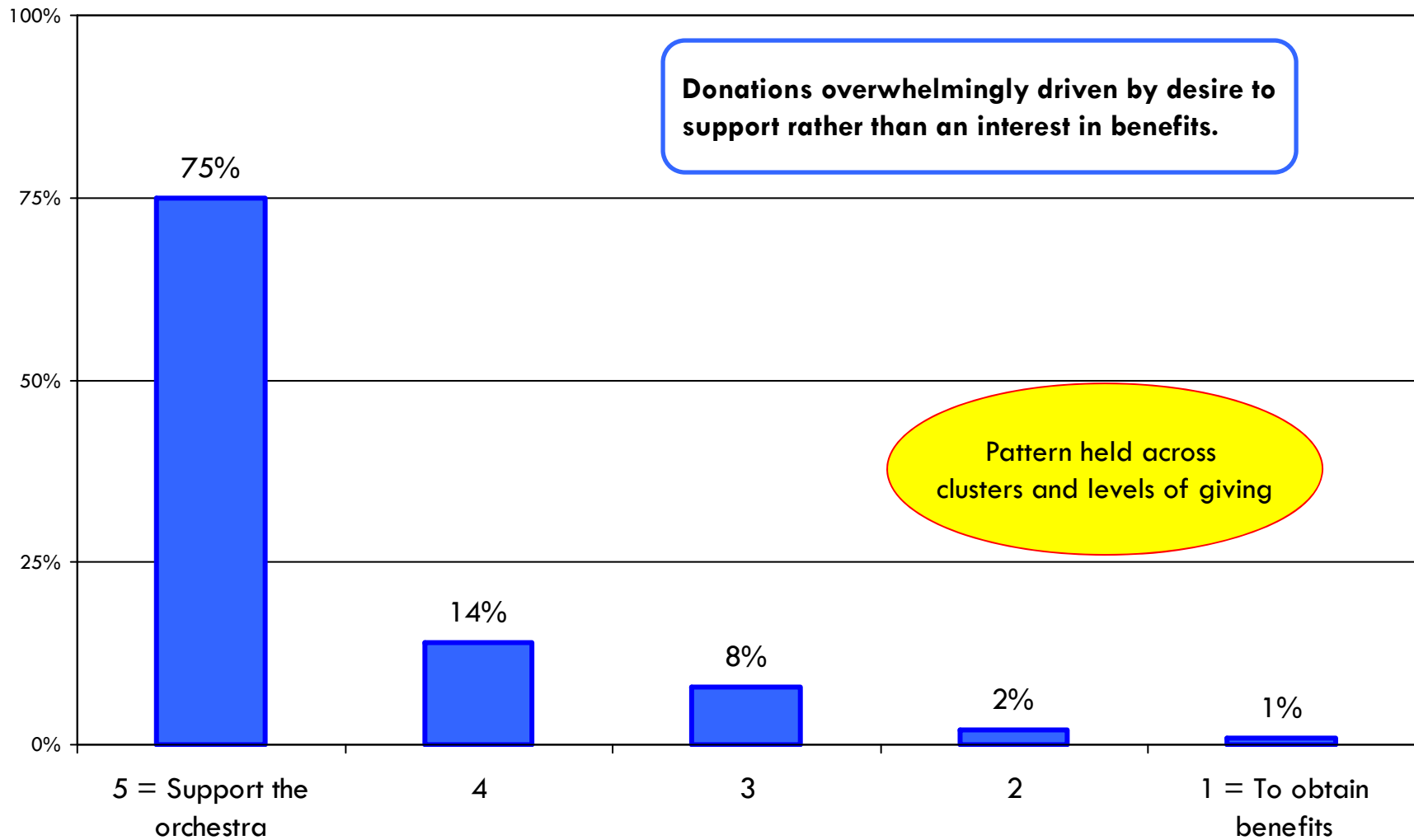
Orchestra Brand Relationships

-- By Cluster --



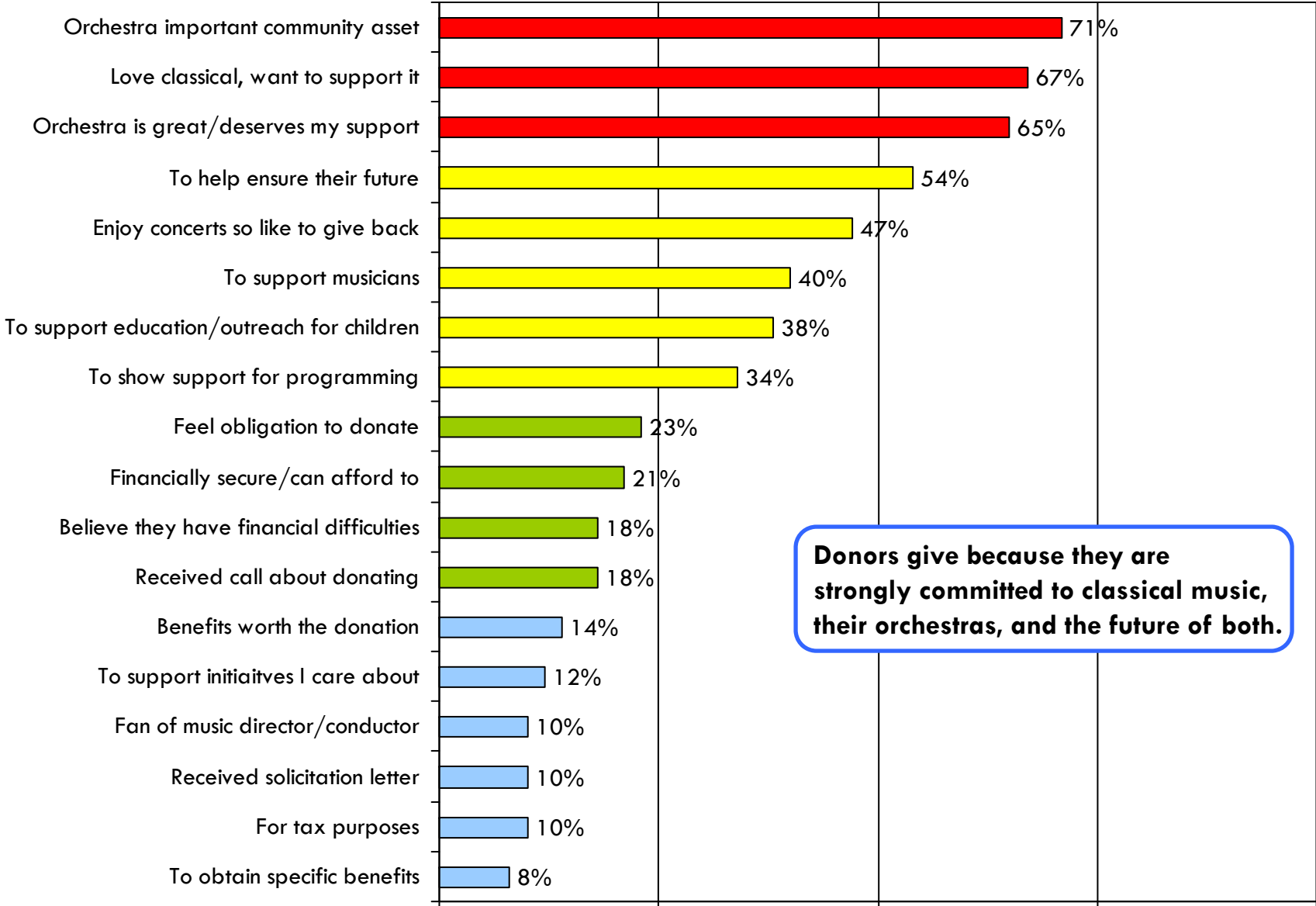
3. develop more patron-relevant donor strategies

Overall Motivation for Donating to Orchestra



Q: People donate for many reasons. For you is it more about obtaining tangible benefits or supporting the orchestra?

Primary Reasons for Donating to Orchestra



Base: Made donation 2005 or later; aided list.

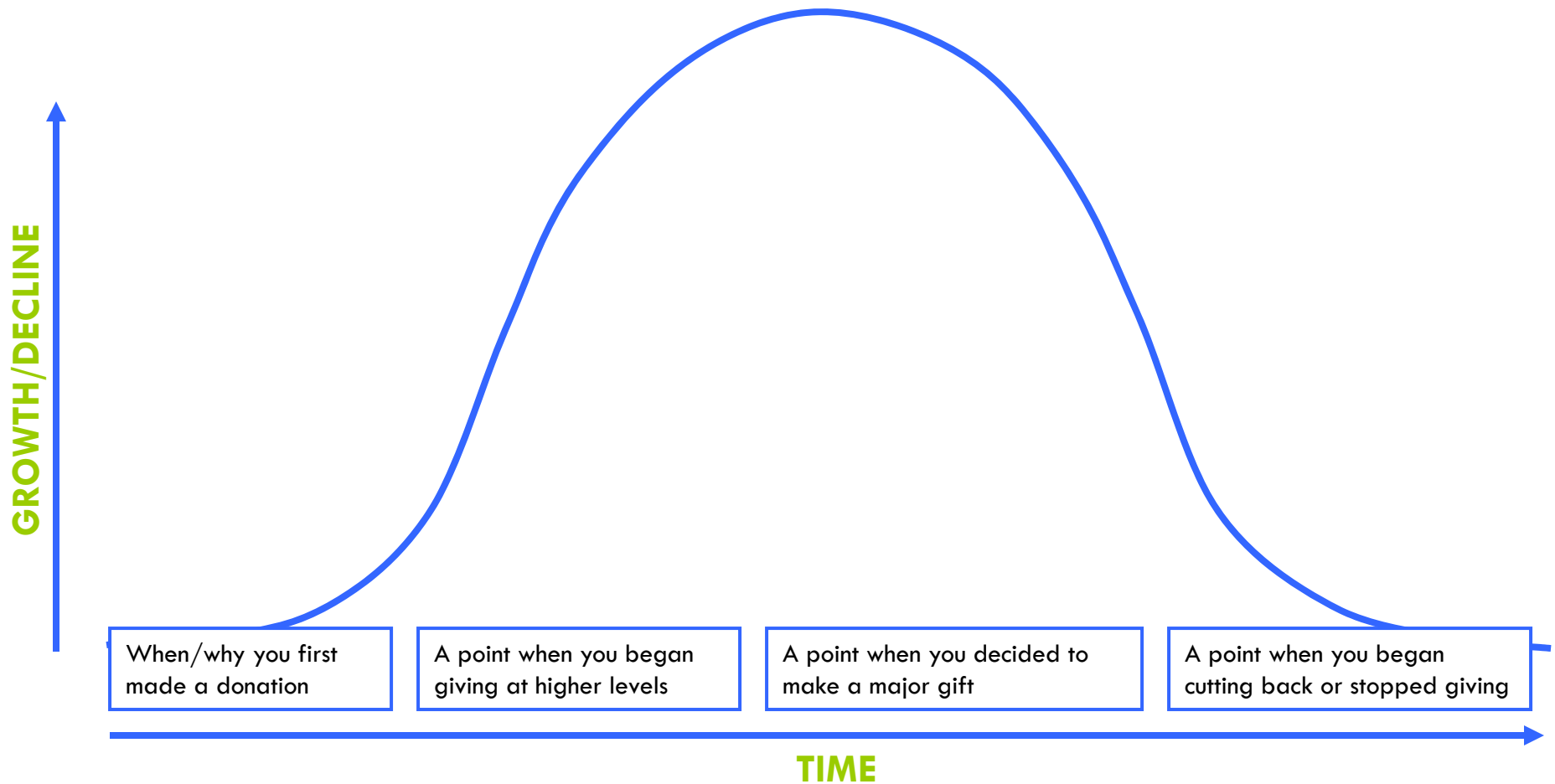
25% 50% 75% 100%

Patron Growth Initiative

Orchestra Donation Lifecycle

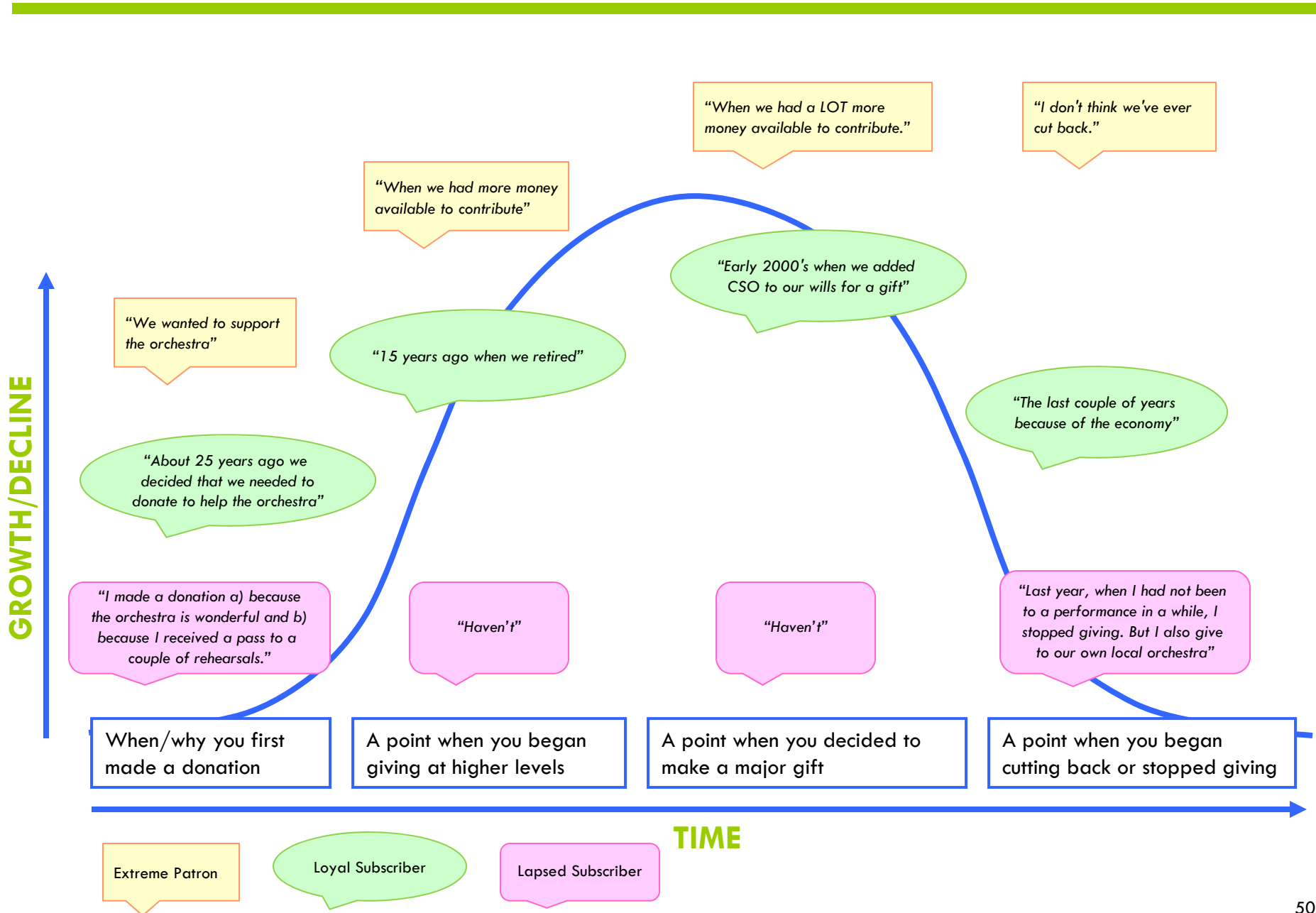
-- Please describe some pivotal points in your tenure of donating to this orchestra --

Open-ended questions were asked to further explore why and when patrons make their donation decisions.



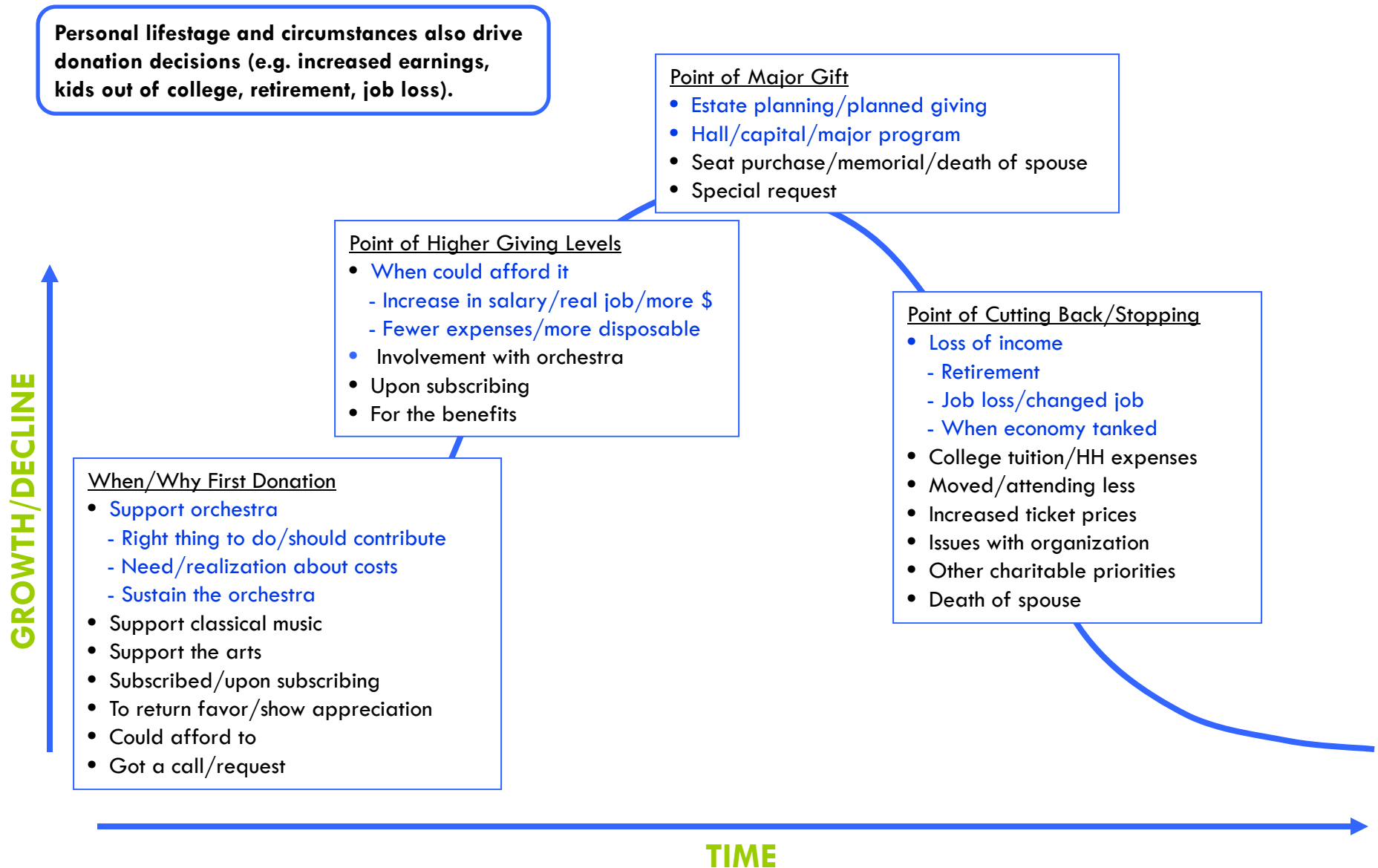
Orchestra Donation Lifecycle

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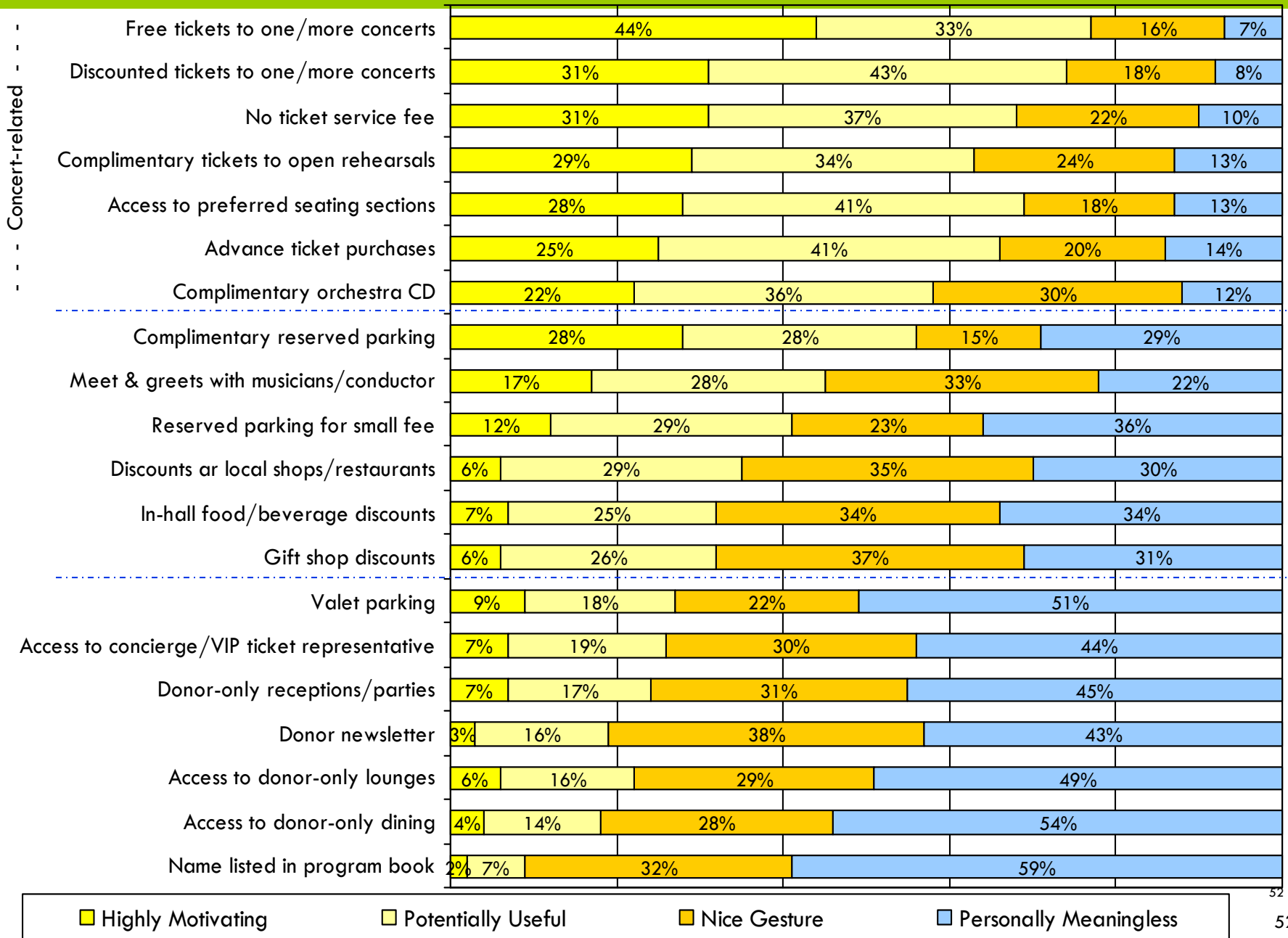
Orchestra Donations Lifecycle

-- Please describe pivotal points in your tenure of donating to this orchestra --



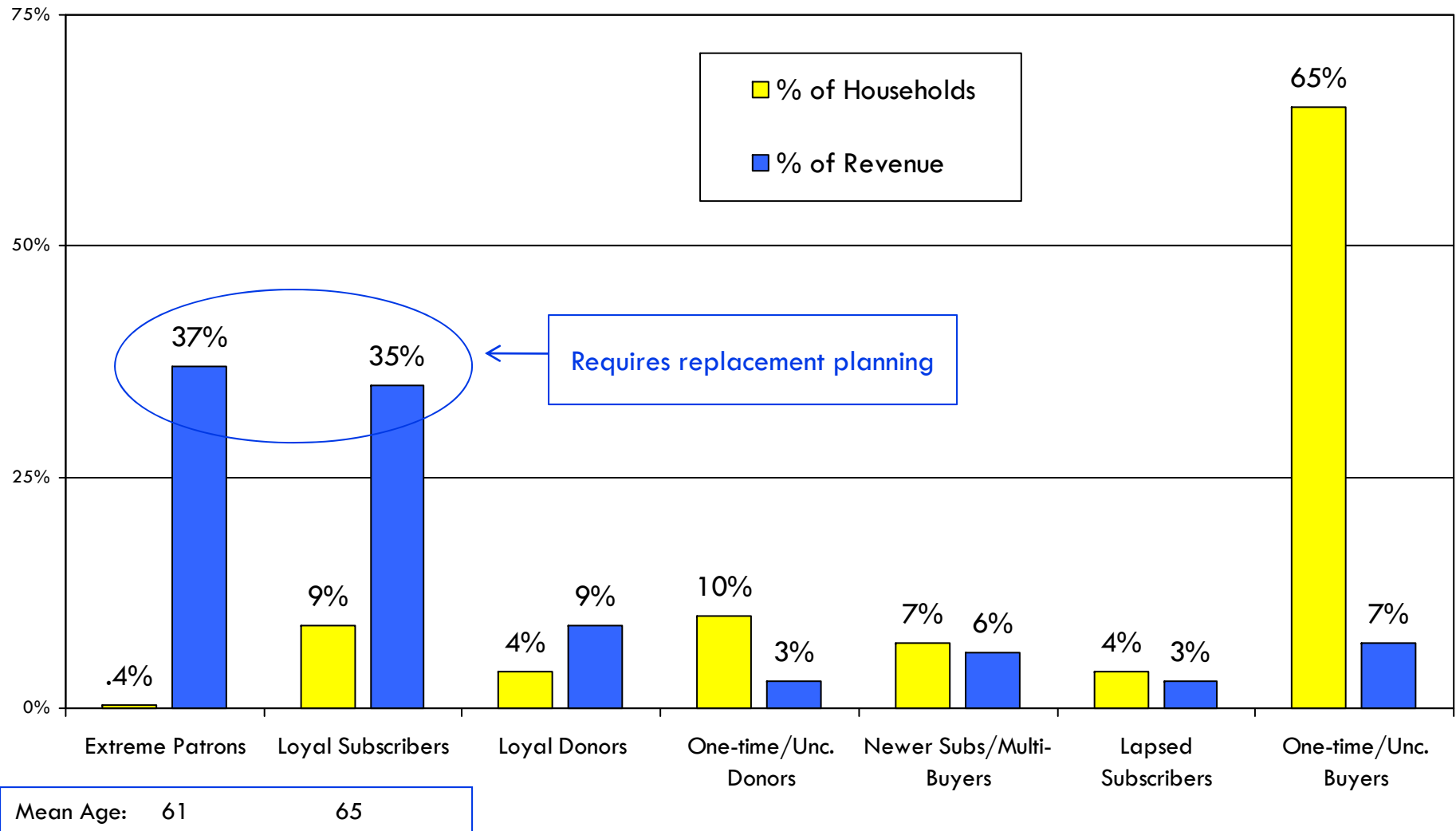
Blue = most common responses

Motivational Appeal of Benefits

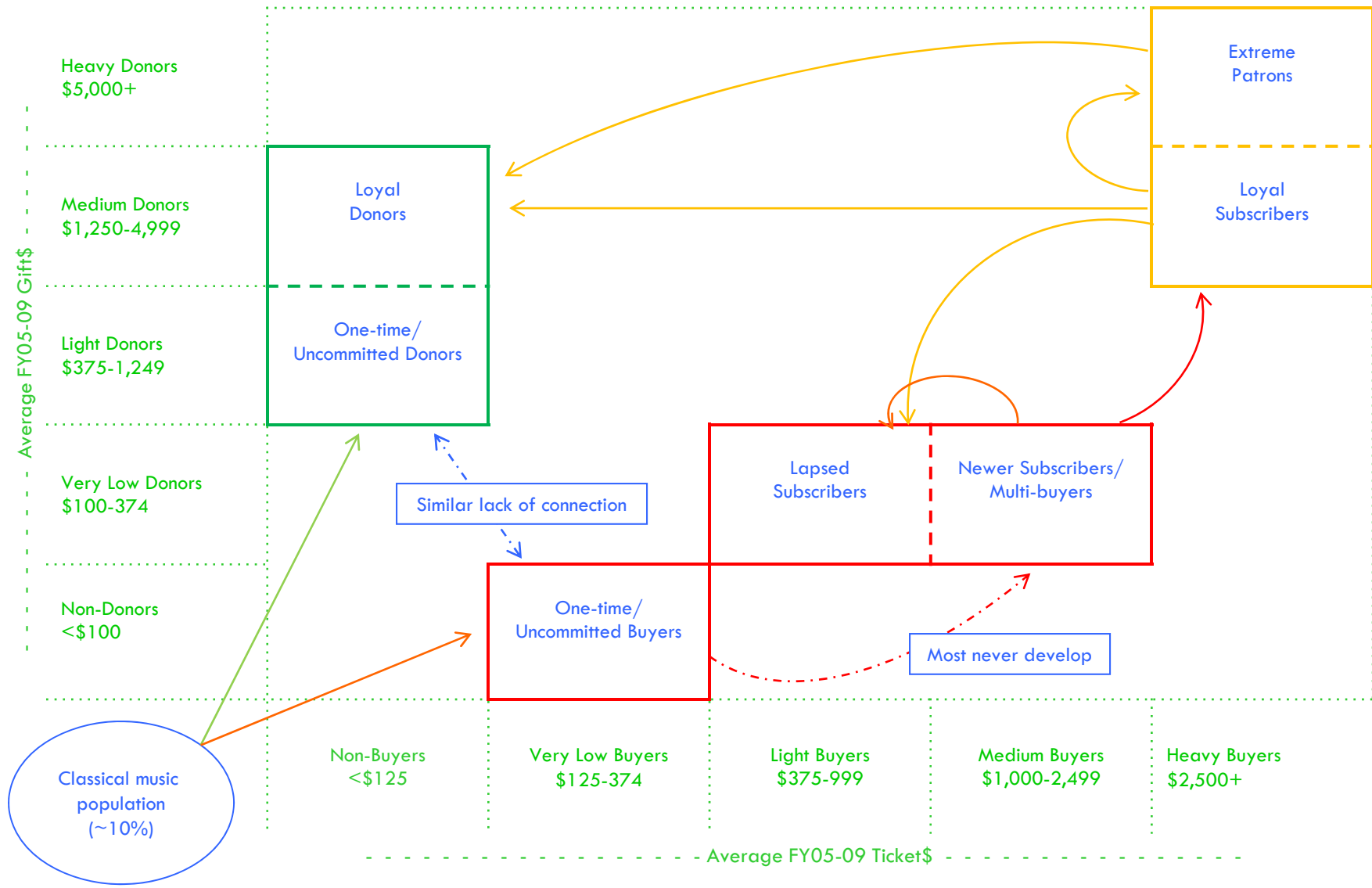


4. purposefully plan for revenue replacement

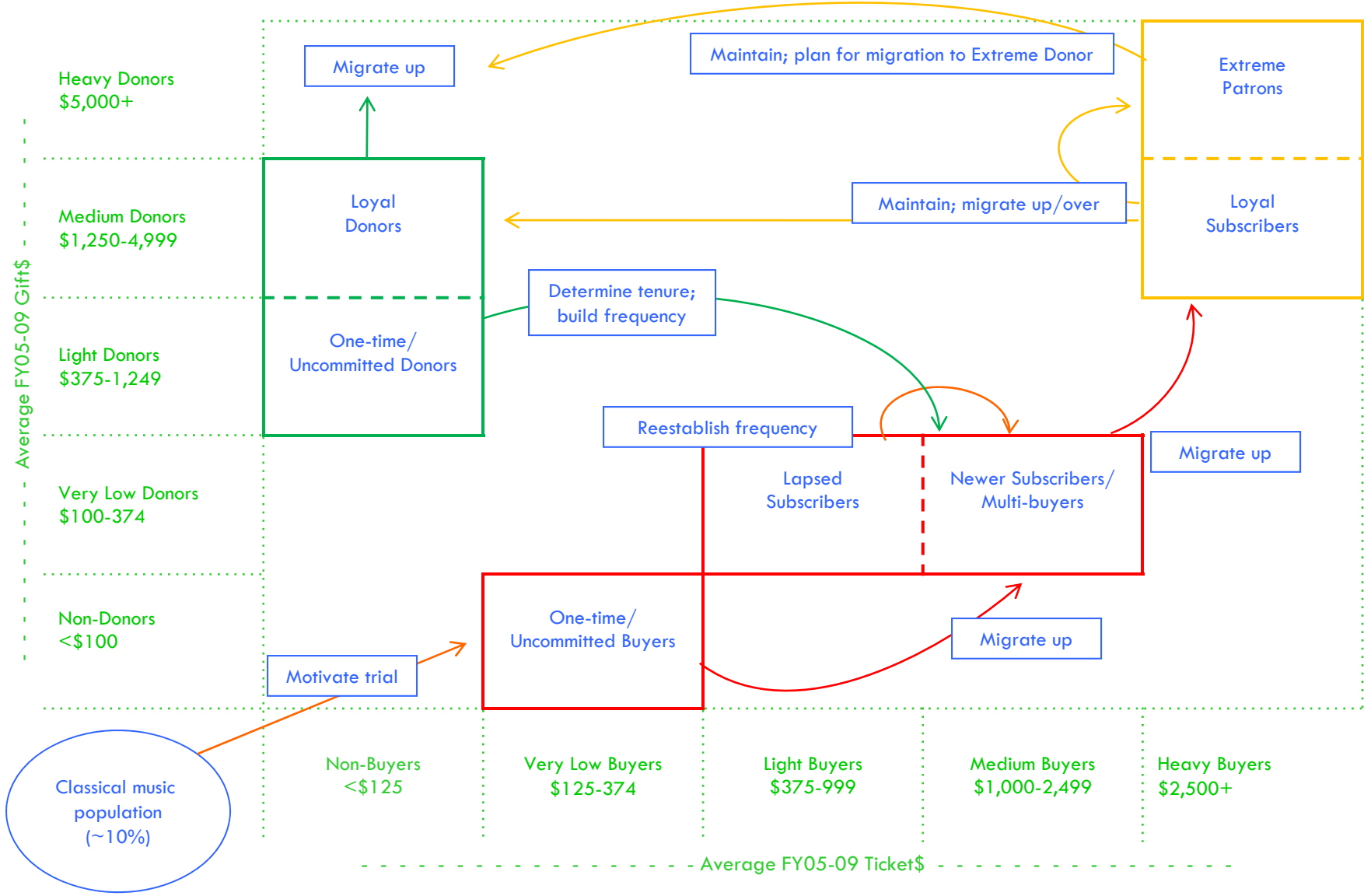
FY05-09 Revenue by Patron Clusters



Patron Cluster Pathways: How patrons got to where they are



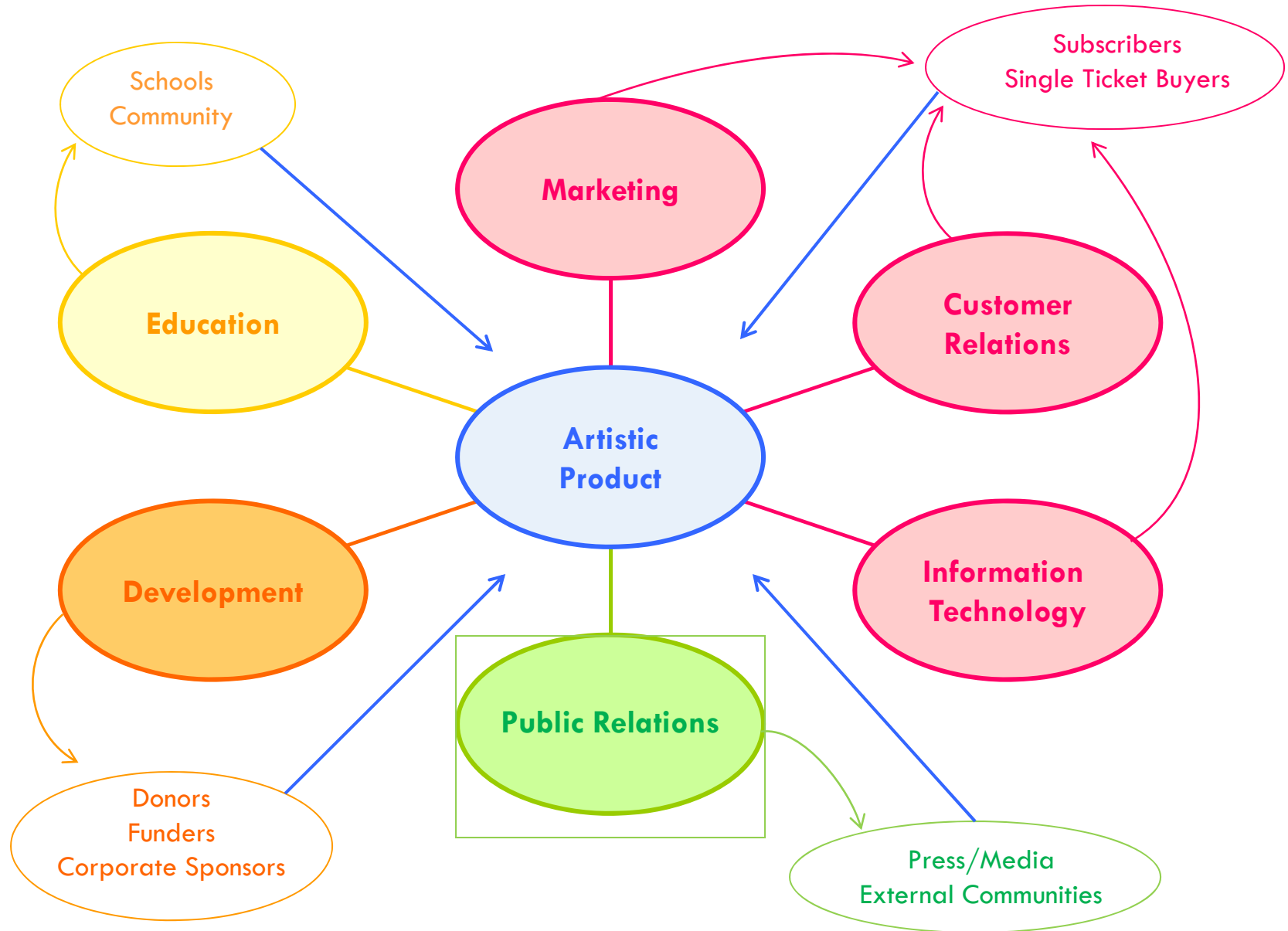
Increasing Lifetime Value Requires Maintenance & Migration Strategies



Classical music population (~10%)

Current Orchestra Operating Model

Artistic product at core with organizations structured to support product



Patron Growth Initiative - Key Recommendations

Drive attendance frequency. Increased frequency leads to longer tenure *and* can accelerate giving at any tenure level. Both frequency and tenure lead to more donations and greater revenue.

Compel concert-going. Offer concerts consumers are *compelled* to attend and willing to pay reasonable price for. Insure extreme satisfaction with total concert experiences.

Focus fanatically on better relationships. Significantly greater lifetime value comes from patrons who feel in partnership with and highly valued by their orchestra.

Develop more patron-relevant donor strategies. Consider strategies that focus heavily on support; treat benefits as tokens of appreciation; rethink the hierarchal give-get model and better align benefits with patron lifestyles, interests and brand connections.

Put patrons at the core. Structure the operating model around patrons and use more integrated marketing, development, artistic and other functions to jointly build relationships, increase connections, fit more easily into patrons' lives, and demonstrate high value.

Purposefully develop lifetime value strategies. Develop specific long-term maintenance and migration strategies based on where patrons are on their commitment pathway and where you'll go together in the future.

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