The New Subscription Economy

Conference 2025

RACHEL ROSSOS GALLANT: All right, let's get started. Thank you all for joining us. I hope that your conference is going well so far. My name is Rachel Rossos Gallant. I'm the VP of Marketing and Membership for the League, and I've been here for almost six years now. Before that, I've worked for orchestras of varying sizes in both development and marketing, most recently for the New York Philharmonic, where I oversaw subscriptions and audience retention and customer experience. So this topic is near and dear to me.

Before we get started, I'd like to acknowledge our sponsor for today's session, Leap Event Technology, Patron Manager. Patron Manager provides organizations with fully integrated customer relationship management, ticketing, fundraising, membership and marketing solutions built entirely on the Salesforce platform. We are very happy to have director of sales, Jordan Simmons, with us today. Or, I believe, is she here? Yep, great. And she's going to come up, and do you want to say a word or two? Nope. All right, great. Well, thank you so much for your sponsorship. We really appreciate your support.

So now onto our agenda. Our overall — oh, actually, I'm going to start here. Our overall focus in this discussion will be on loyalty building and frequency building with ticket buyers. So when we refer to subscription in this session, we're not just talking about the traditional fixed seat, fixed concert package, but we're also including create your own or choose your own packages, flex passes, and then the newer ticket membership, Netflix style membership model. So please keep that in mind as you're looking at the data from TRG and also as we have our discussion.

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And now I will introduce today's speakers. We've got Kate Hagen here, a senior consultant at TRG Arts. She is going to share recent data from the arts and culture benchmark with us. Christina Littlejohn is Chief Executive Officer at Arkansas Symphony Orchestra. She'll be sharing a case study with us of how they launched their membership program and what they've learned from it so far. And John O'Dell is Patron Advancement Officer at the Cleveland Orchestra. They also sell memberships, but more recently, they have launched a TCO rewards program that is engagement based, and he'll be sharing the encouraging buyer behavior that has been coming from that program.

So we'll start off today with Kate and some encouraging data we've been seeing in TRG's arts and culture benchmark. Please note that this is overall trend data that is collected. So as with anything that we're looking at in the aggregate, your individual orchestra story may be different, but the benchmark is free to join and easy to join, and Kate will talk about how you can be part of that as well.

KATE HAGEN: Thanks Rachel, thanks for inviting us to be here today. So I'm here to talk about the arts and culture benchmark. TRG's arts and culture benchmark is free to join aggregator of near real time data from arts and cultural organizations across North America and the UK and Ireland. Today, we're going to be looking specifically at data from the United States, since most of the organizations here in the room are from that country. But if you happen to be somewhere else in the world, I would love to talk to you about your situation specifically.

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The arts and culture benchmark allows us to look at, for this data set, 167 US performing arts organizations spanning a wide range of budget sizes and genres and communities across the country. Out of those organizations, 35 are United States orchestras specifically. The group sizes are broken out here, you'll see that it certainly skews towards the largest three groups, budget group sizes. Some of that is related to which organizations are on CRMs that we have access to. And the League has worked, is working in partnership with us to continue expanding that, so more and more orchestras, regardless of size can participate and be able to see how you all compare to normal, which is our favorite board member question, I think, in the arts.

So with that, in this analysis, I don't know how many orchestras you each have worked for, but it may not shock you to find out that your fiscal years are different, and your performing models can be different. And so trying to figure out one calendar to rule them all is a near impossible task. And so what we have decided to do for this analysis is to make the years you see here reflect transactions placed from February 1 to January 31.

So if you buy a subscription on January 20 of 2025 that's going to get counted as a '24, '25 subscription. If you buy a membership on February 14, 2025 it's going to count as a '25, '26 subscription in this data set. As Rachel mentioned before, subscription for this data set can mean the traditional, same seat, fixed series subscription. It can also encompass create your own, flexible or voucher packs, monthly ticketed memberships, yearly ticketed memberships, any other flavor of ticketed membership that you can think of, or that exists among those 35 is counted in this data set under the header subscription.

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All right, let's get to the trends. This is the subscription revenue change in actual dollars, non adjusted dollars from 2019, ’20 to ’24, ’25 for US performing arts organizations. Orchestras are there on the left. Performing arts centers are in the teal. Opera and dance companies are grouped together in blue. And theater to the right in green. So here, again, in that aggregate, you can see a big jump in performing arts center data is, a number of performing arts centers shifted to a single ticket and membership model during the pandemic, and so it has boosted their revenue substantially, and they were under probably underperforming pre pandemic, I would say, just based on our work in the performing arts center sector.

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So it looks really good. There's some real reasons why that have to do more about ’19, ’20 than they do about ’24, ’25. Orchestras are, though, ahead of opera companies, dance, and theater in terms of revenue in actual dollars. This is per capita revenue, so per admission. So I know subscription packages, ticket packages, memberships can vary in size and shape and form, but when we look at the actual ticket within that six concert package, the single ticket, one of the six, these are the average per capitas. The green is post COVID. So that would be ’24, ’25. The purple is pre COVID, what those per capita averages were.

Good news is all of those green bars exceed the purple bars. The less good news here, when you adjust for inflation, pre pandemic, orchestras were — the average subscription admission was about $46. In today's dollars, that would be about 56 and change. And post pandemic, what we're seeing is 58. So it is ahead of the rate of inflation, but not by the margins that I'm sure all of our CFOs would like it to be. So looking at it in a broader way, revenue is up across the performing arts sector, writ large, for subscription by about 25 percent. Subscription admissions are up by three percent. So not packages, but admissions. Revenue is up.

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In the orchestra sector specifically, revenue is up 28 percent, so a couple points higher than the performing arts sector overall. Subscription admissions are up by one percent. I know that's not as big a number as we would like it to be, but I do just want to stop and say there is good news here. In no other League event I think I've participated in since the mid oughts, I don't know about you, Rachel or John or Christina. Has anyone ever said, “We grew subscription admissions during a time period of any kind in the aggregate?” So from 2019, ’20, to ’24, ’25, I didn't show you all the charts, but you all can intuit there was a dip, and y'all didn't come back at full freight in ’22, ’23.

So the good news is, it is trending in a direction that is positive, and it's positive in the aggregate for the first time in at least probably 20 years, if not longer. So I don't want to overstate it when, it's not time to run out and celebrate in the streets, and my colleague Andrew said something about close optional in theater conference land. So I don't think we're there, but we're moving in the right direction for the first time in a long time.

All right, now we're going to get to monthly trends. So looking at an entire year. Here, the bars track to the left axis and reflect the number of admissions sold by month. This is when the transactions occurred, not necessarily when they attended. The right axis, those blue and green lines track there, it's tracking revenue by month again, when the transactions occurred in time. Purple bars are ’19, ’20, the green bars are ’24, ’25.

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The biggest shift you'll notice, again, this is all US performing arts organizations, pre pandemic, the biggest volume in subscription sales was in that February to April time period, that shifted back about a month in time to be more centered in March through May. Revenues are up pretty much across the board, month by month. In the orchestra sector, we see a similar pattern. Again, February to April was the sort of peak months for subscriptions, memberships, loyalty sales in the pre pandemic time. That has absolutely shifted by a full month, forward, March through May and even into June. The other biggest difference here is — sorry, I have a — you have a question?

[OFF-MIC QUESTION]

KATE: I would suspect that it starts of campaigns, just based on what I know from our client base and from peers I have in the sector, having been part of this universe for a while. Typically, the two pretty well mirror each other, that we're not seeing campaigns launch with no sales, and we're not seeing sales without a campaign having started. So that would be what I suspect is the case. Again, individual results may vary. So if you are experiencing a campaign launch and not sales after, we should talk.

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So, point being that things have shifted back a month. So we're selling on a later start date than we may have been in the past would be the inference there. And then also, there's more activity happening during the summer months, June, July, August, than we had seen pre pandemic in package sales. Again, this is looking at subscriptions for US performing arts organizations. This is ’19, ’20 compared to ’24 — or excuse me, 2025, ’26 year to date. We have through the end of April reflected here. And we're seeing a similar trend here in these early months of the year, that February is still softer in terms of sales than it was pre pandemic, although it's coming up a little bit from what we saw in the previous slide.

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And March and April continue to be spikes. For orchestras Specifically, we still see February is quite down compared to where it was pre pandemic. So we're not seeing things move earlier the way we might be seeing them in the performing arts sector starting to move earlier. And again, March and April continue to be spikes. So the good news is we're on a pace to see continued. We're seeing a similar trend here in the earlier, early phases of the package cycles for the ’25,’26 season. Great. Any other questions before I hand off to Christina? Oh, should we take them at the end?

RACHEL: It’s okay, but can we get a microphone?

KATE: Yeah.

SPEAKER: I'm just wondering, will we have access to these slides [UNINTEL]?

KATE: Asking about access to slides. I think Rachel will make sure.

RACHEL: Yes, yes, we will make the slides available.

CHRISTINA LITTLEJOHN: Thank you Kate, and thank you all so much for being here today. I'm excited because I get to talk about the Arkansas Symphony Orchestra and concert membership. The Arkansas Symphony Orchestra is anchored in a community artistically innovative and committed to sustainability, and concert membership allows us to achieve all of these goals. I believe that symphony orchestras can build community and spark joy, and that's what makes us magical.

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And so in the interest of show, don't tell, I'm excited because I get to show you a short little video of the grand opening of the Arkansas Symphony’s Music Center. And then after the video, I will go into more the demographics and the data to all support concert membership. All right, let's see.

[VIDEO PLAYS]

CHRISTINA: I am humbled and proud to welcome all of you to the grand opening the Arkansas Symphony Orchestra's first home, The Stella Boyle Smith Music Center.

SPEAKER: Today is a milestone for the arts in Arkansas. The opening of the ASO Stella Boyle Smith Music Center is a testament to our commitment to artistic innovation, cultural enrichment and reaching new audiences.

SPEAKER: A home for all the Arkansas Symphony Orchestra and for all Arkansans who are passionate about music.

SPEAKER: We realized that when this building opened, while it was going to feel like a culmination of years of effort for all of us who had been working on this project, which it was, but what it truly represented was a new beginning for the Arkansas Symphony Orchestra and for the entire musical community of Central Arkansas. And so what we wanted to do was paint a picture of what that future could look like, and how the Arkansas Symphony Orchestra could be a linchpin in building community through music.

MICHAEL MAYTON: This is a music center open to everyone, every person, every kind of music.

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SPEAKER: We aspire to be a radically welcoming hub of a musical activity for all Arkansans. We want people when they walk through our doors, whether it's this door or anytime we perform, to feel that they belong, because everyone does belong. Classical music or symphonic music, it's for everybody. Music has the power to connect us.

MICHELLE NELSON: It’s a space where people of various backgrounds, cultures, tastes, and ages, will feel at home, respected and relevant. It's a place where children and adults unfamiliar with the orchestra can come and get a first hand up close and personal introduction to the symphony, a place where we can enjoy music together.

SPEAKER: Here we will achieve a deeper understanding of our collective humanity through the power of music.

SIMON WOODS: Music is the most emotionally powerful of the arts, and that gives orchestras an opportunity to uplift not just those who already love classical music, but those who don't yet know they need it in their lives, and also the young people whose life journeys will be sustained and transformed by it.

ISABEL LOPEZ FURLONG: It's not just a building, it's a vibrant community who nurtures talent, inspires passion and transforms lives by opening doors to new opportunities, empowering students to pursue their aspirations and realize their full potential.

SPEAKER: This music center is a tangible manifestation of ASO's commitment to community, where people are united by our love for music and our humanity and strengthened by our diversity of perspectives and experiences. A place where musical harmony will most assuredly lead to increased community harmony. A place where everyone who walks through that door will feel they belong.

[VIDEO ENDS]

[APPLAUSE]

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CHRISTINA: Thank you. I wanted to share that video because this is why concert membership matters so much to us. It's a reflection of who we are as an organization, and I think it is a representation of who most orchestras are. We all strive to serve our community, we want to be artistically innovative, and we definitely want to be sustainable in here generations. So the concert membership allows us to do that because it's very accessible. Concert membership, you can become a member for $9 a month. $9 a month is — well, $9 a month is accessible. People know what it is. You can just say it's like Netflix. And it's easy for people to understand it. It's easy for people to buy it. It's also very flexible.

One of the things people talk about is, "Aren't you losing money?" I'm like, "I don't know that we are. We're providing a product, and I'm not sure people want to buy a subscription in March or February or January of $100, $200, whatever that dollar figure is, for concerts that they don't know they're going to be able to make the following year." Concert membership allows you to show up whenever you want, so it's extremely flexible.

Last couple of years, this has been our membership growth. So we have over 1,000, close to 1,100 members. Who are they? I love this photo because, for me, it's like, it's about building community. And I'm like, look at that one guy. He's like, "What is happening around me?" So our concert members are — this is this year. We have 520 household members. So for $9 a month is one person, if it's household, it's $18 a month. And so what was fascinating to me on this one, this was — we've been doing our membership for a while. So out of that 520, 322 are existing members. The other thing about membership is it's $9 a month, and it's just like Netflix. You have to opt out. So nobody's ever opting in. So they're just there for — until they call you up in camp. Of their membership.

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What's interesting over here that I was curious about was that new to file 105 households, those 105 households that didn't become single ticket buyers for their first entrance into Arkansas symphony, they became members, which means I now no longer have to sell them their second or their third single ticket. And the attrition on the single tickets is really high, but if we can have more people that just come in as members, then I'm not having to resell them a single ticket.

Lap subscriber. This is one thing that gets brought up all the time. Does it cannibalize subscribers? We've been doing this since 2017. Our data shows that, at the very most, we have a two percent cannibalization of subscribers. And that two percent, our hunch is that they probably would have just left us anyway, and they became members because it was flexible. Membership demographics. Again, our job is to support our community and have people from the community come to our concerts.

So you can see, this is from membership. We have a much younger group coming to — better members than we have as subscribers. That's our subscriber membership. I mean, age. Race, it's interesting, race, and I'll show you, income is actually very similar for our subscribers and our members. The income demographics were really interesting to me, in that close to 45 percent of our members are earning less than $100,000. The other thing that was interesting on this one for us was people just assumed that people were buying membership because they were cheap. Memberships were cheap, not the people were cheap, but the memberships were cheap, and that was more of an income based decision, but that's not actually true. You can see here, flexibility is just as important as the price point.

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This one is real important to me. The artistic innovation. The membership subscriptions, one of the beautiful things about subscriptions is that you don't have to sell single tickets. Like, when you're working with your music director, you don't have to say every concert has to have Tchaikovsky or Beethoven or Pines or Carmina. You can say, “Okay, in the subscription, somebody's committed to six concerts or 12 concerts, whatever it is, and in that package, your conductor can have some flexibility to program pieces that aren't necessarily going to sell on the single ticket side, and you can push your orchestra and provide some more flexibility on the composers.”

With members, again, they can come to all the concerts that they want to. So I'm not stuck just trying to sell single tickets. What we have to do with our members is just talk to them about the music, tell them what they're going to experience. We get a whole different communication style with members than we do with single ticket buyers. And so our conductor, our music director, Jeff Robson, is very creative, and he loves to perform things that we've never gotten to play before. So this is just a sampling of the programs that we played this year.

The other thing with membership for us is members can come to our Pops or Masterworks or even our Chamber Series Concerts. So this is showing you where the members made their reservations. Again, what’s interesting for us, the concerts that had the highest member reservations were more on our classical side, or Masterwork side, which is "Beethoven in Blue Jeans” was number one, and then closely followed by “Fairies and Flowers,” which was Mendelssohn and Purcell and something else, an oboe piece, and that was number two in our highest attendance for membership reservations.

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So the members are filling the houses, and full houses mean a happy orchestra. And all these photos are from us, I didn't make them up. When I first started at Arkansas Symphony, they were buying stock photos, which I was like, “What?” So I'm excited about all these photos. But you see, we have a giant house, and so the members helped fill that in. So sustainability. On sustainability, people ask about the revenue. Here's the revenue number, and that's moving up. We are offering this year, we offered a concert membership plus, so it's $18 a month, and they get better seating assignment.

The other thing we noticed with members that was really nice was, during COVID, we weren't actually doing any concerts, but they stayed with us. So we had $45,000 in income from members during COVID, and they didn't have any concerts. They just didn't want to quit us. So they're a lot more loyal than single ticket buyers as well. This is our annual rate retention. Again, so much higher than a single ticket buyer. Frequency. This is interesting too, because again, members can — we know that some members are members, just so they can say they're members of the Arkansas Symphony, even if they never come to a concert. So that's what that 33 percent is.

Yeah, and then the 66% active. One of the reasons this is extremely important to the sustainability is Arkansas Symphony, and I imagine many of you, we live or die off donations to annual funds. So losing subscriptions was a real — is a blow on the annual fund side, as much as it is on the subscription side. And so one of the keys for us is, for members, is to increase their loyalty to concerts. The more people come to concerts, the more likely they are to donate. People donate to what they support and what they come to. People are more likely to donate to a church if they actually go to the church. So for us, trying to get our members to attend at least three concerts is extremely important as we work on our case for support for our annual fund.

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And again, the communications with members can be completely different than — is completely different than single ticket buyers, because it's like you have a free ticket. Come hear Mahler, come hear "Fairies," come hear whatever it is. One of our highest attendance concerts last year was CPE Bach flute concerto, and an organ, Samsa [?] organ symphony was probably our second highest to "Planets" [?] last season. Because you can talk to them about it differently, and people get excited about different things.

Next steps for us. These are the things for membership that we do want to work on more, is the annual fund donations. Our subscribers are still definitely donating more money, and more subscribers donate to the annual fund. This is a growth opportunity for us, and we're just trying to — this is where we're going to need to just test and see, is it adding x dollar donation on their monthly membership, or is it asking them one or two times, or what's the case for them? So we're working on that,. And then grow the membership plus, and that one is $18 a month, so it's double the cost.

And then retention. Our retention was 77 percent. If we can get that closer to 90, that's even better. Again, the key with members is they have to opt out, so we don't have to sell it to them every single month. But if we can retain even more, that's better for us in the long run. And this is just a shameless commentary that we were in the New York Times on the orchestra membership, and if you want to learn more, you can go to this QR code or to the New York Times. And it also is a lovely way to set up my next speaker, which is John from the Cleveland Orchestra. Thank you all.

JOHN O'DELL: Hello. Let me get — so I'm going to talk to you about our rewards program, which we launched just over two and a half years ago. But I thought before we get into the weeds on the rewards program, I wanted to give you a little bit of background about what's led us to this point, and then talk about how rewards fits into our loyalty strategy. A lot of people talk about rewards program as a loyalty program. I refuse to call it a loyalty program. It's a piece of our loyalty program.

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And then we'll get into some of the results from the program. As kind of background, not that long ago, the Cleveland Orchestra was sold out on subscription. I say not that long ago, by that, I mean in my lifetime. Some of you might disagree with that. But that is certainly not the case. I think, as you saw from TRG's numbers mentioned, you know, it's we're in a fight out there. But on the good side, we're seeing — we're serving more households, I think, than we ever have as an organization. So really, the focus on retention and frequency is really critical.

And so just for context, you can predict 80 percent of ticket sale group one orchestra ticket sales based on the educated population within a 50 mile radius of the venue. In Cleveland, we sell way more than would be expected for the size of our market. So that's really good news. But it also means there's a limited opportunity probably to increase that number. We also live in a market that's not really growing. We all know from the NEA participation studies that the rate of participation in live classical music has gone from about 13 percent down to less than five percent, and the bars on this graph are the population of Cuyahoga County, where we reside.

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So hopefully we've stabilized in terms of population now, but it's a challenging market. And you know, the pandemic is over, and I know we're recovering from the pandemic, but there are behavioral changes that still linger. The New York Times published this article, an article about a study that was done at Stanford looking at payroll data that showed that the average commute to work has gone from 10 miles to almost 30 miles, and for younger people, it's high, it's the highest. There's other changes that are still lingering too, like online shopping and the takeout, off site restaurant purchases are still a larger portion of restaurant sales than they were pre pandemic. And I just read an article about a week ago that said auditions for the movies is completely different now since the pandemic and is not changing, because a lot of actors took the opportunity to move to lower cost of living locations, and they're just sending in their remote auditions now.

So how do we — oh, and then another thing that was a big shift, again, I'm going to show my age here, but I spent most of my career talking about what we would do when baby boomer and silent generation went away. Well, that's happening. Our audience now is majority of gen x, millennial and gen z, and they value different things. And so when we talk about these offerings, it's really trying to cater to that younger audience. As I said, our response to this is really to focus on loyalty. For us, our loyalty strategy focuses on four pillars. Reciprocity, convenience, experience and familiarity.

TCO rewards is part of our reciprocity, a tactic within our reciprocity strategy. And it's not just the only thing we're doing for loyalty. And again, when we look at — if we look at just ticket sales, this is classical ticket sales. Since 2011, ’12, we've really made four major ticketing initiatives in place. The first was under 18 free. Then we offered CYO. I think we were probably a little late to the game on CYOs, but we introduced them in ’14. We introduced our members club program, which is very similar to what Arkansas is doing in 2016. And then we just launched TCO rewards in 2022.

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So you can see what the pandemic has done to us. We've had incremental gains. I look at this chart, and I see a lot of hard work. There's no silver bullet to this. Members club rewards, under 18, they all had incremental impact. But we're not going back to the good old days, I don't think. And so we've got to be innovative, continually working on this. If we look at it from a package perspective, just comparing our pre pandemic package levels, you can see how important our members club and our CYO is now. It's 35 percent of our subscriber base. And if we look at households, as I mentioned, we're serving more people than I think we ever have. I can't go back to 100 years ago and see how many households we were serving back then, but at least in modern history, our households have been growing.

I'm encouraged that, even though we had a soft sales year this year, our retention rate is the highest it's ever been, and I think that's a cumulative effect of a lot of the initiatives that we've put in place. In terms of rewards, we talk about this being an engagement based rewards program. It's not a spend and get, it's not a ticket discount program. As an example, it's based on attendance, it's not based on purchasing tickets, and it doesn't matter how much you spend on your ticket, you're going to get the same amount of points when you attend. We're trying to engage people. And you can see there's some research out there that shows the things that drive loyalty.

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I think it's important to remember that product is one of the top things that drive loyalty, but as marketers, we have only limited input on what our product is, and so we focused on other areas in our loyalty strategy. But you'll see at the bottom there, free products is one of the lowest things that drive loyalty. So again, we're trying to engage people. Some of the objectives that we set out to achieve with the rewards program is really to extend the brand relationship beyond just the next event, to accelerate intelligence across the whole ecosystem, facilitate brand advocacy, broaden the revenue model, and generate positive return.

Really, with the way things are changing, with cookies and with AI, having first party data is really important. So this ability to actually learn more about our patrons through this program is really important. It's also helped us because we can sort of monetize the benefits that we're providing to people. So we can see, a great example, we opened a new subscriber lounge right before the pandemic. Some of our patrons really love the lounge. Others are not that interested in it. And so now, with the rewards program, they can accumulate their points, and they can decide whether they want to get the access to the lounge or not, or maybe they would prefer to have online access to our streaming service.

So it's allowed us to actually gage how our patrons value some of the benefits we're offering them. In terms of who's in our rewards program, TCO rewards is available to anybody. It's an automatic part of your account with the Cleveland Orchestra. So we have a lot of people involved in it, but it's dominated by single ticket households, which is encouraging to me, because I didn't really want to launch a program that was just going to cater to people that were already really loyal to us. So you can see that about 30 percent of our fixed seat subscribers are engaged in the rewards program. Only 13 percent of our single ticket households are engaged in the program, but the volume of the single ticket households that we're able to engage with is almost double what our subscriber base is.

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And if we look at age for the rewards program, you can see here, millennials and gen z, the dark blue, is those that are already active in the program, and the middle blue is those that are interested in the program. The light blue is not really interested. And the younger the audience, the more likely they are to be engaged and interested in the rewards program. So we're encouraged by that. Another thing that's been really helpful is we are able to segment our database by their engagement level with the rewards program. And you can see that if you're redeeming points in the program, you're more than twice as likely as somebody who's not in the program at all to respond to one of our direct mail pieces, for example.

In terms of the results, we're growing. It's exciting. We're approaching 10,000 households now that are active in the program. We define active as they've actually gone into their account and done some activity related to the rewards program. We have a ton of people who are passive. So if you create an account with us, and you're technically enrolled in the rewards program, you get 100 bonus points as a welcome. You attend your first concert, when you scan your ticket, you get points for attending that concert, but you may never do anything with the rewards program after that, so we consider you passive at that point, and they're not included in this.

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So these are people that are actively engaging with the program. In terms of what people are — in terms of redemptions, we're encouraged that both the amount of points that are redeemed and the number of redemptions that are occurring is growing. It's up 44 percent this year over last year. And the types of rewards that they're redeeming, this gives you a sense of the kind of things that we're offering. We do sweepstakes. Sweepstakes can be anything from seats to a special box, seats to a special concert, merchandise. We've had some partner giveaways that we've done through sweepstakes. It's very low points that allow people to get into a sweepstakes, so we get a high volume with it. So engage people that way. But box seats and free tickets are our most popular in terms of the number of points being redeemed.

And we're still playing around with this. I actually had, box seats in the first year was far outstripping free tickets, and we adjusted the point cost for this to try and encourage people to get extra tickets, because we want to encourage frequency. And we may adjust that some more. But this is part of the learning curve here with this program. In terms of the things that people earn points for, we're, again, still learning on this front too, but we've had a lot of people watching videos about the music. We have a series called Behind the Music, and it just gives you a little insight into some of the upcoming concerts we're doing. And that's the blue on the top there.

And then the other thing that's been encouraging is the green, which is the user input. That is questions, surveys, feedback that we ask people. We award them points if they'll respond to that. And a lot of the other videos that people are watching are related to the user input, because they can get all the answers for a quiz about Severance Hall, for example, by watching videos. So it's really engaging people that way, and we're encouraged by that. In terms of retention, in context of our regular subscribers, our CYO subscribers and our members club, obviously, retention of single ticket households is challenging, but you can see in that fourth column there, the churn on our active — if a single ticket household is active in rewards, they're churning at 59 percent, whereas a single ticket household that's not active in the program is churning at 70 percent.

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So we're hanging on to people to about 11 percent better retention. And then when we look at the average frequency that active single ticket households are coming to concerts, versus single ticket households that are not active, it's a 30 percent increase, and their average spend for the year is up 20 percent whether you're active or not. So with that, I'll close with just a anecdote that came in about 10 days ago after our final concert of the year. This was a nice letter we received from Karen who upgraded her seats to box seats, and just told us how much she loved the rewards program, and really demonstrated, you know, that the purpose of this is to really inspire and build fans. So happy to take questions.

RACHEL: Thank you so much for sharing about your programs and for sharing about the data before we open up to participant questions, I have a few questions of my own. John and Christina, I wanted to ask both of you, as you were implementing your programs, what surprised you the most and what were the biggest challenges that you ran into?

[0:41:57.9]

CHRISTINA: I think for us, one of the biggest surprises was that it did not cannibalize subscribers at all. And then one of the other surprises that I found was that data that showed that people — because we know that people want to date before they get married, right? But I was surprised at how many people became members immediately with the Arkansas Symphony, where they looked at our ticket prices for single tickets, and they're like, "Okay, I can go ahead and become a member and get them all for $9 a month." And so those were our two big surprises. And then, sorry, what was the other question?

RACHEL: Oh, just any challenges that came up.

CHRISTINA: Challenges. I really think the biggest challenge for us is — well, we have two, but one of the big challenges getting started was just the fear that it was going to cannibalize subscribers. And it was like, "Oh, we're just afraid of this because it's a lower price point, and what if people move from their $500 subscription to their $9 membership?" And I think it was just the fear that we had to get over and just like, okay. And then after — so we actually started the program in 2017 and didn't really lean into it until '23. Because post COVID, it was like, "Oh, my gosh, we're already losing our subscribers so much, we just got to go for it." And then it was like, "Oh, wow. Why didn't we do this so much earlier?" And then the other big challenge is still our biggest challenge right now, is really going to be figuring out how to get our active and very active members to become donors to the annual fund.

JOHN: I would kind of echo that. I think I was concerned with rewards, that all our subscribers would just flock into this program and kind of overwhelm it, and we'd be spending money on a program that was just serving people that we had already been really taking care of. The biggest challenge, I think, for us on both our members club and rewards has been technological. It's not an easy lift to do these things when your systems are not — I mean, our business is built around fixed seat subscriptions and selling single tickets. And when we start trying to do things differently, it's not easy to kind of make that transition sometimes.

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RACHEL: What were some of the — what did you need to support it on the tech side? What were some of the customizations you had to do or — ?

JOHN: Well, we're using a solution that's completely separate and trying to integrate it with Tessitura so that it has visibility within the organization. So for example, we now have point balances that are available in Tessitura, but people call the box office. There's nothing the box office can really do to help people with the rewards program, and just because it's not really native to our CRM system.

CHRISTINA: And I think we use a Spectrix. We don't use Tessitura, we use Spectrix. And so our members get a code. And so it shows up as a comp in our system, but they have a code to be able to get their tickets. And I think another challenge that we're still always working with is, how do we keep those credit cards? Because our number one reason why people stop being members is their credit card expires, and we got to get their new credit card number.

RACHEL: Makes sense.

JOHN: Yeah, we're on Tessitura, and it doesn't have recurring payments yet. If anybody here is from Tessitura, please help. It's been on the roadmap, I know, for quite some time, but we had to use Stripe and then try and integrate that back into Tessitura.

RACHEL: And Kate, in the data, is there anything that you've found surprising as you're looking at current trends?

KATE: I think overall, it's surprising to me that despite the fact that frequency is growing, and there are organizations like the two sitting beside me who are seeing it maintain or grow, when I talk to people, or when people talk to us at conferences like this, I hear a lot of pessimism about frequency and engagement. And so I just — in good TRG fashion, we believe data over our gut. And so I just would be really curious about for everybody, like, how much is our thinking or fear that things are going to keep shrinking, resulting in things shrinking, right? Versus letting go of the fear and saying, “Let's follow what the data is indicating, which is that there is potential there,” and what might we unlock if we were to pursue that?

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RACHEL: Now, what about, for our smaller orchestras that don't necessarily have enough inventory to be able to sell a monthly membership, what ideas or advice or suggestions might you have for an orchestra like that, that wants to get creative about encouraging frequency, but might only have four programs a year?

JOHN: Well, I would say, if you compare our program to Arkansas's, you know, we have over 100 concerts a year that people are eligible in members club to be part of. We charge $29 a month instead of the nine. So it can be scaled. I don't know if four — I mean, you have to really customize it for your organization and what makes sense, but our programs, we've gotten very similar results to them. It operates very similarly, but obviously it's because of the number of concerts we're doing versus them. You know, we've scaled it differently.

CHRISTINA: Right. Well, I would say also it's the concert venue size. So I think if I had a 1,300 seat hall, I would be — I don't know that I would need the membership, right? Because we have about 1,300 subscribers. So I think the size of the hall also matters. So if you are four concerts, and you have — anyway, so I think that's a part of it too in terms of scale.

[0:47:54.5]

KATE: I think the real — regardless of your size, think about what frequency could look like for you, and what recency could look like for you, that could be — if you're doing one event a year, that might just be that every year you're renewing that single ticket buyer from last year. That could be a form of frequency. It could be, I watch videos and I engage with them, and I come to concerts. So I think getting a little — stepping back from I have to copy. Don't mean that in a pejorative way, but like we often get in that mindset of, well, I have to do what another orchestra did, or nobody's going to believe it. I think getting thoughtful about what would be the right frequency for us and doing some tests. Like, what did you say, John? It's a pilot program forever?

JOHN: No, there's a social services leader in the town I live in that started a program, and he said, "When you don't know what you're doing, call it a pilot." So I said, "I haven't known what I'm doing for 20 years, so it's been a 20 year pilot."

RACHEL: Well, and Kate, I like that, you know, idea of defining frequency, because I remember when I was at the New York Philharmonic, I would speak to — I would tell people where I worked, just in day to day life, and they would say, “Oh, I just came to a concert. It was amazing.” And they would tell me all about it. And of course, I'd right away go back to the database and see which concert it was and when it was. And often, the concert they had just attended was a year and a half ago, two years ago.

So we're creating an experience that looms large in people's minds. And so I love that idea of, how do we even define frequency? And I also was in a conversation yesterday about memberships, where one idea that was brought up was partnering with other arts organizations in the same community, and working together to create a membership that would work across. Now, of course, you know the tech side of that would be even more complicated, but it is another way to get it that kind of a model.

And then one other question that I have before I open it up is, just as you're doing a non traditional model, like a ticket membership program or points program, how do you manage the customer experience with that? Because it's very different from the traditional subscription experience. What are some of the considerations that you have?

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CHRISTINA: One big key for us is to is how we talk to them about the music and how we encourage them to come. Because if they're a subscriber, they have the same seat to all of the different concerts. I just need to remind them that they have a concert coming up. It's on their calendar. With the concert memberships, members, we have to actually encourage them to come. So we need to think about how we're actually talking about the music. And the cool part for me is that gives us a chance to actually talk to him about the music, as opposed to a single ticket postcard that just says, “Tchaikovsky Piano Concerto Number One.” We can actually say, “Hear your own flute player perform this Bach piece,” or, “Mahler's got 95 musicians in it.” And little bit more about what the conductor thinks about the music.

And so the experience, it's fun, because I just think some of it is there's a lot of people that aren't necessarily educated in music. And so this gives us a chance to really think about what they are going to experience, and talk to them in a way that matters, in a way that encourages them to come. So for me, it's a great opportunity.

JOHN: I think there's a big shift for us over time, first, with our members club. We charge $10 a ticket. That's really just an inventory control so people don't book tickets and then not show up. It's not really a revenue play. But internally, people saw members club people as $10 ticket buyers, partly because the monthly fee they're paying is actually not in the ticketing system, and so they treated them as such. They're like, “These people aren't worth anything.” But the fact of the matter is, our members club people pay more than 59 percent of our fixed seat subscribers do.

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And so we've had to really work to get everybody internally to recognize that these are subscribers, and offering them subscriber benefits just like any other subscriber. And so that it was — it's taken some time to kind of get people to wrap their minds around that. On the reward side, it's all an online program, so the customer service — you can't engage with our rewards program if you can't interact with a computer. And we do have some customers that that's a real challenge for, but the rewards program, frankly, isn't really for them.

KATE: Having worked with clients, Arkansas Symphony is one of them, but we have others across the sector with different models, and loyalty scale. I think the most important thing is to not let the conversation with the customer fall off your radar. It's really easy for us to fixate on the sale and the concert attendance and lose sight of the human engagement with that person. So that would be my biggest encouragement, is figure out a way to make sure that there's accountability to the human relationship, so that, because of it — what's not measured is usually not managed and usually falls off the ever, ever growing to do lists.

RACHEL: Thank you. All right, are there any questions from the audience? We've got to — oh, yes. Okay, wait for the microphone. It's coming. Thank you, Bob.

RHONDA HUNSINGER: Hi. Rhonda Hunsinger with the South Carolina Philharmonic. This is mainly directed at Christina. Just for scope, how many concerts would come in a membership package? And also, are there any concerts you have that are restricted, that somebody would not be able to attend?

[0:54:14.6]

CHRISTINA: Okay, great. Thanks Rhonda. We have 29 concerts, so that could be Saturday or Sunday. So that includes our doubles. But we have six pairs of Masterworks, we have four pairs of Pops, we have six Chamber Music Series Concerts, and then we do a special. So members get a discount to Star Wars, but they do not get free tickets to Star Wars. So there is a special, and we do call them specials so that we don't actually have to think about members asking for free tickets to it. And then on the River Rhapsody side, which is our chamber series side, we do have a couple concerts of those artists of distinction that the members can buy a ticket to, but the other four are free, or part of their membership. And I think that's it.

RACHEL: Yeah, okay. Next?

PAUL MEECHAM: Hi, thank you. Paul Meecham, Tucson Symphony. We're interested in a membership, a monthly membership model, but we're, like probably a lot of orchestras here, we don't really have a summer — a big summer season. In fact, we finished our last classical concert usually the first or second week of April. We don't have — we don't resume until the last week of September. So that's a long time to not actually be playing concerts. And I guess, I don't know if you have any thoughts about how to sustain interest during that long gap, because I think the marketing team is a little concerned that, you know, you're charging monthly and you're not offering anything,

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CHRISTINA: Right, so we definitely have an internal discussion on that one. The retention rate is still very high. So we do see a dip in May and June. And then they pick then they come back in September. So we do see a small dip, but overall, it's still worth going ahead and leaning into membership, because we don't see that dramatic of a dip. We are — again, because we have the music center, we're super excited because we're going to start adding a little bit more free programming during the summer. We have a jazz concert coming up next week. And so we're going to add a little bit more. Just cheap for us. I'm probably gonna spend $1,000 on the jazz concert, and now I can open it up for membership. So we do see a dip, but it's not dramatic, but we are going to offer a few more little bitty things.

RACHEL: Yes?

VANESSA: Hi, it's Vanessa from Toledo. First part of my question is for you, Christina, and then the second part is for both of you. Christina, do you offer additional benefits with a membership, aside from access to concerts? And then the second part is, did you find issuing benefits, particularly for the rewards program, to be in conflict with benefits for subscribers or development giving levels? And how did you work through that with your development teams?

CHRISTINA: That's a great question. One thing that we do anytime we do anything for members, we also do it for subscribers and members, because subscribers are still our gold. And so if we do anything, it is for subscribers and members. We haven't done a whole lot, but again, with our music center, we're going to start doing more things for — more meetings with the musicians, more behind the scenes opportunities for our members and subscribers this year.

JOHN: Yeah, similar. Members get all the same benefits as a regular subscriber. There's no difference. And on rewards, we focus on things that are not in person, whereas our fundraising team is doing more in person things like dress rehearsals and private meet and greets and things like that. We haven't really put that in the mix with our rewards program. We have talked about how at some point we could incorporate P&A benefits into a rewards program, and they're just starting to tap into how they can use rewards results to actually increase donations using some of the segmentation that we talked about.

SPEAKER: Hi, I've got kind of a two part question. On the memberships, if you are doing, let's say, a chamber concert and it's going to be a sellout, how do you handle if a member wants to get a ticket to that? And are they guaranteed tickets to concerts, even if something's a sellout? Or how do you manage that? And then, for the rewards program, how did you go about by determining how many points a reward is worth and how many points they accrue, and if that seems balanced, and I'm sure it's a moving target as time goes on, but like, how did you guys go about by determining that on the onset?

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CHRISTINA: Okay, that — the chamber series, that's a great question, falls into our fail forward category. We did learn, we've learned that our members did reserve quite a few seats, and I think they were reserving at least a third of the availability in the chamber series, if not more than that. So we were sold out for years, and then they would initially come. So our fail forward was now they have — we have to — there's a window of time. So now they can't reserve it until, I think, four weeks before the chamber series. And also, again, now we have two concerts. Now we have more inventory. But that was a fail forward. So we should have done that years before we did it.

JOHN: We only restrict events that where we have contractual issues, but any subscription concert, basically, we generally have enough inventory for members to — they're buying later. They pick their seats just like a single ticket buyer does at that point. So we haven't had really an issue with that. On the rewards, we spent about nine months crunching numbers and spreadsheets to create the rewards economy, as we called it, and still modifying it as we go. I mean, it's a long process.

RACHEL: In the middle.

DECLAN MCGOVERN: Hi, Declan McGovern from Music of the Baroque Chorus and Orchestra in Chicago. It's a question for John. It kind of segues from what you've just said. You listed about 10 prizes or rewards there. Are they specifically for members and subscribers, or do you also have a program for rewarding single ticket buyers?

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JOHN: No, the rewards is for anybody. We don't have a tiered program. You can do tiers. We decided to do what's called a catalog program, which is just put the benefits out there, anybody that has points. So our subscribers can get the same thing as single ticket buyers. We give bonus points for being a subscriber. We give bonus points for being a donor. So subscribers and donors do accumulate points a little bit faster than single ticket buyers do, but there's no exclusion or tier like that.

RACHEL: Any other questions? All right, well, before we break, any final thoughts? What’s one thing you'd like everybody to take away, each of you?

CHRISTINA: For me, the membership is still about the art. It's still about encouraging people to come to hear the music more and more and more, and to allow your music director to not be stuck just programming Carmina.

JOHN: I’ll preempt the question I get asked probably the most, and that's correlation versus causation. Is the rewards program actually causing people to come more frequently or to spend more? I think my stats teacher drilled that into our head, and the example he always used was, “As ice cream sales grow, so does crime. But nobody is encouraging us to stop selling ice cream in order to combat crime.” There is a sense in which all of this stuff that we're talking about, we talk about fixed seat subscribers being more likely to donate. Does buying a fixed seat subscription actually cause you to donate? And the thing with the rewards program is the thing that drives ice cream and crime is the temperature. And so being an engagement program, we're actually trying to raise the temperature with our customers. We're engaging with them more.

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It’s not just about selling them another ticket. And so I did do some study when we started the program. It was easier to do than it is now, but I could look at patrons who were patrons before the program existed, and patrons who were in or not in the program after it was launched. And we did see an increase in people who, they spent more after they were in the program than people who were patrons before and were not part of the program after. So I can't say with academic certainty that the rewards program actually causes people to come more frequently and spend more, but I feel pretty good about the results we're getting.

KATE: So I believe in frequency. Believe that audience — we can connect audiences to our work and to the work of our artists, especially, and be willing to think outside the box, about what that means. Whether it's fixed — it might be for you, a same seat subscription because you only have two concerts a year, or it might be a loyalty points program. But the concept of believing in frequency and letting ourselves believe in that and not self defeat, that is hard, and for all the reasons we do it, I think that's the most important takeaway for me.

RACHEL: Thank you. Thank you Kate, John, Christina. Thank you all for being here. And now it's time for lunch. So enjoy your lunch. Take care.