

2014

Patron Loyalty Study: Loyalty by the Numbers

Released December 11, 2014

Greater Philadelphia Cultural Alliance
TRG Arts

PARTICIPATING GROUPS

PERFORMING ARTS
Annenberg Center
Arden Theatre Company
FringeArts
Kimmel Center
Opera Philadelphia
Pennsylvania Ballet
People's Light and Theatre
Philadelphia Orchestra
The Wilma Theater
MUSEUMS
Brandywine River Museum
Franklin Institute
Independence Seaport Museum
Longwood Gardens
Penn Museum
Philadelphia Museum of Art
Philadelphia Zoo
Please Touch Museum



INTRODUCTION

TRG, a marketing consulting firm, has been producing Patron Loyalty Index (PLI) Reports for individual organizations for several years. Using detailed financial data from patrons, including ticket purchases, subscriber and membership activity and donations, TRG scores an organizations' patrons, ranking them sequentially based on their perceived value to the organization. TRG's analysis incorporates recency of activity, frequency, and total monetary investment across all departments. This analysis provides a new insight on patron engagement, allowing cultural groups to uncover untapped loyalists who don't fit normal engagement 'buckets', identify those with the most potential for increased engagement, and identify segments of their patron list that are becoming less engaged or leaving the organization.

Groups across the country, including Hubbard Dance, Seattle Repertory Theatre, the Louisiana Philharmonic, and Theatre Calgary, among others, have used TRG's PLI reports to craft specific audience engagement strategies for their patrons, helping them explore new ways to build both engagement and loyalty across their database.

TRG uses the transactional and patron type data from organizations to segment patrons into three core groups: Advocates, Buyers and Tryers. Advocates, at the top of the pyramid, are the most valuable patrons of an organization. Typically, they form a very small portion of overall patrons but have a disproportionate and significant impact on overall revenue. For example, it is not atypical that only 2 or 3%



Photo by Alexander Iziliaev

The Pennsylvania Ballet

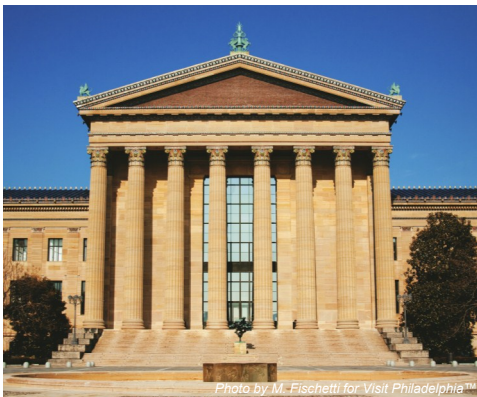


Photo by M. Fischetti for Visit Philadelphia™

Philadelphia Museum of Art



Photo by J. Fusco for Visit Philadelphia™

The Philadelphia Zoo

of total patrons can generate well over a third of total revenue. The two top categories, advocates and buyers, together can comprise less than 5% of total patrons but generate more than half of total revenue for an organization. Clearly, it will be helpful for organizations to understand who filters to the top in terms of loyalty, and how those patrons shift and build over time.

This report represents a further level of analysis. In addition to preparing 17 individual PLI reports for the groups participating in this study, TRG was able to use that same data in aggregate to do a community PLI analysis. That is, not just analyze who was most valuable at the organizational level, but who was the most valuable at the community level. Were there patrons that, on an individual level, may not be seen highly engaged at a particular organization, but when you examined their spending across all 17 groups, did they exhibit a high level of community engagement? Were there any unique patterns of loyalty between the community analysis and the behavior of individuals at the organizational level? Additionally, we were able to segment the 17 groups into two sub-segments: “Performing Arts Groups” and, “Museum Groups”. With these two sub-segments we again had TRG run the PLI analysis, giving further insight to particular patterns within the performing arts and museum community.

We would like to thank the 17 groups that participated in this study, without whose cooperation this study would not be possible. While individual group data was used to prepare the community analyses, all patron level data was kept strictly confidential between participating groups.

OVERALL FINDINGS

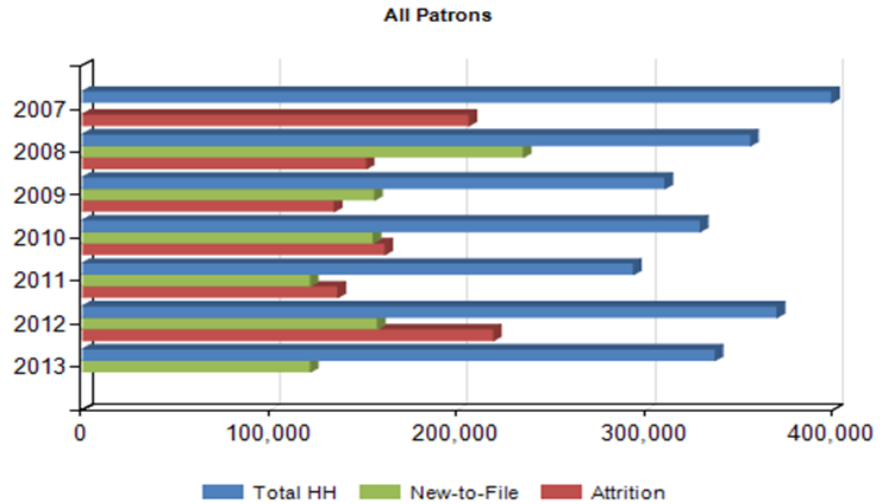
Part I: The Community Data in aggregate 2007-2013

Overall, the study started with a total of slightly under 400,000 patrons. That total declined to approximately 330,000 Households by 2013, with the largest declines from 2007 to 2008. Both the recession and an unusually strong year in pre-recession 2007 impacted

Customer Types:

- Single Ticket Buyers (STB)
- Subscribers
- Members
- Donors

this unusually high initial level, with most years having patron levels between 290,000 households and 360,000 households. Overall, 980,000 unique households were examined over the seven years of the study.



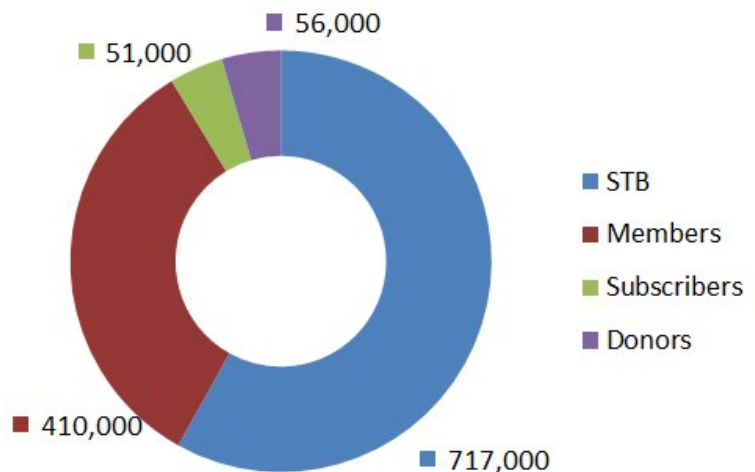
The original data was segmented into four distinct customer types -Single Ticket Buyers (STB), Subscribers, Members, and Donors. (Households could be included in multiple segments). Before we analyze the TRG Patron Loyalty scoring and ranking of these patrons, it is notable to examine the change over time in these four segments and patron behavior in general.



Annenberg Center

Photo by Chris Bennion

Total Patrons by Segment Type



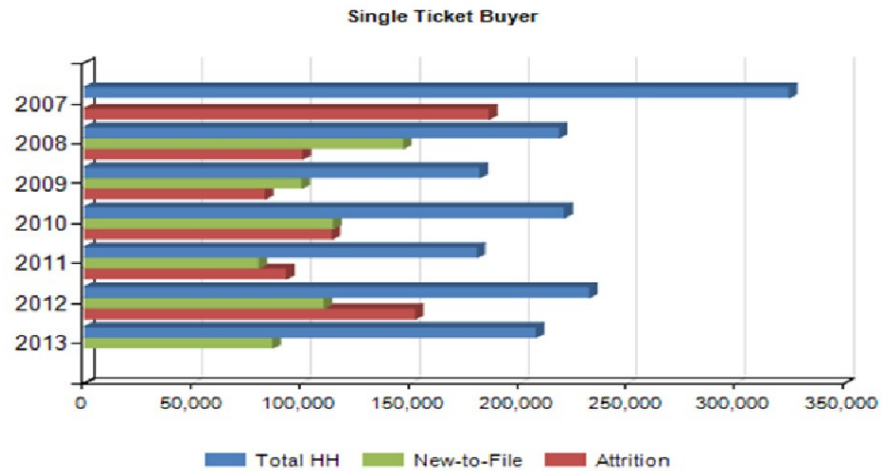
Total Patrons—2007-2013 Note: Households can be in more than one segment.



Please Touch Museum

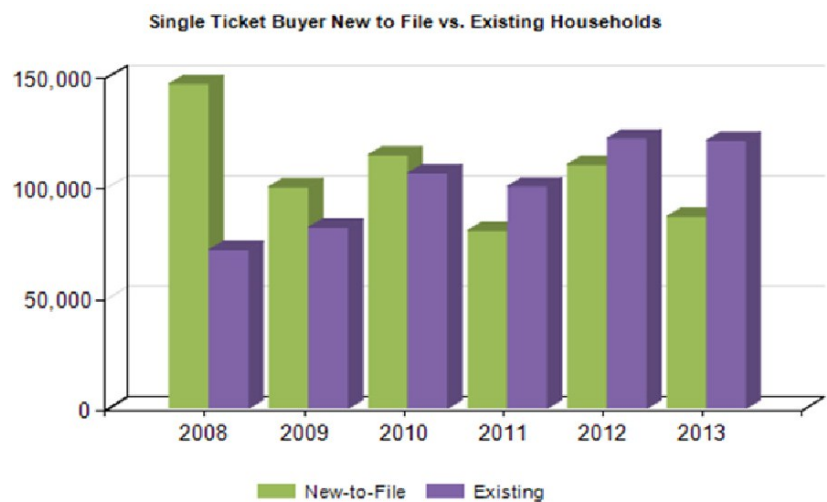
Single Ticket Buyers

Single Ticket Buyer (STB) Households make up the largest segment, comprising 73% of all Households examined. Total STB households peaked in 2007, declining significantly in 2008, and thereafter remaining relatively stable with a 4% decline from 2008 through 2013.



One of the most important attributes of STB patrons is that it is the best entry point for new patrons into the community. Half of STB patrons are new each year. Unfortunately, the attrition rate for this group, as also documented in our 2007 study with TRG, is high, with 70% not returning to one of the 17 study groups in the following year.

70% of new Single Ticket Buyers did not return to any participating groups in the following year



This makes it very hard to build new audiences and move patrons up the engagement ladder, since single ticket attrition is

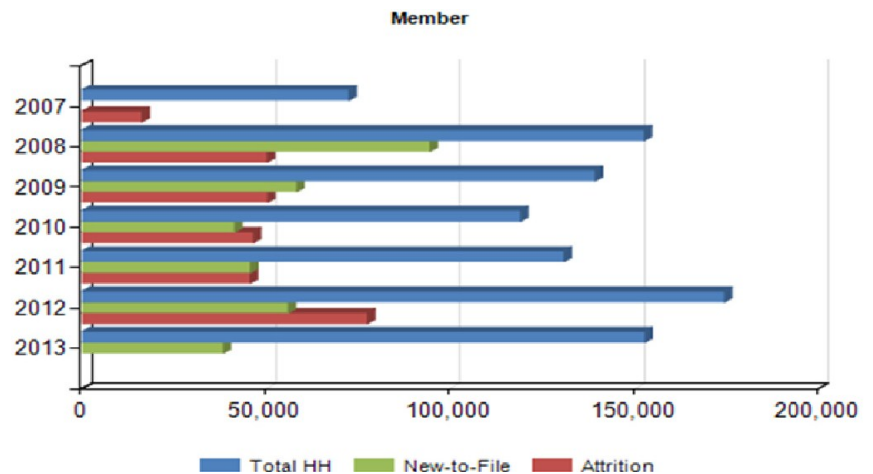


Arden Theatre Company

outpacing the growth of new households. So, while this group remains very important in terms of keeping up overall numbers, they are not a loyal segment of audiences.

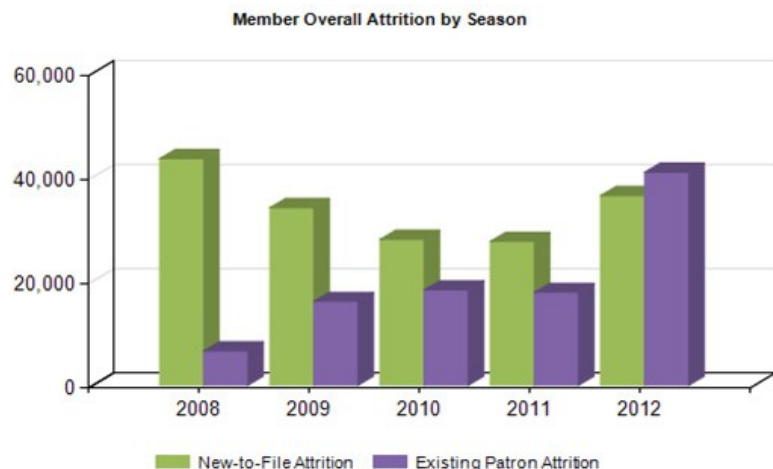
Members

Member households are the second most common segment, making up 42% of total households studied. Unlike STB's, members were low in 2007, increasing significantly in 2008 and remaining stable over the course of the study.



New member retention is increasing while existing members lapse more frequently.

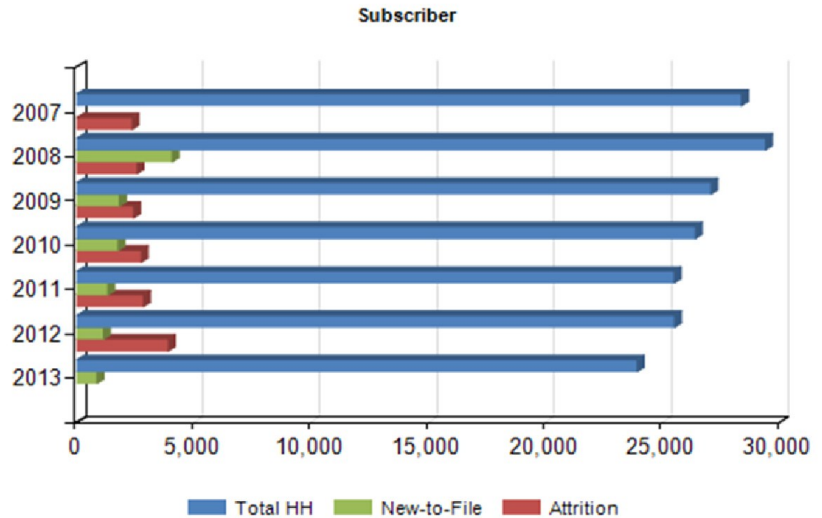
Interestingly, many existing members increasingly did not stay in the community, whereas new member attrition declined every year but 2013, indicating the new generation of members are more engaged, a pattern also seen in subscribers.



Subscribers are highly engaged, but steadily declining.

Subscribers

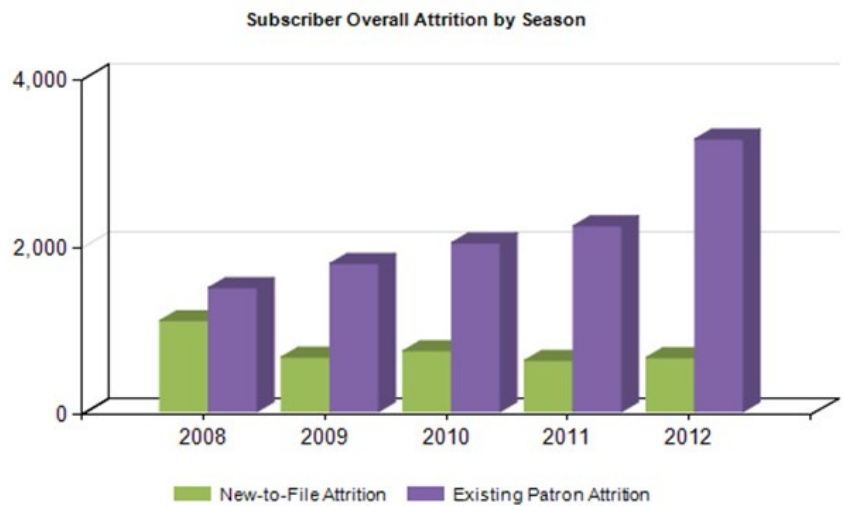
Total subscribers are much smaller than members, with 51,000 vs 410,000 members. They also declined steadily throughout the study, at a rate of 16%, that is ½ the decline of Single Ticket Buyers.



Existing subscribers, as with members, trickled out of the system at an increasingly greater rate, while new subscriber retention increased. This perhaps indicated that while new subscription strategies are more effective at retaining subscribers, traditional subscribers are 'aging' out of the community. However, new subscriber growth is declining.



Penn Museum



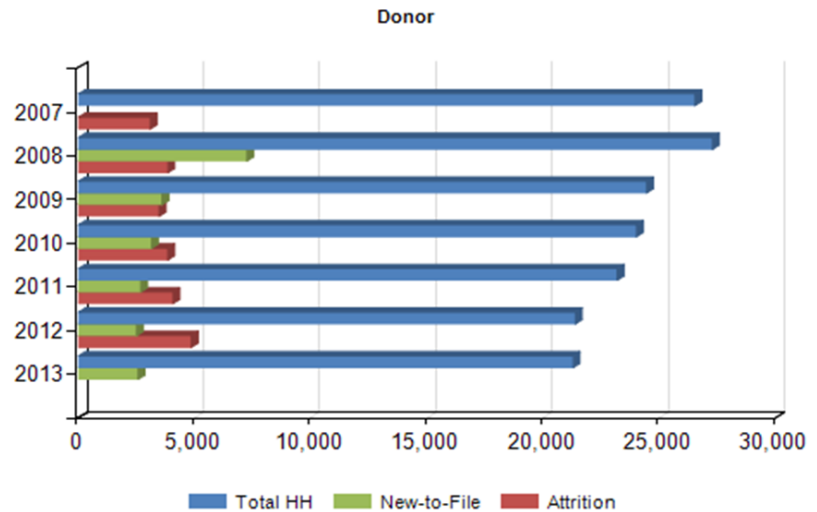


FringeArts

Donors

Donors exhibited steady decline throughout the study, decreasing 20%, slightly more than the subscriber decline of 16%.

This aligns with the decline in total individual giving from 2009-2012 seen in the *2014 Portfolio*.



Part I: Conclusion

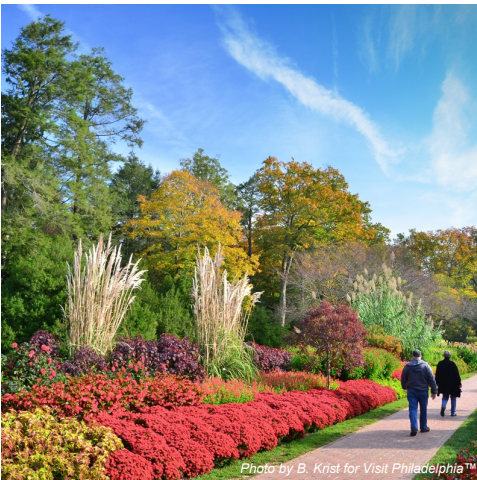
Overall patron growth in the study group declined 16% from 2007 to 2013. It appears that patron growth in the last two years is slowly reversing that trend. With 15% growth in patrons from 2011 to 2013. One of the biggest challenges is the churn of new STB's. Not only are the majority of Single Ticket Buyers new every year (51% on average), but 70% of them do not return to subsequent years. This makes it very difficult to focus on cultivation of any segment, since so many resources must be used to attract new patrons.

Perhaps the most encouraging news is at the membership level, one of the only segments where attrition rates have not increased and memberships overall have increased 111% from 2007 and has remained stable since 2008. This aligns with recent findings in the *2014 Portfolio*, where membership revenue increased 24% from 2009-2012. Programs to engage members to become donors is a possible strategy to increase loyalty that

Overall patron growth declined 16% despite strong gains from 2011-2013



Independence Seaport Museum



Longwood Gardens



Brandywine River Museum

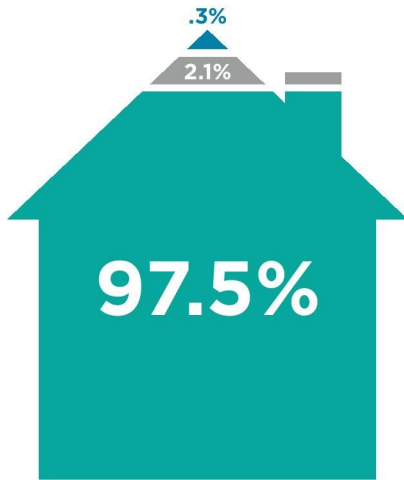
should be explored. However, while both members and subscribers have strong cross-over with donors, a much lower percentage of total members are currently donors. 6% of member are donors versus 40% of subscribers. It is not clear such a strategy could work, but the large amount of members overall represent the largest group where there is stronger engagement than STB's and positive growth.

Despite the slow and steady decline in subscribers (16% over the seven year study), they remain the most engaged segment, with two of out of five subscribers also donating. Efforts to engage and stabilize them should continue. It is encouraging that the attrition rate for new-to-files subscribers are lower than returning subscribers. Despite their lower numbers, new subscribers are still one of the strongest groups for building loyalty.

Part II: The Community Patron Loyalty Index

As noted in the introduction, TRG and other consultants have been doing patron loyalty analysis consulting for individual groups for some time. This type of analysis can break down silos between departments (marketing, development, visitor services), and allow decision makers to make strategic decisions about patrons based on their overall activity across the organization. With support from the William Penn Foundation, we were able to not only commission 17 PLI studies for a representative groups of Philadelphia cultural organizations, but we were able to also aggregate those findings into three community reports.

These community reports allow us to look at loyalty not just across an organization, but across a community. Some of the questions we sought to answer included, "Are there common traits and behaviors within Advocates, Buyers and Tryers across the community? Are there common customers between the 17 groups that demonstrate loyalty to the sector at large?"



SHARE OF HOUSEHOLDS



SHARE OF REVENUE

- ADVOCATES
- BUYERS
- TRYERS

The first report, the “Community” group, looks at the community as a whole. The second two split the study groups into “Museums” and “Performing Arts” organizations.

The community analysis includes:

- Trend changes in the groups, examining changes from 2007-2011, 2008-2012, and 2009-2013
- Segmentation of “Omnivores”, those who were active across the community, and “Apparent Non-Actives”, patrons that appeared inactive within one organization but who are active in the broader community
- General demographic profiles of Advocates, Buyers and Tryers within the three community groups

Overall Trends on Initial Data

As with individual PLI studies, the TRG analysis shows that advocates, a very small proportion of overall patrons, generate the most revenue of any of the three segments. This is particularly the case for the Museum group, where just one tenth of one percent (.1%) of all patrons generated 43% of total revenue. Buyers are a larger but still small segment of overall patrons representing between 2 and 5 percent of all Households in the study, contributing approximately one quarter of all revenue. Tryers, the most common groups, generate only 1/3 of revenue, despite comprising 95% of all households.

COMMUNITY TREND OVER TIME			
Household Summary	2007-2011	2008-2012	2009-2013
Advocate	3,486	3,624	3,418
Buyer	20,818	21,956	20,984
Tryer	1,035,021	979,181	955,985
Total	1,059,325	1,004,761	980,387

While year to year there was volatility in total patrons, examining the change over three four-year segments (2007-2011, 2008-2012, 2009-2013) shows a community with a stable population of overall Advocates and Buyers but a decline of 9% in total Tryers.

99% of Advocates are multi-buyers and active subscribers or members of at least one organization.

	Philadelphia Community	Performing Arts Community	Museum Community
Advocates	.3% HH 39% Revenue	1.3% HH 45.8% Revenue	.1% HH 43.1% Revenue
Buyers	2.1% HH 23.2% Revenue	3.8% HH 17% Revenue	4.6% HH 26.4% Revenue
Tryers	97.5% HH 37.8% Revenue	94.9% HH 37.2% Revenue	95.3% HH 30.5% Revenue

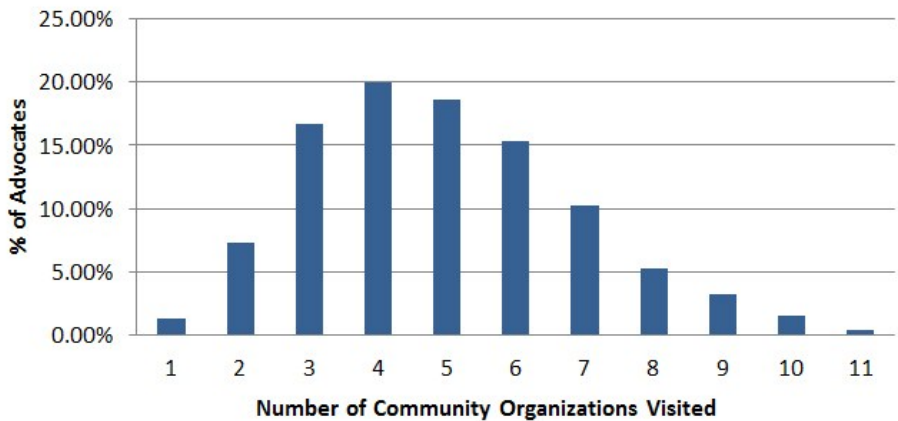
Advocates “Frequent, recent and significant activity”

Advocates are at the top of the loyalty pyramid. A small cohort of advocates that produce a disproportionate amount of revenue for the community. They are almost exclusively donors (99%), with only 6 out of 3,418 Community Advocates just donating. They are also very active across the community-99% of Community Advocates are multi-buyers and are also an active subscriber or member of at least one organization. They also remained a subscriber or member throughout the study. Demographically, they are older, with the majority of advocates over the age of 55, ‘empty nesters’ without children, and very highly educated. Most, but not all, are affluent, with the majority of Community Advocates earning over \$75,000 annually and almost 10% making greater than \$250,000 annually.

ADVOCATES

Age: 55+
Empty nesters
Highly educated
\$75,000+ salary

Advocate Visits/Investments



While the total amount of advocates remained stable throughout the study, the average donation for a Community Advocate de-

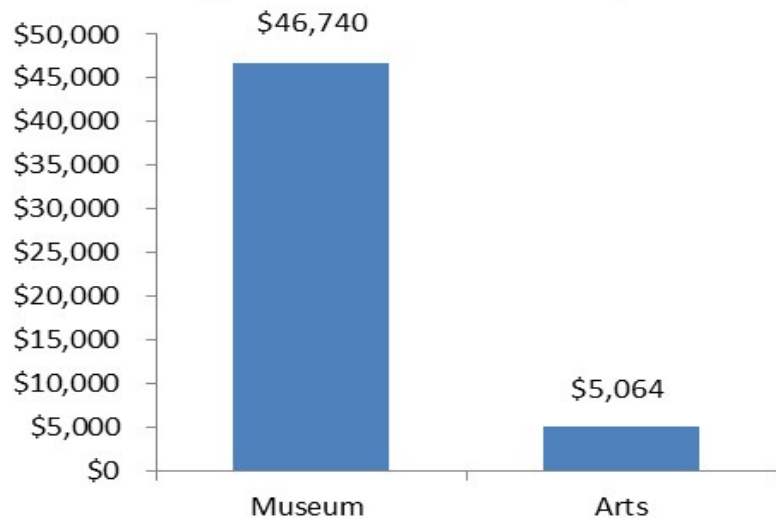
The average donation for a community advocate declined by 23%

clined by 23%. So advocates remained engaged but are giving less. This certainly mirrors trends nationwide documented by the Chronicle of Philanthropy (*As Wealthy Give Smaller Share of Income to Charity, Middle Class Digs Deeper*, October 2014). Nonetheless, these are the superstars of the community, subscribing, becoming members, purchasing single tickets and donating at a frequent and consistent rate. Almost 90% of all Advocates bought a ticket/membership/subscription or made a donation to between two and seven organizations.

Arts vs. Museum Advocates

There were significant differences in the distribution of patrons between the museum and performing arts community. Museums tended to have a very small group of advocates with a high average value. One tenth of one percent of the Museum patrons were advocates and contributed an average gift of \$46,740 (2009-2013), vs a more diverse groups within the performing arts. 1.3% of those households, contributed on average \$5,064 (2009-2013).

Average Advocate Donor Spend



People's Light and Theatre

The average museum donation declined 31% over the full study period vs a slight increase in the Performing Arts Advocates average giving. Museum advocates are also the one group that tends to show less multi-buys across organizations.

BUYERS

Age: >55

Highly educated

\$65,000+ salary

TRYERS

Age: mid-40s

Children present

Moderately educated

\$65,000+ salary

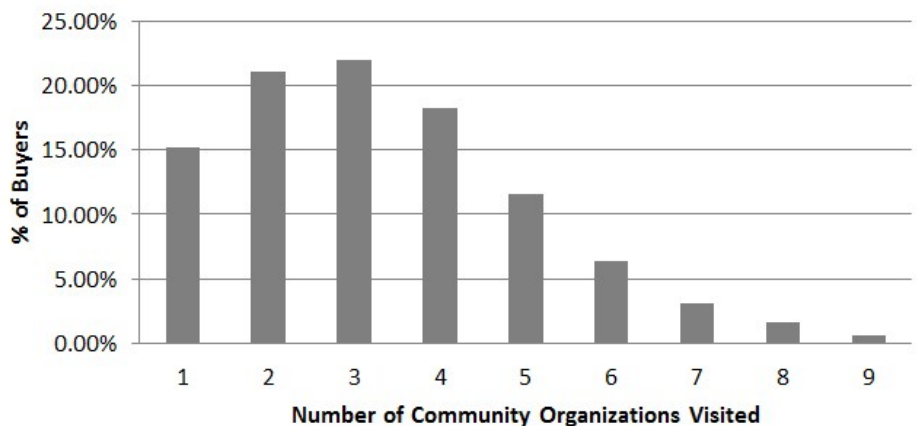
Buyers “Subscribers, Members, Recent STB’s”

Community Buyers are stable in terms of households and revenue, with notable growth in revenue from membership and subscriptions, despite declines in total subscriber Households. This segment appears to be stable overall, delivering a significant amount of revenue to organizations, (23%). Demographically the majority of Community Buyers have income between 65,000 and \$140,000 annually, and are slightly younger than Community Advocates have similar educational profiles and also tend to be empty nesters.

Buyers vs. Advocates

While buyers are similar in terms of demographics, their behavior is not. One in four buyers is not a donor, they are much more likely to be a subscriber or member. They are also less omnivorous than Advocates, with only 80% of Community Buyers visiting 2 to 6 organizations.

Buyer Visits/Investments



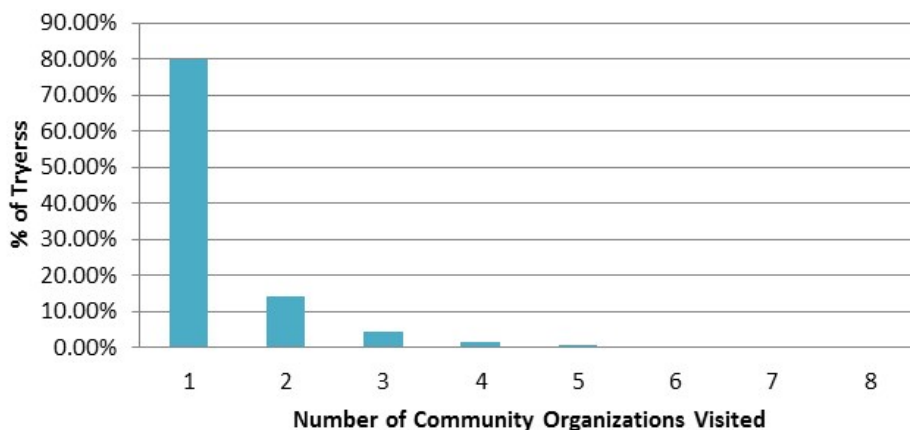
Tryers “STB and Memberships”

Community Tryers form the largest group of households, 97.5% of all households in the study. Given their large cohort size, it is interesting to note that they only generate 38% of all revenue. They tend to be the households that have the least cross-over activity. Just one in five Community Tryers visited more than one group during the study period. The typical Community Tryer is a STB (61%). Demographically, while tryers have similar income

**The typical
Community
Tryer is a
Single Ticket
Buyer (61%)**

levels to Buyers, they are much younger, with a median age in the mid 40's, lower levels of education, and a much higher presence of children.

Tryers Visits/Investments



Museum Tryers are more likely to be members (57%) versus only 8% of Performing Arts Tryers that are subscribers. This does emphasize a significant difference between subscribers and members in general, with memberships a very large group, but with a smaller per household value and more alignment with the Tryers group. Subscribers are typically more often Buyers or Advocates, indicating a higher level of loyalty. Strategies to convert members to donors may be more challenging. However, it does lead one to infer that membership strategies could be effective for Performing Arts groups looking to engage more Tryers who maybe not as willing to commit to a more expensive subscription, and move them up the engagement ladder. (For example, a Performing Arts membership could have a small annual fee that provides discounted tickets to members, as opposed to a committed schedule of performance for a subscriber).

**Museum
Tryers are
more likely to
become
members
(57%) versus
only 8% of
Performing
Arts Tryers.**

In general, Tryers mirror the behavior of STB's, with a high churn rate. Strategies for these patrons should be lower level commitments, encouraging Tryers to become multi-buyers, which is the strongest predictor for future increased loyalty. While most Tryers are not donors, those that are donors give more when they are Museum Tryers than Performing Arts Tryers.

Part III: Executive Summary



The Kimmel Center

More than ever before, cultural groups need to effectively understand and engage audiences in order to maintain and grow loyalty, build engagement and increase revenue. This study examined almost a million households over seven years, noting how patrons entered and left the community, how some of them became increasingly engaged and how many of them left. In addition to the general patterns of Advocate, Buyer and Tryer behavior, some larger trends are evident.

Collaboration benefits individual organizations

Omnivores remain the most important patrons for individual organizations. The more organizations a Household visits the more likely they are to be Advocates at the top of the pyramid for one of the 17 study groups. Advocates, who are almost exclusively omnivores, make up a very small portion of the community but generate a significant amount of total revenue. This has direct implications for the community. Collaboration and sharing of data holds the potential to increase overall engagement while simultaneously increasing loyalty efforts for individual groups. The more a patron becomes involved across the community the more likely they are to increase their commitment to their most favored organizations. Greater sharing of data, collaborative marketing efforts and cross promotion strategies hold the potential to benefit everyone. This is probably one of the most compelling findings in the study.

In almost 3 out of 4 study groups, half of inactive patrons remain active with other groups across the community.

Additionally, sharing information can help organizations identify lapsed patrons that are more likely than others to become re-engaged. In almost 3 out of 4 of the study groups, half of an organizations patrons that are currently inactive remain active with other groups across the community. Your lapsed patron is probably active elsewhere and if you can segment out this group, they are probably more likely to return than those who are not active elsewhere. With the challenges on constantly reaching new patrons, this is a potent strategy that could ben-

Only 3.3% of Buyers converted to Advocates, but 26% of Buyers downgraded to Tryers.

enefit many groups. Sharing this information across organizations can help you build a more likely prospect list for attendance and engagement.

Retention is more important than acquisition, and declining loyalty from current Patrons in an ongoing challenge

There is much conversation in the field about building audiences. What this study shows is that it is just as important to retain the audiences you have and to ensure they remain loyal at steady levels. The most loyal patrons contribute more to the bottom line than a multitude of new patrons. New patrons overwhelmingly cycle out of the community after just one visit. Even more interesting, patrons tend not to move up the engagement ladder in significant numbers. Looking at Community patrons from the initial 2007-2011 segment, only 3.3% of Buyers converted to Advocates by the end of the study and 26% of Buyers downgraded to Tryers. Based on that evidence, it may be more productive to focus on Buyer retention than to expend resources trying to convert them to Advocates.

Performing Arts groups saw a decline in all three segments, while Museums had stable Advocates and increased Tryers.

Museums and Performing Arts groups should borrow strategies

Museums, despite having a decline in Buyers, have been effective at maintaining Advocates and building Tryers. Performing Arts groups saw a decline in all three segments—Advocates, Buyers and Tryers. While it may be more difficult to build Tryer Households because of the less flexible nature of the Performing Arts, Performing Arts groups should explore strategies that could encourage more new audiences to attend with first time price incentives, more flexible timing and duration of performances, and other tactics that could ease barriers of entry.

Museums are also able to retain much higher value Advocates. Is it possible for Performing Arts groups to examine the motivations behind such high level Museum Advocates? Is this



The Philadelphia Orchestra



Opera Philadelphia



The Wilma Theater

reflective of an inherent difference between Advocates within the Museums and Performing Arts Groups? The study seems to indicate that may not be the case, with many Apparent Non-Actives within one community group appearing as Active patrons in the other. There may be potential in examining the differences in Advocate engagement strategies between Museum and Performing Arts groups.

Museums could also benefit from examining successful strategies in the Performing Arts. Subscribers convert to donors at a much higher rate than members. Their annual spending is higher and their retention is more stable. Is there room for such a model in the Museum field? Perhaps an additional tier of prestige events tied to a 'subscription' could allow Museums to separate out more active members and target them differently.

Conclusion

At the Alliance we will continue to build our database of knowledge from these studies. Clearly, the cultural community needs to work harder than ever to engage and retain patrons. The findings from the Community PLI study are insightful but indicate that more work needs to be done. Could we look deeper at loyalty within disciplines? Are there strategies beyond our field that could help us increase engagement and reduce churn? With the increasingly sophisticated ability to capture patron data, both qualitative and quantitative, we should build on these findings in future analysis. However, there remain significant gaps in our ability to collect and analyze data within the field. Collaborations and deeper analysis will only increase our knowledge. Based on the findings from this study, such collaboration should lead to greater loyalty and retention within individual organizations.

Appendix

Revenue by Segment Type

Buyer Type	# of HHs	Revenue	% of HHs	% of Revenue	Revenue per HH	Average Annual Revenue per
Donor	55,722	\$443,019,775	4.5%	57.5%	\$7,951	\$1,590
Subscriber	51,051	\$74,226,930	4.1%	9.6%	\$1,454	\$291
Member	410,735	\$98,731,505	33.3%	12.8%	\$240	\$48
Single Ticket Buyer	716,617	\$154,806,131	58.1%	20.1%	\$216	\$43
Total	1,234,125	\$770,784,341				

PLI Groups	# of HHs	Revenue	% of HHs	% of Revenue	Revenue per HH	Average Annual Revenue per
Advocate	3,418	\$300,948,755	0.3%	39.0%	\$88,048	\$17,610
Buyer	20,984	\$178,439,461	2.1%	23.2%	\$8,504	\$1,701
Tryer	955,985	\$291,396,125	97.5%	37.8%	\$305	\$61
Total	980,387	\$770,784,341				

Omnivores

# of Orgs Participating With During Study Period	HHs in Community PLI	% of Total HH	% of Indiv. Org Advocate Appearances	% of Indiv. Org Buyer Appearances	% of Indiv. Org Tryer Appearances
14	2	0.0002%	14.29%	28.57%	57.14%
13	3	0.0003%	28.21%	33.33%	38.46%
12	4	0.0004%	18.75%	35.42%	45.83%
11	22	0.0022%	9.09%	26.03%	64.88%
10	91	0.0093%	10.77%	26.81%	62.42%
9	270	0.0275%	6.95%	23.00%	70.04%
8	642	0.0655%	6.66%	22.25%	71.09%
7	1420	0.1448%	7.11%	20.60%	72.28%
6	3196	0.3260%	5.77%	18.96%	75.27%
5	7396	0.7544%	4.82%	17.10%	78.07%
4	17809	1.8165%	4.01%	15.11%	80.88%
3	45678	4.6592%	3.53%	12.94%	83.52%
2	138713	14.1488%	3.08%	10.61%	86.31%
1	765141	78.0448%	2.30%	7.70%	89.99%
Total	980387	100.0000%			

Buyer Type Crossover

	Total HHs	Donor	Subscriber	Member	Single Ticket Buyer
Donor	55,722		20,193	25,109	35,767
Subscriber	51,051	20,193		22,545	39,697
Member	410,735	25,109	22,545		167,680
Single Ticket Buyer	716,617	35,767	39,697	167,680	

Community Loyalty Movement

		% of Crossover HHs by PLI Group					
		PPCA-0029 All PLI 08-12			PPCA-0029 All PLI 09-13		
	Total HHs	Advocate	Buyer	Tryer	Advocate	Buyer	Tryer
Advocate	3486	88.4%	11.6%	0.0%	78.5%	21.4%	0.1%
Buyer	20818	2.6%	83.7%	13.7%	3.3%	70.9%	25.8%
Tryer	1035021	0.0%	0.4%	79.2%	0.0%	0.5%	65.1%

Performing Arts Trend Over Time

SUMMARY	2007-11	2008-12	2009-13
Advocate	5,278	5,296	5,136
Buyer	16,537	15,838	15,657
Tryer	392,023	377,387	387,429
Total	413,838	398,521	408,222

Museum Trend Over Time

SUMMARY	2007-11 HH	2008-12 HH	2009-13 HH
Advocate	775	839	744
Buyer	31,776	32,109	27,453
Tryer	664,791	697,864	743,418
Total	697,342	730,812	771,615

Change in Annual Household Spend

Advocates Average Annual Household Spend				
	All	Museum	Arts	
Donor	\$16,122	\$46,740		\$5,064
Subscriber	\$1,121			\$1,011
Member	\$344	\$934		
Single Ticket Buyer	\$253	\$58		\$227

Buyers Average Annual Household Spend				
	All	Museum	Arts	
Donor	\$1,403	\$2,489		\$388
Subscriber	\$449			\$431
Member	\$153	\$157		
Single Ticket Buyer	\$149	\$36		\$144

Tryers Average Annual Household Spend				
	All	Museum	Arts	
Donor	\$275	\$331		\$82
Subscriber	\$127			\$112
Member	\$41	\$37		
Single Ticket Buyer	\$39	\$18		\$55

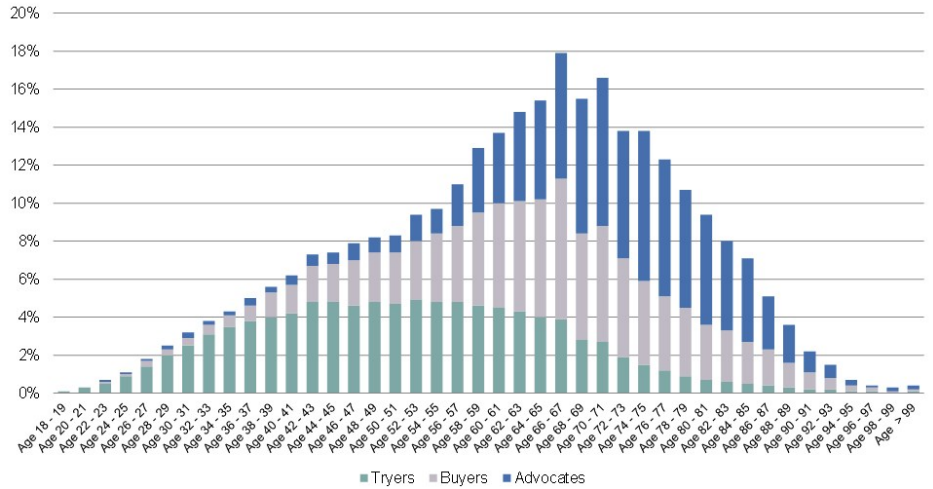
Changes in ALL Advocates				
		2009-13	2008-12	2007-11
	# of HHs	3,418	3,624	3,486
	% of Total HHs	0.30%	0.40%	0.30%
	% of Total Revenue	39.00%	43.90%	44.50%
Average Annual HH Spend	Donor	\$16,122	\$18,983	\$20,890
	Subscriber	\$1,121	\$1,128	\$1,181
	Member	\$344	\$316	\$291
	Single Ticket Buyer	\$253	\$240	\$236

Changes in ALL Buyers				
		2009-13	2008-12	2007-11
	# of HHs	20,984	21,956	20,818
	% of Total HHs	2.10%	2.20%	2.00%
	% of Total Revenue	23.20%	22.40%	22.1
Average Annual HH Spend	Donor	\$1,604	\$1,671	\$1,723
	Subscriber	\$449	\$443	\$469
	Member	\$153	\$145	\$132
	Single Ticket Buyer	\$149	\$138	\$139

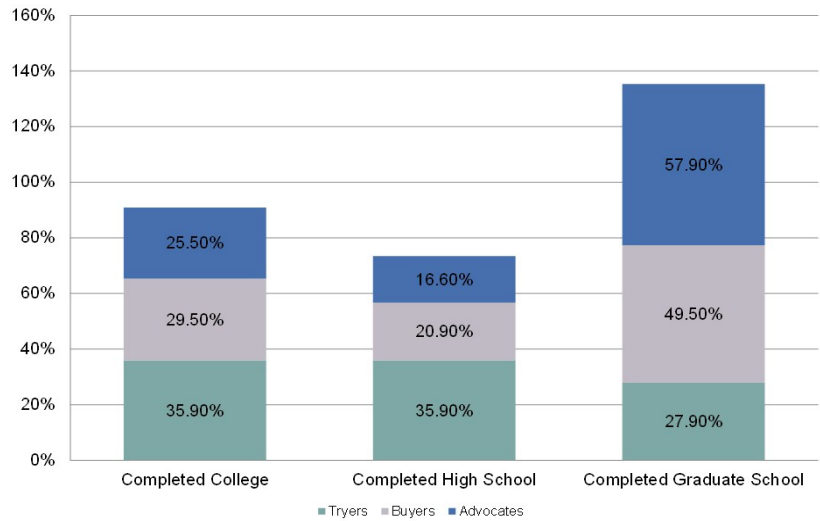
Changes in ALL Tryers				
		2009-13	2008-12	2007-11
	# of HHs	955,985	979,181	1,035,021
	% of Total HHs	97.50%	98%	97.70%
	% of Total Revenue	37.80%	33.70%	33.40%
Average Annual HH Spend	Donor	\$275	\$271	\$261
	Subscriber	\$127	\$129	\$132
	Member	\$41	\$38	\$36
	Single Ticket Buyer	\$39	\$37	\$38

Demographics

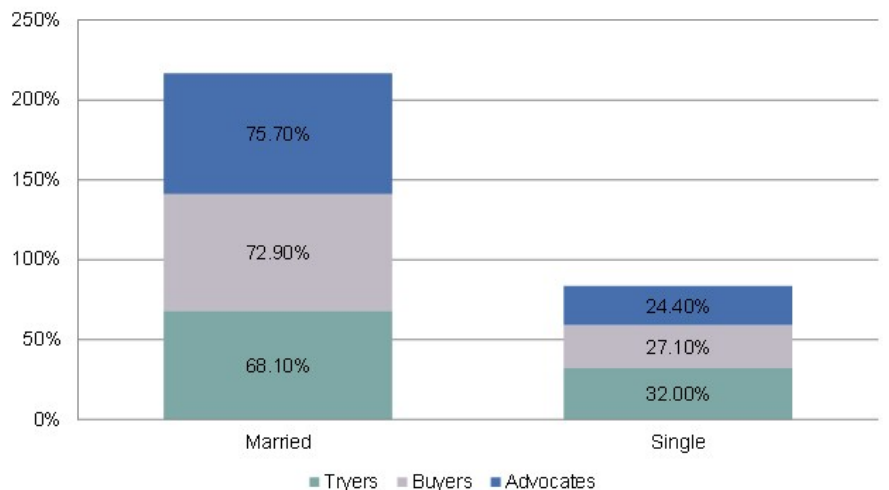
Age in Two Year Increments - % ABT Group



Education of Head of Household - % of ABT Group

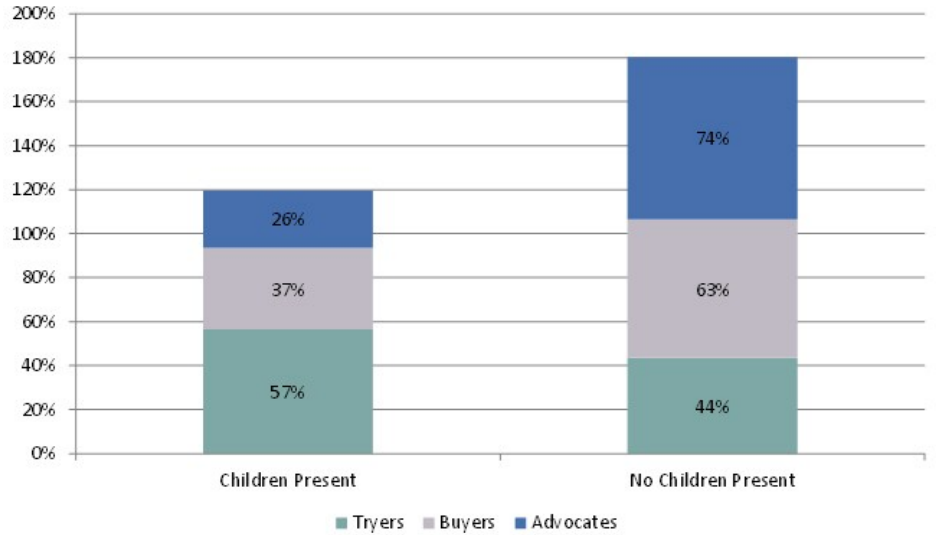


Marital Status - % of ABT Group

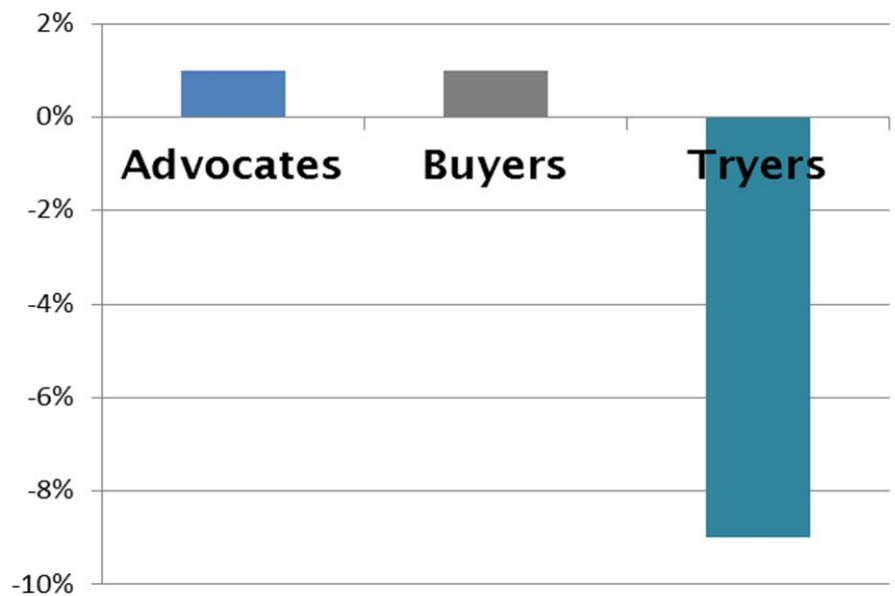


Demographics

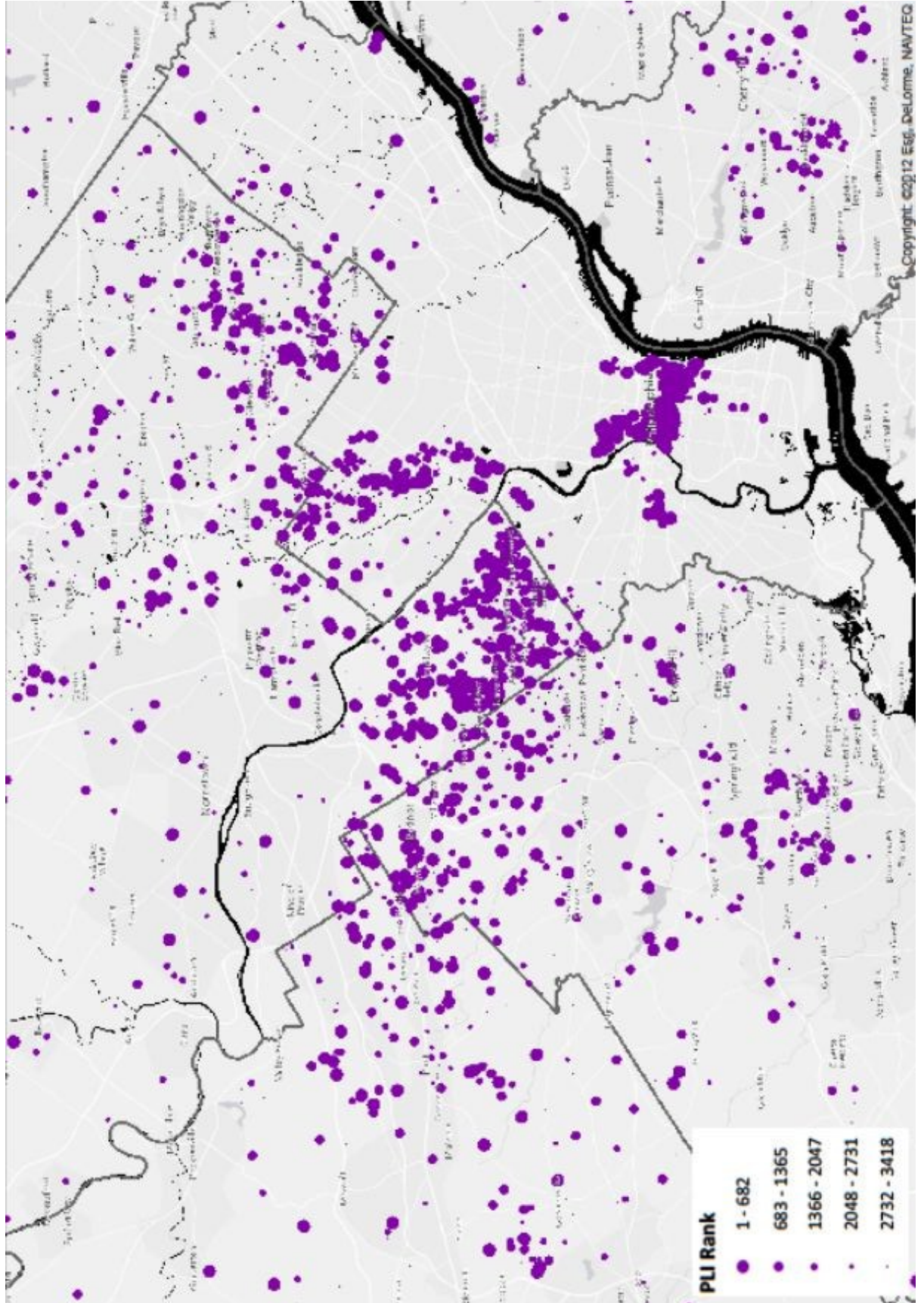
Presence of Children - % of ABT Group



Advocate, Buyer, Tryer Stability



Advocates by PLI Rank



Methodology



Philadelphia Museum of Art

TRG and Greater Philadelphia Cultural Alliance collaborated on this project to study patron loyalty patterns across the arts and culture community in the Philadelphia area. Once a study group of 17 organizations was selected by the Cultural Alliance, TRG began data collection and preparation. When data was collected from all 17 organizations, TRG processed and standardized the data for analysis, and then ran the entire data set through the National Change of Address registry.

After data was standardized, analysis was performed using TRG's proprietary Patron Loyalty Index scoring tool, or PLI. The PLI scores patrons using their purchase and donation histories (detailed in the data that was collected from each organization), through the framework of recency, frequency, monetary amount, and growth of investment over the study period. As a result, each database was sorted from most loyal and valuable patron to the least, and grouped into three definitive customer segments: Advocates, Buyers, and Tryers. Individual PLIs were developed for each of the 17 participating organizations, as well as three Community PLIs (one contemplating all data submitted by all 17 organizations, one contemplating only performing arts organizations, and one contemplating all admissions-based organizations). The findings from analysis, cross-tabulation, and observation of these indices by TRG, along with some additional segmentation and analysis where appropriate, led to the results of this project.



The Franklin Institute

Findings were delivered to multiple stakeholders from the project in a variety of forms. Each of the 17 individual participating organizations received a set of deliverables, including:

- A tabbed spreadsheet of every patron in the organization's database with PLI loyalty scores and segmentation
- Three-year trending analysis describing the changes in loyalty behavior over time
- A demographic summary of each PLI segment
- Purchase Timing Analysis, which described the relationship between last-minute ticket buying and loyalty
- Key Metrics, a TRG report that provides analysis on trends in buyer types, acquisition of new patrons, and patron attrition over the study period
- Cross-over analysis between each buyer group (donors, single ticket buyers and subscribers/members)
- A PowerPoint presentation containing a summary of TRG's insights and key findings



Philadelphia Zoo

- In addition, each organization received a one-hour consulting session with TRG to summarize key findings, ask questions, receive high-level recommendations resulting from the analysis, and discuss potential next steps resulting from the project.

The Greater Philadelphia Cultural Alliance received an expanded set of deliverables from the Community PLI analysis, including:

- Three Community PLI Analyses (Community, Performing Arts and Museums), as well as three-year trending analysis for each
- A summarized overview of the Individual and Community PLI findings
- Additional segmentation and description of community-wide loyalty behavior, including:
 - “Omnivores” – those patrons who consume the most arts and cultural product
 - “Apparent Non-Actives” – those patrons who appear not to be active from one organization’s purview, but who are active with other organizations in the broader community
 - “Risks and Opportunities” – those patrons who appear to be on the verge of “moving up” in their loyalty behavior, as well as those who appear to be at risk of downgrading their behavior
- A demographic summary of each Community PLI segment
- A “geo-coded” file of Advocates, Buyers and Tryers for each Community PLI for the Cultural Alliance to produce mapping products for the participating organizations
- A two-hour presentation of the community findings, prepared for the Cultural Alliance **and** stakeholders from the 17 participating organizations

For additional information on this and other research at the Alliance, please contact John McInerney at johnm@philaculture.org or Morgan Findley at morganf@philaculture.org



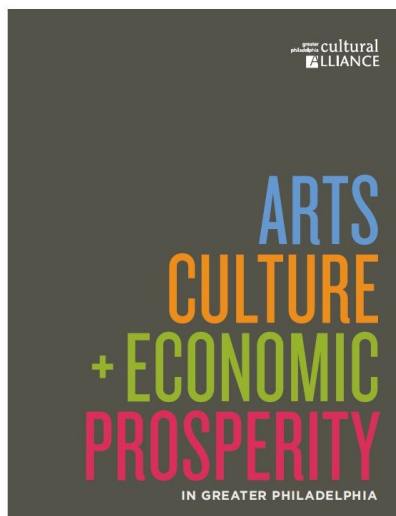
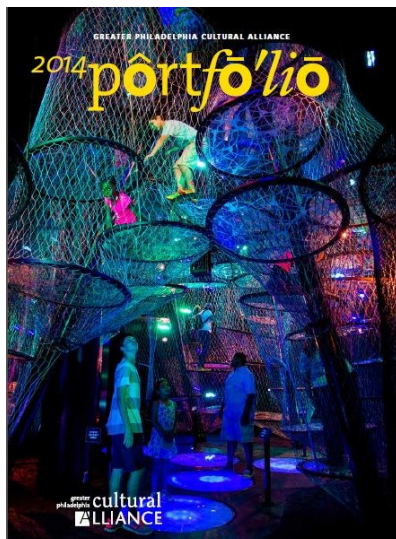
The Franklin Institute



About TRG Arts

TRG Arts is a consulting firm founded in 1995 with a focus on getting results for clients in the non-profit arts industry and works in the United States, Canada and Australia. Their clients include dance, opera and theatre companies, museums, performing arts centers, orchestras, festivals and commercial entertainment organizations.

TRG is based in Colorado Springs, Colorado with 35 team members, each skilled in providing guidance and solutions that are patron-based for sustainable loyalty of patrons and sustainable revenue from those patrons. TRG has worked with about 1,200 organizations in arts and entertainment over nearly two decades, in three countries, through its consulting practice, database and research work, and as the largest provider of community data networks in the US.



About the Greater Philadelphia Cultural Alliance

Established in 1972, the Greater Philadelphia Cultural Alliance is the region's leading arts and cultural advocacy, research, and marketing organization. Our mission is to "lead, strengthen, and give voice to a diverse cultural sector that is making Philadelphia a world-class region to live, work, and play." Our membership includes over 400 from museum and dance companies to community art centers, historic sites, music ensembles, and zoos. The Alliance produces and commissions research on the health and growth of the sector; directs grantmaking in partnership with the Pennsylvania Council of the Arts; provides robust professional development and membership services; markets the sector through our signature consumer marketing programs, Phillyfunguide and Funsavers; and provides leadership in policy and community engagement through our GroundSwell advocacy initiative and STAMP teen program. For more information on the Cultural Alliance, please visit www.philaculture.org.

Recent research by the Alliance is available at

www.philaculture.org/research

This report was made possible with support from the William Penn Foundation.

