

# FEEL THE BURN!

## Strengthening Your Core

*Laura Willumsen*

*Sr. Consultant, TRG Arts*



# PHILADELPHIA CO-OP

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# WHO IS YOUR CORE AUDIENCE?

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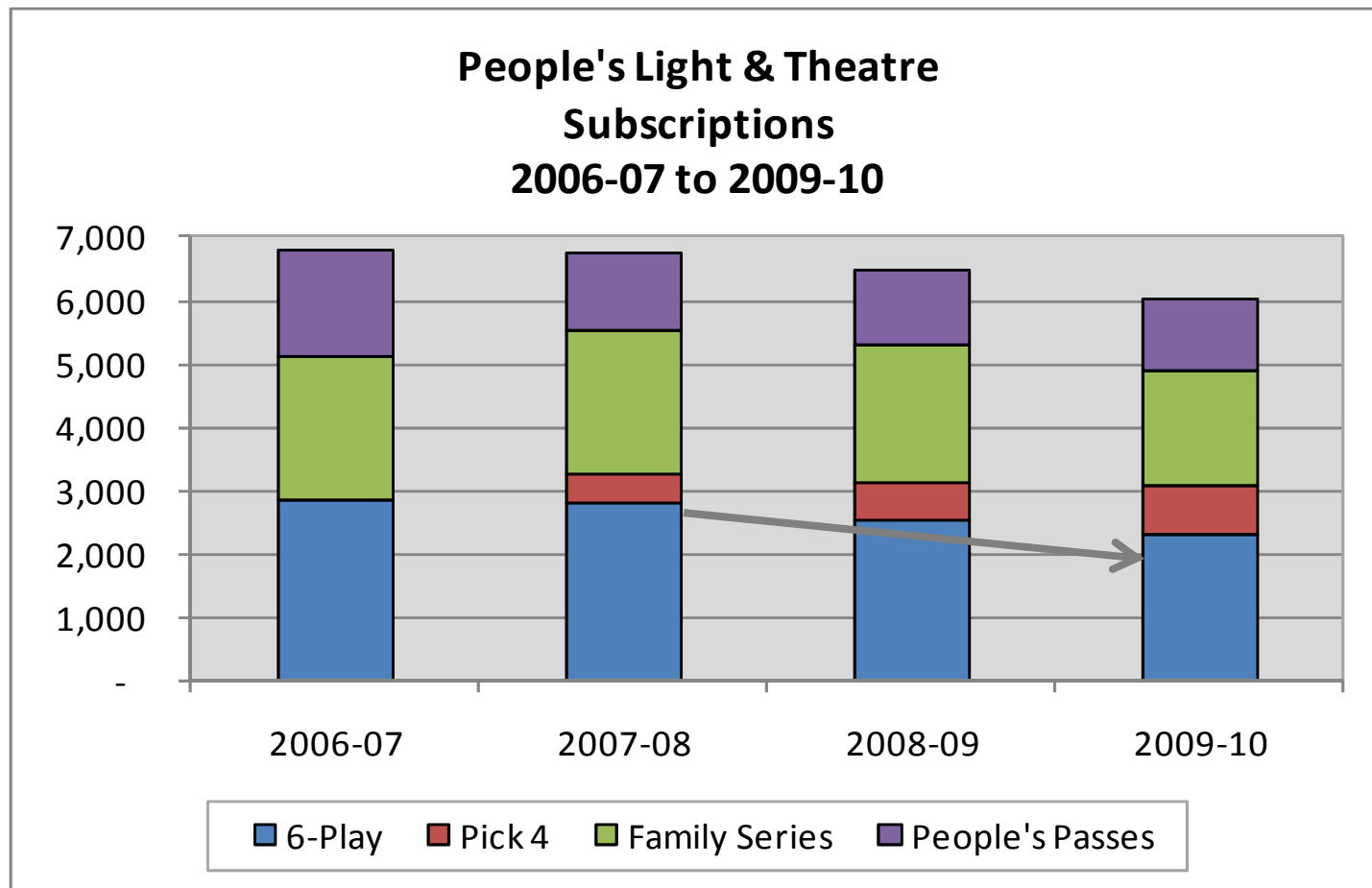
- Patrons with the highest loyalty
  - Large package subscribers
  - Patrons who renew at 85% or higher
  - The cost-of-sale to renew is 2-5%
- What do we do attract and keep them?
  - Thank or celebrate?
  - Best prices? Best seats?

*Let's look at the renewal process...*

# People's Light & Theatre

## *The Situation:*

6-play subscribers (the "core") declining



# Cannibalizing the Core

## HOW?

### Assumptions

- People want maximum choice.
- People want what they've already got.

### Actions

- We renew people into their current package
- We offer all prices and all packages at once.

### Results

- Patrons are overwhelmed
- Status quo is easiest option
- We miss the chance to make our performances a habit



Anything you want...we got it!

Description of Wide Inlay	*Price	*Price
	0.6mm	0.8mm
M01 Maple (horizontal grain) with Rosewood inlay design	5.34	7.48
M02 Bubinga (vertical grain) with inlay design in olive	7.17	10.04
M03 American Walnut (vertical grain) with Rose Wood inlay design	7.17	10.04
M04 Sapelli (vertical grain) with inlay design in Olive	7.17	10.04
M05 Maple (vertical grain) with inlay design in Rose Wood	7.17	10.04
M06 American Walnut forming ear with inlay design in Olive	8.26	11.56
M07 Maple forming ear with inlay design in American Walnut	8.26	11.56
M08 Bubinga forming ear with inlay design in Olive	8.26	11.56
M09 Mahogany forming ear with inlay design in American Walnut	8.26	11.56
M10 Mahogany (vertical grain) with inlay design in Bubinga	7.17	10.04
M11 Ukola (vertical grain) with inlay design in Olive	7.17	10.04
M12 Maple (vertical grain) with inlay design in Olive and Red Wood	4.33	6.06
M13 Sipo (vertical grain) with inlay design in Borwood and White	4.33	6.06
M14 American Walnut (horizontal grain) with red Wood and yellow inlay design	5.34	7.48
M15 Maple (horizontal grain) with inlay design in American Walnut	4.81	6.73
M16 American Walnut forming ear with inlay design in white	7.67	10.74
M17 American Walnut (vertical grain) with Rose Wood inlay design	8.18	11.45
M18 Cocque (vertical grain) with Rose Wood inlay design	8.18	11.45
M19 Maple (vertical grain) with muestra in Rose Wood	8.18	11.45
M20 Cherry (horizontal grain) with Red Wood inlay design	3.89	0.01
M21 Cherry (horizontal grain) with Red Wood inlay design	3.89	5.59
M22 Cherry (horizontal grain) with inlay design in American Walnut and black	4.81	6.73
M23 Cherry (horizontal grain) with inlay design in Walnut, American and Maple	4.81	6.73
M24 Bubinga (vertical grain) with inlay design in Maple and black	4.36	0.01
M25 American Walnut (horizontal grain) with inlay design in Borwood and black	4.36	0.01
M26 American Walnut (horizontal grain) with inlay design in Boj and Bubinga	4.36	0.01
M27 Maple (horizontal grain) with inlay design in Bubinga and black	4.36	0.01
M28 Bubinga (horizontal grain) with inlay design in Maple and American Nigol	5.73	8.03
M29 Red Wood (horizontal grain) with inlay design in American Walnut and black	5.73	8.03
M30 Maple (horizontal grain) with inlay design in American Walnut and black	5.73	8.03
M31 Amaranth (vertical grain) with inlay design in Borwood and American Walnut	7.56	10.59
M32 Red Wood Wood forming ear with inlay design in American Walnut	10.13	14.18
M33 Red Wood (horizontal grain) with inlay design in Boj and Sipo	9.73	8.03
M34 American Walnut (horizontal grain) and ozeno wood inlay	5.73	8.03
M35 Cherry Bubinga forming ear with inlay design in Borwood and American Walnut	9.20	12.87
M36 Red Wood the thread with inlay design in Maple	5.28	7.40
M37 Maple the thread with inlay design in Bubinga	5.28	7.40
M38 Bubinga the thread with inlay design in Maple	5.28	7.40
M39 American Walnut the thread with inlay design in Borwood	5.28	7.40
M40 Wood Santo from India (vertical grain) with inlay design in Borwood	7.11	9.66
M41 Mongol forming ear with inlay design in Borwood	8.62	13.47
M42 Elmoc (vertical grain) with inlay design in Maple and Malak	10.04	14.05
M43 Cocque (vertical grain) with inlay design in Maple and Malak	10.04	14.05
M44 American Walnut	5.65	7.91
M45 Pine (horizontal grain) with Wood borders Santo of India	6.55	9.17
M46 Bubinga forming four waters and borders of Borwood	6.90	9.65
M47 (vertical grain) Bubinga forming ear and borders of Cherry (vertical grain)	6.90	9.65
M48 Maple forming vertical blocks and cherry	6.21	8.70
M49 (vertical grain) Mahogany to 45° and borders of Borwood	6.28	8.79
M50 (vertical grain) Mahogany to 45° and border of Bubinga to	5.35	7.49
M51 (vertical grain) Maple to 45° and Red Wood borders to	6.28	8.79
M52 (vertical grain) Red Wood Wood forming ear and Red Wood borders	6.90	9.65
M53 (vertical grain) Cocque (vertical grain) and Red Wood borders	6.74	9.44
M54 Sapelli to 45° and borders of Cherry	6.28	8.79
M55 (vertical grain) Cocque (vertical grain) and border of Cherry	4.58	6.42
M56 (vertical grain) Maple to 45° and border of vertical	5.35	7.49
M57 (vertical grain) Mahogany (vertical grain) and border of Maple	6.86	9.60
M58 Mongol forming vertical blocks and border of Mongol	6.86	9.60
M59 (vertical grain) Maple (vertical grain) and borders of Mongol	6.86	9.60
M60 Mongol forming hemizone design and border of Mahogany to Cadba	6.97	9.76
M61 (vertical grain) Cherry (horizontal grain) with inlay design in Amaranth,	4.61	6.46
M62 Maple, Cherry, Wengé, American Walnut, Teka, Bubinga,	8.01	11.22
M63 Amaranth, Red Wood, Wengé, American Walnut, Teka, Bubinga,	8.01	11.22
M64 Mongol forming hemizone design and borders of Emboro (vertical grain)	7.08	9.92

\* Price based on minimum quantities of 100 units per model

Thickness: as specified, length: 1 meter

# People's Light & Theatre

## *The Campaign*

- All packages (full, mini, flex) offered at once
- Subscribers renewed into their current package
  - People's Pass renewed into People's Pass
- Each package launched separately; different deadline
- Two mailings for each renewing package

<b>2009-10 Renewal Campaign</b>		
<b><i>Date</i></b>	<b><i>Mailing</i></b>	<b><i>Subscriber Group</i></b>
31-Mar	#1	6-Play Series
13-Apr	#1	Family Series
22-Apr	#1	Pick Four Series
8-Apr	#1	People's Passes
15-May	#2	Unrenewed Family Series
15-May	#2	Unrenewed 6-Play, Pick 4 & People's Passes
20-Jun	n/a	Telemarketing to renewals begins

# People's Light & Theatre

## *Related Issues*

### ➤ Complex pricing for 6-play subs

- 10 prices with single tickets prices \$29 - \$48
- Not priced for consistent value message:  
“6 for the price of 5!”

### ➤ Box office: We're manipulating patrons!

- “If they had a Pick 4, that's what they want!”

### ➤ Telemarketing compensation

- Caller pay based on value of order vs. type of subscription
- Highest average order size = People's Passes
  - Package with lowest renewal rates
- People's Passes sold multiple Holiday single tickets at discount
  - \$7/ticket net income on \$41 ticket!



# People's Light & Theatre

## *2010-11 Renewal Campaign: New approach*

- All campaigns launched together with same renewal deadline
  - Deadline repeated on ALL renewal materials

<b>Drop Date</b>	<b>Media</b>	<b>2010-11 Renewal Activity</b>
26-Feb	1st Class	Renewal Mail #1 - 1st packet
3-Mar	<b>Event</b>	<b>Onsite renewals at KING LEAR</b>
15-Mar	1st Class	Renewal Mail #2: reminder postcard #1
26-Mar	1st Class	Renewal #3 - 2nd packet
6-Apr	1st Class	Renewal #4 - reminder postcard #2 - FINAL
20-Apr	Phone	Renewal auto call #1: renewal deadline (Protus)
22-Apr	Phone	Renewal reminder call from box office for non-reached subs
<b>23-Apr</b>	<b>Deadline</b>	<b>RENEWAL DEADLINE</b>
28-Apr	1st Class	Renewal Mail #5: Deadline Extension Postcard #3
28-Apr	Phone	TM begins calling fixed seat unrenewed subs
1-May	Phone	TM begins calling unrenewed Family, -pack, People's Pass
<b>7-May</b>	<b>Deadline</b>	<b>RENEWAL EXTENDED DEADLINE</b>

# People's Light & Theatre


## *2010-11 Renewal Strategies*

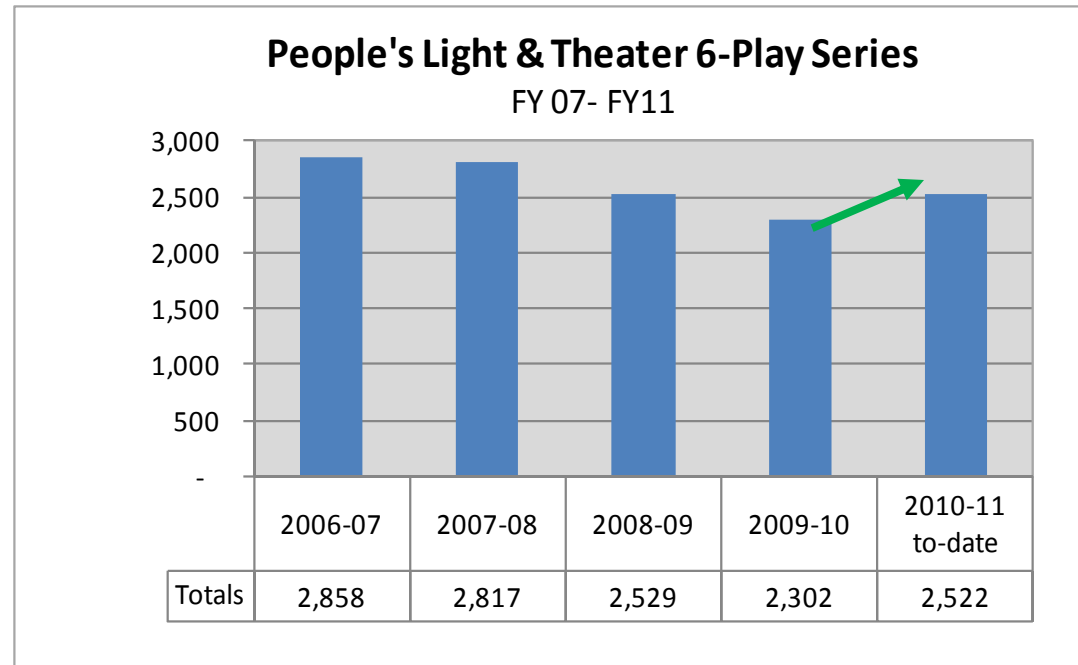
- All subscribers renewed into 6-play series
  - 6-play, Pick 4, People's Passes
- Multiple renewal mailings & other contacts
  - Longer campaign
  - Can make the case for best-value package (educate)
  - Offerings can change over time
- Special language, special invoices; communications evolve

“As a valued subscriber, I'd like to offer you a special invitation to upgrade to a full 6-Play subscription in 2010/2011. This is our premiere series and the best value, where you'll see **6 plays for the price of five** – it's like seeing the *Panto* for free! You'll also enjoy these other great subscriber-only benefits...”
- Training for people answering the phones

# People's Light & Theatre

## 2010-11 Results to-date

- 6-play packages  337
  - 52% of renewals
  - 42% in last 2 years
- 333 total upgrades
  - 301 to 6-play
  - 7% of all subscribers upgraded
- Only 41 downgrades



# Strengthening Your Core:

## *5 Keys to Success*

1. Start with your best package and sell!
  - The more they come, the more they'll come
2. Make it easy to upgrade
  - Simplify – less IS more!
  - Assume they want your best!
3. Multiple communications: every 8 - 10 days
  - People haven't said "no," they just haven't gotten around to it!
  - Onsite renewals: let them eat cake!
4. Tailor your communications – it's worth the extra effort.
5. Don't be afraid - no pain, no gain!



# Questions & Answers