

# SIZE MATTERS!

## Using Response Trends to Refine Your Campaign

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## PHILADELPHIA CO-OP

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# Today's Takeaways

- Love your database – it's your little black book!
- Even one simple change to your campaign can make a big difference in revenue, so start today!
- You can often fund new these costs from money currently invested in marketing that isn't working.

# Campaign Planning with Response Tracking

*How You Know What You Know!*

## You've got the campaign plan, so now what?

- Who should you contact?
- How often should you contact?
- What's the offer?

## Check out your Response Rates

- Track response
- Use response rates to evaluate & tailor your plan
- Increase response

# To Mail or Not to Mail: *That is the question!*



## Assumption

- Direct mail is dead

## Facts from the Direct Marketing Assn (DMA)

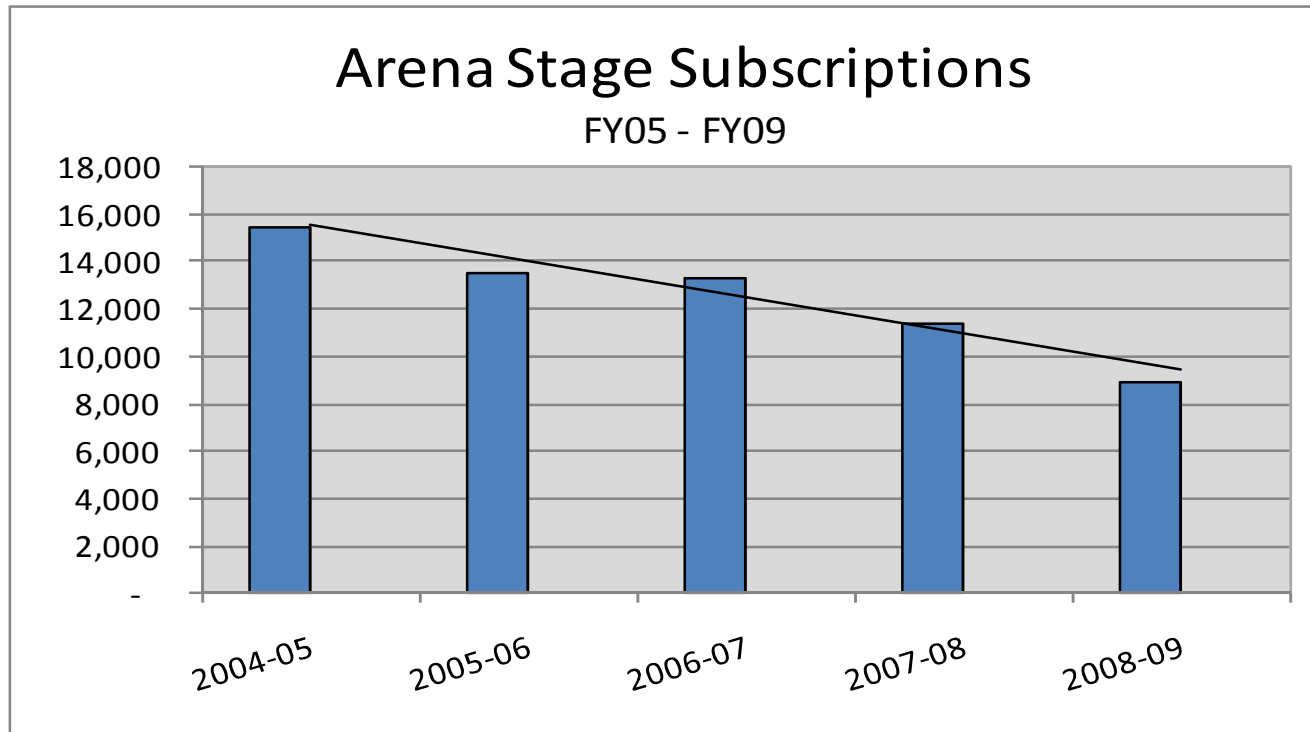
- Mail drove \$446B in sales in 2009 vs. \$26B from email
- 46% of all adults responded to mail in 2007 (47% in 2003)
- 85% of women age 25-44 read direct mail
- 33% of people who respond to mail do it online

## Conclusions

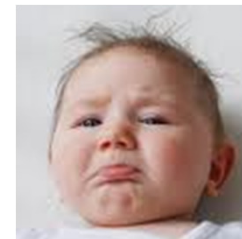
- Mail isn't dead, but using it poorly is: spray and pray not allowed!
- Getting the right offer to the right person at the right time is more critical than ever

# Arena Stage

## *Case Study: 0910 Subscription Campaign*

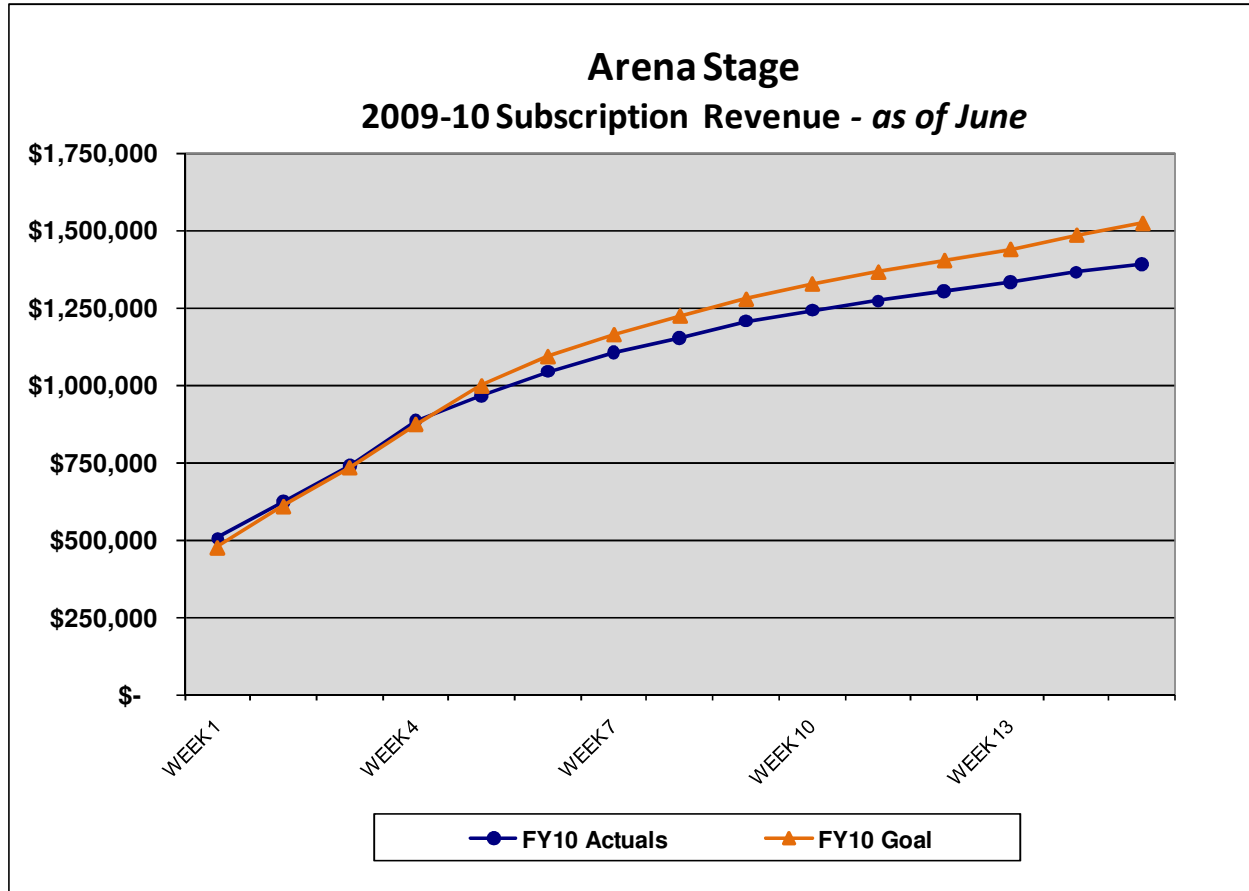


- Subscriptions declining for 5 years
- Organizational belief that subscriptions were dead
- Major focus on NEW people



# Arena Stage

*09-10 Subscription Campaign as of June 09*



**\$60-80K subscription shortfall projected**

# Arena Stage *Acquisition Campaign*

**Before TRG** →

**Current plan** ↓

<b>2009-10 ACQUISITION TIMELINE</b>	
15-Apr	Acquisition Brochure Mailing #1
13-May	Prospect PURL mailed
15-Jun	Acquisition Brochure #2 mailing
1-Jul	Acquisition Brochure Mailing #3

Drop Date	Email/Mail	Project
1-Mar	BULK	ACQ #1 to priority list
15-Apr	BULK	ACQ #2 - not brochure Deeper in house list + priority
21-May	BULK	ACQ #3 - brochure
6-Jul	BULK	ACQ #4: 7s, 4s, 3s (last chance for best seats before ST on sale)
26-Jul	EMAIL	ACQ #5 (B prices, online only)
1-Sep	BULK	ACQ #5: Last chance for best seats before Mead opens
Sept	Event	Event for lapsed subscribers
Sept	EMAIL	ACQ #6: B level subs for weekdays (save 25-33%)
1-Oct	BULK	ACQ #7: B level subs for weekdays (save 25-33%)
tbd	BULK	ACQ #8: "Frankly I'm puzzled" letter to unrenewed 0910 subs
tbd	BULK	ACQ #9: 60th Anniversary offer: buy Oklahoma, get 2 more plays for \$60!
15-Nov	BULK	ACQ #10: Holiday Offer with special price: 3 for \$99

# Don't brand, sell!

## 0910 Subscription Brochure

- Branding competes with sales
  - Use retail approach
  - Simplify the message
  - Focus on big packages 1<sup>st</sup>
  - Use value message
  - Use deadlines & prominent calls to action

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Part Two: 2009/10  
Don't miss the final part of **arena restaged**  
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Arena Stage Where American Theater Lives  
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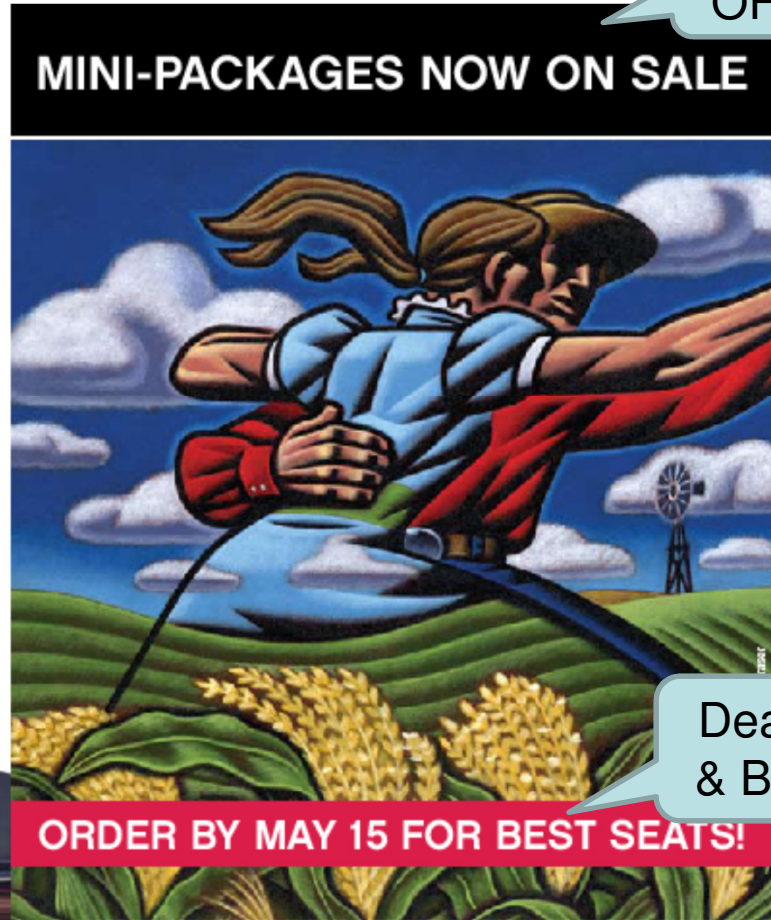
# Cover – one of the 10-11 Subscription Brochures

THE OFFER



Arena Stage at the Mead  
Center for American Theater  
1101 Sixth Street, SW  
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— *The Washington Post*



# Arena Stage

## *09-10 Direct Marketing Plan*

### ➤ Multiple communications with best prospects

- Original Plan: 4 acquisition mailings
- New Plan: 8 Acquisition efforts
  - Each different and to targeted mail list
  - Some offers email only
- Plan for 10-11: 10 Acquisition efforts planned so far!



### ➤ Used response reports to locate best prospects

- *Response*: measures one effort only, like a mailing
- *Conversion*: measures all efforts against entire database
- Both show detailed response info by segment



# Arena Stage

## *Deciphering the Conversion Report*

- **Overall Acquisition Response Rate: 1%**
  - Very good for 160K HH
  - Only 4% of subscription buyers were not in the database
  
- **Lapsed Subs**: 34% response rate
  - Average order size of \$ 467
  
- **Single Ticket Buyers**: .91% response rate
  - Average order size of \$ 342
  
- **Multi-buyer HH**: 95% of responding HH (vs. 5% for Unique HH)
  
- **Trades**: extremely low response rate (.05%)

# Conversion Reports:

*Your audience is talking...are you listening?*

## ➤ **Response rate/responders**

- Look for high rates / numbers
- Who isn't responding?



## ➤ **80/20 rule**

- 80% of your response should come from 20% of your customers
- If you're getting less, these top segments have more potential

## ➤ **Response Index**

- 1 is average; everything above 1 is above average response

## ➤ **Multi-buyers vs. unique buyers**

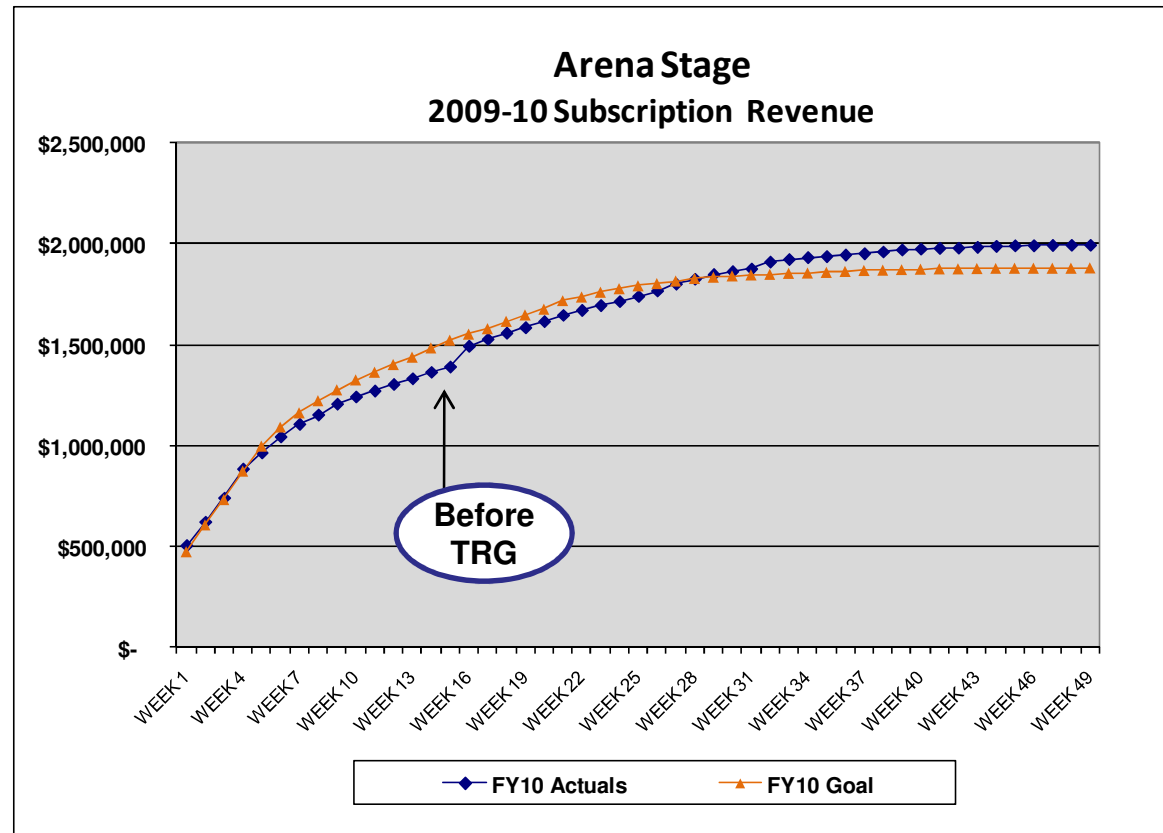
- Cost-of-sale may be too high to mail everyone
- Use as a way to trim your list (great for picking trades, too!)

## ➤ **Cost-per-piece analysis**

- Get this as low as possible to grow net revenue
- The lower the cost, the more you can mail

# Arena Stage

## 2009-10 Final Subscription Results



➤ \$60-80K loss projected in June

➤ Arena exceeded goal by \$115K

# Is there an Easy Button here?

## *TRG Tools*

### ➤ TRG Response Reports

*Cost:* \$750 ea / \$500 for 2 or more

### ➤ TRG Best Practice List

You send TRG:

- Your creative / offer description
- Quantity to mail

TRG chooses best prospects  
(including trades)

Requirements: all data in eMerge

Cost: \$500 per list / \$1,000 bundled  
with response report



# Best Practice List Case Study

## *Mercury Baroque*

### ➤ Situation

- *Goal:* 100 new subscriptions for their three-concert series.
- *Already done:* they'd mailed their house lists.
- *Challenge:* They didn't know who to mail or how to pick trades; this mailing was a big part of the effort.

### ➤ Solution

- *The List:* TRG created a mail list of 12,000 heavily filtered trades.
- *Results:* Through this mailing, an ad, and in-person efforts, they got **270 NEW subscribers!**

# Best Practice List Case Study: *Central City Opera*

## ➤ Situation

- *Goal:* increase their single ticket sales
- *Already done:* they'd mailed their house list many times
- *Challenge:* they needed to pick effective trades

## ➤ Solution

- *The List:* TRG created a mail list of 25,000 best trades
- *Results:* The mailing had a response rate of **2.71%** = **\$178,000**  
**in revenue**

# Size Matters: *Keys to Success*

1. Best prospects for subscriptions are patrons who have already been in your hall
2. Recency and frequency are key
3. Keep going after the best prospects
4. Use response reports to locate most cost-effective segments
5. Test, test, test, and use response reports to find out what works!

# Today's Takeaways

- Start today! Even one change to your campaign can make a big difference.
- There are many possible things to try, some complex, some easy tweaks.
- You can often fund new these costs from money currently invested in marketing that isn't working.

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# Questions & Answers

