

Presented by



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2019 NAMT Fall Conference

- Introduction to TRG
- Why Loyalty Matters
- Topline Trends Generational Arts Participation
- Strategic and Tactical Audience Growth Approaches by Generation
- Discussion & Questions



Data-Driven CONSULTING



Colorado-based with a UK office

40 team members

22 years, four countries

US, Canada, Australia, United Kingdom

More than 1,000 arts/cultural clients

Scalable products for sustainable patron growth and revenues.



Who We Are







The Loyalty Effect

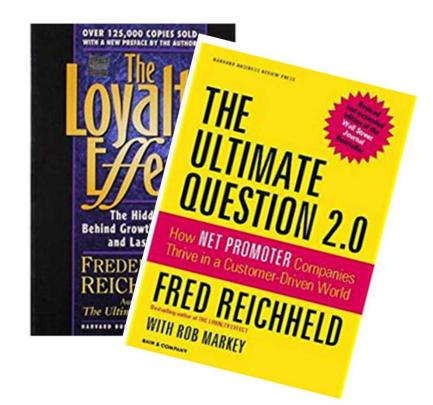
The math, the impact.

The math in patron loyalty is the most important part of the resilience story.

As the proportion of loyal patrons grows in an organization's database, the relative cost of managing the relationships in the database *declines*.

Reichheld's iconic *The Loyalty Effect* details the impact of consumer loyalty on businesses.

He was the designer of the Net Promoter Score.





Why Loyalty Matters

Net Revenue – Theatre Case Study

	Single Ticket Buyers	New Subscribers	Renewing Subscribers	Renewing Subscriber- Donors
Per Patron Yield	\$53.84	\$156.05	\$341.51	\$550.42
Cost-of-Sale	20%	25%	3%	3%
Renewal Rate	23%	46%	69%	88%



How Does Life Stage Affect
Audience Development?
15 Million Patron Records
110 Performing Arts Organizations
Over 7 Years: 2011-2017







Millennials are Not the Answer to Your Audience Growth Problem



Generation Overview

Silent - 30M

Boomers - 74M

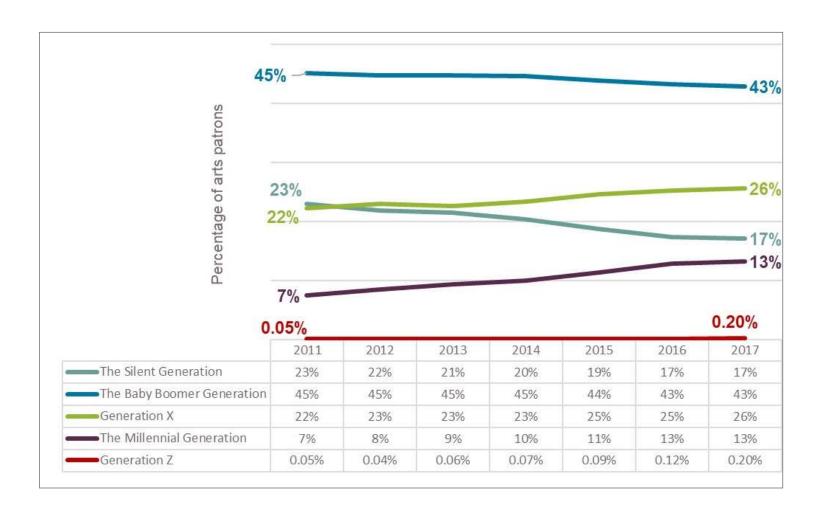
Gen X - 49M

Millennials - 83M

Gen Z - 86M

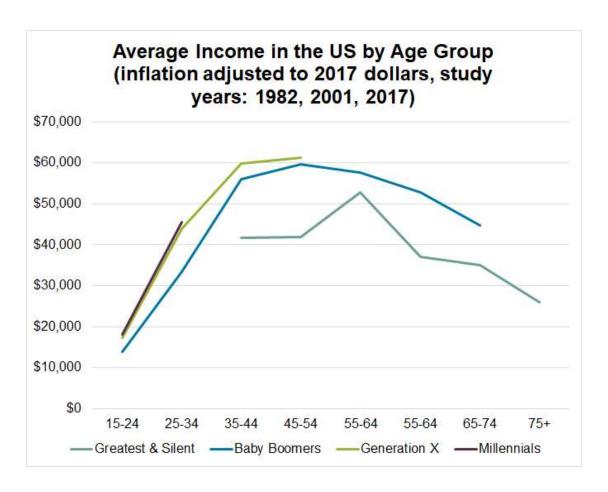


Percentage of Arts Patrons by Generation



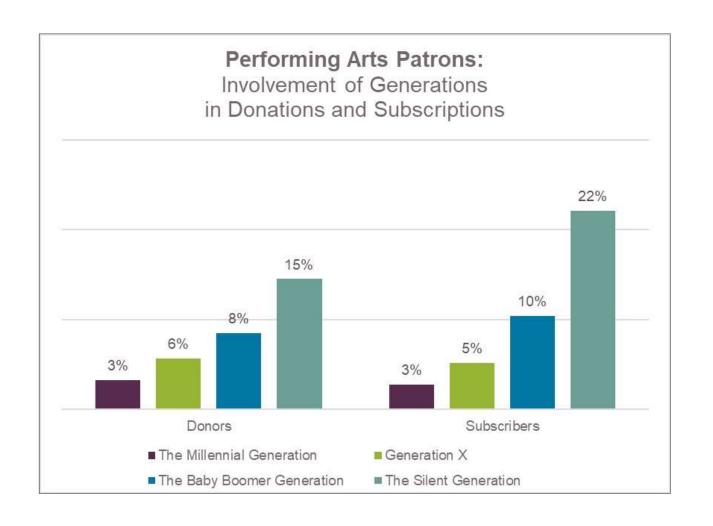


Average Income





Who's Buying and Who's Giving?

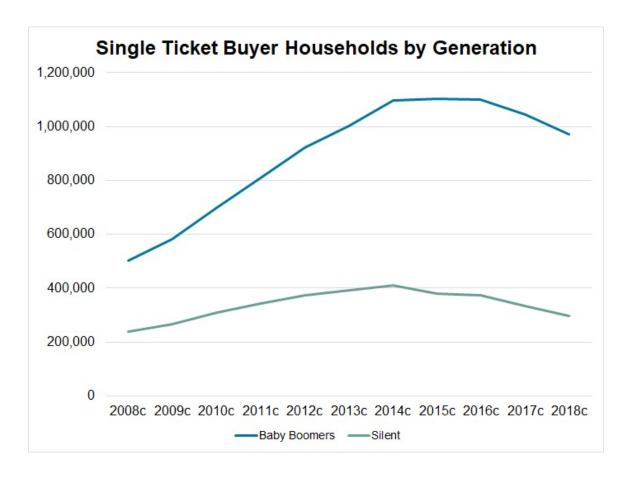




Every Generation Is Your... Problem & Answer

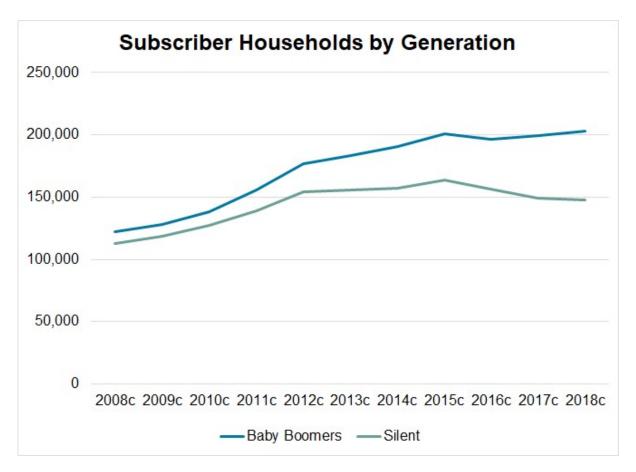


Silent & Boomers



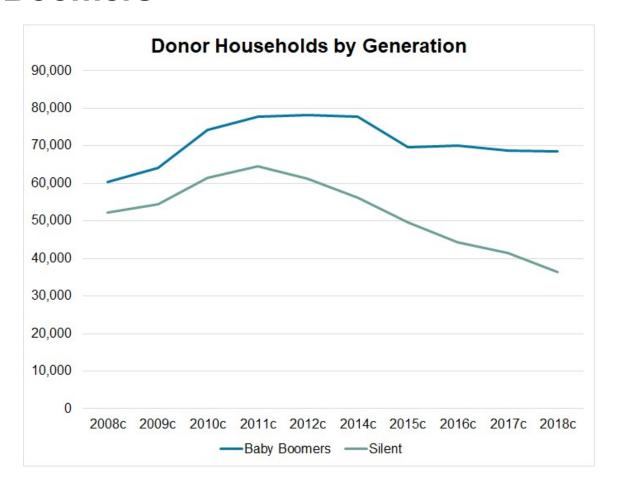


Silent & Boomers





Silent & Boomers



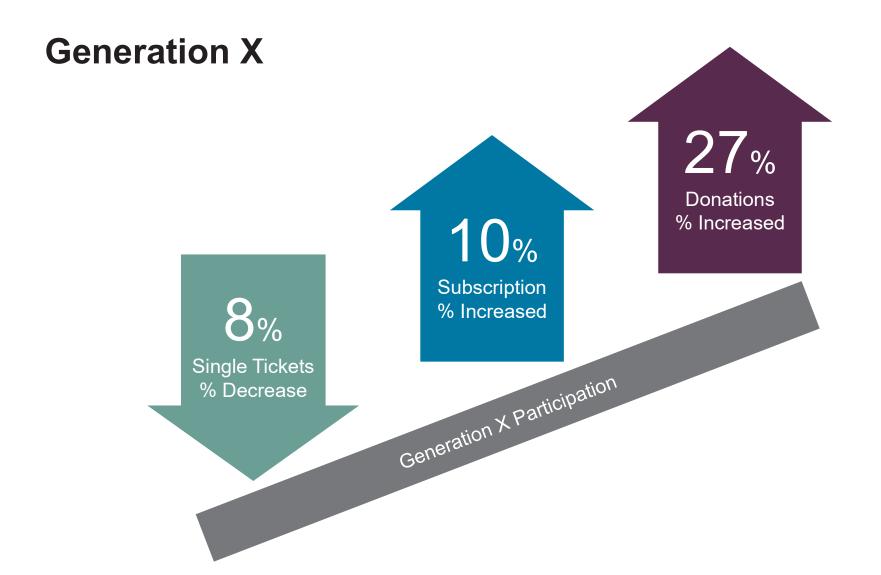




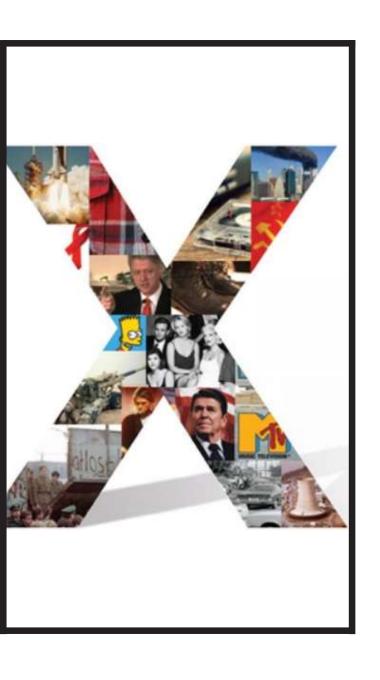
Silent & Boomers Story

- 1) A majority of arts and cultural patronage is still comprised of Silent and Boomers.
- 1) Loyalty is not deepening, but needs to be maintained.
- 2) Estate and legacy planning, with philanthropic support narrowed to those institutions that are most closely aligned with passions and interest (which were cultivated a long time ago).







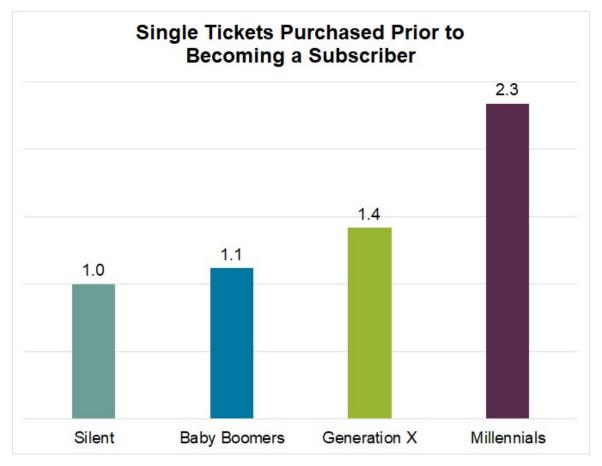


Generation X Story

- 1) In the prime of career building, earnings are higher for Gen X than other generations at the same age.
- 2) Disposable incomes are reaching their highest levels.
- 3) The audience you need to be cultivating immediately.

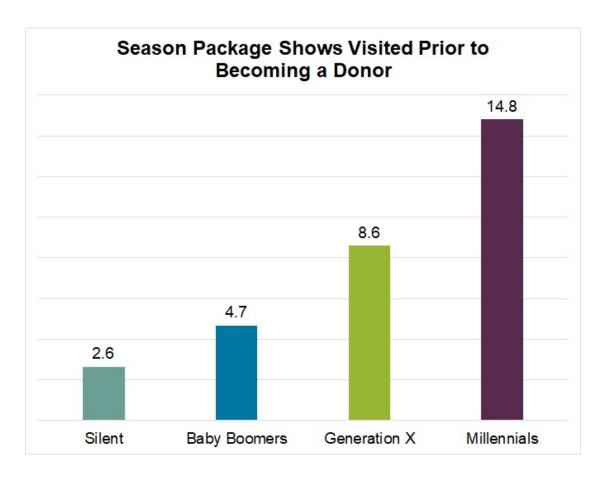


Millennials





Millennials





Millennials

Millennials

2 times

longer to subscribe...

3 times

longer to donate than Boomers

Millennials

 $1_{\mathsf{in}}4$

will return in the next 5 years.

42 %

will not repeat.

	Millennials	N. American Average
New Attrition	74%	71%
Overall Attrition	42%	26%





Millennial Story

- 1) Millennial attendance is growing as they age into arts buying.
- 2) Millennials are generous and socially conscious, but those habits have not been developed in the arts and culture sector.
- 3) Millennials do not exhibit greater loyalty to arts and culture than other generations. They have not yet decided to "go steady" with the arts.





From Theory to Practice

Client Working Examples



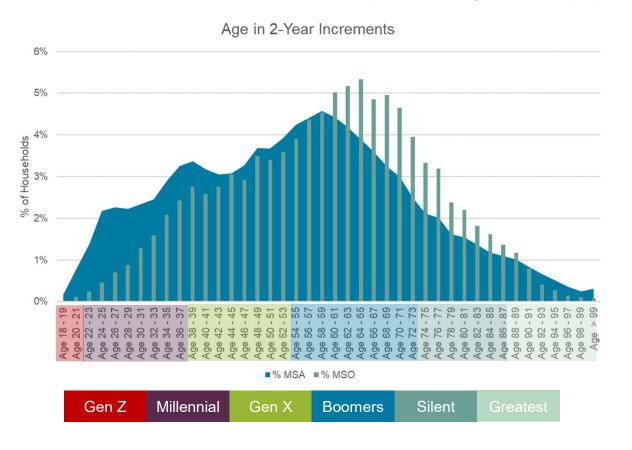
BENCHMARK





Symphony Case Study - Audiences by Generation

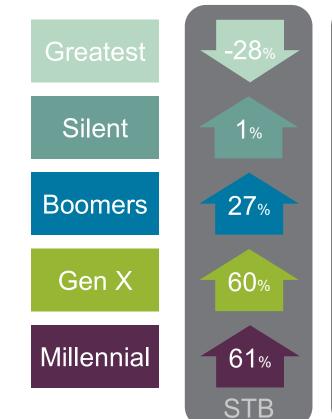
Biggest delta in "first wave" Millennials compared to general population





Symphony Case Study - Audiences by Generation

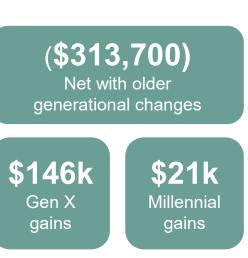
Change from 2014-2018













1% increase in Generation X...

\$10,624 in additional revenue

3 Gen Xers to 1 Boomer

1% increase in Millennials...

\$5,154 in additional revenue

6 Millennials to 1 Boomer; 2 Millennials to 1 Gen Xer



UNDERSTAND



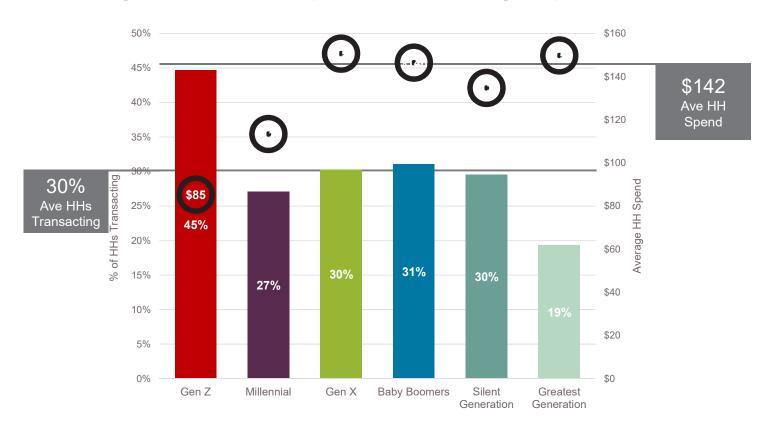


What are the revenue pressures you face given your audience's changing loyalty, define the pain points?



Performing Arts Case Study - Single Ticket Transactions

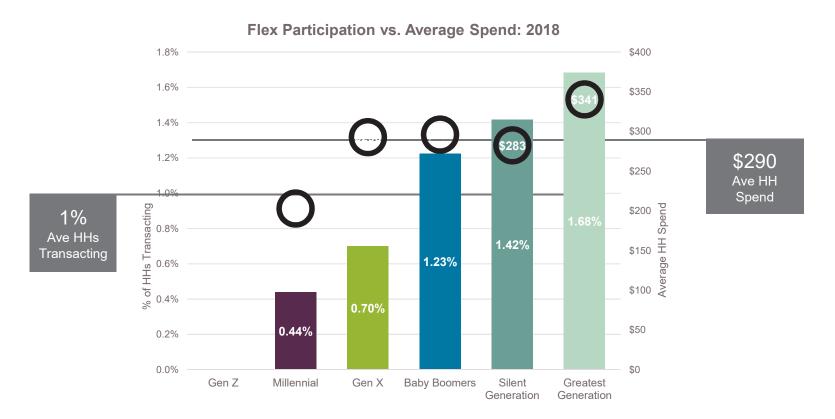
Single Ticket Participation vs. Average Spend: 2018





Performing Arts Case Study - Flex Transactions

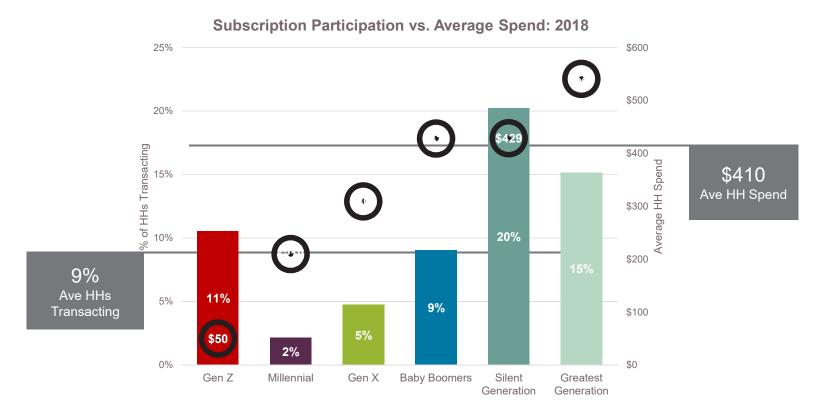
What packaging choices are driving this generational affinity for CYO/Flex?





Performing Arts Case Study - Subscription Transactions

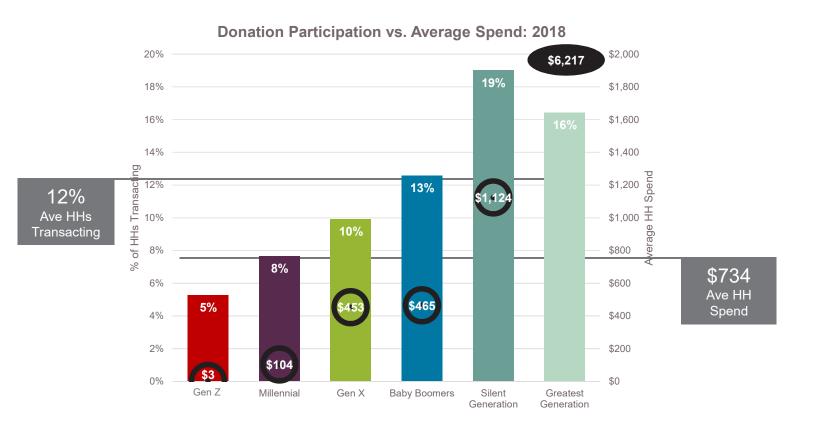
Opportunity to grow participation with Boomers and Gen X





Performing Arts Case Study - Donor Transactions

Participation rates reflective of life stage; spends lagging in Boomers





FORECAST EXECUTE MEASURE REPEAT





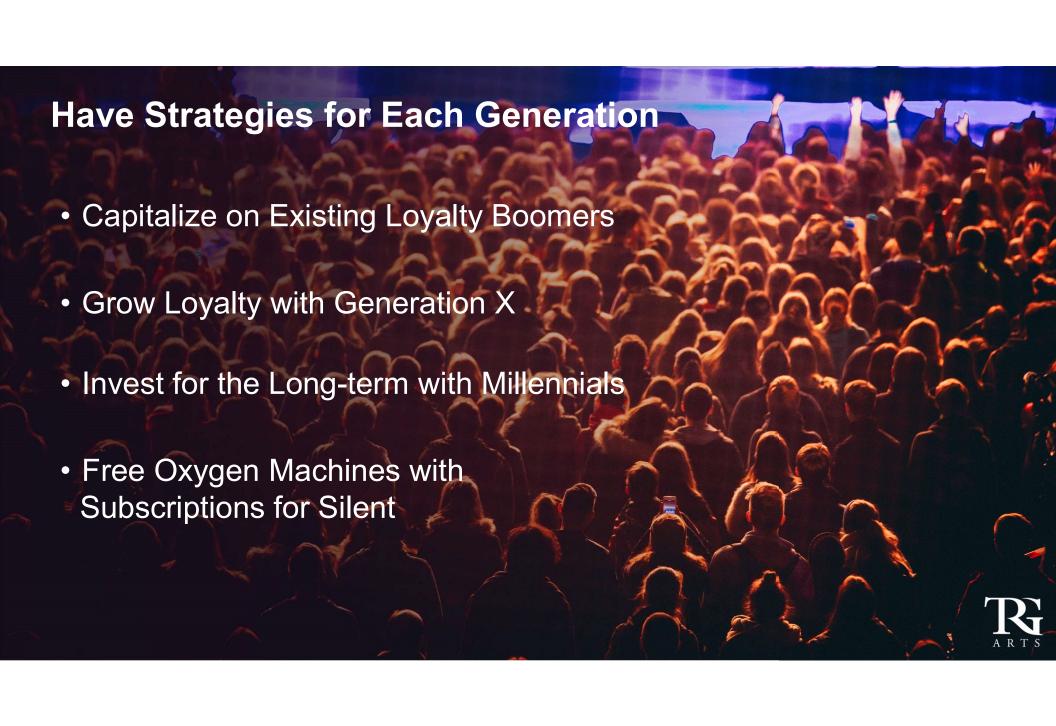
Marry life stage with loyalty

Which behaviors are right for me, based on my current stage?

Continually turn to data

Make plans for patron engagement based on actual engagement





Life Stages & Archetypes







67%

Prefer to purchase at their local retailer rather than online.

82%

Are on social media.

Surprise

Stat



1) Approach

- Formal, respectful.
- 1:1, face-to-face, voice-to-voice.

2) Engage

- Recognize and celebrate milestones, show you know them, use tokens.
- Want to feel that you are working for the sale.

3) Communicate

- Traditional methods and channels.
- Present options.
- Map out all the steps.

Silent & Boomers Tactics



Email

News & Weather

Banking

Top 3 internet activities.

Candor

This generation needs no help with Candor – they're allergic to sugarcoating.

Generation X Surprise Stats



1) Approach

- Direct and to the point, no surprises.
- Be a helpful resource.

2) Engage

- Be authentic, build trust.
- Layout all the options.

3) Communicate

- Peer referrals are golden.
- Taking action. Should be easy and quick.
- Cut out the sales hype.

Generation X Tactics



Nearly 50%

Ignore digital ads.

0 Only 15%

Ignore direct mail.

Millennials

Surprise

Stats



1) Approach

- Informal, friendly and fun.
- Help guide them through the process.

2) Engage

- Describe how they can make it special for them.
- Let them know how their participation is making impact.

3) Communicate

- Immediacy Taking action should be fast with a way to share what they have done.
- Special offers, perks, instant bonuses.
- Some traditional channels are "quirky and unique".

Millennials Tactics



Retain, Deepen Loyalty and Understand the Realities









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