AUDIENCE DEVELOPMENT: THE LONG HAUL MODEL

A New Paradigm that Solves the Problems of Audience Attrition, Churn, and Aging
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<th>California Symphony</th>
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OVERVIEW

What Most Organizations are Doing & Why

How to Overcome Barriers to Change

Operational Implementation
THE ORCHESTRA PATRON JOURNEY

Typical Performing Arts Org

California Symphony

Major Donor
Renewing Donor

Season Ticket Holder, Renewing Subscriber

Telefunding!
Direct Mail Appeal!
Subscription Brochures!
Single Ticket Offers!

First-time Attendee
Multi/Repeat Buyer

MARKETING

Major Donor
Renewing Donor
New Donor
Renewing Subscriber
Season Ticket Holder
Multi-Buyer
First-time Attendee

DEVELOPMENT
WHY: REVENUE

Current Model

Major Donor
Renewing Donor
Season Ticket Holder, Renewing Subscriber
First-time Attendee, Multi/Repeat-Buyer

Development
Marketing

5% total income growth (national average)

New Model

Major Donor
Renewing Donor
New Donor
Renewing Subscriber
Season Ticket Holder
Multi/Repeat-Buyer
First-time Attendee

39% total income growth (California Symphony)
## WHY: METRICS

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<th>New Model</th>
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<td>• # of phone calls made</td>
<td>• # first timers who come back</td>
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<td>• orgs to list trade with</td>
<td>• new subscriber renewal rate</td>
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<td>• size of email list</td>
<td>• lifetime value of the patron</td>
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WHY: SHORT TERM EMPHASIS

Current Model

If we have to start over and acquire new customers again and again, that's ok.

New Model

We employed a calculated strategy to grow our forces over the long haul in order to execute the mission.
WHY: NO CULTURE FOR FAILURE / LEAN BUDGETS

Current Model

mailing to 30,000 people - costs $$$

New Model

mailing to 10,000 people - costs $ and generates the same or more revenue
WHY: DON'T KNOW HOW TO DO IT DIFFERENTLY

Current Model

- Major Donor
- Renewing Donor
- Season Ticket Holder, Renewing Subscriber
- First-time Attendee, Multi/Repeat-Buyer

DEVELOPMENT MARKETING

New Model

- Major Donor
- Renewing Donor
- New Donor
- Renewing Subscriber
- Season Ticket Holder
- Multi/Repeat-Buyer
- First-time Attendee

MARKETING & DEVELOPMENT WORK AS ONE CUSTOMER-FOCUSED ENGINE

@AUBREYBERGAUER
PART 2

What Most Orchestras are Doing & Why

How to Overcome Barriers to Change

Operational Implementation
"The obsession with, and American addiction to, short-term gain—at the expense of long-term good—is the most obvious example of a larger phenomenon: leaders who make the trivial into the important and the important into the trivial."

—DARREN WALKER, PRESIDENT, FORD FOUNDATION

I. The Board
HOW: 3 AREAS FOR MIND SHIFT

“I don’t think I’ve ever worked with a nonprofit that had a single conversation that involved the words ‘company culture’ and defining that.”

—ASHLEY DUNN GATTERDAM, VICE PRESIDENT CLIENT STRATEGY, CAPACITY INTERACTIVE

1. The Board
2. Going against “conventional wisdom”
HOW: 3 AREAS FOR MIND SHIFT

“Human behavior is incredibly pliable, plastic.”

—PHILIP ZIMBARDO, PSYCHOLOGIST (KNOWN FOR STANFORD PRISON EXPERIMENT)

1. The Board
2. Going against "conventional wisdom"
3. Fear of shortfalls during transition
PART 3

What Most Orchestras are Doing & Why

How to Overcome Barriers to Change

Operational Implementation
HOW: IMPLEMENTATION

• Define each segment
• Determine how to get from A to B
• Other segments to plan for
• Create a coordinated internal calendar

OTHER SEGMENTS
GOAL: GET THEM ONTO PYRAMID

Special Event Attendees
Lapsed Buyers
Lapsed Subscribers
Lapsed Donors
Inactive Accounts
HOW: IMPLEMENTATION

- Someone to lead the shift in operations
- Someone who knows marketing first
- Plus communications and human resources
HOW THIS PLAYS OUT: YEAR 1

- Potential reduction in low-level annual fund gifts
- Moderate ticket gains through emphasis on new buyer retention
- Reduction in marketing and development expenses
- Musicians became engaged in the process
- Staff culture change began

New subscriber welcome gifts on seats
HOW THIS PLAYS OUT: YEAR 2

- Subscription renewal rates and new subscriptions increased
- Single ticket sales increased while acquisition costs remained flat
- Single ticket churn rates decreased
- Development appeals saw higher response rates
- Donor base grew at every giving level
- New staff hired with higher quality bar and ability to pay higher salaries to attract this talent
HOW THIS PLAYS OUT: YEAR 3

- Subscriber renewal rate at a high of 85%
- Audience age decreased
- Concert capacity averaged 89%
- Individual giving revenue up 61% since implementing the model; donor households up 180%
- Open staff positions attracted greater volumes of applicants and more qualified applicants
- Fiscal year ended with 10% surplus
- Overall operating budget grew 40% since implementing model
HOW THIS PLAYS OUT: YEAR 4

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Source: National data from the League of American Orchestras' "Orchestra Facts" report (as published 2016) were figures reported over a four year period (2010-2014) as four year period as California Symphony was implementing new audience development strategies (2014-2016). Figures adjusted for inflation where possible.

@AUBREYBERGAUER
THIS IS A LOT OF WORK
(AND OTHER CONCLUSIONS)

• It replaces old work
• It's work that's worth it
• When in doubt, do something not nothing
THANK YOU

@AubreyBergauer
medium.com/@AubreyBergauer
AubreyBergauer.com