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THEATRE COMMUNICATIONS GROUP, INC.

CENTERPIECE FOCUS ON: DEVELOPMENT & MARKETING

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DEVELOPMENT & MARKETING: A COLLABORATION

BY PAMELA TATGE

I have long been a proponent of collaborative ventures between marketing and development departments — more importantly of a combined strategy to build patron involvement in our institutions. If "nirvana" is an individual who subscribes, makes a substantial contribution and is an active volunteer, then all of us — from the receptionist, to the shop carpenter, to the usher — must serve as ambassadors to our public. The marketing and development departments must work collectively to propose ways to build engagement and involvement in the life of the theatre.

I believe I was selected to curate this first Development/Marketing *Centerpiece* both because I chaired the LORT Development Directors' Satellite Conference last October, and because from 1995 to 1997, I held the position of Director of Marketing and Development at Long Wharf. I believe that a joined department is still a rare occurrence in regional theatres, and the debate over whether or not this is a successful model should probably be the sole subject of a future *Centerpiece*. For me, to have been responsible for all revenue for what was then a fragile institution was a thrilling but daunting task, and the pressures far outweighed the joys of not having to fight with myself over how many sponsorship tickets I could have.

In preparing this *Centerpiece*, I was thankfully joined by three excellent colleagues: Naomi Grabel, Director of Marketing at South Coast Repertory; Charles Marz, Director of Development at the American Repertory Theatre; and Lisa Salomon, Director of Development for Berkeley Repertory Theatre. We were guided by two major objectives: the first is to provide the field with brief "thought pieces" that provoke us to lift our heads up out of the intensity of our day-to-day challenges and contemplate new directions. The Wayland Group's submission takes a broad view of cultural trends and phenomena affecting institutional advancement as we prepare to enter the next century, and makes recommendations as to how we might plan to respond. Richard Bryant's article, "Membership: Where Does it Belong," begins the discussion of the interdependence of marketing and development by proposing what may seem like a radical restructuring of duties based on how high up the patron is on the ladder of involvement.

The second objective which guided us is to provide the field with some excellent useable ideas, and connect colleagues around the country who will invariably phone each other for more information about their success stories. We know from experience that we have extraordinary talent in our marketing and development directors, and that many of our best ideas have often been boldly stolen from each other. Therefore, we faxed a random group of over 40 colleagues and asked them to email back the best idea they have implemented in the past year. This will be a regular feature of Development/Marketing *Centerpieces* and we invite you to submit your ideas directly to TCG at cshuff@tcg.org.

We also invite your comments about the two thought pieces in the form of a "letter to the editor." Please submit them to TCG by mail or via the email listed above.

Development & Marketing *Centerpiece* Curator: Pamela Tatge, Director of Development, Long Wharf Theatre
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MEMBERSHIP: WHERE DOES IT BELONG?

BY RICHARD T. BRYANT

Every nonprofit theatre sells single tickets and most sell subscriptions. All raise money, and most sell memberships. These days all these transactions are merged (or should be) into a unified database that records every nit and dit imaginable – all tracked across a continuum of transactions that ranges from a \$10 ticket to a million dollar contribution.

With everyone who sell tickets or raises money constantly reaching into the same electronic file for the same names and addresses, what policy should govern the use of the lists and how should the responsibility for maximizing revenue be decided among fundraising and marketing personnel?

Since most of the organizational structure in the nonprofit performing arts predates the arrival of integrated databases, you could begin by simply merging the marketing and development functions altogether. It's an ideal solution that you may have tried – but it rarely works for very long. Either fundraising or ticket sales suffer, depending on the sensibilities and training of whoever leads the group.

With this in mind, separate but interdependent marketing and development departments must *share* the keys to the database, deferring authority to each other based on the financial history of the patron. The marketing department should be responsible for consumer marketing. This could be defined as those patrons you don't know very well (if at all) and would include all records with a transaction history below \$1,000. The development office should be charged with relationship marketing. This would included all records with a history above \$ 1,000 – the people you must know very well, and closely follow in order to achieve your charitable objectives. Income goals and authority for list use, trades and updates is likewise split at \$1,000 between marketing and development.

(The choice of \$1,000 as the demarcation point can vary based on the circumstances of a particular theatre, budget size and average gift. These factors can also create exceptions that need to be noted).

Under this proposal, the marketing group designs, packages and sells all tickets, subscriptions and memberships – any product aimed at a patron with an annual cumulative transaction value of \$999 or below. These are all related consumer activities that are suitable for mass marketing. By merging membership into ticket sales, ticketing and membership sales through inbound phone lines, box office windows, web sites and other ticket sales outlets.

Since as much as 90 percent of any nonprofit theatre's database falls below the designated \$1,000 level, under this plan, development officers are free to concentrate more fully on what they do best: developing personal relationships with groups and individuals, managing governing structures and raising money.

While it may seem that the development office gives ground by letting go of the lower level membership, it works both ways. Under this plan subscription and ticket processing, long the exclusive province of the box office or the marketing group, must now design its process to enable development officer to access ticket transmittals, distribution techniques, exchanges, last minute access to exclusive inventories and advance sale priorities. This could include enclosing handwritten notes with subscription tickets, Fedexing ticket orders, violation of exchange policies, customized box office interventions and the establishment of priority phone services and personnel.

Let's take a clue from America's zoos, sports clubs and airlines. Instead of prematurely promoting philanthropy, let's make membership a low-level threshold to ticket buying that provides income and promotes frequency. Audience affinity, retention and revenues will be better served.

Richard T. Bryant, through his consulting company, is developing the marketing strategy and systems for the 2001 launch of Philadelphia's \$255 million performing arts center, a role he also played for the opening of the New Jersey Performing Arts Center. He was marketing director at Orange County Performing Arts Center for ten years before which he promoted Arena Stage and was a founding member and first president of the Helen Hayes Awards. He also teaches Audience Development in the graduate school at New York University.

TAKING ADVANTAGE OF CULTURAL TRENDS IN STRENGTHENING INSTITUTIONAL ADVANCEMENT

BY THE WAYLAND GROUP

The Wayland Group has identified six broad cultural trends which can be expected to have a significant impact on institutional advancement; and some suggestions which might guide us in our future planning as advancement professionals. These cultural trends are:

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TCG CENTERPIECE

- Distrust of large, well-established “wealthy” institutions:**
We see this trend throughout society. Since the 1970s, for example, there has been an increasing disillusionment with and distrust of government. During the 1980s, we saw United Way and other federated charities bow to donor demand and move from relatively bureaucratic allocations process to providing donors with greater choice. In general, we see a drive for greater accountability for institutions, and less trust of size and history as prima face evidence of worthiness for support.
- Generational change:**
As has been widely reported, over the next several decades an extraordinary transfer of wealth will take place in the United States – a transfer in the many trillions of dollars. What is less widely reported is that such a transfer is occurring between a philanthropic generation of individuals and a relatively less philanthropic generation. Those of the “baby boom” generation began their families later and arguably have fewer discretionary resources than their parents. The phenomenon is even more pronounced among Generation Xers and other young people. Among the recipient generations for “transferred” resources, there is a confluence of the pressure of rising costs for goods and services together with a more entitled value/benefit orientation in which people, perhaps rightly, insist on getting “more impact for their money.”
- Increased use of technology and electronic communications and the changing media environment**
Twenty years ago nonprofit organizations credentialized themselves by demonstrating responsible planning and budgeting; over the next ten years their approaches to and competence in technology will be a similar “test.” In addition, contemporary audiences are more and more used to receiving messages through higher cost electronic media, whereas nonprofits have traditionally used — and still arguably can only afford — lower cost media (e.g. direct mail). Efforts on the part of nonprofits to communicate with their existing and potential constituencies are made even more complicated in that traditional media have saturated the market. Indeed, some direct mail consultants are for the first time suggesting that we mail less frequently, rather than more frequently, so as to provide a greater impact through selectivity. Accordingly, nonprofits must be highly sophisticated, strategic and knowledgeable about the range of communication techniques available.
- Desire for humanity, community and “connection”**
There’s a pervasive nostalgia throughout society over a time in our collective past when life was – at least in memory – simpler, more elemental and happier. A time, in which people felt more connected to one another through common values, community and culture. Thus we can expect constituents of nonprofit organizations to be looking to their volunteer and donor involvement to fulfill part of this need
- Pluralism and diversity**
The plurality of constituencies and ethnic groups is no longer just a phenomenon of large urban centers; throughout society, there is both the fact and recognition of increasing diversity and heterogeneity of constituents and “customers” served.
- Rapid institutional realignment through merger consolidation**
As in most business trends, the nonprofit sector has followed the trend in the corporate sector in the direction of partnerships and mergers. Some of these alliances are driven by necessity, some by resource constraints, some by a drive for efficiency. In any case the challenge to institutional advancement programs is a potential loss of identity and a general flattening of “brand” identification which, for most institutions, has been an essential factor in their marketing efforts.

How can we respond to the trends described above? Some thoughts:

- Let people “touch” what you do; let constituents and potential donors see and feel the real work of your organization.**
During the 1970s and 1980s it was fashionable for nonprofit organizations to behave in a more “corporate” manner. While much of this was useful and brought nonprofits a better level of organization and more responsible financial management, many institutions press the trend too far. It is not the spirit of the independent sector to “downsize” for “shareholder value.” Indeed to the extent to which nonprofits compete with the corporate sector in this regard, they are unlikely to be viewed more favorably. Potential donors need to understand that quality institutions in the independent sector are providing essential services and need to be judged by the value of their missions and the quality of their programs, not merely by their organizational abilities.

- **Clarify your mission, while embracing appropriate strategic alliances.**
What business are we in? What do we do well and what do we do badly? In those businesses in which we are challenged, what do we want to improve and what do we want to abandon? Who can be our partners? Do we necessarily lose “brand” as a function of affiliation and partnerships? People will respond to an important, proportional, differentiated mission irrespective of alliances. Accordingly, while we need to clarify our mission, we should not be afraid to collaborate for effectiveness and for increased “reach.”
- **Share real information – not a mere “communication strategy.”**
While acknowledging the importance of lively, interesting and engaging institutional marketing, our experience is that audiences are more and more cynical about a pure public relations strategy. Potential donor and “customers” are interested in the simple truth without “fudging.” We must communicate through people; no technology or communications vehicle can possibly compete with simple human interaction which is at the heart of every donor exchange.
- **Link individuals to the real work of an organization – give them a stake and expect and demand the best.**
In our experience, people will give to those organizations where they have a special personal connection – not only through their particular history, but also through ongoing involvement and responsibility. In the most effective organizations people giving the most time are also giving the most money. In your thinking about donors, emphasize a lifetime of relationship, continue aggressive fundraising, and be continually in the business of forming advisory committees, focus groups, task forces and adjunct boards to “throw open the doors” of your organization and issue legitimate, thoughtful invitations for participation where participants have a real stake and their opinions are respected – as opposed to a mere “cultivation strategy.”
- **Be specific in describing the reach and impact of your organization’s programs.**
People may distrust size, but they do want quality. Donors will respond to specific cause-and-effect arguments which are moderate and proportional and which show “authentic” real progress. Baby boomers, particularly, will place an emphasis on specific, measurable impact.

With these thoughts as background, it must also be said that what is most important to a successful advancement program is good strategic thinking, consistently and persistently pursued. A real effort to understand the marketplace in which an institution operates, to clarify the mission, and link interested individuals with the real work of the program will pay huge dividends to the ultimate results in your development program.

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SUCCESS STORIES

COMPS FOR CORPS

submitted by Charles Marz, Director of Development, American Repertory Theatre

A small idea but one that has worked well at developing a pool of interesting corporate prospects. We have a COMPS FOR CORPS box at the box office where we encourage ticket buyers to drop their business cards. Every other week we draw one card and award two free tickets to an upcoming production. Last year we received more than 800 cards, many from current subscribers from whom we had no previous corporate/business affiliation. We then follow-up with a letter asking for advice and assistance in generating support from the individual's business or corporation.

UNDER 25? ONLY \$10!

submitted by Alan Harrison, Director of Communications, Seattle Repertory Theatre

Seattle Repertory Theatre became one of the first theatres in the country to set \$10 as the price of tickets for anyone under the age of 25. Every ticket to every performance of every production is available at that price, and tickets may be purchased at any time. Simply put, there are no restrictions *at all*.

The results have been positively staggering. In the 1996-97 season, roughly 1,500 tickets were sold at a traditional “student rush” rate (50% off, 30 minutes before curtain) for an eight-play season. In 1997-98 (a nine-play season), the first year of “Under 25? Only \$10!”, *over 7,500* tickets were sold to audience members under the age of 25, a 500% increase. And this season, with one production remaining, that number has skyrocketed *over 10,000*.

The age of 25 was not chosen at random. We felt that we were doing a fair job at reaching high school and college students, either through the rush program or our special student matinee program. But upon graduation from college at the approximate

age of 22, these students have incurred a tremendous amount of student loan debt. By extending the age to 25, we are among the few major arts organizations making a direct approach to this savvy, educated crowd. The logic suggests that by the age of 35, many of these people will be more highly paid, and will remember Seattle Repertory Theatre as an organization with whom they have personally benefited — a huge advantage for potential contributed income. To that end, we are keeping close watch on this section of the ticket-buying public.

STATE-OF-THE-ART CALL CENTER

submitted by Beth Hauptle, Director of Public Relations and Marketing, The Shakespeare Theatre

In the ongoing attempt to provide the highest quality service to our audience of ticket buyers and donors, we have included a state-of-the-art inbound and outbound call center in our new administrative building. We moved our box office staff from the theatre (with the exception of window service) to the new space and for the first time are providing one-stop shopping. With a call to one phone number a person can purchase a single ticket, a subscription, a group order, exchange their tickets, respond to an invitation to a members-only event, or make a donation. While one-stop shopping for ticket services is not necessarily unique, we are pleased that our donors can make one call and have most, if not all, of their needs met. Both service and sales have improved with inbound and outbound callers sharing the same space.

PROSPECTING NEW SUBSCRIBERS VIA PRIZM ANALYSIS

submitted by Andrew Huang, Marketing Director, Alley Theatre

In the past, the Alley's distribution of its season brochure consisted of swapping mailing lists with various arts groups and mailing to our single ticket buyers and lapsed subscribers. Back in my radio days, we implemented a direct marketing scheme that utilized a PRIZM psychographic analysis of our listeners. Through the use of multiple databases, this analysis gives a detailed description of the customer (type of car s/he drives, magazine subscriptions, what type of purchases are made on credit cards, and many others). Each "type" of person is classified into one of 64 different PRIZM Clusters. We had an analysis done of our subscribers and a separate analysis of our single ticket buyers and then distributed our brochure to the people who fit our most common Clusters, yet who were not subscribers.

The distribution was done through direct mail and an insert in the *Sunday Houston Chronicle*. The results were phenomenal. This program was set up through the *Houston Chronicle's* Database Marketing Department. We were able to negotiate a competitive price that was actually cheaper than the postage costs the Alley incurred using the old method. So for less money we are distributing our information to a much more qualified prospect and have greatly increased the effectiveness of our season direct mail piece.

MAKING A "SECOND ASK" FOR AN ANNUAL FUND GIFT

submitted by Andy Hamingson, Deputy Director of Development, Manhattan Theatre Club

Three years ago while we were strategizing for ways to earn extra money on our telefund campaign, it was suggested that we try a "second ask campaign." The concept is to return to donors who have made a previous annual fund donation and ask them for a second gift for a very specific cause. Last year the specific cause was for our Education Program, and this year it is for our distance learning program, called Theatrelink. We are early in the second ask campaign this year, but last year the campaign raised over \$150,000 specifically for the Education Program. This helped to raise our telefund from \$386,000 in FY97 to \$654,000 last year.

The response from donors has been very positive, and we have run into few problems in acquiring second gifts — in fact they now know that we will be calling them back in the spring for a specific gift, and some people have even asked to get that call in the spring!

A SENSATIONAL SEASON ANNOUNCEMENT

submitted by David Snead, Director of Marketing, The Guthrie Theater

Like most theatres, we used to announce our new seasons via a press release to the media, followed by the standard renewal mailing to subscribers. Over the years the season announcement had become rather routine and formulaic, generating less and less enthusiasm from the press and customers.

At the same time we were looking for ways to increase the value of subscribing and donating, for those who've made such a valuable commitment to the theatre. So two years ago we decided to turn the season announcement into a special event, and to invite subscribers and donors to join the press learning of the new season for the first time. Artistic Director Joe Dowling introduced each play of the season from the stage, accompanied by slides of art from the brochure, playwrights, etc. Several actors and directors featured in the new season appeared in person and offered remarks as well.

We were amazed that upwards of 900 people turned out on a chilly March Monday evening to learn something they could have easily read in the newspaper the following morning. The press was amazed, as well, and their coverage reflected the enthusiasm of the audience at the event.

AN INNOVATIVE DEVELOPMENT/GROUP SALES PARTNERSHIP

submitted by Lisa Salomon, Director of Development, Berkeley Repertory Theatre

Berkeley Rep is exploring a collaboration between Group Sales and Fundraising to increase corporate support of the theatre. Our group sales director is beginning to work with human resource directors and meeting planners at some of the major corporations on packages that would include "educational enhancements" to a standard group sales ticket buy. We're developing a menu of options that range from a straight group ticket purchase with an option to rent a reception space, to an enhanced package that includes receptions with artists, educational programs and discounts for employees (this will be available to donors of \$5,000 or more). We're also using an email "rush" list as a perk for corporate employees (i.e. corporations who donate a certain amount can have their employees put on a special emailing list that receives info on last minute discounts — a la what the airlines are doing).

ATTRACTING A YOUNGER AUDIENCE

submitted by Naomi Grabel, Director of Marketing, South Coast Repertory

South Coast Repertory offered half price subscriptions for those younger than the theatre (good for first time subscribers only – offer good on any night of the week, any section of the theatre). We sold 1,200! This is a one-time only offer – we are currently in the process of renewing this group at full price.

In another effort, South Coast spearheaded *The Masquerade Ball for the Arts*, in partnership with the Pacific Symphony Orchestra, Orange County Performing Arts Center and the Orange County Museum of Art — a Halloween fundraiser/fundraiser for the arts community. The black-tie event was a screaming success, and has paid off in building our database of young professionals – now over 6,000 strong. The event also netted \$20,000.

KC101 FAMILY NIGHT SUBSCRIPTION SERIES

submitted by Roxanne Moffitt, Director of Marketing, Long Wharf Theatre

In an effort to build younger audiences, the marketing department at Long Wharf Theatre created "The KC101 Family Night" subscription series. This event night series offers a very affordable and unique ticketing opportunity for families to access live theatre together. This six play package included all five plays on the mainstage and their choice of one play from the Stage II series. The performance night is the second Tuesday night of the regular run. This particular performance date was not well attended and therefore inventory was available for new audience development at a discounted price. Adults pay full price for a six play subscription (average price \$195) and each child goes for a \$1.01 per ticket! Child subscription — \$6.06. The child price was conceived out of a media sponsorship with KC101 radio station. Hence \$1.01. KC101 was ultimately engaged as media sponsor of the series by matching the media buy with additional radio spots, live reads and special guest appearances before the show by the radio's top host, Glenn Beck, who is very committed to family activity in the greater New Haven area. The station also provided elaborate gifts (mountain bike packages, etc.) for the kids to win when entering essay or coloring contests.

Families were invited to the theatre at 5:30 p.m. for activities and workshops related to the play and then at 6:00 p.m. we served a complimentary light meal donated by Subway. The food sponsorship was engineered by the Development department. The Education department engaged by assisting in the workshops and giving pre-show lectures for those interested in learning more about the play and audience etiquette.

FAVORITE PERIODICALS

American Demographics
IEG Sponsorship Report
Crain's Business Report
The Chronicle of Philanthropy
The Wall Street Journal
Arts and Culture Funding Report
Corporate Giving Watch
ArtsReach

FAVORITE WEBSITES

Philanthropy Journal Alert: www.pj.org/pjalert
Bucknell University: www.facstaff.bucknell.edu/mmcclin/prspctl.html
Duke University: <http://lists.duke.edu>