

# BUILDING BRIDGES IN AN ENGAGED ECONOMY

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# ACROSS THE PERFORMING ARTS LACK OF ENGAGEMENT IS THE NUMBER ONE ISSUE PREVENTING GROWTH

## 2012 - 2016 TRG ARTS STUDY

NEW ACQUISITION RATE  
66%

RETENTION RATE  
25%

## 2013 EU CULTURAL ACCESS & PARTICIPATION STUDY

12-15% OF RESPONDENTS  
ATTENDED AN OPERA  
ONCE OR TWICE IN A YEAR

# CUSTOMERS NOW EXPECT TO BE ENGAGED WITH AN ORGANIZATION



Ongoing  
Value



Memorable  
Experiences



Immediate  
Fulfillment

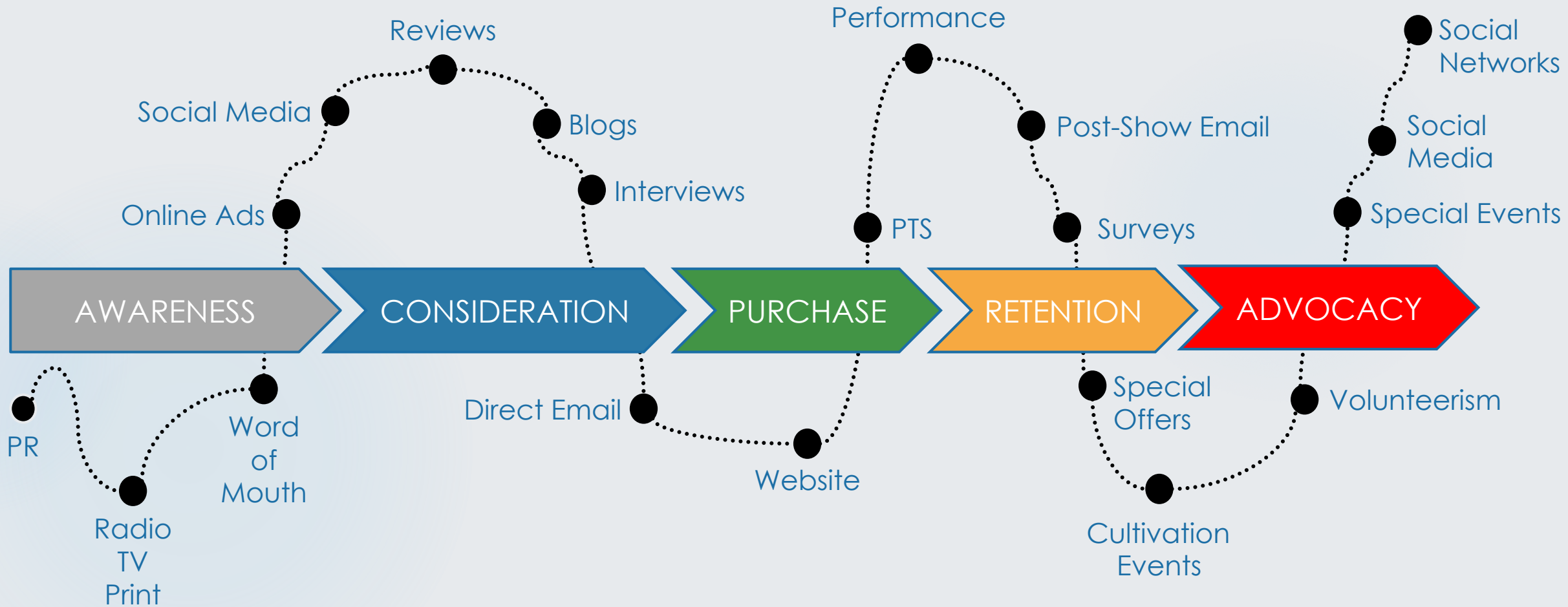


Mobile  
Real-time



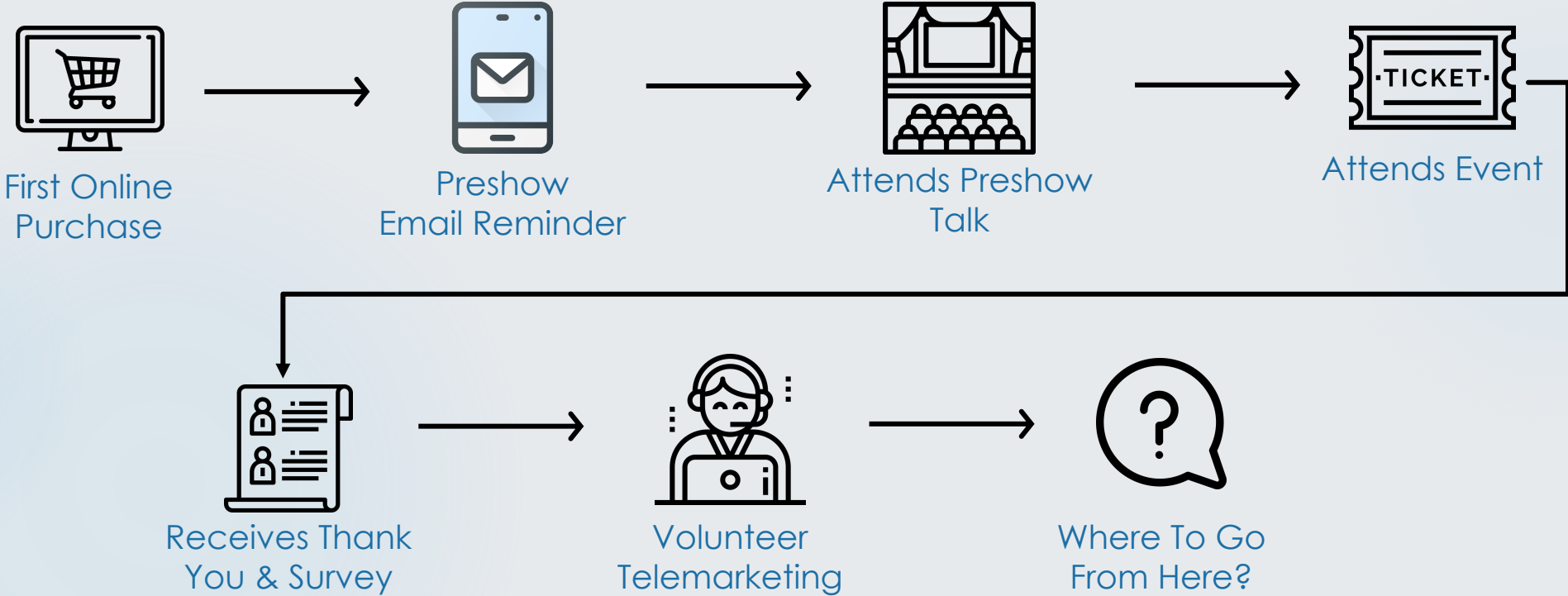
Personalized  
Moments

# A CUSTOMER JOURNEY



# Customer Journey Example One

## First Purchase and Engagement



# Customer Journey Example Two

## Subscription Purchase and Engagement



# THANK YOU

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# Building Bridges in an Engaged Economy

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## Slide # 1 - Title Slide

Good morning and thank you for the opportunity to share a few minutes with you on this first morning of the conference.

The theme of this fall conference is building bridges. Given the changing dynamics of our global community, the concept of building bridges takes on a more urgent tone. In many ways as organizations of culture, it is up to us now more than ever to be engaged in our communities building deep authentic connections.

For the past few years I've been developing my operatic second act at PatronManager. As a senior account executive, PatronManager has enabled me to work with many of our 750 clients who are using our integrated ticketing, marketing and fundraising solution built on the Salesforce platform to build bridges in their communities. It has been personally satisfying to me with work with cultural organizations that are seeking to engage with their audience through the creation of unique patron journeys. They are building bridges through the use of storytelling where the organization acts as the guide and the customer or patron is the hero. The results have been increased engagement, increased retention and the creation of ambassadors who are excited to share the organization's mission and values with their social networks.

My personal journey began more than two decades ago at the Santa Fe Opera while I was still a student at the Indiana University Jacobs School of Music. Like some of you in this room I didn't begin my career as an arts administrator. I fell in love with the opera. My operatic awakening came at the hands of Mozart. My collegiate years were split between producing opera for the largest collegiate opera program in the United States



and learning the art of singing from great teachers such as the bel canto soprano, Virginia Zeani. My post collegiate journey continued to the Lyric Opera of Chicago, the Pittsburgh Opera, and a host of regional companies across the US. I was fortunate to have the opportunity to run three organizations, the Austin Lyric Opera, the Anchorage Opera and the Indianapolis Opera in my hometown.

While taking this journey I've come to realize that while the operatic repertory; stage productions, and artists are important, just producing great work and marketing it well is not the single key to success and long term sustainability. Just as the operas we produce have the ability to engage and inspire, we must do a better job in building bridges to our audience through more authentic engagement.



## Slide #2 - Lack of Engagement

However, lack of customer engagement is the number one problem facing cultural organizations across the globe today. In the United States, we are fairly good at getting first-time ticket buyers to attend

performances. Unfortunately, we are not so good at getting them to come back. The problem however, isn't that audiences don't like what they see on our stages, it is that we as an organization don't ask the ticket buyer to come back for a second performance. We treat the ticket buying process as a transactional event and nothing more. The majority of our marketing dollars are wasted as a result.

Now you might be thinking at this moment, what do ticket sales have to do with fundraising? This is a development meeting right? Well, we know through copious amounts of research that donors who are engaged and feel like the organization knows them are willing to give more frequently and with larger donations. In a recent study by

the NextAfter Institute sponsored by Salesforce, only 20% of donors that made a first gift returned to make a second gift. Clearly, while attaining a first gift is still important, the second gift becomes the tipping point for future gifts. Returning for a moment to the ticket buyer, every ticket buyer who doesn't return results not only an inefficient use of marketing dollars but also a lost cultivation opportunity for development.

We know that donors most likely begin their journey with your organization during the ticket buying process. They purchase a ticket to a performance. They might become a subscriber or a member. Increasingly, they might even become involved first through a special event or as a volunteer.



**Slide #3 - Customer Engagement Expectations**

Fortunately, for our organizations, our audiences want to be engaged. In fact, they are expecting us to act as a guide on their journey. To be successful we must provide patrons with ongoing

value while continuing to create meaningful experiences. In a world where the smartphone has become the ubiquitous tool for purchasing and making donations it is up to us to decrease the friction in the process. The end result must be an experience that is personalized for each customer.



**Slide #4 - The Patron Journey**

To understand the patron it is useful to understand where they are on their journey with your organization. They are many different journeys. A first-time ticket buyer or donor is on a journey that is very different from that of a subscriber or a

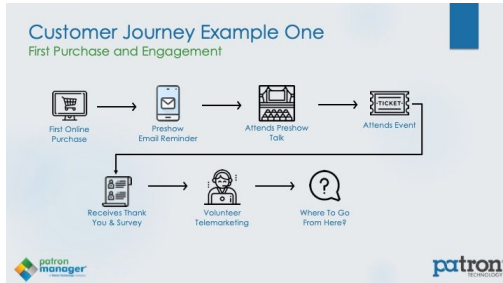
major donor. The important concept to understand is that every patron journey is essentially moving through five stages; awareness, consideration, purchase, retention, and advocacy. As I mentioned earlier, we all are pretty good at developing the patron journey around creating awareness and then leading the customer through consideration to purchase. However, it is in retention and advocacy where we need to focus our efforts.

Though I spent many years fundraising all types of gifts, I personally found the individual annual fund gift to be the most rewarding. To be sure Major Donors, Corporations and Foundations may return larger gifts in terms of dollars, but it is on the smaller annual fund level where the earliest relationships are formed. There is a lot of opportunity to create and share a compelling narrative about your organization that resonates with the individual donor. There's another advantage to individual donors that is often overlooked. While we tend to focus our energies on cultivating gifts we should also be cultivating an individual donor's network. Often times the donor's network can be just as valuable if not more so than the donation being made.

Over the course of my career I've learned that networks are very valuable. However, for many of our organizations there is a lack of proper technology and strategies to leverage these relationships to great effect. Let me share with you a couple of real life examples.

My wife and I, being musicians and arts lovers ourselves attend a number of events each year. While my wife enjoys the artistic output, I have gone a step further and turned the arts experience into my own personal laboratory. Over the course of last year I had two experiences that perfectly encapsulate my patron journeys. All names and locations have been removed to protect the organizations.

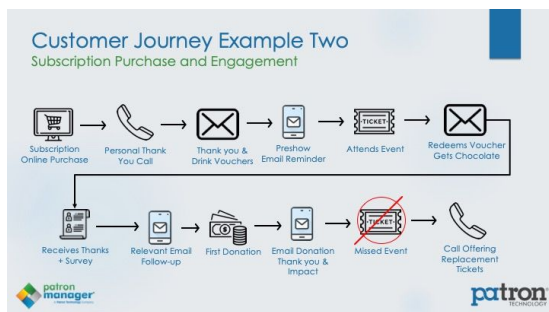
## Slide #5 - Sample Patron Journey Symphony



In the first example, we attended a symphony concert with our daughter while on vacation to a nearby city. We purchased the tickets online in advance and received them via email. The week of the show there were two follow-up emails with suggestions of where to dine prior to the concert,

where to park and an invitation to attend a pre-concert lecture. We attended the concert which was excellent. Twenty-four hours later we received an email thanking us for attending. We also received a survey asking us about our experience. While the survey was quite long, about 30 - 40 questions I think, I was intrigued so I filled it out. That was that. There was no further attempt to take the information and offer me a reason for attending a second concert. Two weeks later, I received a call from a volunteer. I was given a two to three minute case statement for support of a program with which I had no connection and then was asked to consider making a gift between \$150 and \$1 million dollars. They clearly hadn't looked at the financial question in the survey they sent me! I couldn't help but ask just how many \$1 million dollar gifts they receive this way. I think you can easily imagine the answer.

## Slide #6 - Sample Patron Journey Theatre



The second example is very different. We subscribed to a small theatre series of plays. Again, I purchased subscriptions online. I immediately received an email confirmation of my subscription and a message about how my purchase impacted the organization as well as

insider facts about each play. The next day, I received a phone call from the executive director thanking me for being a new subscriber and asking me why I chose to subscribe. A few days after that, I received a handwritten thank you from the marketing director. There were vouchers inside for a complimentary drink at the bar when we attended our first performance. A few days prior to the first performance we received an email with information about what to expect when we came to the theatre. At the performance we redeemed our drink vouchers and were pleasantly surprised when we also received complimentary truffle chocolates. In our minds the company had exceeded our expectations going above and beyond to make us feel welcome and appreciated. I posted to social media about the great experience and got a reply back from the organization thanking me for attending. Several of my social media friends also shared positive experiences or were curious to check out the organization further.

The next day we got an email thank you and a very short survey asking about our experience. At the end of the survey was a link to a special single ticket discount code to bring another couple to a future performance. Based on my short survey, I receive occasional relevant emails for other programs and events that might be of interest. I was recently asked to contribute to their annual fund, which I did online. I could go on but I will say that the development team is doing an excellent job in communicating the impact my gift will have on their programs and they are cultivating me to become a monthly recurring donor. One further note, we missed the second play of the season as

we were out of town. Because the organization scans all tickets, they knew we didn't attend. They called us and offered to exchange our tickets to another performance in the run or give us additional single tickets to another play later in the season.

So let me ask you. Of the two examples, which organization cares more about their customer, the symphony or the theatre company? Does your customer journey sound more like the first example or the second example? It is interesting to note that in both of the examples each organization has a CRM solution, however, only one of the organizations has put in place a strategy to effectively engage their patrons. In the final analysis it takes a sound strategy as any technology is just a tool assisting the organization in executing the process.

How you engage with your audience matters. In an era where foundation gifts and government support is waning, there has never been a better time to invest in your audience. They are the true social network that will enable you to grow your business to sustainability. They are the ones who will enable you to fulfill your artistic dreams. Even if you are a successful organization you can still benefit from engaging in the patron journey model. This model is being used every day at small businesses and corporations around the globe. At PatronManager, we believe in this model and we have helped organizations become successful with it. In fact, based on our research those organizations in North America that are using patron journeys and PatronManager as a CRM solution perform 2.5 times better than the national average in earned and contributed revenue.



As we move forward in this conference I want to encourage you to talk with your fellow attendees about how you are engaging with your patrons. Take some time to think about your own personal customer experiences. Why do you choose to patronize certain

organizations over others? If you feel personally connected with them think about how they are engaging you.

Let each of us become trusted guides for our patrons. Let our organizations tell engaging patron stories that compliment the art of which we are so passionate about on our stages. Through increased patron engagement we will build lasting bridges in our communities. That is the most important work we can do today. Thank you.