

ADVISORY BOARD for the ARTS

Transforming Arts Organizations Worldwide

opera europa

THE NEW LOYALS

Research Overview for Opera Europa

26 MARCH, 2020

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Welcome to All Our Participants

Accademia alla Scala	Baker Richards	Bayerische Staatsoper	Bergen National Opera	Chatuqua Opera Company
Craiova Romanian Opera	Fedora	Folkoperan	Garsington Opera	Glydebourne Opera
Irish National Opera	Komische Oper	Landestheater Linz	Malmö Opera	National Bulgarian Opera
OPERA America	Opera Company of Saint Louis	Opera de Lyon	Opera de Paris	Opera Europa
Opera Monte Carlo	Opera North	Palm Beach Opera	Poznañ Opera House	Scottish Opera
Staatsoper Hannover	Teatr Wielki	Teatro Coccia	Teatro de la Maestranza	Theater Bonn
Theatre Magdeburg	Volksoper Wien	Welsh National Opera		

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Today's ABA Speakers



Christopher Denby
CEO & Founder
chris.denby@advisoryarts.com
Washington, D.C.



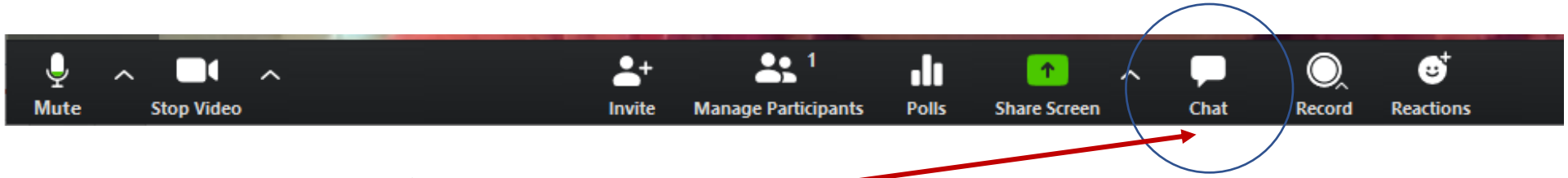
Pilar Càrdenas
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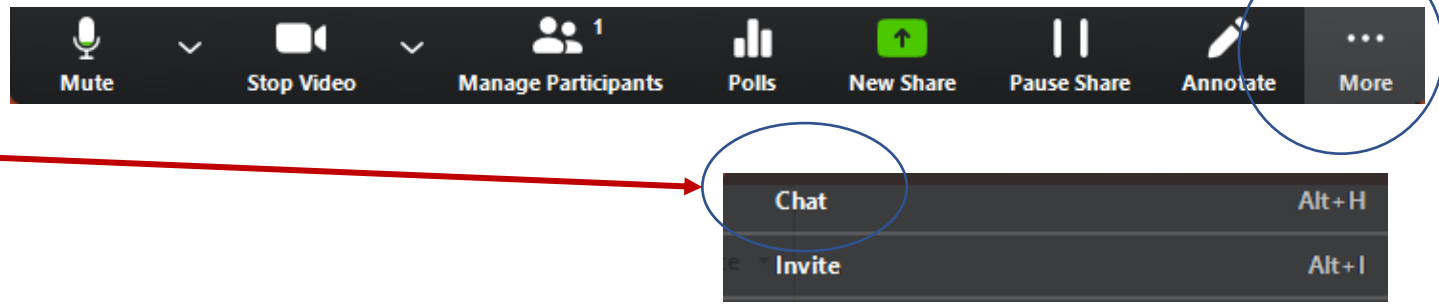
Karen Freeman
Executive Director, Research
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Washington, D.C.

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How to Participate



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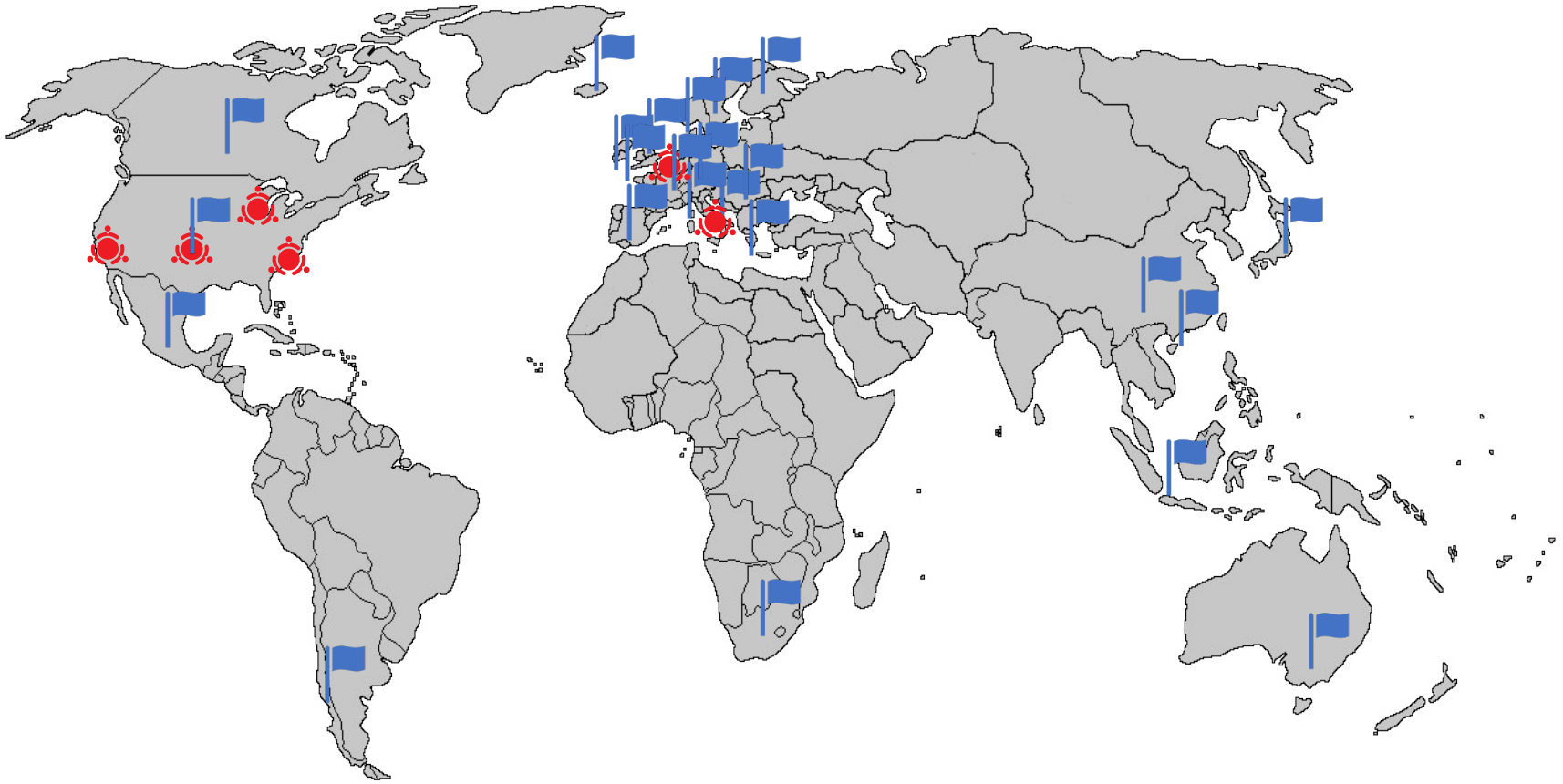
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Let's test this: please use the chat box to tell us where you are joining from

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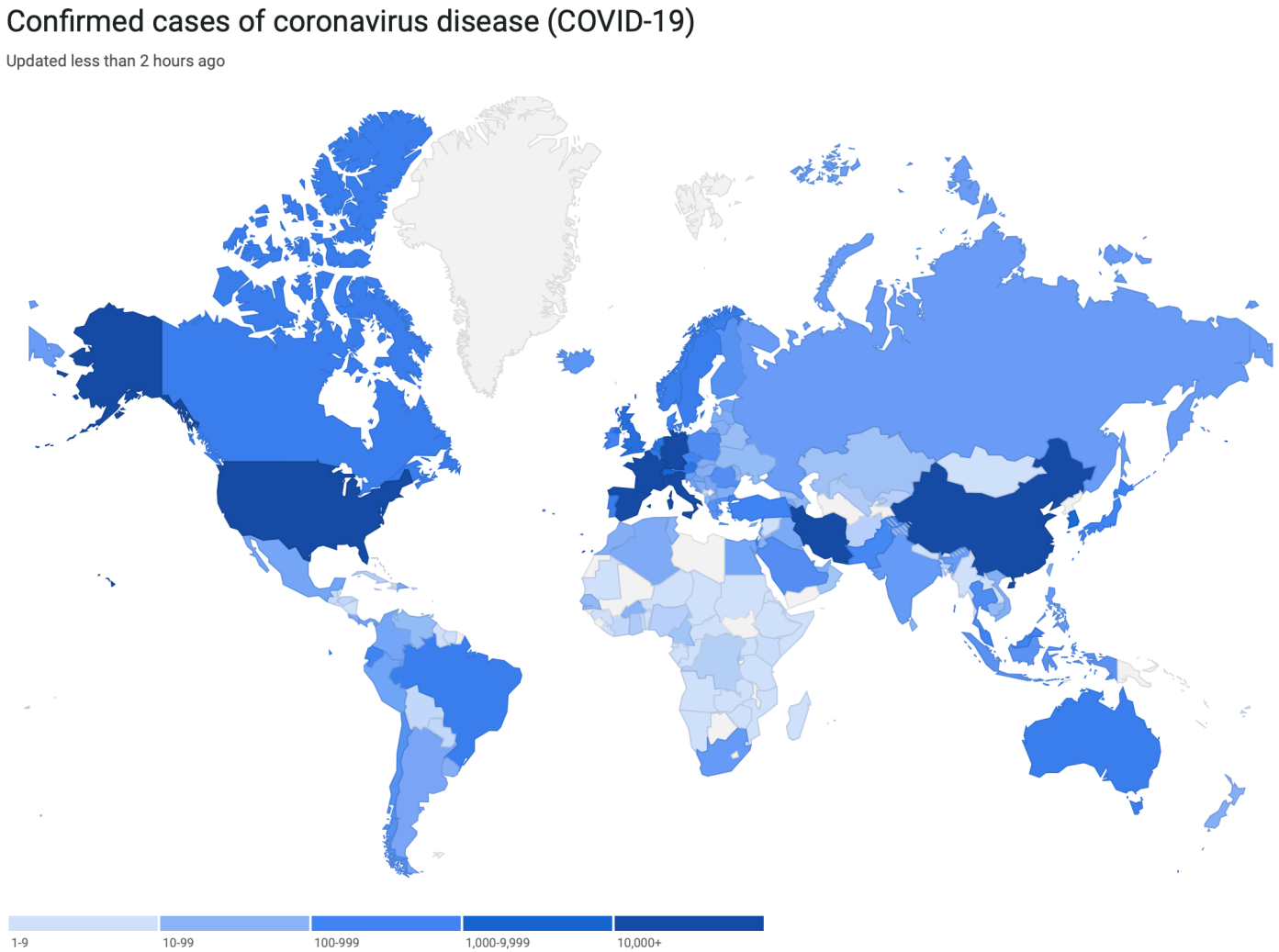
ABA Research Around the World

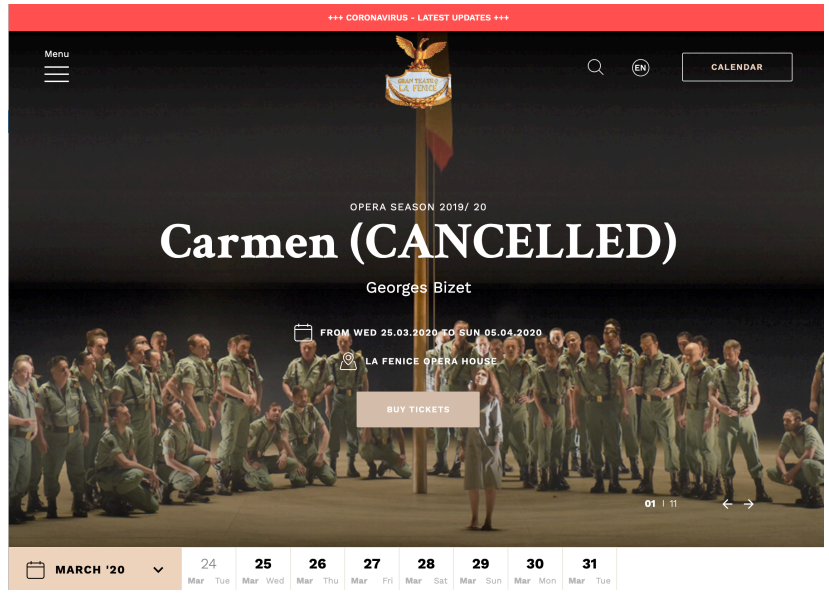
200+ leaders of arts organizations across 30+ countries



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An Overwhelming Moment in Time

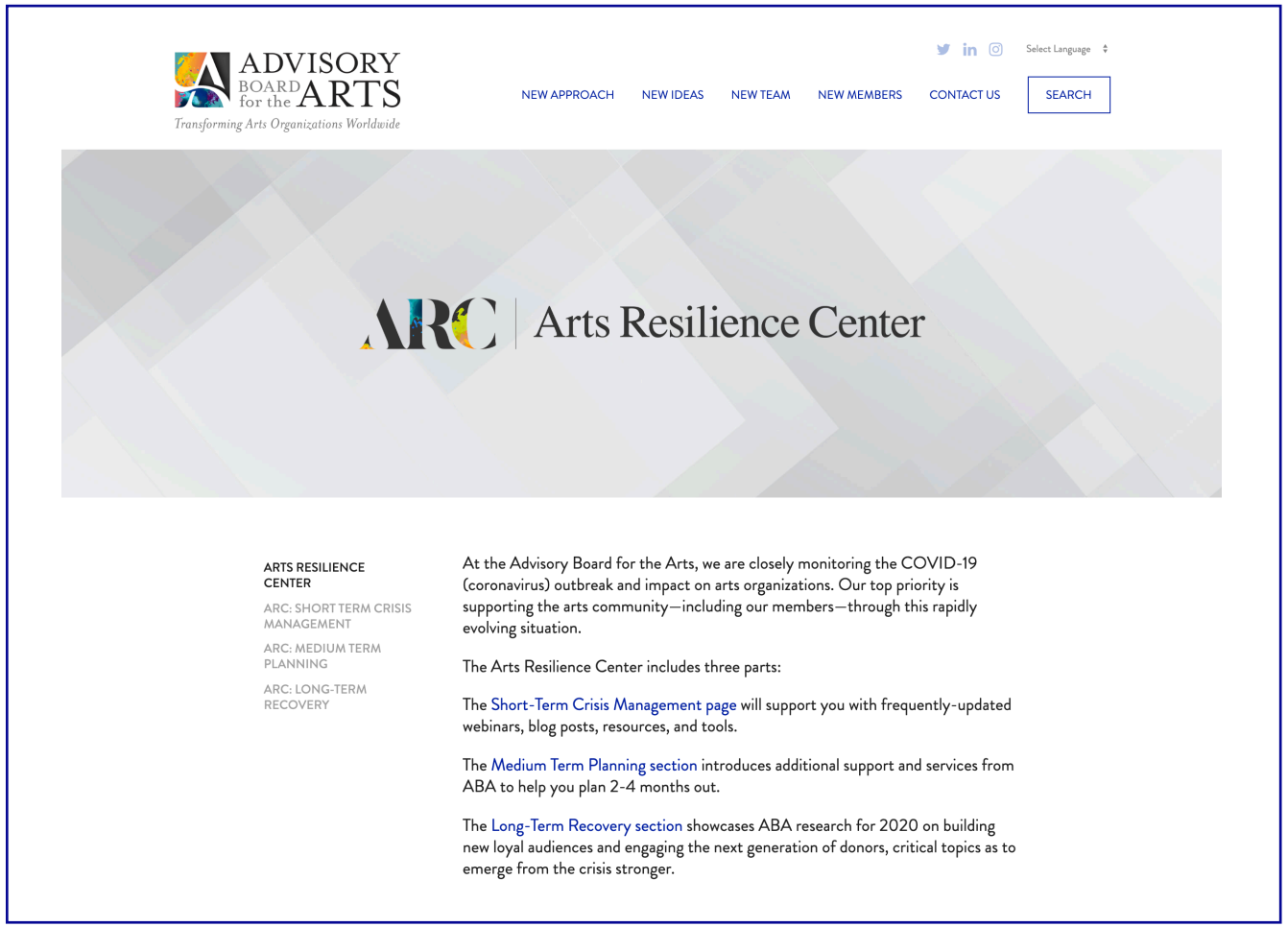




Source: https://google.org/crisisresponse/covid19-map

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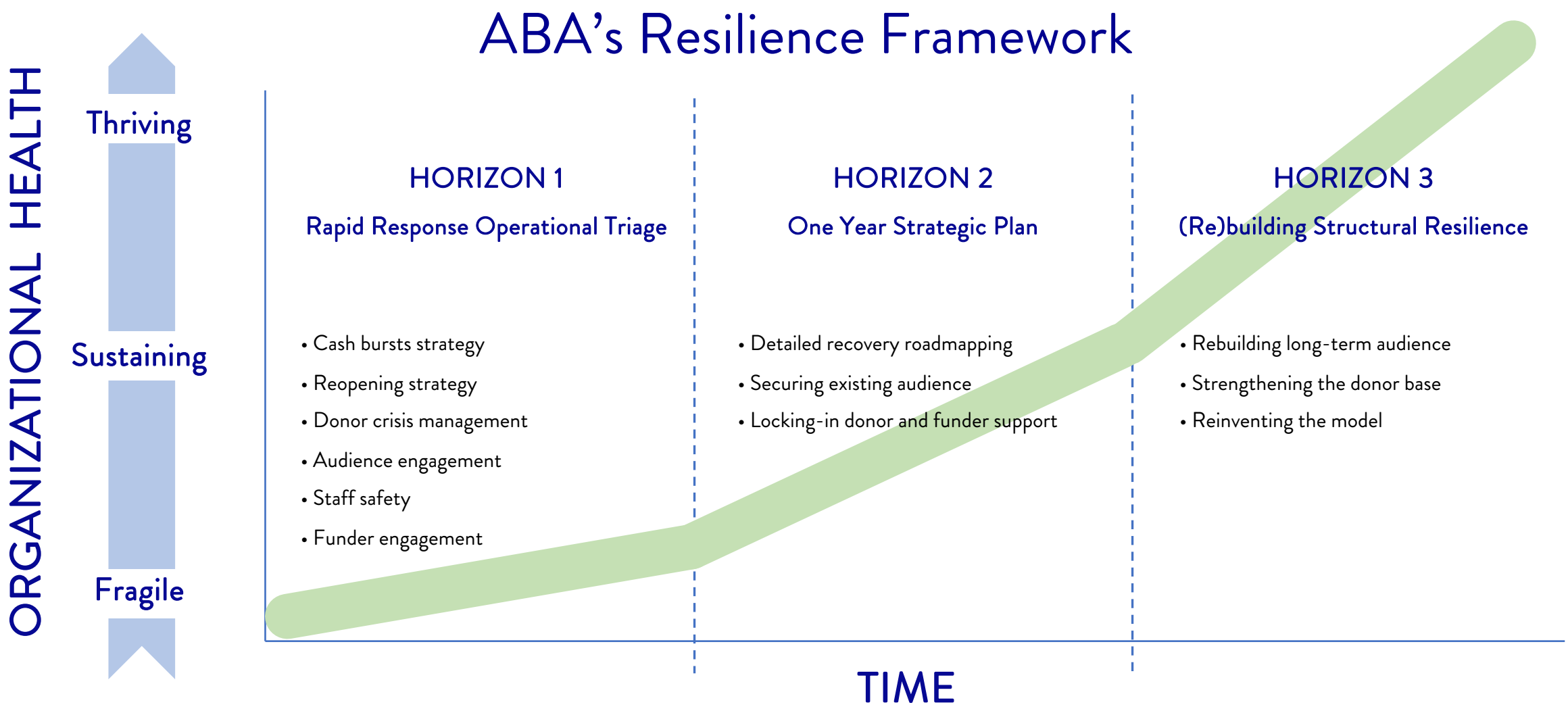
Introducing ARC



www.advisoryboardarts.com/arts-resilience-center

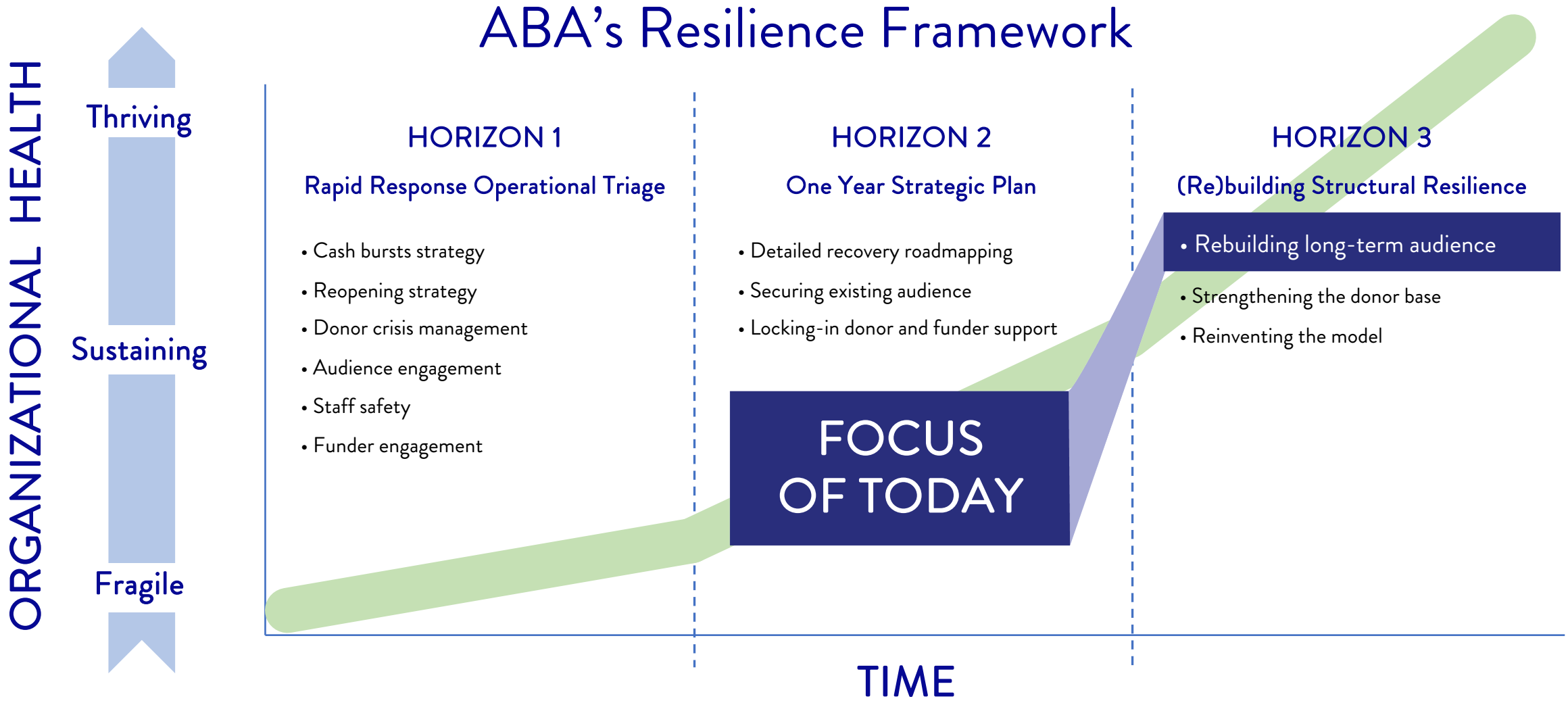
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Recovering from the 2020 Crisis



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Recovering from the 2020 Crisis

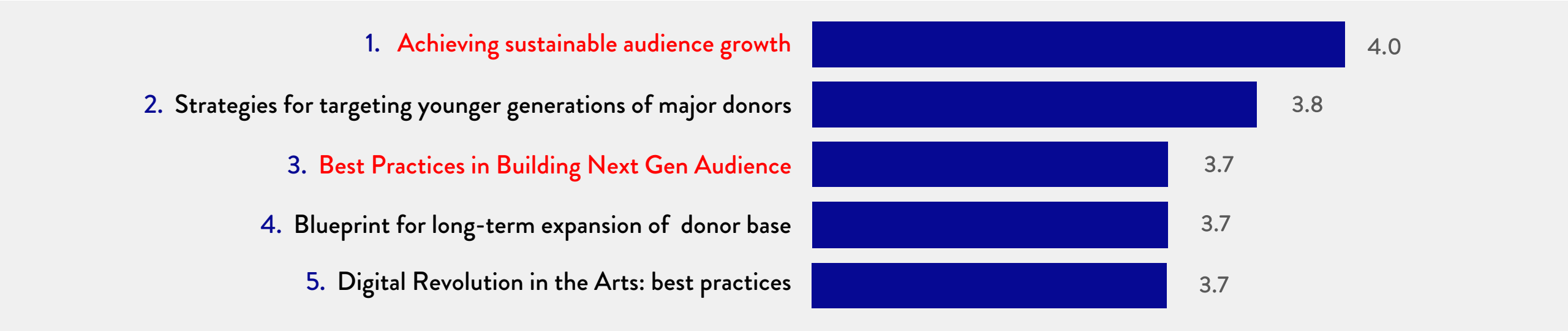


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Burning Issues Among Arts Leaders

5 Topics with the Most A+ Grades (GPA)

Out of 80+ Topics



Other Top 10 Topics

6. Beyond subscriptions: the future of customer loyalty
7. Innovations in knowing your audience
8. Optimizing sources of revenue
9. Breakthrough ideas in major gift cultivation
10. Developing optimal strategy on diversity

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The Scope of Our Current Work

ADVISORY BOARD for the ARTS

Transforming Arts Organizations Worldwide



THE NEXT GENERATION

Strategies to Find and Build New Customer and Donor Bases

YEAR AHEAD
2020

ADVISORY BOARD for the ARTS

INITIATIVE #1

The New Loyals: Attracting New Loyal Customers

ADVISORY BOARD for the ARTS

INITIATIVE #2

Finding the Next Generation of Major Donors

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Focus of Our Work — Finding the "New Loyals"

	1. Find New Customers Similar to Current Customers	*2. Improve Loyalty of Current Customers*	*3. Finding Younger/ More Diverse Audiences*
Pros	• Already familiar with marketing to these groups • Current experience likely to appeal	• Captive audience for research and experimentation • Lowest cost approach if successful	• Represent populations with long-term growth potential • Easy to identify and target
Cons	• Attracting a group with declining loyalty characteristics • Unlikely to build 'sustainable' audience	• Demographics shifting away from traditional customer bases • Unlikely to yield enough numbers to fill existing capacity	• Demographic blocks unlikely to have uniform set of wants/needs • Marketing efforts likely to encourage experimentation, but not sustained attendance

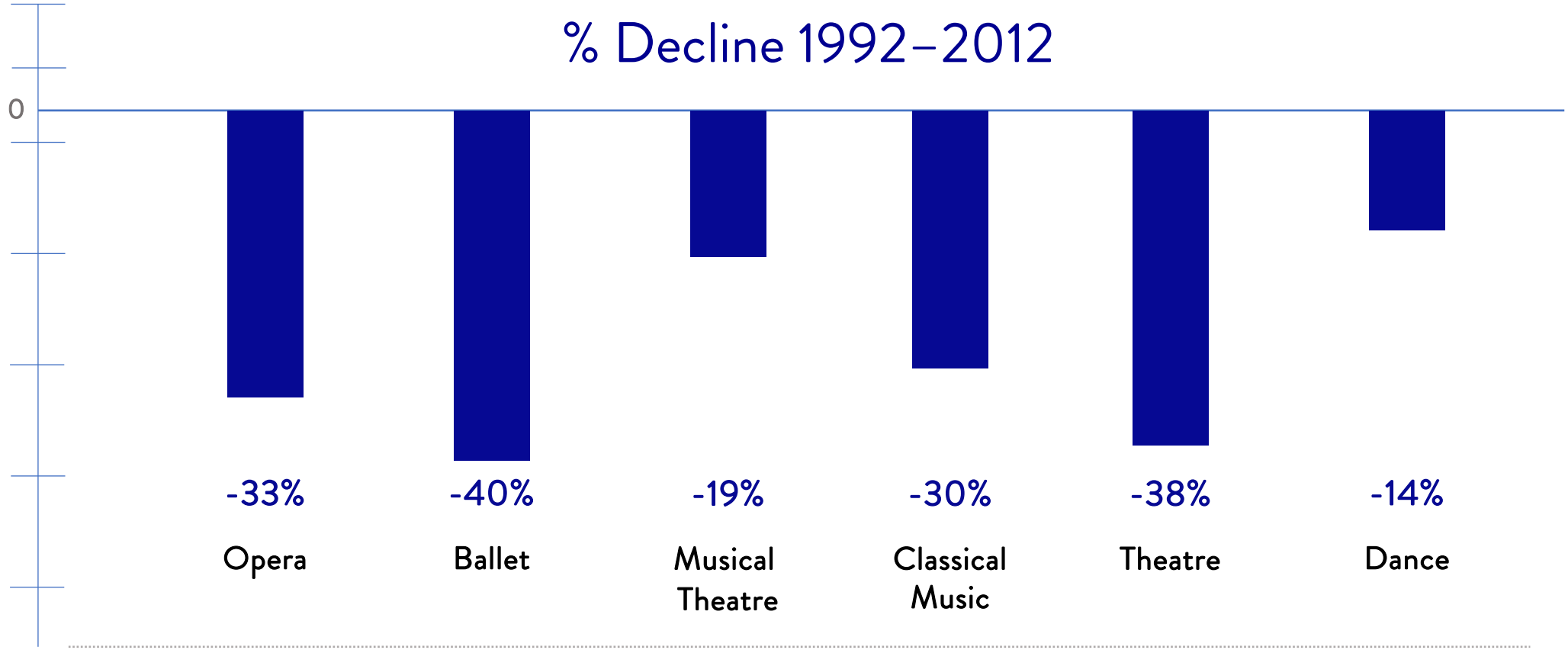
ABA's Inaugural Focus

4. Attracting Loyal New Customers

- Demographics are shifting away from traditional audiences
- Interest in the arts is declining, especially among the young
- To attract new audiences, arts organizations must tap into new motivations to attendance

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Long-Term Decline in Interest in the Arts



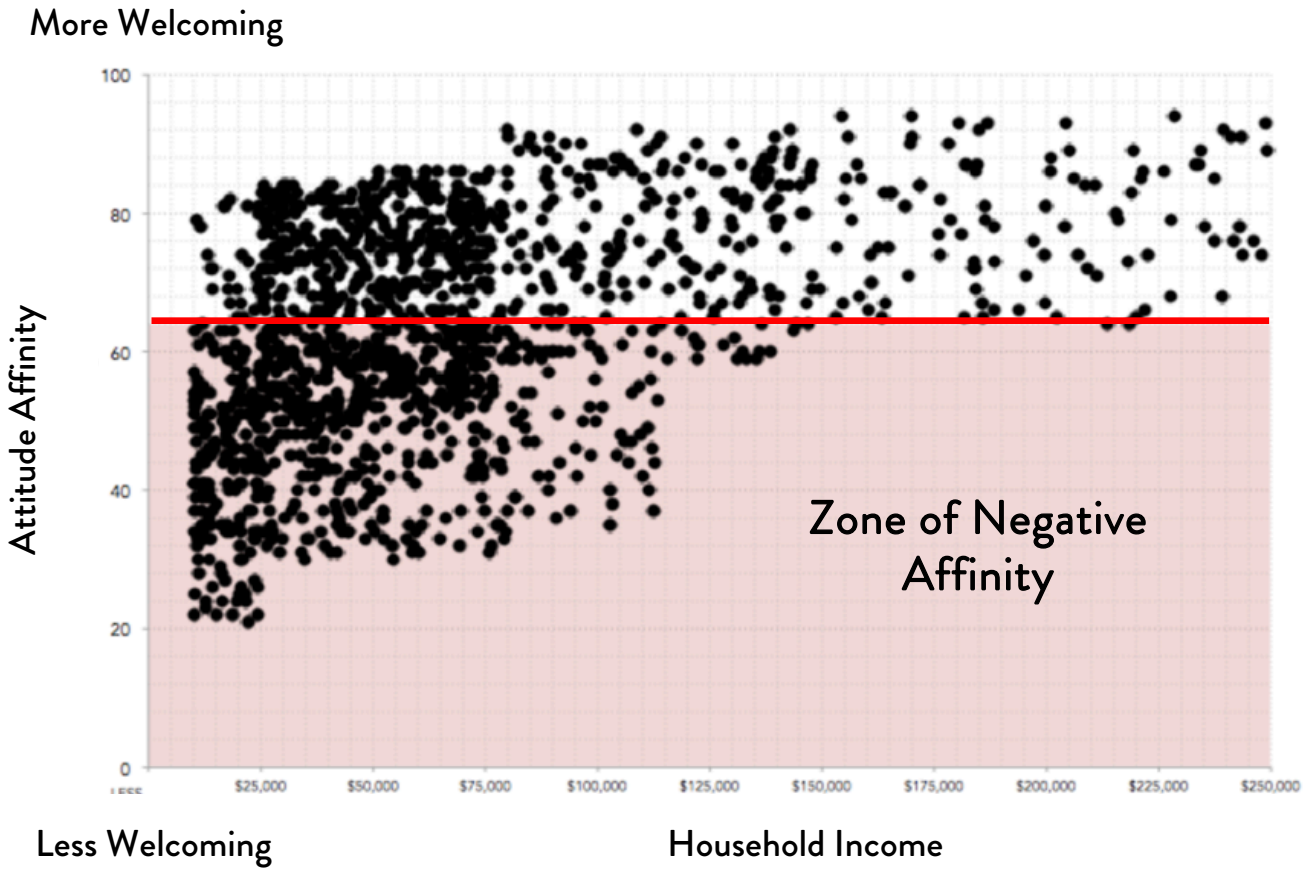
% Interested in 2012	2%	3%	6%	7%	7%	13%

Source: Building Millennial Audiences, Wallace Foundation

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Many Do Not Feel Welcome in Arts Organizations

"Orchestra and symphonies are welcoming to people like me."

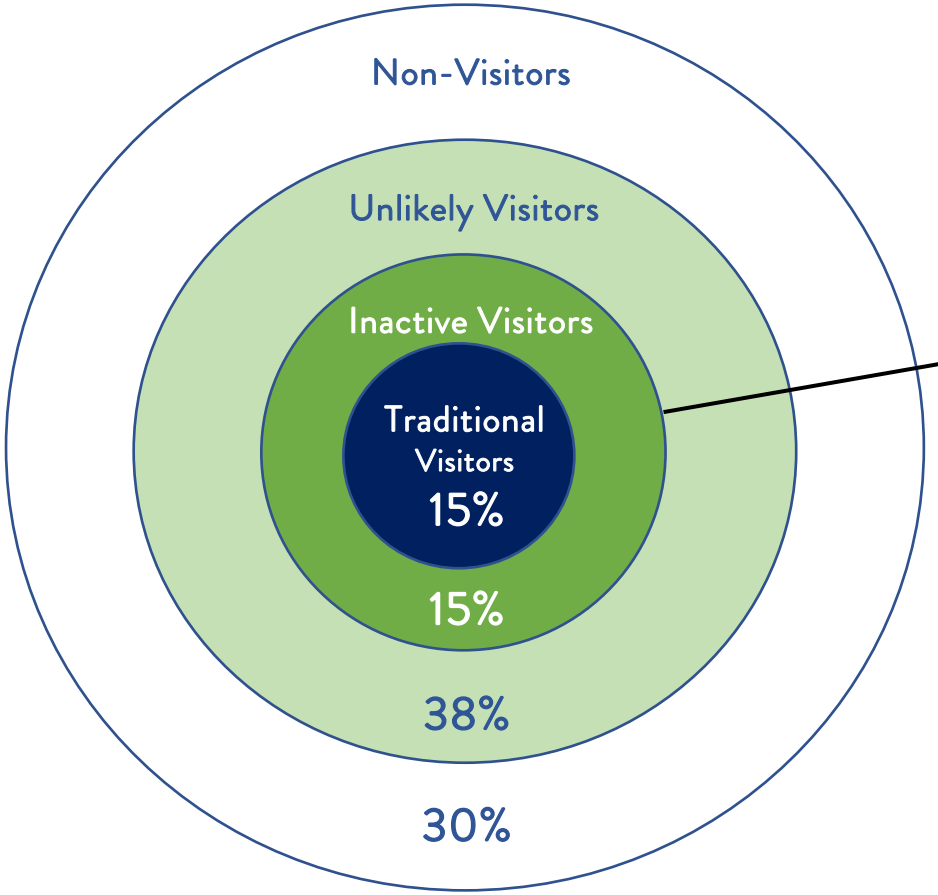


Source: colleendilen.com/2016/05/18/why-cultural-organizations-are-not-reaching-low-income-visitors-data/

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A Target Worth Double Our Current Market?

Propensity to Visit Cultural Organizations

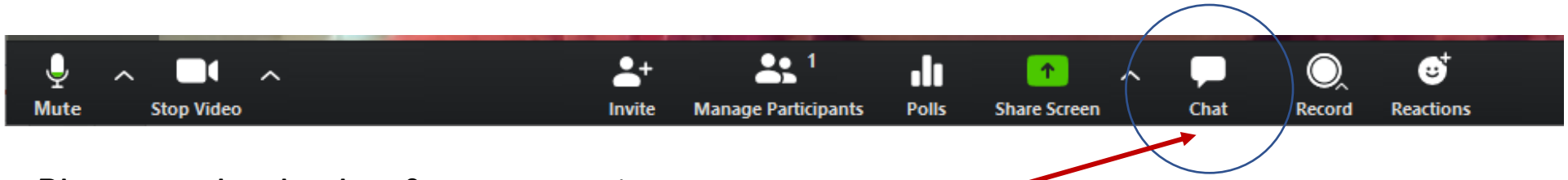


Key question: how do we find and attract *inactive* or *unlikely* visitors?

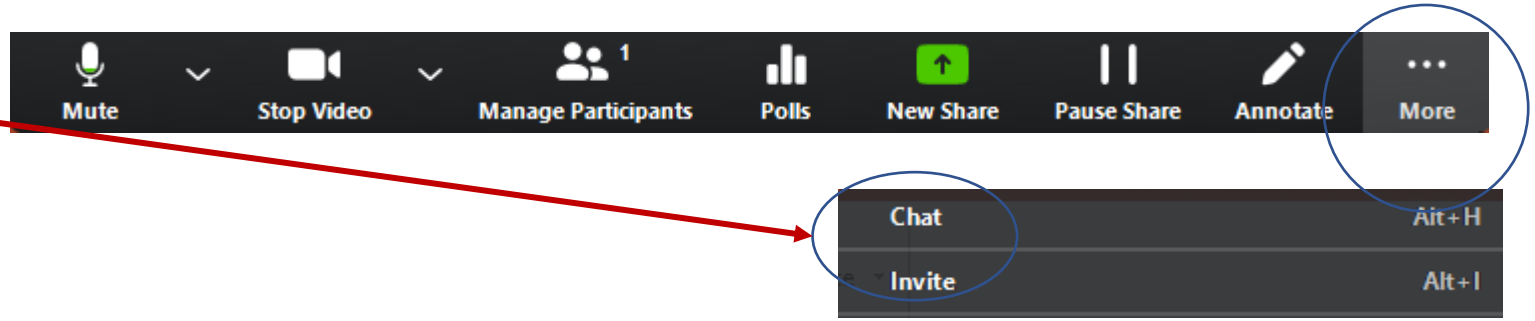
Source: https://www.colleendilen.com/2017/11/15/reach-likely-visitors-not-attending-cultural-organizations-data/

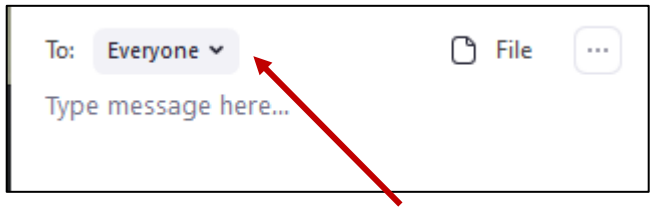
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Q&A



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A New Approach to Building Audiences



What truly motivates buyers?

- Jobs To Be Done (JTBD): What "job" did you "hire" this ticket to help you accomplish
- Study of 5,000+ current buyers
- Customers "clustered" into quantitative behavioral segments based on patterns of responses
- Analytics look for segments that are stable across arts genres and regions (rather than specific to particular organizations)

Who are the most likely New Loyals?

- Customer analytics modeling match individuals behavioral segments to members of the broader population
- Predictive scores for individuals allow us to size the segments in the population for various regions and for specific organizations

What breakthrough strategies will capture the New Loyals?

- Analysis of best practices from interviews with performing arts and out-of-industry organizations
- Best practice case studies
- Implementation guides and diagnostic tools
- Onsite implementation support

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Pioneers in Predictive Analytics



HAYSTAQ DNA

- Pioneered the field of predictive analytics to predict and persuade audiences
- Established and led Obama's 2008 microtargeting efforts
- Experienced in customer analytics for sports, education, automotive, television and healthcare

Source: HaystaqDNA

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Who Buys Tickets to Performing Arts Events?

Typical Answers

Demographic

- Age
- Ethnicity
- Income

Maybe arts purchase behaviors

- Frequency
- Price
- Length of time

Maybe some psychographic

- Attitudes
- Interests
- Lifestyle



Iliyana

- Thirty-five years old
- Middle-class income
- Advanced degree

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A Short Primer on "Jobs To Be Done"

"People don't buy quarter-inch drills...



... people buy quarter-inch holes."



A Definition

"After decades of watching great companies fail, we've come to the conclusion that what they really need to home in on is **the progress the customer is trying to make in a given circumstance**...this is what we've come to call the job to be done."

What is the "Jobs To Be Done" Approach?

- A way to surface unarticulated needs
- A segmentation approach focused on customer motivations
- A way to spark actionable innovation



Clayton Christensen
Professor of Business Administration,
Harvard Business School

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Understanding the Job

Clay Christensen

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Who Buys Milkshakes?



Traditional Research

How should we improve our milkshakes?

- Thicker
- Chocolatier
- Sweeter
- Cheaper
- Chunkier

Result

- No change in sales
- No insight about next steps

Job To Be Done

Why did you "hire" this milkshake?

To keep me company on a long commute

Why did you hire a milkshake over substitutes?

- Not messy
- Can consume with one hand
- Lasts entire commute
- Filling

Substitutes

- Banana/coffee
- Bagel/donut

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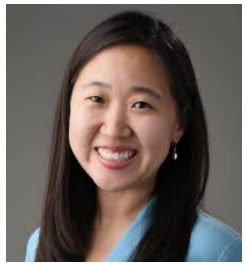
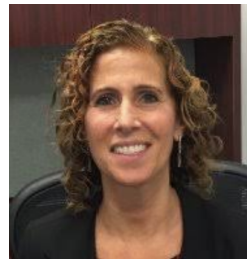
Relationship of "Jobs" to the Art Itself Varies Widely



1. See art performed at the highest level
2. Challenge myself intellectually, emotionally (and, perhaps, morally)
3. Have a transformative/ meaningful experience
4. Experience something new/ cutting edge
5. Share a passion with likeminded friends
6. Keep the arts healthy in my region
7. Act as a role model for others
8. Feel good about my role in the community
9. Support culture important to my city/region
10. Relive fond memories
11. Be part of a defining cultural moment
12. Continue/pass on a tradition
13. Teach children cultural literacy
14. Enrich myself in a new field
15. Earn entry to society/class
16. Learn to distinguish competence from mastery
17. "Give back" to city/region
18. Boost my social standing
19. Be in the company of other "town elders"
20. Identify as cultured
21. Experience a spectacle
22. See someone/ something famous
23. Dress up/feel lavish
24. Show friends I'm unique
25. Get/stay out of a rut
26. Get to know the "real" city

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Faces of "Jobs To Be Done" in the Arts

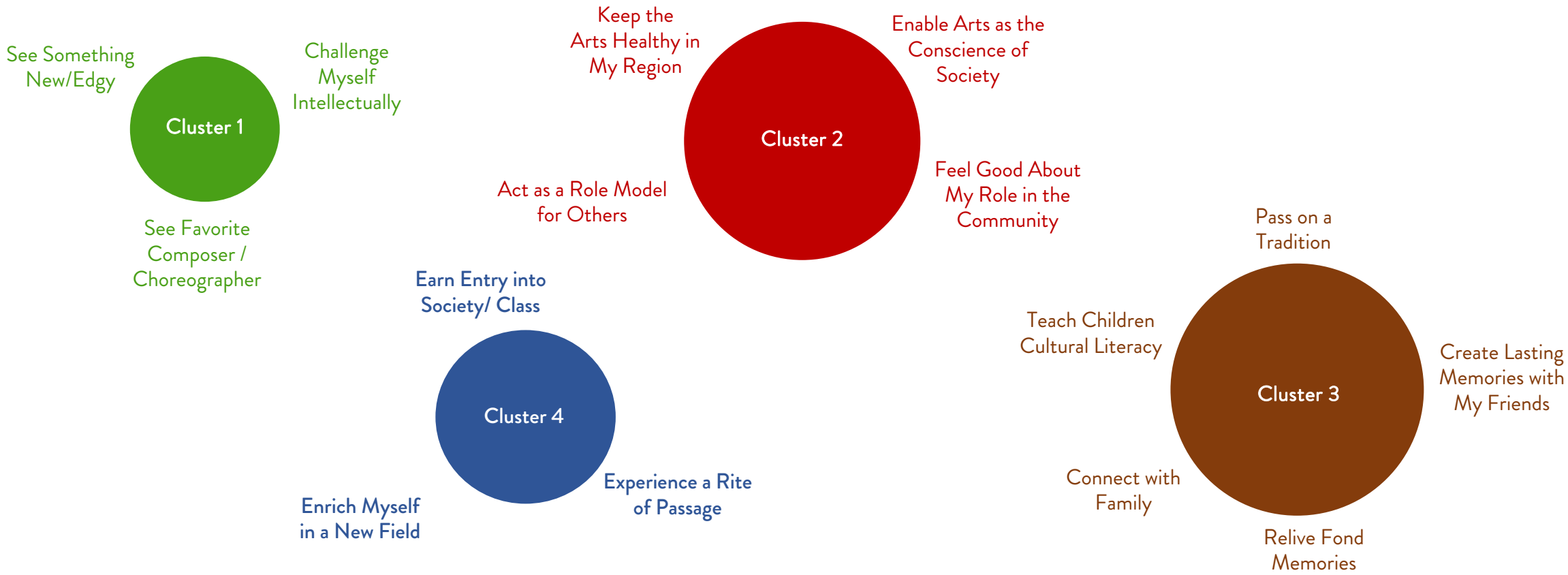
	 Min	 Scott	 Kareema	 Ilse
Arts Background	• Musician since childhood • Forces time on calendar	• Music theory degree • Attended Nutcracker with parents and kids	• Attended (four hour) opera for first time	• Frequently attends musical theatre with family
Sample "Job"	Support community cultural institutions	Carry on family / cultural tradition	Undertake cultural rite of passage	Have a transformative experience
Sample Substitute	Hiking club membership	Holiday gatherings at vacation home	Witness Pyramids for the first time	Work at dog shelter

Source: ABA interviews

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Identifying Clusters That Tend to Behave Alike

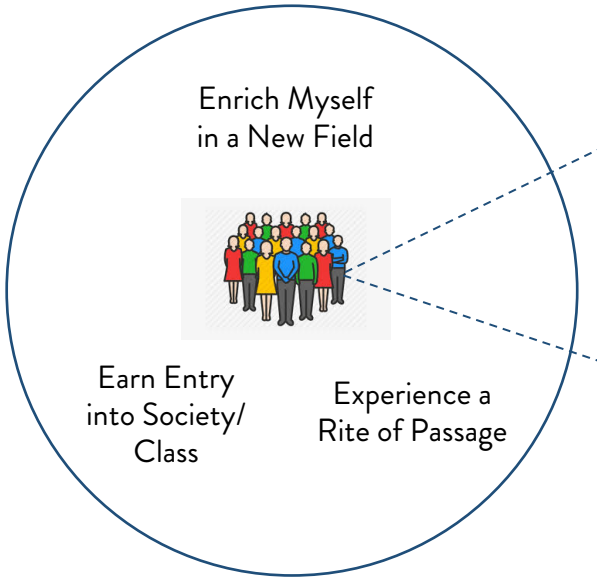
Data analytics can cluster groups into behavioral sets based on patterns of responses to survey questions.

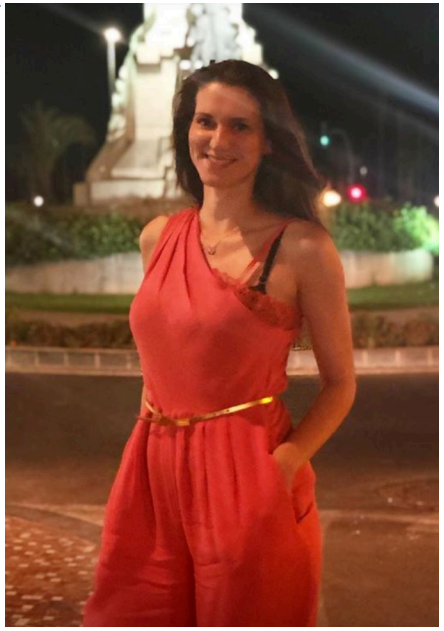


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Behavioral Targeting Enables Deeper Engagement

Illustrative Cluster: Arts Initiates





Iliyana

- New to country
- Family emphasizes education
- Views classical music as a "secret handshake" for entry into society
- Wants to know how to distinguish good from great
- Potential to be strong donor

Targeting → Messaging → Purchase → Preparation → Experience → Follow-Up

Source: ABA research

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Behavioral Targeting Enables Deeper Engagement

Sample Strategies and Practices for Arts Initiates

Targeting	Messaging	Purchase	Preparation	Experience	Follow-Up
Target people who are new to the arts	Craft a subtle message that communicates exclusivity and accessibility.	Design a Web landing page for "initiates" that directs them to appropriate events and introduces them to elements of the "handshake."	Educate initiates on etiquette, history and key program content. Create social messaging that initiates can use to ask like-minded friends to join.	Produce an initiate's brochure or infographic. Offer headphones with narration before/during/after the performance, similar to museum exhibits.	Create follow-up message underscoring what's been learned and highlighting opportunities for upcoming events.

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Marketing the Job to be Done

Matt Hodges

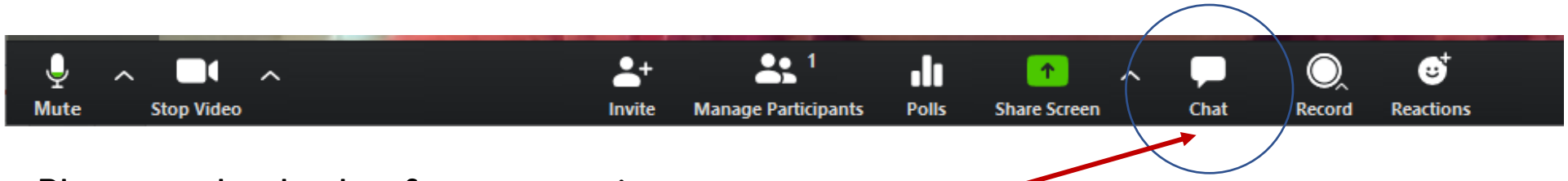
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5 Key Lessons So Far from "The New Loyals"

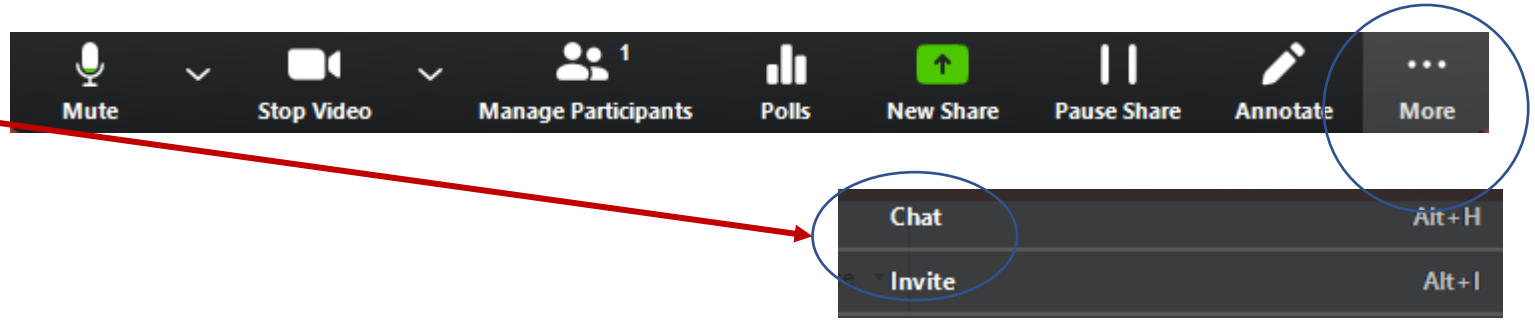
1. Sustainable audience growth trumps all other issues in the arts
2. Target for new audiences at least twice as large as current
3. Key to new audiences not demographics — it's motivating
4. Motivations much harder to tease out than it appears
5. Value of a new understanding of audience motivations comes in being able to dramatically redesign all aspects of the audience experience

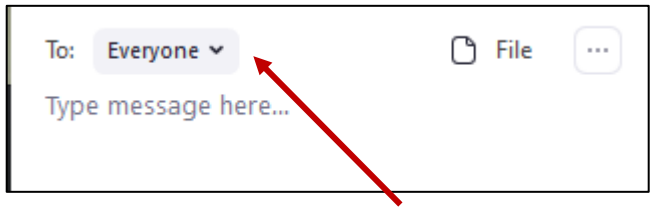
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Finding Your “New Loyals”

How ABA Can Help

Sign up to be updated on next phases of this work

Select A

Conduct your own Jobs To Be Done analysis

Select B

Run your data through our system to identify your “New Loyals”*

Select C



Pilar Càrdenas
pilar.cardenas@advisoryarts.com

**Compliant with the GDPR (General Data Protection Regulation) in Europe*

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ABA's Initial Network of Members

Aspen Music Festival and School
Aspen, CO

Aspen Sante Fe Ballet
Sante Fe, NM

Austin Opera
Austin, TX

Brevard Music Center
Brevard, NC

Carnegie Hall
New York, NY

Goodman Theatre
Chicago, IL

Grand Teton Music Festival
Jackson, WY

Kansas City Symphony
Kansas City, MO

Houston Grand Opera
Houston, TX

The Joffrey Ballet
Chicago, IL

La Jolla Music Society
San Diego, CA

LaVerdi Orchestra Sinfonica
Milano, Italy

Melbourne Symphony Orchestra
Melbourne, Australia

Pennsylvania Ballet
Philadelphia, PA

Philadelphia Orchestra
Philadelphia, PA

Portland Center Stage
Portland, OR

Shakespeare Theatre
Washington, DC

Wolf Trap Center for the Performing Arts
Washington, DC

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Our Work Across Europe

100+ Conversations
in 20+ Countries

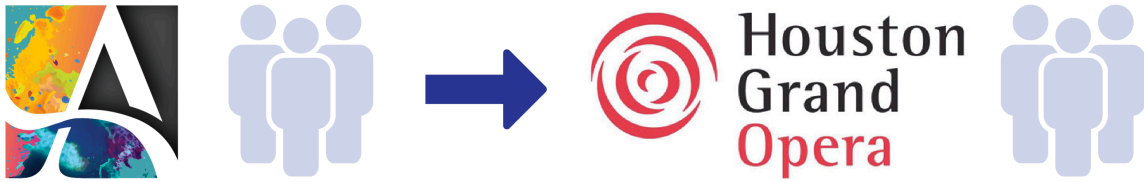


Pilar Càrdenas
Madrid, Spain

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ABA's Unique Approach

1. ABA Forges Long-Term Partnerships ...



Trusted Advisors • Extension of Staff • Eyes to the World

2. Conducts Breakthrough Research Initiatives ...

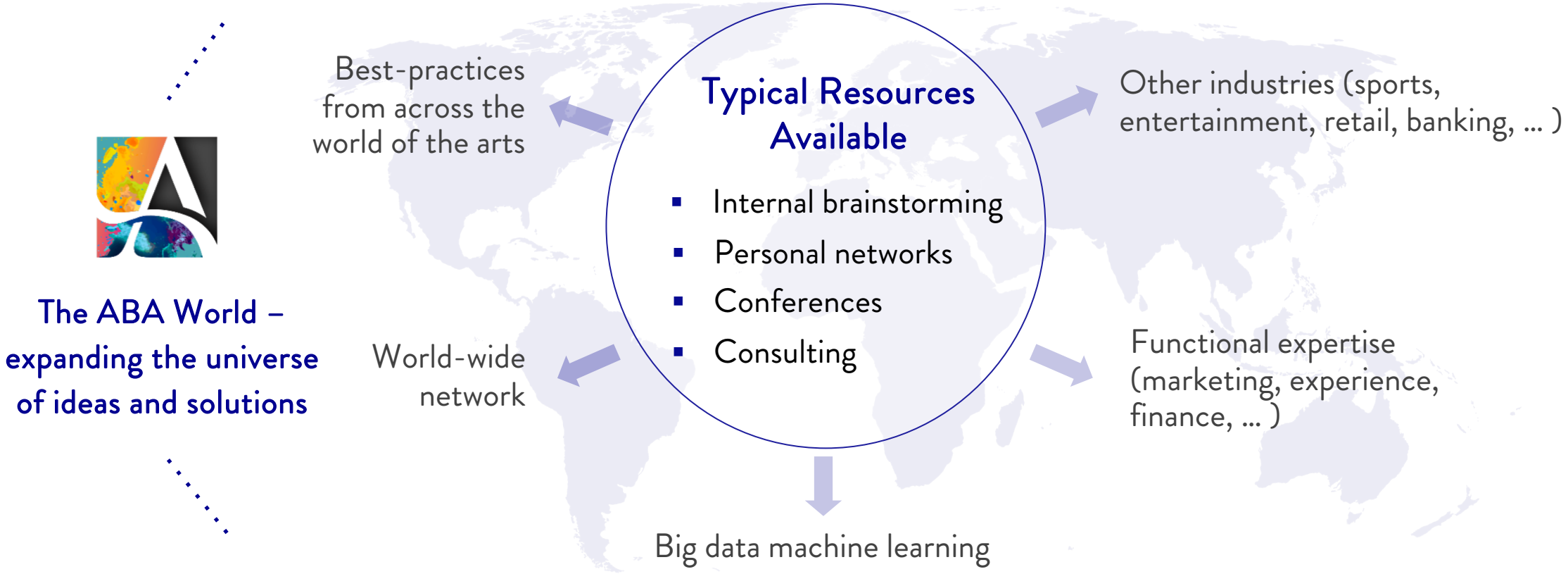


3. Offers Customized Support

- Application of new solutions
- Customization of new strategies
- Strategy planning and monitoring
- Short answer projects and networking

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Designed to Break Through the Usual Barriers



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See You in Zagreb



September 24 – 26, 2020

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