TICKETING
Update

The Latest in Successful Ticket Sales

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Each article in this issue is also found on our website, MusicalAmerica.com, in the Special Reports section.

Introduction

In our last report covering ticketing, [See Ticketing: The New Age] we described a ticket purchase as simply the first step in the Customer Relations Management (CRM) cycle. That cycle is the place in which sales meets data meets fund-raising meets customer feedback (. . . meets sales meets data . . .).

In this report, we consider the ways to use all that CRM data, including informing your decisions about price changes. Pricing Institute President Steven Roth lets us in on some of his trade secrets and provides a number of case studies—the Cincinnati Symphony and Miami's Adrian Arsht Center among them—to illustrate how those strategies were used and the ensuing results.

We've also interviewed Jack Rubin and Chuck Reif, the two key execs of Tessitura, whose annual conferences, according to writer Charlie Wade, have become the largest single gathering of performing arts professionals in the world—1,200 individuals from the 475 Tessitura licensees in eight countries. As Wade describes it, "It's a remarkable story of success that should warm the heart of every mission-oriented arts loving professional."

Christopher Barrett examines how best to use social media to leverage ticket sales—a technique now known as "social ticketing"; in his interviews with various industry experts we hear repeatedly about the importance of keeping an organization's web sites and Facebook pages up-to-the-minute, including being responsive to negative comments that may show up in a Facebook post.

In Not all Ticketing Systems or Suppliers Are the Same, consultant and Ticketing Institute Chief Roger Tomlinson provides an up-to-the-minute complement to his article from the last issue, Choosing the Right Ticketing System: The Major Players. He also introduces us to "The New Vantage Point," in which he asks, "When you think about potential ticket buyers, what's your perspective? Are you standing inside your venue looking out at them? Or are you standing out there with them, looking at your organization from their point of view?" With all the data now available, he points out, you should be thinking less about "selling" than "helping people buy."

We also have included step-by-step account of how the Canadian Opera Company used a combination of emails sent to patrons during intermission and phone followup to increase ticket sales by 14 percent. Knowing they had a captive audience enjoying a night at the opera, what better time to suggest, via mobile technology, another enjoyable night at the opera? A prime example of targeting the right audience at the right time.

Regards,
Susan Elliott
Editor, Special Reports

EVENTS
+ SOCIAL MEDIA
= SOCIAL TICKETING

Or, why concert-going and social media were made for each other

By Christopher Barrett

If you bought a bus ticket to go visit your aunt in Trenton, chances are you wouldn't tweet about it, or post foodie pics on Instagram of the meat loaf she served for dinner. If, on the other hand, you bought a ticket for an event—an opera, a football game, a cooking class—you might tell your friends and followers about it; you might even invite them to join you or chat about it online during and after the fact.

That's because attending an event is a communal activity. And what could be a more effective way to communicate about it than social media? Which is but one reason why social ticketing, as it has come to be called, has become such an effective sales tool.

CHRISTOPHER BARRETT

Christopher Barrett is a UK-based entertainment industry consultant and journalist specializing in digital and print content initiatives for clients including Abbey Road Studios and British record label trade body BPI. He has edited and/or contributed to trade titles including Billboard, Music Week, Music Ally, Audience, *and* Cue Entertainment.

Save me a seat!

Mike Evenson, marketing and product management VP at Toronto-based AudienceView says the company wanted to bring back the potentially social experience of buying a ticket at the local arena or concert venue. "Previously people went with friends and waited in line to buy tickets." That changed with the Internet's arrival. "All of a sudden people were at home waiting to click as fast as they could, with one person ending up buying four tickets."

AudienceView's social ticketing program AVTiki enables consumers to purchase tickets on Facebook and reserve neighboring seats for friends. The friends are then informed via FB that seats are being held for them; this way, the original ticket purchaser doesn't have to risk buying more tickets than his friends may want. The amount of time tickets may be held is decided upon by the client, whether it is a presenter, an artist, or a venue.

There are several advantages to this chain of events. One, you sell more tickets. Two, you gather data from the ticket purchaser *and* his or her friends. "Instead of knowing one person per four seats at

your venue, with AvTiki the event owner can potentially know who every single person in its venue is," says Evenson.

Some 27 organizations currently use AVTiki, from the Canadian Stage theater in Toronto to the University of Minnesota Athletics.

AVTiki metrics reported by Minnesota Athletics:

- 439 tickets sold via Facebook in 24 hours.
- 225 new Facebook "likes" in one day—a 43% increase over any single day in the past 3 months.
- 2,156 page views—a 188% increase in page views over any single day in the past 3 months.

A survey of Minnesota Athletics customers who purchased their tickets through AV Tiki revealed:

- 100% of respondents said this was their first purchase on Facebook.
- 100% of respondents said the reservations feature was attractive to them.
- 100% of respondents said they would purchase tickets directly on Facebook in the future.

As the Minnesota Athletics statistics show, social media communities can build around each ticket purchase.

Facebook drives sales, Twitter drives visibility

Launched in 2006, white label ticketing technology provider Eventbrite boasts more than $1 billion in ticket sales for its client base. It offers social ticketing to event organizers of any kind, ranging from cookery classes to the 90,000-capacity Bonnaroo Music and Arts Festival in Tennessee.

In 2012 the company produced a report illustrating the impact of events being shared via social media platforms.

- A Facebook share drives $4.15 in additional revenue back to the event organiser.
- A Twitter share drives 33 visits to an event's ticketing site per share.
- A Facebook share drives 14 visits to an event's ticketing site per share.
- A LinkedIn share drives 10 visits to an event's ticketing site per share.

Eventbrite head of social media Sara Altier says Twitter drives more visits and Facebook more revenue because of the nature of the connections made on the platforms.

"Twitter is about following famous people, whereas in Facebook people are looking at people they know." If a friend is going to a show, that is more influential than a star simply sending a tweet about the show to fans.

The Eventbrite executive has seen up to 40 percent of tickets for an event being sold on social media platforms, but says it varies greatly depending on the nature of the event and how well the event owner has nurtured its social media community.

To maximize sales, says Altier, it's important to train potential customers to always check the Facebook page, since that's where
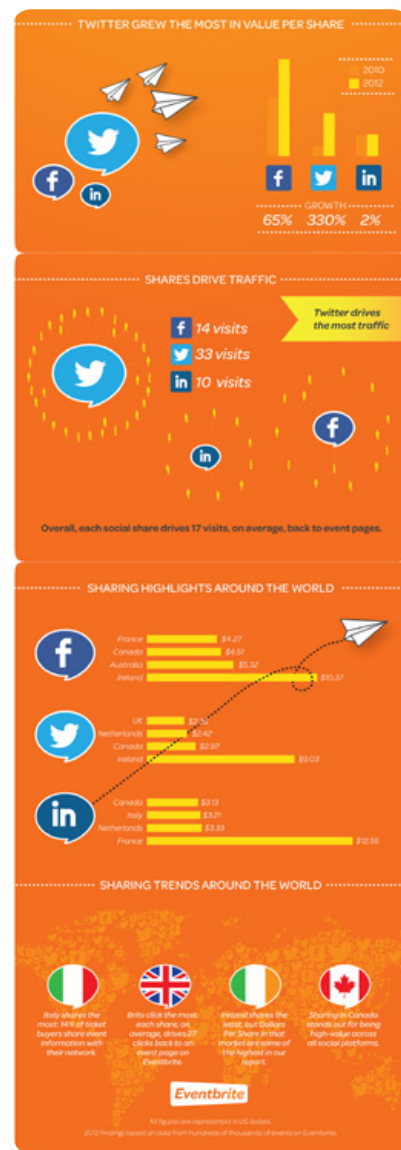
announcements are first made and where the potential for conversation about the events can take place.

"You need to drive them there from all available online platforms; blogs, web site, and email." Make sure to let people know, on all platforms, that FB is the first port of call for new information about ticket sales.
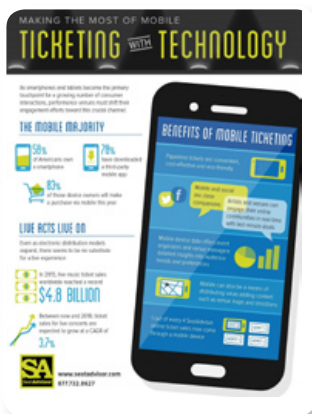
Monitoring is key to social success

Steven Garcia, director of client services for SeatAdvisor, says the company's system enables ticket buyers to make a social media post at any point during the sales process. He believes positive and negative posts can both work to an event organizer's advantage.

"Social media requires regular and consistent monitoring. We don't encourage clients to delete or try to hide negative posts, but they require an immediate response. Organizations can use social media to demonstrate how great they are at rectifying a problem rather than hiding it. That allows people to feel free to express themselves and builds loyalty," says Garcia.

When it comes to encouraging consumers to actively raise the profile of an event via social media, Garcia insists organizers need to post questions rather than statements.

Don't Say: "This month our venue celebrates its 100th anniversary!"

Do Say: "It is our 100th Anniversary, what's your favourite memory at our venue?"

What those "likes" can tell you

Amy Constantine Kline oversees the social media strategy at the International Ticketing Association (INTIX), the industry trade body whose an annual conference offers sessions on trends and innovations; it's also an opportunity for companies to exhibit their latest ticketing products and services. Social media has enabled the organization to gain a clearer picture of its international client base.

"Facebook ads can reveal a lot about the location of your customers. We were surprised to see the most 'likes' for one campaign coming from Central America, so we adapted our strategy," to focus specifically on that region, says Kline.

Amy Constantine Kline oversees social media for INTIX

Get the artist in on the act

Country singer Blake Shelton used his own Twitter account to help drive sales of his Ten Times Crazier tour.

Launched in 2008 in London, white label e-commerce solutions provider CrowdSurge now boasts offices in New York, Nashville, and LA. It has worked with an array of artists including Paul McCartney and country singer Blake Shelton, also a judge on TV's *The Voice*, so they can market and sell tickets direct to fans from their personal online platforms.

"Shelton's social-media reach doesn't compete with the likes of Taylor Swift or Bruno Mars," says Director of Marketing and Client Services Nathan Lew, "but his savvy use of the medium, especially Twitter, separates him from his peers.

"Ticketmaster is the primary ticketing partner for Shelton's tour, but artists can carve out eight to 10 percent of the tickets to sell on their own, usually to their fan clubs." This is what Shelton did for his recently concluded *Ten Times Crazier* national tour, leveraging his loyal following on Twitter to drive sales directly from his own web site.

Email still rules

CrowdSurge, which also works with venues and promoters, uses Facebook to glean customer data for event its clients. However, says Lew, "when it comes to event marketing tools, email is still king."

"The challenge is that while artists have creatively grown their Facebook and Twitter followings they have not invested as much in growing email databases. We encourage clients to utilize Facebook, YouTube, and Twitter to drive fans to sign up with emails.

Email is still the most effective way to reach customers when tickets go on sale. When we run these data-capture campaigns, 32 percent of all ticket purchases come from the pool of email addresses we collect," says Lew.

Email blasts may sell the most tickets, but social media, properly maintained, can make those sales resonate into more sales. Which makes social media the primary secondary channel for selling tickets. **ma**

PEOPLE MOVES
who's where in the performing arts business

AND

HOW TO GET THERE

JOBS
on MusicalAmerica.com

Not all Ticketing SYSTEMS or SUPPLIERS are the Same

By Roger Tomlinson

Our ticketing guru updates his 2013 report on the major players

It hasn't been long since I last made an attempt to describe the vast array of ticketing systems/services that are available [See Choosing the Right System, the Major Players], and the field will never stop evolving. The headlong rush into advanced Customer Relationship Management (CRM), social media integration, email marketing, mobile optimization, and advanced web tools, has pitched new vendors against old, caused a clash among business models, and started technology wars over The Cloud.

ROGER TOMLINSON

Roger Tomlinson is a London-based management and marketing consultant, working in the arts and entertainment sectors. An expert on integrated solutions and developing online technologies for ticketing and marketing, he has authored several books including Full House: Turning Data Into Audiences and Boxing Clever, Developing and Managing a Website. *He also produces the* The Ticketing Institute *information web site.*

Ticketing-system suppliers range from the comprehensive "software solutions" type, such as Tessitura, to browser-based web services such as TicketFly. Relative newcomers such as Spektrix and EventBrite challenge venues' ways of doing business.

Most established ticketing systems are broadly comparable in delivering the latest must-have technology—to secure a sustainable number of customers you now have to do more than cover the basics. But there are stings in the tail when systems don't deliver what is expected, so "buyer beware" and make careful cost comparisons.

Category I: The Major Suppliers

"Platforms," the buzz word of the moment, deliver the "database of truth," can interact deeply with other software solutions (email

clients, scheduling and planning, point-of-sale, fund-raising, F-O-H), and offer state-of-the-art comprehensive functionality. They serve as a one-stop shop for customer interfacing in all areas such as e-marketing, social media, web sites, loyalty schemes, memberships, subscriptions, and fund raising. Some systems are truly delivering the "state-of-the-art," such as TopTix SRO4.

There is a higher price tag for this, in return for generally larger supplier sales, support, and service teams, as well as a high level of knowledge about the operating environments in user organizations and continuous upgrades. Tessitura is seen as the not-for-profit exemplar and has a huge body of satisfied users around the English-speaking world. It does have serious competition from other international systems, some of which are mentioned below:

- AudienceView (Toronto, CA) has over 600 users in multiple countries and a "self-serve" solution, AV Go (see Category III).

- ENTA (Baton Rouge, LA) drives arts and entertainment organizations in 24 countries and has a "next generation" version in the offing.

- Tickets.com (HQ in Costa Mesa, CA) also in multiple countries, offers a variety of solutions.

- TopTix (Charleston, SC) offers SRO4 as an extension to its international portfolio of fund-raising and arts management software. SRO4 has over 800 users in 15 countries.

There is also a big following for systems in this group that can meet high-specification demands:

- Paciolan (Irvine, CA) has a long list of clients, from sports to performing arts.

- Vendini (San Francisco, CA) aims at an inclusive lower price in the arts. Its clients range from high schools to Broadway theaters.

- Choice (Boulder, CO) created a system for the needs of the Toledo Symphony Orchestra and now has over 250 users.

- Theatre Manager from Arts Management Systems (Calgary, AB, Canada) is a long-term survivor that, like Tessitura, never charges per-ticket fees, has a large user base, and offers comprehensive functionality for arts organizations, with an emphasis on ease of use.

The advantages of all of these companies are the great software functionality, with regular releases of new versions. Users also see as an advantage the client base and the user group conferences—Tessitura's being the biggest in the world, with off-shoots in Australia and Europe.

The only disadvantage is the relatively high cost—in most cases worth it for the broad functionality—and the need for "intelligent users for intelligent systems." Watch out for the implementation process; be sure that the scope of work delivers what you want.

Category II: The Challengers

These suppliers all bring something different to the table, work closely with their users, and many challenge the orthodoxies of ticketing.

- Spektrix (New York, NY) is almost an exemplar of this category, first disrupting the U.K. marketplace with its commission-based charging, Software as a Service (SaaS) Cloud-hosted model, rapidly acquiring a user base of demanding arts venues liking its cutting-edge software, complete with a fund-raising module, and now quickly expanding in the U.S.

- Seat Advisor (San Diego, CA) has clocked up a large number of users internationally for its web-based, browser front-end system on a pay-as-you-go basis, though it faces competition from a whole series of me-too web system suppliers. The advantage here is who started first, because generally the more users, the more sophisticated the system, as more tools are added to meet different clients' needs. In this case, watch out for the costs—they can add up to the same or more than the Category I suppliers if you sell at high volumes.

- The enterprising Gene Carr of Patron Technology (New York, NY) is now an established leader with his Cloud-

based ticketing and CRM-based solution built on Sales Force. PatronManager CRM gets it right by marrying intelligent CRM with the distribution of the workload at a task level. Without any synchronizing with other products, this kind of solution is recommended from the small scale right on up, sold on a per-ticket fee model, which many organizations—and their ticket purchasers—find helpful, or as an annual fee model for organizations that prefer not to have a per-ticket charge.

- Agile (Hermitage, TN) emphasizes an attention to detail and a well-honed focus on understanding users' unique needs. Its Venue Manager Pro offers a great range of key tools.

- Easyware's Total Info (Chicago, IL) is an integrated solution bringing a series of tools together dedicated to the not-for-profit sector. Suited to those with a high sensitivity to cost, it comes with a published tariff, so you know exactly what you are paying in

advance. Managing the databases and information needs with a comprehensive ticketing solution, this is a high-specification but affordable solution.

These suppliers are all in the business of achieving customer satisfaction, helping people work smarter, enabling venues to thrive as well as survive in these challenging economic circumstances. Expect a range of ways to pay for the system (watch out for how much "pay-as-you-go" actually adds up to) and make sure they understand your operating circumstances.

Category III: The Rest

This is a big group, too many to list, comprised of both time-served survivors and start-ups, and some local and regional suppliers. Some have only a few users, mostly the newer ones, while some of the older ones have left their product restricted to just ticketing, despite the newer web-based ticketing services bursting with email and social

media integration. It is hard to compare the huge range of solutions and prices, but fundamentally the majority of these are more focussed on web sales and have limited tools for the box office, for membership schemes, and for subscriptions. Users will have less control over their system, may not have control over their customer data, and will be sharing their solutions with others.

These are not all-in-one solutions comparable with those in Categories I and II, though inevitably they are rapidly catching up. The kinds of fees charged can add up significantly, for both the organization and the ticket buyer, and venues will want to know exactly when they will receive their income—five days after an event matures is no good for cash-flow.

- AudienceView (also in Category I) has decided to disrupt Category III suppliers with its own AV Go—a SaaS self-serve solution empowering any arts organization to provide enhanced ticket-sales solutions.

TicketFly (San Francisco, CA) aims to join the marketing, social media, and ticketing functions into one tool on a single platform for promoters and venues. There are many others competing in this area.

- TicketBud (Austin, TX) aims to disrupt the above marketplace with what it calls "greed-free ticketing" by offering an Internet ticketing service capped at a total cost of $99 per event.
- Of course many of the ticket agents are hard to define in any one category: Ticketmaster offers various services and software solutions, though their Archtics system, originating in sports, seems to have fewer fans among performing arts users.

Do these suppliers actually offer competitive solutions in terms of their functionality from a marketing, CRM, and social media perspective as well as ticketing? Can they handle your memberships, subscriptions, and fund-raising? They can often cost more than total solutions in the other categories, though there are exceptions. Whichever path might fit you or your organization's needs, buyer beware.

The *Tessitura* Story
Necessity is the Mother of Invention

How the Met Opera's $5 million investment evolved into a hugely successful non-profit ticketing network

By Charlie Wade

Charlie Wade
Writer for
MusicalAmerica.com

Jack Rubin
President,
Tessitura

Chuck Reif
Senior VP of
Technology, Tessitura

When the 475 Tessitura licensees from eight countries all gather at their annual conference, attendance figures reach 1,200—the largest yearly gathering of arts administrators anywhere. The vast network that Tessitura has become traces its origins to 2001, when a small gathering of performing arts groups began to brainstorm about how to deal with the New Age of Ticketing and with Customer Relationship Management (CRM), in which sales meets data meets development meets customer feedback. Should they stay with their outdated ticketing system and try to hitch it up with a separate one for fundraising? Should they build a completely new system at huge expense? Or maybe turn to an outside firm and risk losing a degree of control (not to mention revenue)?

Curious to know how Tessitura evolved from this dynamic dilemma, veteran orchestra marketer Charlie Wade recently sat down with its principal pioneers—Jack Rubin, now Tessitura's president, and Chuck Reif, its senior VP for technology.

How did the idea for Tessitura come into being?

The concept of forming a company around a product that was not controlled by outside investors, a nonprofit serving nonprofits, surfaced as an idea back in 2001 after Chuck had built a program for the Met that integrated

CHARLIE WADE

Charlie Wade is senior VP for marketing and business operations for the Seattle Symphony. Previously he served as a consultant to a number of orchestras, including the New York Philharmonic, where he led the "customer experience initiative." For 15 years he was the head of marketing for the Atlanta Symphony Orchestra.

ticketing and donations. The Santa Fe Opera, Kennedy Center, San Francisco Symphony, Lyric Opera of Chicago, and the Seattle Opera expressed an interest in using it, so we put together a gathering of users in 2001 in Santa Fe—call it our first conference.
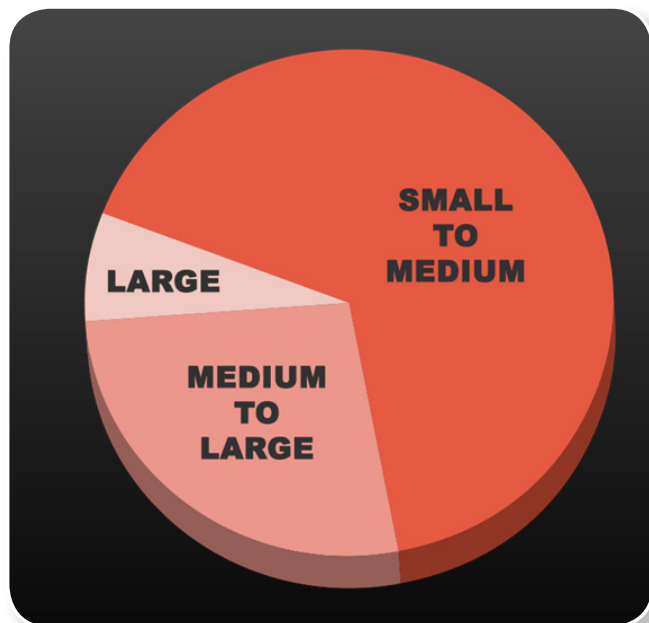
Tessitura Network members come in all sizes

We put up white boards and 33 people from our little group threw out concerns with the systems available at the time— tacked-on ticket fees, unannounced product changes, systems that went out of business, and developers who decided that the arts sector was too complicated and not lucrative enough, and so on. It made us wonder if it was possible to build a system for arts organizations that was run by professionals and beholden to no one other than its members. We spent three days discussing that and ended up with a mission statement that's very close to the mission statement we have today.

I never imagined we would get this big. I thought we were just hammering out a way for a few arts organizations to share this coding and create a company to support it. I figured if we had eight or ten members that would be awesome.

So how do you explain your growth to 475 licensees in eight countries?

THE EVOLUTION OF TESSITURA

In 1996, after years of frustration with their siloed ticketing and fund-raising software and no satisfactory outside solution on the horizon, the Metropolitan Opera's board of trustees authorized $5 million for the company to build its own integrated software system.

Chuck Reif was named the project manager for the development of "Impresario" (later changed to Tessitura). The software became operational at the Met during the 1998–99 season.

Two years later, after the Met had made Impresario a wholly owned licensing subsidiary, the first outside users—Santa Fe Opera, Lyric Opera of Chicago, Kennedy Center, San Francisco Symphony, and Seattle Opera—came on board. In July (at that Santa Fe conference), the software users decided to try to form a separate user-owned entity for ongoing support and development. A month later, Tessitura Network services started on a "handshake." It was also around that time that the newly created board hired Jack Rubin, an experienced finance and business operations professional, as president, and named Reif as chief technology officer.

Because the main tenants behind the company are 100 percent aligned with the interest of its users; it's a cooperative, owned by the users.

Doesn't the cooperative approach slow down innovation, with so many competing voices?

There has frankly been no downside. The governing board [12 licensees elected to three-year terms by the users] is not involved in the day-to-day operation. Its role is true governance: strategic oversight and fiscal responsibility. You've seen what can happen when boards act too operationally and it gets in the way of running the company. When they stay in the right role, it works really well.

We also have a member advisory committee (MAC), [a group of about 14 people who represent marketing, development, box office, etc.] and we meet with them monthly to talk about the latest releases [and] software developments. We give them previews of what we're doing and they give us feedback. For instance, four years ago we decided we needed to do some major retooling of the software to make it a platform for innovation [he refers to TN Mobile Plus] and we really needed the MAC members to guide us through this big change. Sure, it took longer to get it out to all the members, but the end result was stronger because we had more people helping us improve it along the way.

So what makes Tessitura different from other ticketing systems?
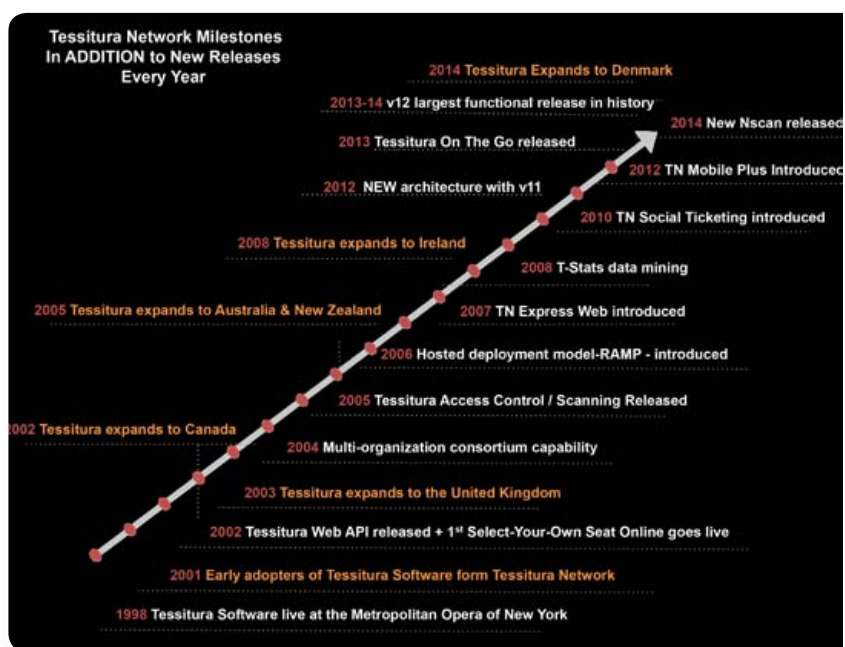
First of all we are not a ticketing system. We are a unified enterprise system that cuts across all of the functions that deal with consumers—prospects, donors, single-ticket buyers, subscribers, etc. We had the good fortune to have the functionality that Chuck and his team had created that is just as strong for ticketing as it is for fundraising, just as strong for marketing as it is for customer relationship management, and just as strong for data mining as it is for web capabilities.

What is the advantage of that all-in-one model?

Tying a fundraising system to a ticketing system or going into a cloud network and combining with another system... is hard to do and [the elements] are always changing. Our holistic approach takes into account the entire span of business functions (ticketing, fundraising, web site, etc.); what's different about us is the sharing of knowledge with no financial benefit because it's part of our mission as a not-for-profit company.

Tessitura Network Milestones In ADDITION to New Releases Every Year

- 2014 Tessitura Expands to Denmark
- 2013-14 v12 largest functional release in history
- 2014 New Nscan released
- 2013 Tessitura On The Go released
- 2012 TN Mobile Plus Introduced
- 2012 NEW architecture with v11
- 2010 TN Social Ticketing introduced
- 2008 Tessitura expands to Ireland
- 2008 T-Stats data mining
- 2005 Tessitura expands to Australia & New Zealand
- 2007 TN Express Web introduced
- 2006 Hosted deployment model-RAMP - introduced
- 2005 Tessitura Access Control / Scanning Released
- 2002 Tessitura expands to Canada
- 2004 Multi-organization consortium capability
- 2003 Tessitura expands to the United Kingdom
- 2002 Tessitura Web API released + 1st Select-Your-Own Seat Online goes live
- 2001 Early adopters of Tessitura Software form Tessitura Network
- 1998 Tessitura Software live at the Metropolitan Opera of New York

And how is Tessitura positioning itself for the future?

We've had tremendous growth the last few years in the museum, science-center, and gallery sector. But we're still adding theaters, opera companies, and orchestras as well.

The big thing that we've done is the re-architecting of our software to make us more modern and forward-thinking, but also to allow Tessitura to be used in a lot of different ways. It's no longer an application but more of a platform

The Tessitura Story
Necessity is the Mother of Invention

The Tessitura Roaming Box Office (TRBO) will be available in 2015

for building all sorts of interfaces. So now if people want to write mobile apps against the Tessitura platform they can do that.

For instance, we are coming out with a new application at the beginning of next year that is a mid-size mobile roaming box office, called TRBO. It's a business-facing [internal] application so that if you want to have your box-office staff roam the lobby or go outside to sell tickets with a pad they can do that as well. The important thing is that the application is being built with the tools that almost anybody can use.

Last question, what was the moment when you realized that Tessitura was going to be a lot bigger than you ever imagined?

I always told Jack that if I ever saw an employment ad that said "Tessitura experience a plus" then I'd know something was up. Now you see ads like that all the time, except they say "Tessitura experience *required*"!

WHY, HOW, and WHEN to Make a PRICE CHANGE

Successful strategies for moving ticket prices up and down or vice versa

Have you ever hesitated to buy expensive theater tickets, only to find that the same seats cost much more or less a week later? Welcome to supply-and-demand pricing. Thanks to today's sophisticated measuring techniques, adjusting the cost of a ticket is no longer a guessing game but rather a question of examining the data: current vs. past sales patterns, velocity of sales by section, subscription vs. single ticket sales, and so on.

By Steven Roth

STEVEN ROTH

Steven Roth is president of The Pricing Institute, a consultancy and software provider. Pricing Institute partners have helped hundreds of entertainment organizations worldwide develop pricing strategies that maximize income and increase attendance. Steven is a frequent speaker at conferences and universities; he is chairman of the board of ArtsBoston, a 175-member audience development organization.

Making pricing and inventory adjustments up and down is based on a number of strategies:

- Premium seats, for example, are aimed at buyers for whom cost is no object
- Charging more for a Saturday night ticket than a Tuesday night is simply a supply-and-demand decision, as is
- Charging more (or less) for the same seat during the on-sale window.

Case Studies

1. Taking Advantage of Demand—Center Theatre Group*

A few seasons ago The Center Theatre Group (CTG) in Los Angeles was presenting the play *The Lieutenant of Innishore*, a black comedy

*Reports shown from these organizations come from the Revenue Management Application, a product of The Pricing Institute, Baker Richards, and Jacobson Consulting Applications
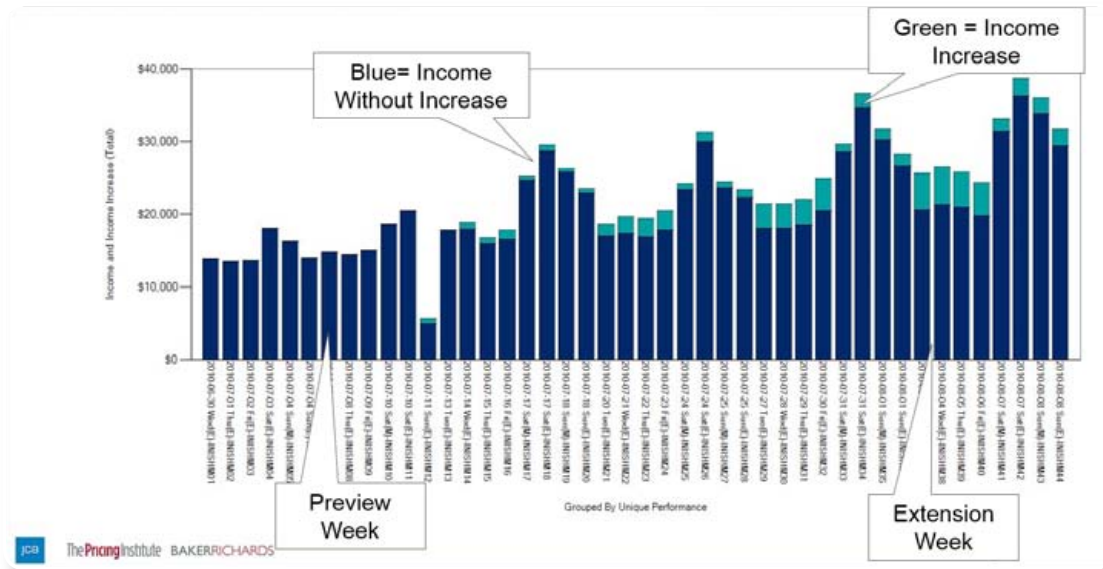
CHART 1

set in Northern Ireland. There was violence and blood on the stage, and early performances were hotly debated on CTG's web site. The marketing and ticketing team decided to keep prices low during the preview period in the hope of generating strong word of mouth. Early audience responses (positive and negative), made the team slightly optimistic that they could have a hit on their hands. They put a plan in place for a modest price raise if they got good reviews on opening night, which they did. From there they kept raising prices as the demand for tickets got stronger, which provided the opportunity to extend the show for an extra week. The starting prices for the extension week were the ending prices for the initial run, and CTG continued to raise prices during the final week. For the week after opening, the average revenue per performance was around $25,000. For the extension week, that number rose by around $10,000, with the weekend performances grossing close to $40,000. (See Charts 1 and 2).

This pricing strategy brought CTG $68,000 in additional revenue. Also, the average yield (the amount brought in per ticket sold) rose by $2.50. Note that this number is a more important metric than average price, which is the initial price of the ticket. Note that the average ticket was discounted almost 24% due to reduced-price offerings to subscribers and during previews.

Lessons learned from CTG's success: plan ahead, make continued price changes on all performances, and maximize revenue when demand is highest (extension week).

Measure	Total/Average	Explanation
Performances	44	Previews, regular, add-on
Average Start Price	$43.74	Avg price on offer @ set up
Average Price	$47.59	Avg price on offer @ end of production
Average Yield	$35.82	Avg amount paid for a ticket
Average Yield Increase	$2.44	Increase in average yield over the run of the production
Income Increase	$68,131	Incremental revenue from dynamic pricing
Potential income start	$1,416,420	Gross potential @ set up
Potential income	$1,541,180	Gross potential @ end of production
Potential income increase	$124,760	Increase in gross potential due to dynamic pricing
Discount	24.7%	Amount of total discounting off the average price (single tickets & subscribers)

CHART 2

2. Collaboration and Multi-Step Decision Making – Tennessee Performing Arts Center*

The Tennessee Performing Arts Center (TPAC) in Nashville has a cross-functional pricing team that meets weekly to review data and adjust prices. The team has representatives from marketing, ticketing, and programming. For a one-week run of a touring Broadway show they start with how the show is performing financially. Chart 3 shows that two of the performances Wednesday evening and Saturday night (highlighted in red) have brought in more income to date.

They know which performances are selling well, but they don't know which seats are selling well. They need more evidence

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*Reports shown from these organizations come from the Revenue Management Application, a product of The Pricing Institute, Baker Richards, and Jacobson Consulting Applications

continued on p. 20

Charlie's Night At The Opera
ALL powered by the Tessitura Network

Charlie

9:00 am
Charlie Goes Online

He purchases tickets for him and 3 friends for tonight's Don Giovanni performance at his local venue. He is prompted with add-on offers and excitedly adds 4 drink vouchers and a parking pass to his order. With the click of a button, he shares his purchase on social media.

SHARE!

12:00 pm
Charlie Gets an Email

Major construction has shut down one of the main entrances to the venue. Charlie receives a revised map on his phone from the venue outlining the temporary locations for parking, dropping people off and entering the facility.

7:00 pm
Charlie Gets to the Venue

He rode with one of his friends but his other 2 buddies are running really late! Never one to sweat, Charlie and his friend get scanned into the venue and promptly proceed to the bar to redeem their drink vouchers.

7:45 pm
Charlie Finds His Seat

He uses his mobile phone to send the remaining 2 tickets to his friends who are just parking their car.

9:00 am (next day)
Charlie Goes Online

He opens his email to find a "Thank You for Coming!" message from the venue with information on upcoming events that are tailored to Charlie's preferences.
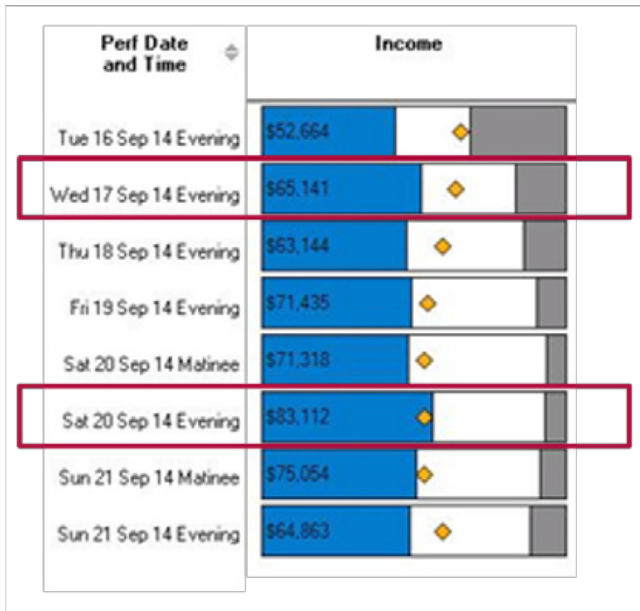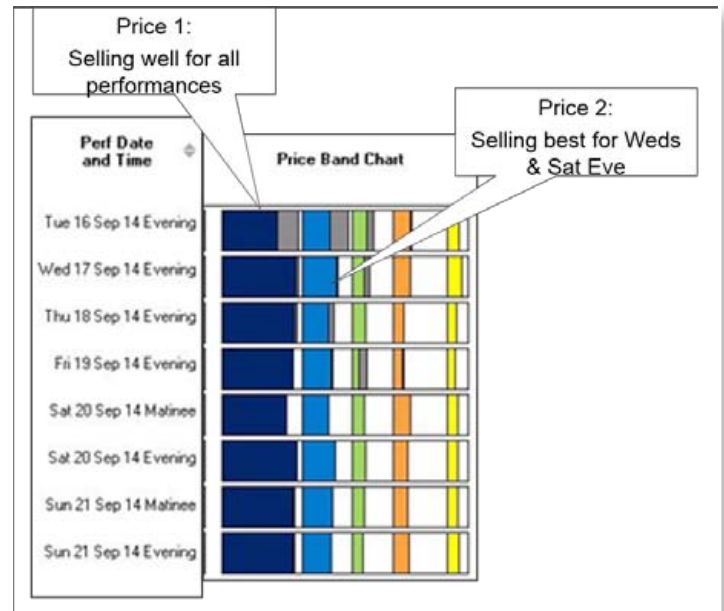
Thank You!

Tessitura network

CHART 3

CHART 4

before making a price change such as: which seats should they consider for price raises. Chart 4 helps them make that decision.

This report shows ticket sales by price. The top two prices are selling best, which is what TPAC hopes will happen. Price 1 is selling well for most all performances, and Price 2 is selling best for the four performances identified in Chart 3. The team decides to raise Price 1 for all performances and Price 2 for Wednesday and Saturday evenings.

TPAC made multiple price changes based on demand. Chart 5 shows the price history from initial public on-sale to the performance date in four sections of the house.

- **Weds. Eve Grand Tier Rear:** Strong early sales, driven by subscriber demand and steady single-ticket demand, resulted in three price raises and the section sold 98% capacity
- **Tues. Eve Mid Orch:** Similar results to Weds. Eve with two price raises. 93% capacity sold
- **Sat. Eve Grand Tier Front:** 80% of this section sold out to subscribers and early single ticket buyers. All but three of the remaining seats sold with a $30 price increase
- **Sun. Mat Front Balcony:** Section was put on sale @$60 with little initial interest. Once demand for the show grew TPAC was able to raise prices by $20 and sell out 96% of the section.

Jersey Boys	Wed Eve 10/30 Grand Tier Rear Capacity 295		Th Eve 10/31 Mid Orchestra Capacity 219		Sat Eve 11/2 Grand Tier Front Capacity 321		Sun Mat 11/3 Front Balcony Capacity 187	
Date	Price	Sold	Price	Sold	Price	Sold	Price	Sold
Aug 16	$55	216	$70	138	$90	259	$60	16
Aug 26	$60	49	$70	17	$90	-	$60	20
Sept 11	$65	5	$75	10	$120	59	$80	144
Sept 25	$70	18	$80	38	$120	-	$80	-
Unsold		7		16		3		7

CHART 5

*Reports shown from these organizations come from the Revenue Management Application, a product of The Pricing Institute, Baker Richards, and Jacobson Consulting Applications

Lessons learned from TPAC's success: First, each member of the team brings a different perspective to the collaboration, which helps make the most impactful decisions. Second, the team takes a graduated approach; starting with income per performance, moving to price levels, and then determining how to keep their price/value messaging in place as they make the pricing changes.

3. Focusing on Velocity vs. Capacity— Cincinnati Symphony Orchestra*

The Cincinnati Symphony Orchestra performs in the 3,400-seat Music Hall. Completed in 1878, it is the third-largest permanent concert hall in the U.S. Trying to fill that number of seats per night can be a challenge, so even though the orchestra can sell thousands of tickets to a concert, not all of them are sold

out. In managing its pricing, the orchestra pays less attention to capacity and focuses instead on how quickly tickets are selling. The marketing and ticketing team makes its pricing decisions by seating section. Using reports like the one reflected in Chart No. 6, the team can see how fast a section is filling up. The cooler colors (black, purple, blue) show seats that were sold anywhere from five months to a year in advance. These are most likely sold
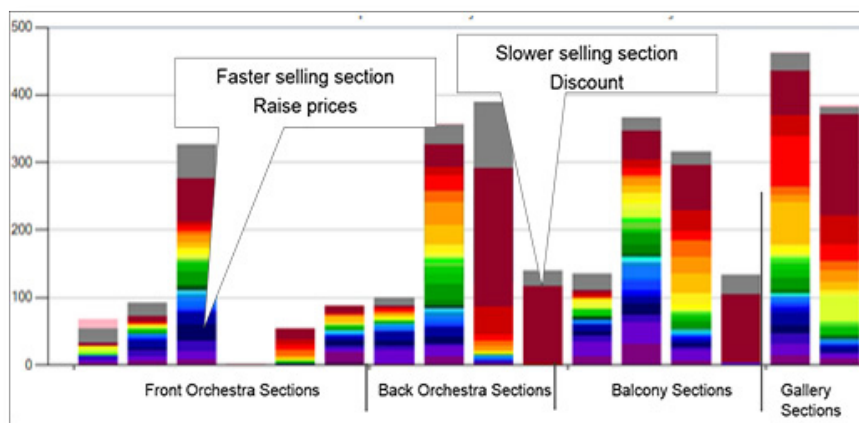
CHART 6

PRICING DOS & DON'TS

Pricing Dos	Pricing Don'ts
Focus on value	Make it all about price
Consider changes at the section level	Make across the board changes, unless they are warranted
Manage according to average yield	Rely on average price
Pay close attention to the range and relationship among your prices	Institute price differentials that don't convey the right value
Look at sales velocity	Make price changes solely on capacity
Consider inventory adjustments	Make price changes, only
Leverage learnings from comparators	Make decisions based only on current results
Consider variable pricing by day of week & time of day	Have one price scale for all performances
Recognize that patrons have different levels of price sensitivity	Be afraid to raise prices
Make a price move ahead of demand	Wait until demand peaks to change prices
Be comfortable raising and lowering prices	Assume that prices for a performance can only go in one direction

*Reports shown from these organizations come from the Revenue Management Application, a product of The Pricing Institute, Baker Richards, and Jacobson Consulting Applications

to subscibers or single ticket buyers who bought early. The warmer colors show tickets bought within three months (green) all the way to the week of the concert (red). The sections that sell fastest (the black to dark green) are the prime candidates for price raises. The slower selling sections will most likely be discounted. Using this approach for the 2013–14 season, the Cincinnati Symphony raised prices on over 15,000 tickets, discounted prices on slightly less than 2,000 tickets, and generated over $230,000 in incremental revenue on single tickets.

Lessons learned from CSO's success: Recognizing when and where to raise prices and using discounts judiciously can help to increase revenue in a challenging venue.

4. Pricing and Inventory Management – Arsht Center

Two seasons ago a popular musical played at the Arsht Center in Miami. The ticketing services team knew sales would be strong and used data to monitor the show closely from the initial on sale date. Their decision-making process is illustrated in Chart 7.

End result: record breaking sales and over $150,000 in additional revenue.

Lessons learned from Arsht's Center's success: First, make changes in stages; second, introduce dynamic pricing in conjunction with inventory management; third, differentiate strategy between peak and off-peak performances.

In creating and implementing effective pricing strategies, it is important to:

- Recognize that patrons are making decisions based on their personal price/value equations.
- Use a variety of data to support the changes and evaluate the impact of those changes.
- Use a variety of tactics to support the changes, including
  - Planning ahead of time
  - Differentiating prices by day of week and/or time of day
  - Focusing on speed of sales, not capacity sold
  - Being open to raising prices and discounting for the same performance
  - Keeping in mind the range and relationship of prices, and what value message is being delivered to the ticket buyer. ▮▮

	Starting Prices	Price Change 1	Price Change 2	Price Change 3
Strategy	6 sections, 4 prices All performances	6 sections, 4 prices All performances	7 sections 4 prices Off-peak perfs (Tu, We, Th, Sun eve)	7 sections 4 prices Peak perfs (Fr & Sat eve, Sat & Sun mat)
Section 1	$86	$99	$99	$99
Section 2	$76	$89	$99	$99
Section 3	$86	$99	$99	$99
Section 4	$76	$89	$99	$99
Section 5	$56	$59	$69	$79
Section 6A	$26	$26	$46	$56
Section 6B			$26	$35
Notes		• All prices raised except 6A (access price)	• Greatest amount of inventory at $99 • New price added to front of section 6 (now 6A) • Less inventory @ $25 (6B)	• Section 5 & 6A raised $10 • Section 6B raised to $35 (access price for most popular performances)

CHART 7

The Captive AUDIENCE

How the Canadian Opera Company Emailed Patrons During Intermission and Boosted Ticket Sales by 14%

A case study by MarketingSherpa

Sending the right message to the right person at the right time is the key to success for many email programs. The Canadian Opera Company, the largest opera company in Canada, sought to implement real time email messaging to subscribers and send promotional emails during performance intermissions to encourage additional ticket purchases.

See how the team created and implemented perfectly timed sends and co-ordinating phone follow-ups to achieve a 50% sales conversion rate from follow-up calls stemming from emails.

ERIN HOGG

As a *MarketingSherpa* reporter, Erin Hogg writes case studies featuring transferable principles and inspiring stories of marketers overcoming challenges, while spotlighting their successes. Before becoming a MarketingSherpa reporter, Erin served as the sole copy editor for all MECLABS brands, ensuring top-notch quality in all content ranging from articles and blogs to videos and presentations. In her free time, Erin enjoys playing video games, jamming on her bass guitar, and finding hidden gems on Netflix.

By Erin Hogg

The Canadian Opera Company not only has a strong repertoire in performances but also in marketing strategy.

Producing operas through partnerships with other organizations around the world, the Company dominates the stage by being the most heavily subscribed opera company in North America—with around 70 percent of its audience being season ticket holders.

"The marketing team runs its campaigns on very solid principles that have worked in the industry for the last 35 years, and they haven't deviated very sharply from focusing on that subscription base as the principle way of driving sales," said Rosalind Bell, interim director of marketing, Canadian Opera Company.

Overall, Bell explained that the company doesn't rely very heavily on single-ticket sales. Instead, it relies more on nurturing customers to attend multiple performances in a season.

"It's just a very efficient, well-oiled machine," Bell explained.

The Challenge

To keep that machine running and the opera sales singing, the team wanted to increase its number of season-ticket holders and grow its community of engaged COC customers.

Previously, the Company was sending out welcome emails before performances and thank-you emails after the performance concluded to subscribers, but it wanted to take outreach to another level.

In order to target opera-goers at the most opportune time, the team decided to reach out while they were attending a performance.

The Campaign

Working with a vendor, the team performed analyses on propensity, which was "looking at what defined a potential season-ticket subscriber—so what behavior patterns or ticket patterns or geography would most likely result in that person subscribing the next year," said Phil Stephens, senior manager, sales and customer service, Canadian Opera Company.

Timing was the factor that most greatly affected the company's success in converting a concert-goer into a season ticket subscriber.

The goal was to take the momentum and excitement of attending an opera and shift it to the next experience, so customers return again and again.

Step 1. Obtain email addresses

For this particular effort, the Canadian Opera Company targeted single-performance purchasers of two opening performances in the fall of the 2013 and 2014 season: *La Bohème* and *Peter Grimes*.

When concert attendees purchased their tickets online through the Canadian Opera Company web site, an email address was required in the checkout process.

After obtaining this information, customers were added to a specific track to receive perfectly timed email communications, based on when the performance they purchased took place.

Step 2. Email subscribers on the night of performance

The team wanted to send a specific message to subscribers during the intermission of the performance they attended.

To draft the email, the team developed a number of options and evaluated how they could fine-tune their message to be as relevant as possible, drawing upon an image of the opera

Subject: Loved Bohème? Save up to 44%
Thank you for attending *La Bohème*!

La Bohème is generously underwritten by Jerry and Geraldine Heffernan
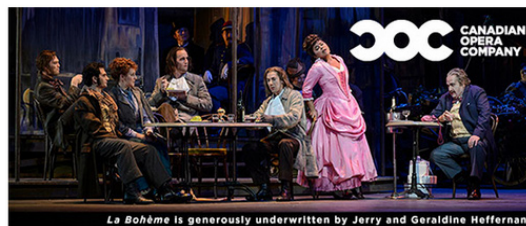
TREAT YOURSELF TO MORE OPERA AND SAVE UP TO 44%!

Hello, ████!

Thank you for coming to see *La Bohème* tonight! We hope your experience was a special one.

Treat yourself to more of the spectacular 2013/2014 season and save up to 44% AND pick the performances you want to see. Ticket prices start at just $25 per opera, the more operas you buy, the more you'll save!

LET US KNOW WHAT YOU THOUGHT

We are always interested in engaging with our audience about our work, so reach out to us or other COC patrons through our various social media channels. If you have any specific questions or comments about either the performance or your Four Seasons Centre experience, please contact us directly at AskMe@coc.ca.

STAY CONNECTED

DONATE NOW

The intermission email to *La Bohème* patrons offered a 44 percent discount for a future ticket.

they attended and identifying the opera in the subject line and the copy.

The resulting email that was sent during the intermission of the show they were currently attending invited subscribers to "treat yourself to more opera and save up to 44%" with a season ticket option.

The email enticed opera-goers to see more performances with pricing options that coordinated with the number of additional operas purchased.

The tone was friendly and invited feedback from the audience and presented opportunities to further connect with the company on social media.

Step 3. Gather email performance data

The following day, the behavioral data from each subscriber's email was pulled and put into a unique customer profile for each individual.

Opens and clickthroughs for the email were the top KPIs [key performance indicators] for the send, and based on that behavior, the customer would be scored based on his lifetime value, loyalty, engagement, and sentiment.

During this time, the team was using this information to refine and perfect the email.

Subject lines were a key testing element, and the team tested the following for *La Bohème*:

- Loved Bohème? See more from $25
- Loved Bohème? Save up to 44% (Winner)
- Treat Yourself Again and SAVE up to 44%
- Treat Yourself Again from $25

Mobile elements

Another email element the team worked to perfect was the graphic images in the send.

"Something that we learned pretty early on is that full graphic emails didn't get as much traction as something that had maybe a smaller graphic element but more text information in it," Stephens said.

The team had a theory as to why this was the case: Opera-goers were most likely reading the email on their mobile device.

"So they were viewing them on their BlackBerrys or other mobile devices, so the image may not have been displayed as cleanly as we wanted it," Stephens said, adding that if text is used, it populates right into the email body.

"It's immediately more readable and a little bit easier for people to be able to browse through," he said.

Step 4. Follow up with high-propensity leads via telemarketing

The day after the opera, keeping with the momentum of engaging concert goers while their memories of the great performance they attended was still top of mind, the team reached out via phone to encourage additional ticket purchases for the season.

"Our traditional telemarketing has been that we would maybe go through the run of an entire production and then pull a list and send that into the telemarketing room. So with this one, it ended up being much more immediate," Stephens explained.

The telemarketing team would start by thanking the customer for attending the show the previous night and asking about the

experience they had. This included detailed questions such as how they chose the opera they attended and what they thought of the location of their seats.

Then, the callers would talk about performances coming up and reference that savings factor the email recipient saw in the email sent during intermission the night before.

> "Email response rates increased from 10% to 67%, and close rates for sales calls lifted from 15% to 50%."

Knowing what the customer spent on their tickets and which section they sat in helped the telemarketing team tailor offers to customers.

"So, for example, if the ticket was $255, the offer might be those same seats for $191. So tying in that kind of value, or the cost around that, so it will illustrate the savings with them, was a great thing, too," Stephens explained.

The Results

"The sheer quality of the opera house itself as a venue that is able to showcase the art form in the best way makes it possible for everybody who comes to have a fantastic experience. It's just, it's been a huge, huge success," Bell said.

The perfectly timed emails coupled with the immediate followup has proved to be successful for the Canadian Opera Company.

By the end of the campaign, 14 percent of all attendees purchased additional tickets for the 2013 and 2014 season. The average purchase was $309.

Almost half (47 percent) of *Peter Grimes* attendees marked as high-propensity leads bought future tickets.

Also, 15 percent of *La Bohème* high-propensity leads purchased additional tickets.

Email response rates increased from 10 percent to 67 percent, and close rates for sales calls lifted from 15 percent to 50 percent.

"Part of the success of the program has been capitalizing on that wonderful feeling that people have when they attend the opera on their way out. They have a consistently excellent experience of opera. That's one of the best experiences that you have anywhere in the world," Bell said.

Seeing the achievements of this campaign, which was the first upsell program with such immediacy, revealed the benefits of leveraging digital marketing to the team.

"That's one of the good things about digital: You can change things on the fly relatively easily, and track the results because you've got so much data that comes through immediately or in a very short period of time after something launches," Stephens said.

In the future, they hope to continue this type of campaign and add more elements to the email, including a feedback survey and a way to showcase more fundraising initiatives.

One lesson the team learned by performing a campaign dependent solely on timing was to ensure all of the people involved were aware of what their roles in the process are and to get everyone onboard to quickly engage with customers.

"Just make sure that your systems people or your list managers are onside with it because there is a lot of coordination that's necessary to be able to produce the leads and the lists in a timely manner, and so they really need to understand the value of that. I mean, we have come to very successful campaigns with it, so it's worth the effort. It is labor intensive, but it's certainly worth it," Stephens concluded. ma

SOURCES

Canadian Opera Company
Canopy Labs (Canadian Opera Company's email personalization agency)
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THE NEW VANTAGE POINT

One SIZE Does NOT Fit ALL

Thinking outside the box, literally, will help sell more tickets

By Roger Tomlinson

When you think about potential ticket buyers, what's your perspective? Are you standing inside your venue looking out at them? Or are you standing out there with them, looking at your organization from their point of view?
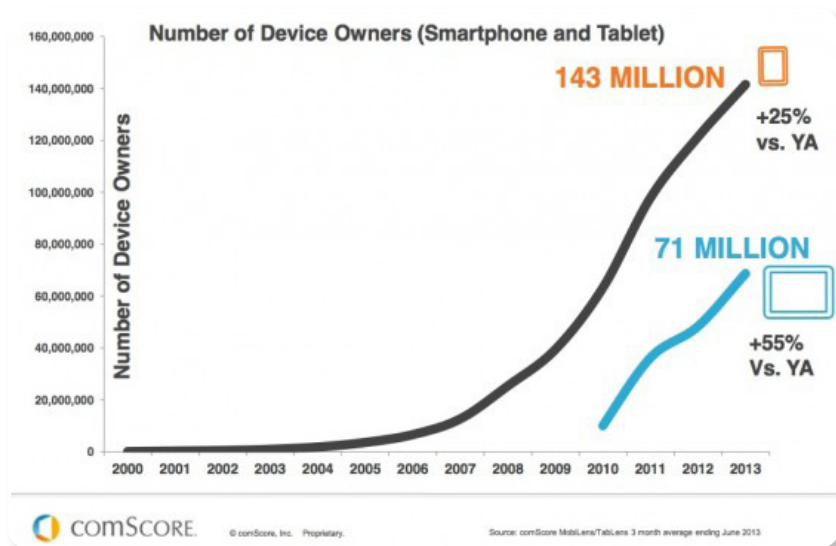
ROGER TOMLINSON

Roger Tomlinson is a London-based management and marketing consultant, working in the arts and entertainment sectors. An expert on integrated solutions and developing online technologies for ticketing and marketing, he has authored several books including Full House: Turning Data Into Audiences *and* Boxing Clever, Developing and Managing a Website. *He also produces the* The Ticketing Institute *information web site.*

This is the thinking at the heart of market positioning—how we want our business to be perceived. With the data we can now access through Customer Relationship Management (CRM), we are able to think less about "selling" than "helping people buy." As such, we need to re-think what we communicate, to whom, and on what devices.

Virtual is real

It is a moot question as to how "virtual" marketing and sales for the performing arts has become. You may be maintaining traditional print and advertising channels, which are important for communicating brand values. But the data suggests that most customers now rely on smartphones and tablets for your emails, social media, interactions with your venue and, indeed, for ticket purchases.

So how much should this change the way we do business with our customers? For a start, we have to get the "form" factors right. Exactly what device are they using and what are the screen size and shape?

Number of Device Owners (Smartphone and Tablet)

143 MILLION +25% vs. YA

71 MILLION +55% Vs. YA

comSCORE. © comScore, Inc. Proprietary.
Source: comScore MobiLens/TabLens 3 month average ending June 2013

US smartphone ownership has increased 25% to 143 million and tablet ownership has increased 55% to 71 million.

We can also seek their feedback as we help them buy, canvas their opinions, always ensuring that they pay by the most convenient method—ideally one-click—and that they get their tickets in a way easiest for them. Which begs the question, are our customer-service procedures designed for our convenience or theirs? In our messaging, are we email blasting to the broadest possible base, or taking the time to target our communiques to individuals or groups with specific needs and interests?

This is a lot to rethink but, thanks to technology, consumers have already made the leap into this new environment. It's time to catch up.

Embed the pitch

After "form" comes content, itself relevant to the recipient and the device. Have we just emailed a customer about a particular event with a deep link in the message that identified them, so when they clicked through they were recognized and their data input hugely reduced? Or did they click through from somewhere else—a Facebook post? A tweet? An ad on Google? Are they a newcomer or a returning customer? If the former, we can begin to capture their data for our "database of truth." If the latter, "cookies" might recognize the returning smartphone or tablet once the customer name is entered and confirmed. It certainly works for Amazon.

Make a purchase, get a gold ring

Thanks to CRM, once a purchase is made, we can now know who the customer his, his past purchases, whether he is a single-ticket buyer or a subscriber, how many tickets he buys for friends or family, what kinds of tickets he buys, whether he is a donor, a sponsor, a volunteer, etc. In advertising and software development, they talk about this as putting a "code halo" around a customer.

We can use that halo every step of the way, targeting our messages based on their personal profile, thanking them for their last donation, giving them special repeat-purchase or subscriber offers—matching our messages to their motivations.

Note: Internet Browsers can recognize form factors; some operating systems are now restricting views to specific formats, e.g. only portrait on larger screens; the display of key information and importantly, navigation, needs to be optimized to the form.

WHITHER THE BOX OFFICE?
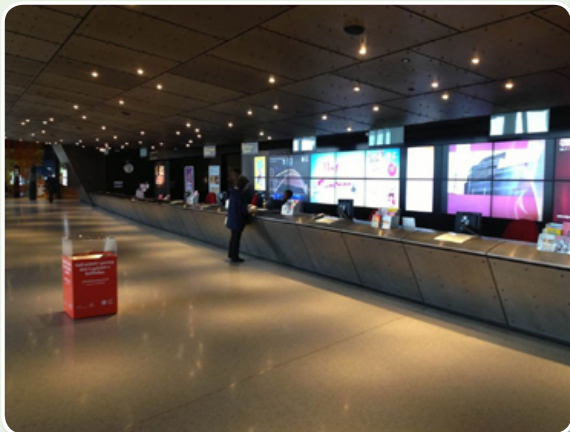
The old box office: The world's longest box office counter at the Wales Millennium Centre, Cardiff, opened 2001, is now the world's loneliest, staffed by one.

In 2001, BBC technology correspondent Bill Thompson declared that the box office would be dead by 2010, that the Internet in all its facets would ultimately replace the need for face-to-face ticket sales counters or phone bookings. His prediction, even with the arrival of smartphone and tablet options, has not yet come true. But there is an increasingly loud debate about the future of ticketing and the relevance of the box office.

About the only constant in this discussion is that someone will have to pay for tickets; what form the tickets will take, how they will be booked and purchased are the great unknowns.

> Some organizations have seen up to 60 percent of ticket sales happening online; phone and counter sales are beginning to look obsolete.

With some organizations seeing up to 60 percent of ticket sales happening online, phone and counter sales are beginning to look obsolete, especially with smartphone and print-at-home etickets. Ironically, and especially in these difficult economic times, just as both the need and the ability to deepen customer relations increases—think fund-raising and CRM—the Internet has made us, in fact, in *less* direct physical contact with them. Social media may open channels of communication, but just how real is that dialog?

The new box office: At the Palau des Arts in Valencia, Spain.

Historically, the box office has been at the heart of customer service, and its staff trained accordingly. As a rare point of human interaction, it remains an essential tool. Indeed, if the box office did not exist in the Internet age, we would be well advised to invent it.

MORE ON THE WEB

Each article in this issue also may be found on our website, MusicalAmerica.com, in the Special Reports section.

Events + Social Media = Social Ticketing

Not All Systems or Suppliers are the Same

The Tessitura Story: Necessity is the Mother of Invention

Why, How, and When to Make a Price Change

The Captive Audience

Vantage Point: One Size Does Not Fit All

In The Next Issue…

PROFILES IN COURAGE:
MA's Professional People of the Year
Coming 2 December 2014

Questions? Email info@musicalamerica.com