

Don't You Forget About Me – Maximizing Membership Response in the Age of COVID



Introductions

- The Lukens Company
 - Direct response agency specializing in multi-channel membership programs for cultural institutions.
- Andrew Edmonson, Membership Manager, Museum of Fine Arts, Houston
 - MFAH among the 10 largest art museums in the U.S.
 - The **first** U.S. museum to open post-COVID restrictions.
- Jennifer Flowers, Director of Guest Services/Experience & Membership, Phoenix Zoo
 - Phoenix Zoo is the largest privately owned, non-profit zoo in the United States.



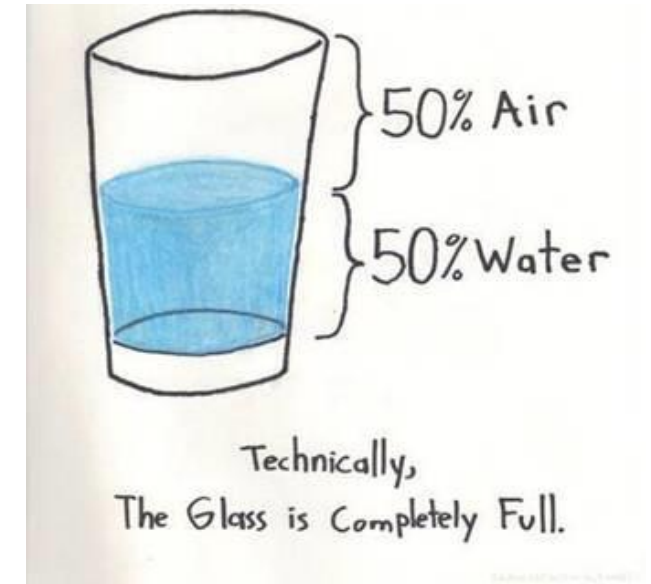
Where We Are Today

- Institutions across the country closed almost universally in March with an abrupt stop to major revenue sources.
- Visitation is restricted and intent to visit is down.
 - Current market potential for exhibit-based organizations for the calendar year 2020 is 37.2% of their 2019 attendance. (*Know Your Own Bone*)
- Decrease in visitation = decrease in onsite joins.
- Lower tier level members are typically highly transactional.
- First Year retention is notoriously difficult. Now even more so.
- Important for institutions to reset expectations.
- **Times are tough for cultural organizations.**



The Good News!

- We've all been given the opportunity to reset the communication focus from monetary value/benefits to mission/community.
- This is also an opportunity to re-think member benefits and get creative about offerings that aren't exclusively tied to attendance or events.
- Conversion best practices haven't necessarily changed, just flipped in focus.
- Members who are joining now are unlikely to be transactional members...
- Fine with us! Mission-minded members typically renew at higher rates, make additional gifts, upgrade more frequently, and have a higher Lifetime Value to your organization.
- The need is real – **members are your advocates, your believers.**



New Considerations: Audience, Messaging, Strategies

Key Audiences

- Renewals – continue, continue!
- But let's talk First Year members...
 - Consider a survey.
 - Review incentives.
 - Consider adjusting your renewal investment to maximize lower cost channels, including email and texting.
- Multi Year members are your core member supporters.
 - Tracking Rejoin members separately from Multi Year to customize approach.

Did you Re-MEMBER?

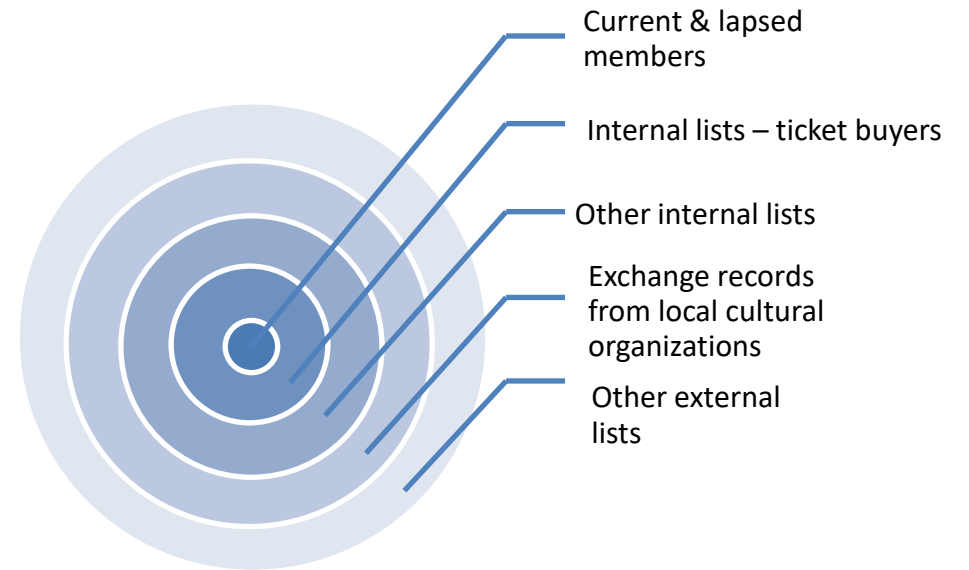
**Renew Your
Membership
Today!**

RENEW TODAY



Key Audiences

- Lapsed Member Targeting
 - Recency of lapsed
 - First Year vs. Multi Year vs. Rejoin
 - Dive deeper into tenure on file:
 - 1 Year
 - 2-5 Years
 - 6-9 Years
 - 10-15 Years
 - 16+
- Internal Lists/Ticketbuyers Targeting
 - Recency of visit
 - Multiple visitors – not multiple tickets



Key Audiences

- Exchange Lists
 - More cost effective than rental lists.
 - But... your exchange institutions are in a similar boat.
 - Consider teaming up for incentives, promotions, or finding new exchange offerings other than lists for solicitation.
- Rental Lists
 - Higher investment, confidence in visitation will be important.
 - Consider list modeling:
 - Your members are already being prospected to, by thousands of other companies.
 - Your member data feeds into a database as a blind alliance – unique names provided are not included in any modeling process, only those that match.



Key Audiences

- Digital Specific Considerations
 - Assigning LTV to data files can help targeting and increase response rates.
 - Segmentation is key: deliver timely, relevant messaging to your audiences.
 - Digital is extremely agile. Take advantage of this by refreshing your data and keeping segments updated.
 - Use pixels and other tools to create a retargeting audience based on behavioral actions taken online.



Key Messaging

- Don't be tone deaf.
- Be honest – the closures have greatly impacted the institution....
 - But Members can help – “*you are our lifeline.*”
- Your institution is a community resource.
 - Per the Morey Consulting Survey (July 2020): There is a significant difference in the percentage of respondents that support their cultural attraction as a community resource (67%) compared to supporting the mission of the cultural attraction (48%).
- The need is *real*, but the institution is still fun – membership is still *fun!*



Key Messaging

*In these challenging times, one of the best ways you can help us remain a vital contributor to Houston's quality of life is **to rejoin as a member today.***

*You have my deepest and most sincere appreciation for **rejoining us as a member today.** With your generous support, we will continue to offer cultural enrichment for everyone to heal and rebuild together as a community.*

*But **you** can help us recover...**Membership means more than just FREE admission; it also provides us with the crucial funds we need now.***

*With the initial closure and ongoing reduced visitor capacity, the pandemic has and will continue to have a huge financial impact on the Aquarium. **Please consider supporting your Aquarium by rejoining as a member today.***

Key Strategies

- Keep communicating.
- Keep with renewals but don't make that all you do. Drastic cuts now will set you back years.
- Acquisition of new members and audiences is still crucial, especially if current member retention is slipping.
- Early renewals can help with getting renewal income sooner.
 - Consider adding an early renewal upgrade to MY members as a regular part of the renewal series.
- Consider adding a one-time lapsed notice in a monthly renewal effort if budget is a concern for a stand-alone campaign.
- Pause on investing in testing for now (ok, this one is a *new* best practice!)
 - Digital is the exception: testing here still rather cost-effective but there are still caveats to maximize investment.

Key Strategies

- Consider new channels:
 - Text Messaging
 - Send a customized message directly to members that invites them to click through to a mobile-ready purchase page to renew.
 - Options include SMS (text only) or MMS (photos, videos, etc.) – also great for promoting a new exhibition or re-opening!
 - Telemarketing
 - Can be very effective with certain audiences and often lifts other channels.
 - Particularly beneficial when used for renewals or lapsed/reinstatement.



Key Strategies

- Digital: Audiences are moving online, meet them where they are!
- Online engagement with institutions has been a necessity, but studies show it has also increased visitor loyalty. (*Morey Consulting*)
 - Continue with digital engagement strategies – more closures are likely as natural disasters and weather events constantly impact cultural attractions.
- Combat “buyer’s remorse” with engagement initiatives.
 - Welcome Campaigns – automated digital drip campaigns to nurture the relationship, create opportunities for deeper engagement.
- Google Ads Grant – no brainer.
- Social media audience building – look-a-like audiences, boosting organic posts.
 - Keep your data fresh!

Case Study: Museum of Fine Arts, Houston

MFAH's COVID Story

- Museum of Fine Arts, Houston closed: March 17
- Reopened: May 20 (members) and May 23 (general public)



MFAH's COVID Story

- Where we Were in March...
 - May Acquisition Campaign was in the works in advance of an exciting June exhibition opening.
 - Starting to promote a new building opening coming fall 2020.
 - We had a strong renewal series in place, consisting of 5 direct mail notices, 6 email notices, and a quarterly telemarketing touch point.
 - We were in the midst of deploying a custom renewal series (4 mail notices and 5 email notices) designed to more cost-effectively inspire response from a large group of new joins who came on board during a spring 2019 blockbuster exhibition.
- Then we abruptly closed March 17.

MFAH's COVID Story

- So What Now?!?
 - We put the May Acquisition Campaign on hold, not knowing the impact on the show's opening.
 - We cancelled March e-renewals that hadn't been sent, paused plans for telemarketing, and regrouped on renewal strategy for moving forward.
 - We did not offer an extension for the two months that we were closed, but we did offer an extra, 13th month of membership for those who renewed during closure.
 - We received less than 100 requests for extensions for the two months of closure.
 - The 2019 blockbuster new joins no longer had a special track and were offered the same special extension.
- Luckily, we reopened to members on May 20, and pivoted into a "new normal".

MFAH's COVID Story

- Our First Steps to a “New Normal”
 - To maximize returns on a smaller budget, we pivoted strategy for the May Acquisition Campaign.
 - We targeted lapsed members only and mailed in July.
 - We prepared two versions of copy: one focused on mission in the event we remained closed, and a second focused on exhibitions if we re-opened.
 - Our control strategy has historically not included incentives, but we offered an additional month of membership for rejoining.
 - We continued deploy our multi-channel renewal strategy, excluding telemarketing.

MFAH's COVID Story

- Resetting Expectations
 - We knew retention would be suppressed due to the 2019 blockbuster new joins.
 - From March to June 2020, we lost 20% of our total member households.
 - However, we are seeing a slight increase in renewal response each month since re-opening.
 - Visitation to the Museum is at 25% of what it was at this same point last year.
 - With visitation restricted and staff safety concerns, we anticipate a lower conversion of onsite joins this fall and winter. (In years past, on site new joins accounted for \$680,000 in revenues.)
 - We've lost one full time position in the membership department in an effort to contain expenses during COVID19.

MFAH's COVID Story

- Looking Ahead
 - Fall and Winter Acquisition Campaigns promoting new onsite opportunities: new building fall 2020 and exciting exhibitions coming spring 2021.
 - Maintaining acquisition budget in all channels: direct mail, email, telemarketing.
 - Targeting lapsed, internal ticketbuyers, and exchange lists.
 - Continuing with 13-month membership offer for the foreseeable future.
 - Focusing on upcoming exhibitions throughout the year, but deemphasizing member previews.
 - Continuing with renewals and re-started quarterly telemarketing in July.
 - Challenge with member engagement: The average age of our members is 58, and many are reluctant to visit in person due to increased risk of COVID19.
 - Our CFO has approved a \$60,000 additional investment for a commemorative booklet especially for members marking the opening of our new Kinder Building for Modern and Contemporary Art in November.



Case Study: Phoenix Zoo

Phoenix Zoo's COVID Story

- Phoenix Zoo closed: March 18
- Reopened: Cruise the Zoo (drive-thru) May 9 – June 8
- Reopened: June 13 (members) and June 15 (general public)
- Closed: July 6 (walk-thru) Cruise the Zoo con't – Sept 6
- Reopened!: September 14 (members) and September 19 (general public)



Phoenix Zoo's COVID Story

- Where we Were in March...
 - We were in the midst of our spring multi-channel & multi-drop acquisition campaign (direct mail, email, digital advertising, and lightboxes).
 - We had a successful renewal series in place, consisting of 6 direct mail notices and 4 email notices.
 - Then we abruptly closed March 18.



Phoenix Zoo's COVID Story

- So What Now?!?
 - We resumed acquisition efforts in May, dropped external acquisition records from the final mail drop and only targeted lapsed and internal lists.
 - Direct mail materials were already printed, but we were able to shift messaging across all channels from programs and events to the emergency relief fund needed to support the Zoo and our animals during our closure.
 - During the lockdown in May, we re-opened with a new drive-thru experience, Cruise the Zoo, offering members a discount.
 - We continued with our renewal series and offered all members within the renewal cycle an extension for the duration of the closure.
 - Budgets were reduced by 33% due to our closure. Thanks to resuming our acquisition and strong renewals, membership achieved its revenue goal for the year and households were down by only 10%.
 - We re-opened recently on September 14 to members and are navigating a “new, new normal”.

PHZ's COVID Story

- Our First Steps to a “New Normal”
 - We continued to deploy our multi-channel renewal strategy with increased messaging about how crucial membership support is to the Zoo’s ability to care for the animals who call us home and were honest about the financial implications of the closures.
 - In September, we made a few adjustments to the renewal communication:
 - All members within the renewal series were asked to opt-out of the second membership extension in exchange for two free tickets to our popular Zoolights event.
 - We also targeted current members outside of the renewal series to renew their membership now and opt-out of the second extension with the same Zoolights offer. No acquisition campaigns were budgeted for the summer. Our next campaign was scheduled for fall 2020.

PHZ's COVID Story

- Resetting Expectations
 - We have had a lot of communication to share with members and expect some bumps along the way regarding membership response and deadline extensions.
 - Due to the timing of our reopening and reduced budget, we shifted September renewals to a communication piece; reopening announcement, new reopening process and safety protocols, continued financial impact closures, membership extension, plea to opt out and renewal opportunity.
 - Summer months are typically low for membership revenue (hello Phoenix summers!) but our fall acquisition efforts are typically our highest.
 - We scaled back our fall direct mail campaign to exclude typically high performing external lists, which will impact revenue compared to previous years.
 - In addition, we know our multi-channel campaigns also help to drive ticket sales. Limiting audiences will have a wider impact.

PHZ's COVID Story

- Looking Ahead
 - A multi-channel Fall Acquisition Campaign and Winter Gift Membership campaign promoting the ever popular Zoolights.
 - Due to budget restraints, we will only target lapsed members via direct mail.
 - Otherwise continuing with our mail, email, and digital efforts.
 - As the Zoo provides a mainly outdoor experience, we are able to focus on the benefits and events that make membership fun.
 - Continuing with renewals and will include a rolling special offer to “opt-out” of the second membership extension. Just over 1,000 have opted out so far.
 - In addition to their membership renewals our members have contributed over \$250,000 to our Zoo Relief Fund and continue make additional donations.
 - Visitation to the Zoo is at 40% compared to LY but membership sales are on track with projected revenue budgets and on-site conversion rate is averaging 5.15%, an increase by 1% to LY.



Questions?



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