

# Price Changes: Four models of how to prepare and implement

**Nasher  
Sculpture  
Center**

de Young \  
\ Legion of Honor  
fine arts museums  
of san francisco

**A**  
Pérez  
Art  
Museum  
Miami  
**M**

**A**  
**M**

**SF MO  
MA**

# Price Changes: Four models of how to prepare and implement

## Considering a membership price change?

Learn various points of view around this challenge from both small and large institutional perspectives.

We will discuss research methods, how to understand intrinsic value and price sensitivity, timing of rollout, communication plans, service messaging, and ultimately, results.



# Presentation by:



## **James Jillson**

Director of Individual Giving and  
Membership  
Nasher Sculpture Center  
jjillson@nashersculpturecenter.org

## **Meghan McCauley**

Membership Manager  
Pérez Art Museum Miami  
mmccauley@pamm.org

## **Julie Knight**

Director of Membership  
San Francisco Museum of Modern Art  
jknights@sfmoma.org

## **Chelsea Murray**

Director of Membership  
Fine Arts Museums of San Francisco  
cmurray@famsf.org



The background image shows the Nasher Sculpture Center at dusk. In the foreground, a large, dark, abstract sculpture made of thick metal rods is silhouetted against the sky. Behind it, the center's glass-walled building is lit from within, showing interior displays. In the background, several tall skyscrapers of a city skyline are visible, their windows glowing with light.

# **PRICE CHANGES: NASHER SCULPTURE CENTER CASE STUDY**

**JAMES RYAN JILLSON  
DIRECTOR OF INDIVIDUAL  
GIVING AND MEMBERSHIP**











**Founded**  
2003

**Location**  
Dallas Arts District

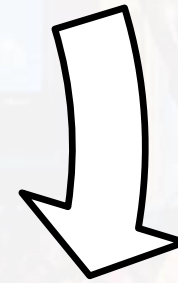
**Mission**  
To be an international focal point and catalyst for the study, installation, conservation, and appreciation of modern and contemporary sculpture

**Membership**  
3,500+ households, levels from \$25 to \$25,000

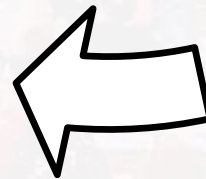
**Feedback**



**Analysis**



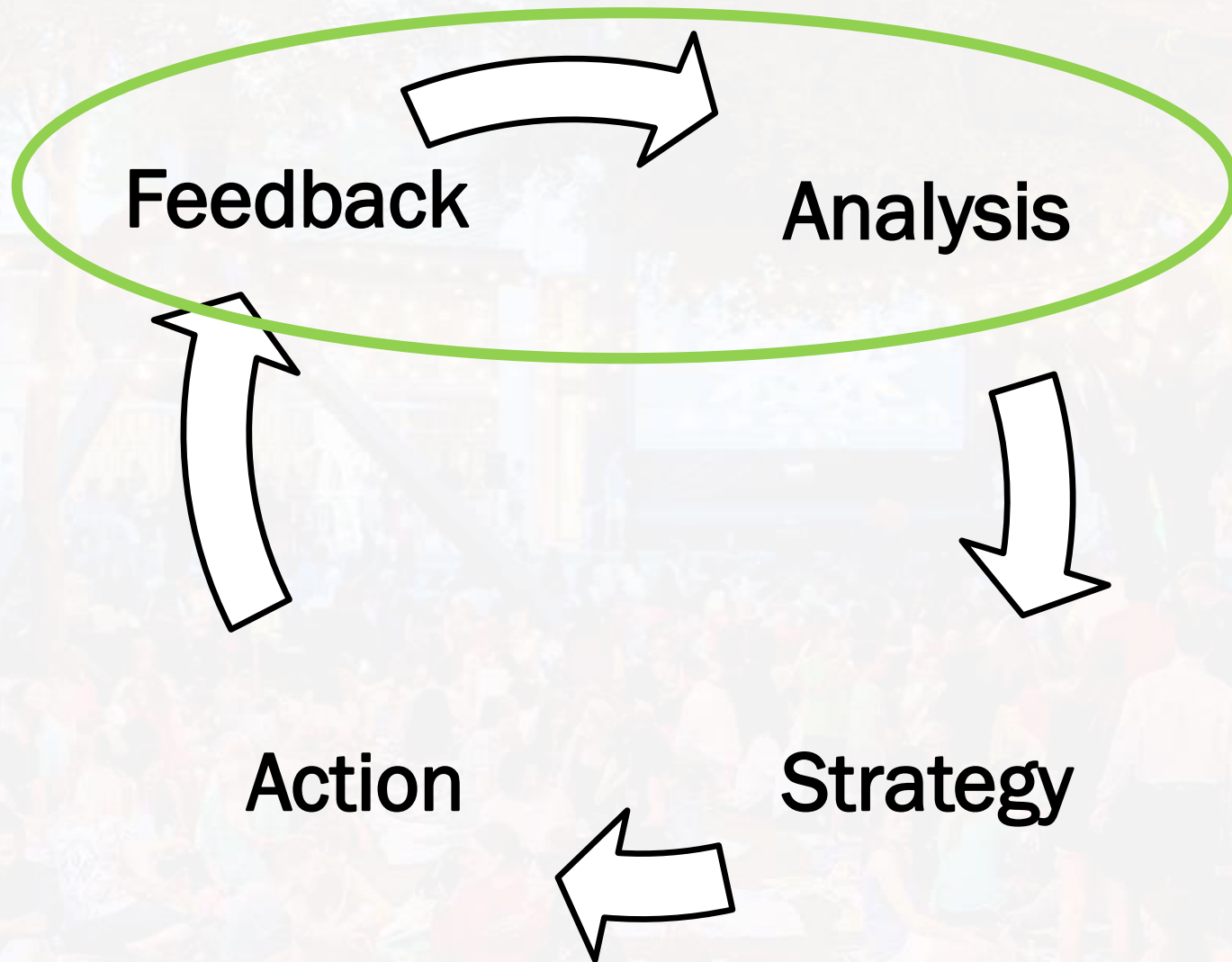
**Strategy**



**Action**







# FEEDBACK MEMBER SURVEYING

**Multi-year** members

**New** members

**Former** members

Why do our members **support**?

What benefits are most **valued**? Most **used**? At what **levels**?

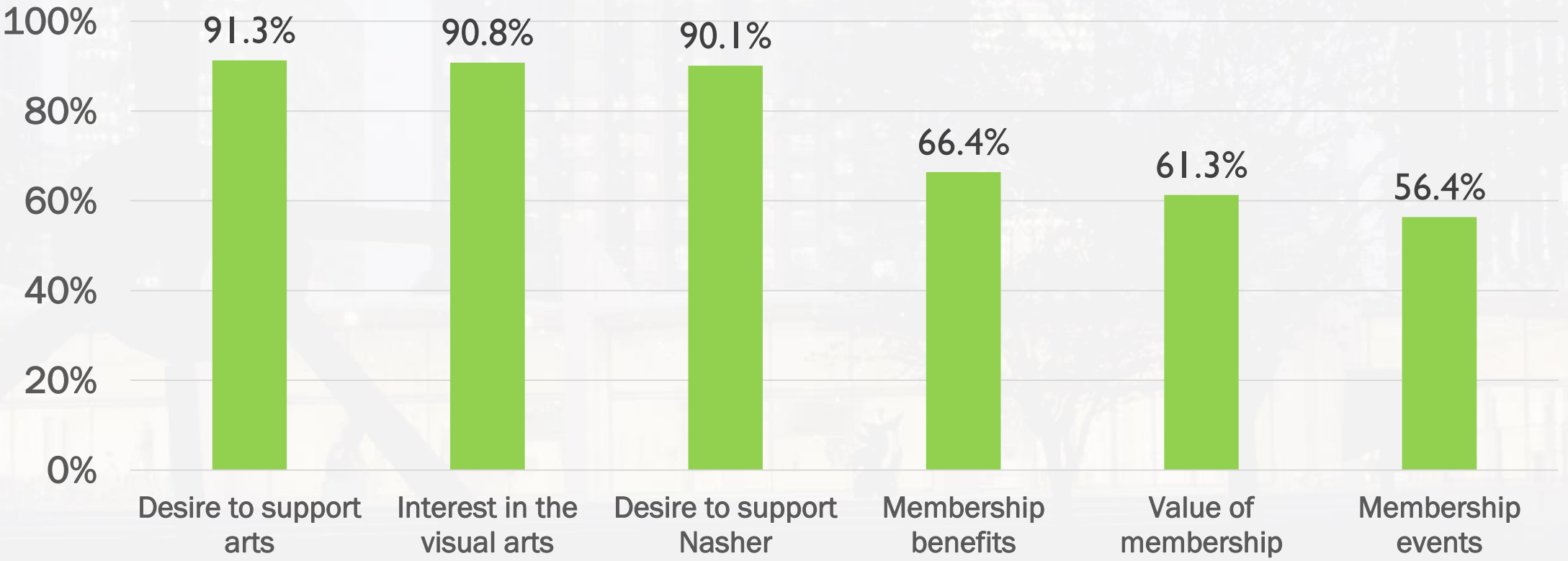
What benefits aren't offered but are **in demand**?

Where else are our members **involved**?



# CASE: NASHER SCULPTURE CENTER

## REASON FOR SUPPORT





# CASE: NASHER SCULPTURE CENTER NEW BENEFITS IDEAS

Priority notice / registration for programs

Guided exhibition tours

Gift membership discounts

Expanded reciprocal admission benefits



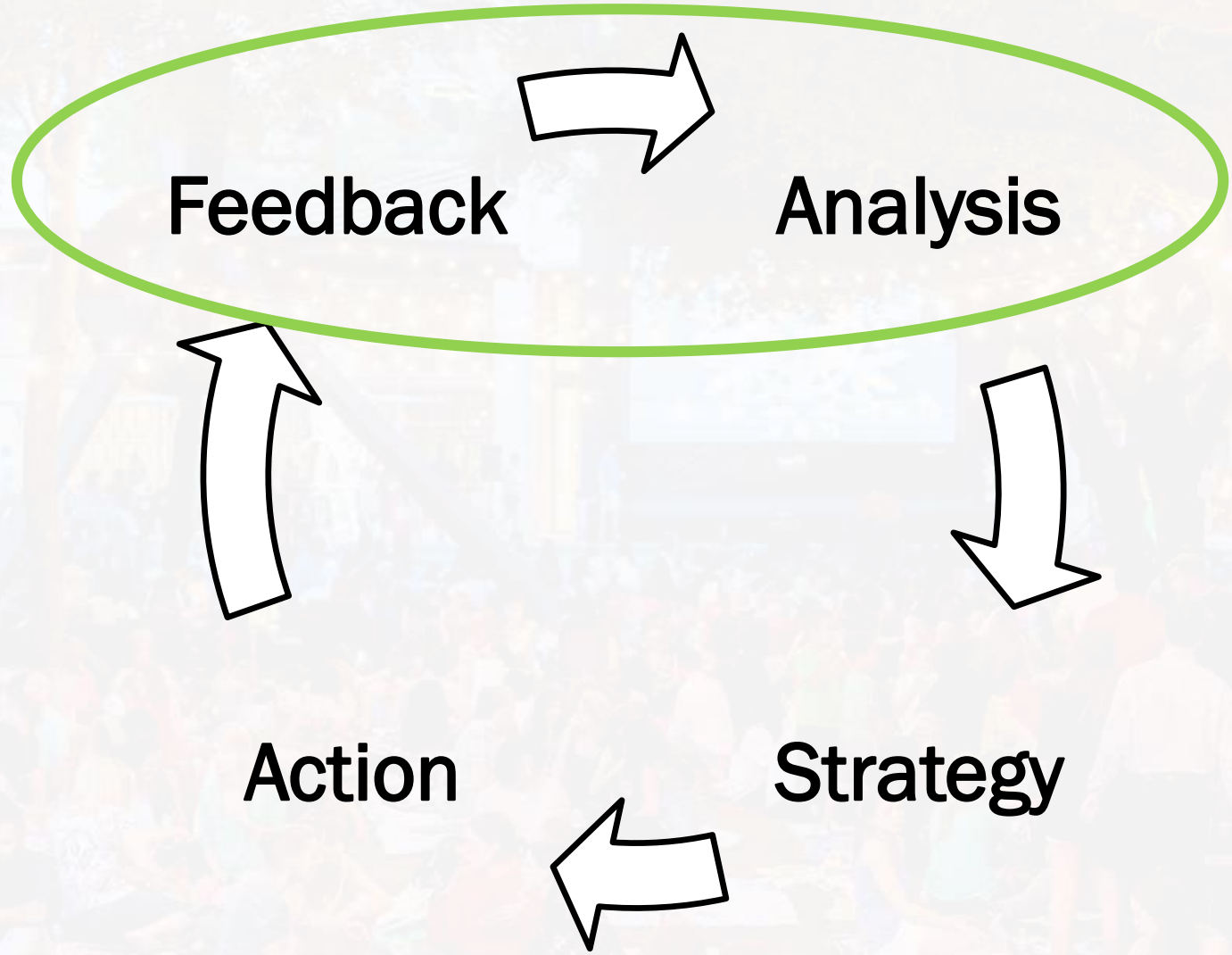
## CASE: NASHER SCULPTURE CENTER HYPOTHETICAL LEVELS

If the following membership levels were offered, each featuring new and updated benefits, how interested would you be?

**\$135** / Free admission for two, exhibition preview invitations, reciprocal admission for 1,000+ museums

**\$265** / Free admission for four, private docent-led exhibition tours, priority registration for public programs, extra store discount

(**Scale:** Interest – Not / Slightly / Moderately / Very / Extremely)





## Internal Analysis

To determine current **strengths / weaknesses**

- Mission / membership alignment
- Membership metrics and trends
- Membership marketing mix

## External Analysis

To identify future **opportunities / threats**

- Environmental / PESTL analysis
- Competitive landscape review

# INTERNAL ANALYSIS

## MISSION / MEMBERSHIP ALIGNMENT

How does our membership program advance our **mission**?

- Maximize unrestricted **revenue**
- Broaden **base of support**
- Feed **pipelines** to other giving
- Build **audiences** for programs
- Drive museum **attendance**

# CASE: NASHER SCULPTURE CENTER MISSION / MEMBERSHIP ALIGNMENT

How does your membership program advance your **mission**?

- Maximize unrestricted **revenue**
- Broaden **base of support**
- Feed **pipelines** to other giving
- Build **audiences** for programs
- Drive museum **attendance**



# INTERNAL ANALYSIS

## RELEVANT MEMBERSHIP METRICS AND TRENDS

- Renewal rate (for first-year and multi-year members)
- Upgrade rates, and between which levels
- Benefits usage
- Customer lifetime value

# INTERNAL ANALYSIS

## MEMBERSHIP MARKETING MIX

**Product / Experience**

Benefits / Programs / Events /  
Fulfillment / Customer Service

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**Price**

Pricing / Levels / Discounts /  
Payment Options

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**Place / Distribution**

Venue / Exhibition Schedule /  
Digital Offerings / Store / Cafe

---

**Promotion**

Advertising / Direct Marketing /  
Digital + Social / SEO

# CASE: NASHER SCULPTURE CENTER MEMBERSHIP MARKETING MIX

## Product / Experience

Unbalanced, outdated **benefits** /  
Slow, impersonal **stewardship**

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## Price

Strong **value** / **Pricing** below  
neighbors / Heavy **discounting**

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## Place

Strong **exhibitions** / World-class  
**venue** / **Store, cafe** engagement

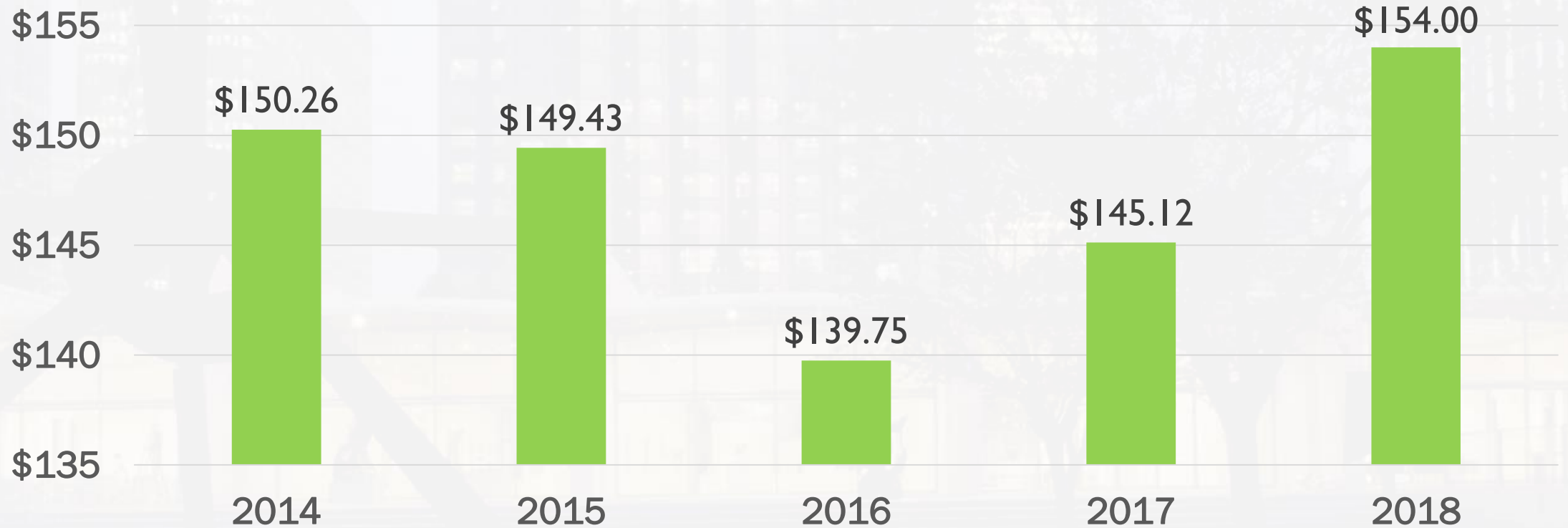
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## Promotion

Good **mail** performance / Poor  
**digital** performance / **Acquisition**



# CASE: NASHER SCULPTURE CENTER AVERAGE GENERAL MEMBERSHIP AMOUNT



## Internal Analysis

To determine current **strengths / weaknesses**

- Mission / membership alignment
- Membership metrics and trends
- Membership marketing mix

## External Analysis

To identify future **opportunities / threats**

- Environmental / PESTL analysis
- Competitive landscape review

# EXTERNAL ANALYSIS

## ENVIRONMENTAL / PESTL ANALYSIS

**Political**

---

**Economic**

---

**Social**

---

**Technological**

---

**Legal**



# CASE: NASHER SCULPTURE CENTER ENVIRONMENTAL / PESTL ANALYSIS

**Political**

---

**Economic**

Strong local, regional economy

---

**Social**

---

**Technological**

---

**Legal**

Impact of changing tax laws

# EXTERNAL ANALYSIS

## COMPETITIVE LANDSCAPE

	Nasher	Neighbor #1	Neighbor #2	Neighbor #3
Admission	\$10	Free / \$16 for Exhibitions	Free	\$12
"Individual"	\$50   x4		\$60	
"Dual"	\$75   x7.5	\$100   x6.3	\$100	\$60   x5
"Family"	\$125   x12.5		\$175	\$150   x12.5
"Family Plus"	\$250   x25	\$250   x15.6		\$300   x25

# EXTERNAL ANALYSIS

## COMPETITIVE LANDSCAPE

	Nasher	Neighbor #3
Dual	\$75 / Free admission for 2, free parking, invitation to exhibition previews, store discount	\$60 / Free admission for 2 adults, invitation to select member events
Family	\$125 / Free admission for children 18 and under, reciprocal admission to 1,000+ museums, café discount	\$150 / Free admission for children 18 and under, free exhibition preview tickets, discounts on programs
Family Plus	\$250 / Free admission for 4 adults, free private guided exhibition tours, additional store discount	\$300 / Free admission for 4 adults, additional store discount, 4 free guest passes

# CASE: NASHER SCULPTURE CENTER PRICING UPDATE TIMELINE





A photograph of the Nasher Sculpture Center at dusk. In the foreground, a large, dark, abstract sculpture made of thick metal rods is silhouetted against the sky. The sculpture consists of several rods intersecting at a central point, forming a complex geometric shape. In the background, the Nasher Sculpture Center building is visible, featuring large glass windows that are illuminated from within, showing some interior displays. Behind the center building, several tall skyscrapers of a city skyline are visible, their windows glowing with light. The sky is a deep twilight blue.

# **PRICE CHANGES: NASHER SCULPTURE CENTER CASE STUDY**

**JAMES RYAN JILLSON  
DIRECTOR OF INDIVIDUAL  
GIVING AND MEMBERSHIP**



# Pérez Art Museum Miami





# Pérez Art Museum Miami



PAMM is a **modern and contemporary** art museum dedicated to collecting and exhibiting international art of the 20th and 21st centuries, with a special focus from the U.S. Latino experience, the African diaspora, Latin America, and the Caribbean.





# Pérez Art Museum Miami

300,000 annual visitors

5,000 member households (up to \$1,000/yr)

5% Charter Members, supporting for 5+ years



## The Gift of Art

At the core of PAMM's care, collection and presentation of artworks is the belief that art is a special language, a particular human gift as a unique form of expression, and one that should be valued and shared. Our permanent collection is the most lasting manifestation of the museum's belief in preserving this gift for our current public and for future generations.

For the presentation of the museum's permanent collection during our 35th anniversary year, this understanding of art is being confronted concurrently with the celebration of donations of art that have been made to the museum during the last several decades. The artworks currently on view represent outstanding examples of works gifted to the museum since it first became a collecting institution in 1984. Each artwork represents the generosity of donors who have chosen to move it from the private sphere of their personal collections into the public sphere of the museum's holdings.

PAMM began collecting in the 1980s, during a moment of change and tumultuous reevaluation of the canon—the need for a global approach was imperative. We are inclined towards plural narratives, and as an institution decidedly at the forefront of acknowledging cultural shifts in Miami and beyond, are on showcasing concurrent art historical developments. Today, the collection references Miami's unique positioning and celebrates our heterogeneous community.

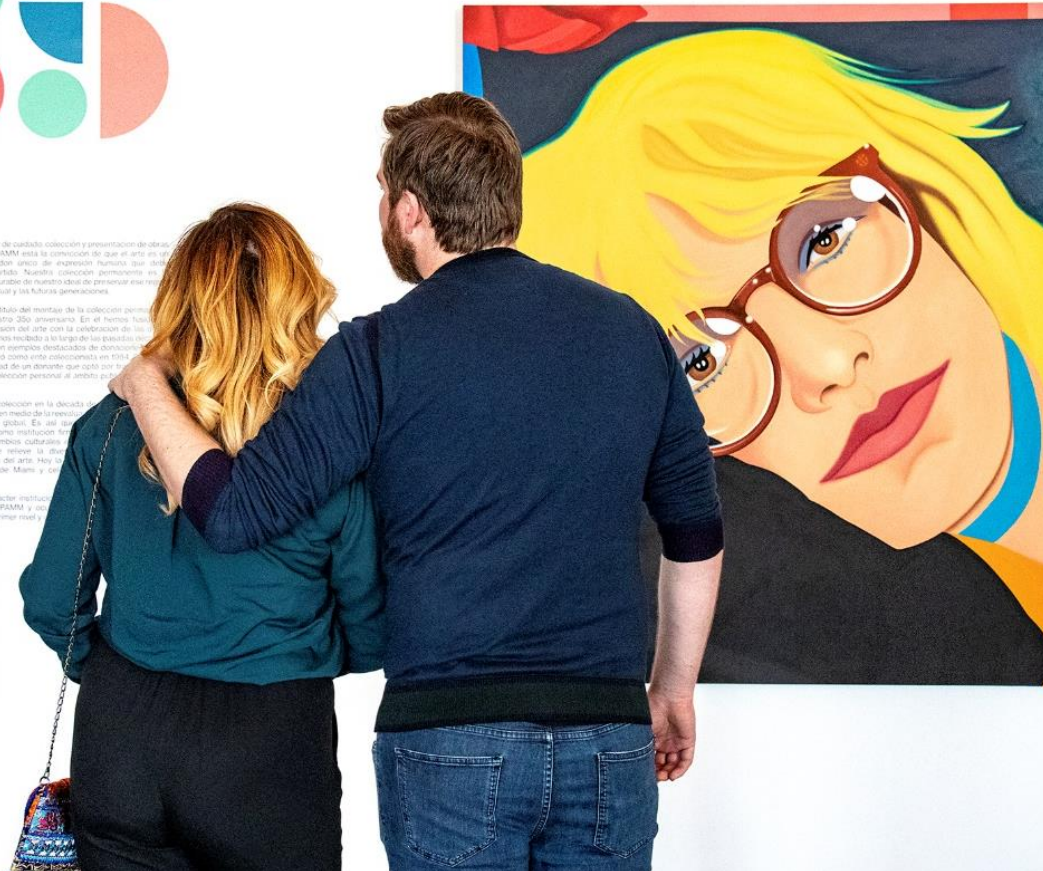
This is an institutional exhibition curated by all of PAMM's Curatorial Staff and includes the museum's permanent collection galleries positioned within two galleries on the first level and four galleries on the second level.

En el corazón de la labor de cuidado, colección y presentación de obras de arte que realiza el PAMM está la convicción de que el arte es un lenguaje especial, un don único de expresión humana que debe ser valorado y compartido. Nuestra colección permanente es la manifestación más perdurable de nuestro ideal de preservar este regalo para nuestra pública actual y las futuras generaciones.

El regalo del arte es el título del montaje de la colección permanente durante el año de nuestro 35º aniversario. En el tiempo, ha sido conceptualmente esta visión del arte con la celebración de las donaciones de obras que hemos recibido a lo largo de las últimas décadas. Las obras expuestas son ejemplos destacados de donaciones que el museo ha recibido como una institución en funcionamiento desde que se fundó en 1984. Cada obra representa la generosidad de un donante que optó por llevar su arte desde su esfera privada a la esfera pública del museo.

El PAMM comenzó su colección en la década de los ochenta, durante un momento de cambio y turbulencia de reevaluación del canon—la necesidad de un enfoque global era imperiosa. Estamos inclinados hacia narrativas plurales, y como institución decididamente a la vanguardia de reconocer los cambios culturales en Miami y más allá, estamos mostrando desarrollos concurrentes en la historia del arte. Hoy, la colección hace referencia a la posición única de Miami y celebra a nuestra comunidad.

Esta exposición de carácter institucional curada por todo el personal curatorial del PAMM y con el apoyo de la colección permanente, dos en el primer nivel.





# Why change membership?

- **Simplify the ways to support**
  - **12 ways to join PAMM under \$500**
  - Who is this membership for, and why does it exist?
- **Clarify and refine the program**
  - What is an affiliate group vs. a membership group?
  - Why does this level get this benefit, and not that one?
- **Increase revenue for the museum**
  - Hadn't raised prices since opening
  - Price optimizing per number of visits
  - Shake off the dust!



# Timing

October 2018

- Seasonality in Miami
- Opening of *Christo and Jeanne-Claude*
- Direct mail acquisition campaign



# Discounts and deals

Membership is a **philanthropic gift**.

Giving discounts to seniors, students, educators, and artists rather than maintaining separate levels.



# Impact

**Members are at the heart of our museum.**

Every membership supports PAMM exhibitions, programs, and education initiatives.

# External Analysis

	<b>PAMM</b>	<b>Neighbor #1</b>	<b>Neighbor #2</b>	<b>Neighbor #3</b>
<b>Admission</b>	\$16 adults \$12 youth/senior	\$10 adults \$5 youth/senior	Free	\$12 adults \$10 seniors
<b>Individual</b>	\$55	\$50	\$70	\$80
<b>Dual</b>	\$75	n/a	n/a	n/a
<b>Family</b>	\$95	\$100	\$125	\$100
<b>Sustaining</b>	\$175	\$200	\$250	\$150
<b>Contempors</b>	\$200-\$300	n/a	n/a	\$300
<b>Fellow</b>	\$500	\$500	\$600	\$600

# Refreshed Benefits

**Curated Coffee**, an opportunity to enjoy breakfast and conversation with PAMM curators

**Member Appreciation Weekend**, extra discounts at the PAMM Shop and Verde restaurant two times/year

**Guest passes** to share with friends and family

- Packaging what we already do
- Aligning across levels
- Opening up access

# New levels and prices

PAMM Membership—FY19					
	Individual (\$65)	Dual/Family (\$90)	Sustaining (\$200)	Contemporary (\$250)	Fellow (\$500)
Unlimited free admission for 12 months	x	x	x	x	x
Membership benefits for adults	1	2	2	2	2
Membership for two adults and children (18 and under) in same household		x	x	x	x
Early access to special exhibitions	x	x	x	x	x
Member rates for special events and programs, including Members-Only Fourth of July and Curated Coffee	x	x	x	x	x
\$4 discount on PAMM parking	x	x	x	x	x
10% discount at the PAMM Shop, Verde restaurant and bar, and Cucuyo café	x	x	x	x	x
Eligibility to join the volunteer docents	x	x	x	x	x
Access to members-only previews	x	x	x	x	x
Weekly e-newsletter and calendar	x	x	x	x	x
Guest pass(es) to share with friends and family, per membership year, admits two people during same visit*		1	2	2	3
Access Third Thursday Lounge, a monthly mixer with complimentary cocktails, beer, and wine			x	x	x
Invitation for two to PAMM Presents, the museum's signature Miami Art Week celebration**			x	x	x
NARM, MARP, ROAM, MOD/CO. admission to more than 1,000 participating museums across the country***			x	x	x
Select art fair passes during Miami Art Week				x	x
Unlimited free general museum admission for four adults				x	x
Private tour of PAMM for group of ten (minimum 3 week notice, dates subject to availability)****					x

\*Seniors, students, educators, and artists may receive \$15 off membership levels Individual (\$65) through Fellow (\$500). Cannot be combined with any other discount.



# Predictions

- Household count will decrease, average gift will increase
- Natural upgrade from Dual to Household
- Increased revenue and renewal over time

# Results thus far

- Increased average gift by 19% Oct-Dec 2018 vs. 2017
- Increased revenue by 13% Oct-Dec 2018 vs. 2017
- Decreased household count by 20%
  - Almost all drop-off is from levels under \$90 (as expected)
  - Re-introducing discounts
  - Lapsed recapture
- Contemporary level increased by 72%

Meghan McCauley  
Membership Manager  
mmccauley@pamm.org

# Price Change: Four Models of How to Prepare and Implement

American Museum  
Membership Conference  
April 2019

**Chelsea Murray**  
Director of Membership

**de Young \**  
**\ Legion of Honor**  
fine arts museums  
of san francisco





# Agenda

- Background
- Goals
- Research
- Implementation
- Results



# Legion of Honor Lincoln Park

European paintings, decorative arts  
and sculpture

Ancient Mediterranean art

One of the largest repositories of  
works of art on paper in the nation.

 **Legion of Honor**  
museum

CONFIDENTIAL USE ONLY – PLEASE DO NOT SHARE





# de Young Golden Gate Park

American art

Art from Africa, Oceania,  
and the Americas

Costume and Textile Arts

**de Young** \  
museum



## Membership Overview

- 100,000 member households
- 1/4 Institutional annual revenue
- Loyal Members
  - 88% Members for 2+ yrs
- Renewal Rate
  - 75% multi year
  - 36% first year



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# Goals

- Price Optimize
  - Correlate with Admission ticket increase
- Streamline Levels & Benefits
  - Clear differentiators at each level
- Enhance the Member Experience
  - Access and experiences



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# Price Optimization through Research

- History of price increase
  - Every 3-4 years
- Data analysis and benchmarking
  - Price threshold
  - Others in the market
- Member behavior and feedback
  - Previous response to price increase
  - What members value most



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# OLD

vs.

# NEW

**Price Change:**  
How to Prepare and Implement

Membership
\$60 Discounted
\$99 Individual
\$149 Family/Dual
\$249 Contributing
\$399 Supporting
\$699 Sustaining

Membership
\$79 Discounted
\$119 Individual
\$199 Dual
\$209 Family
\$299 Contributor
\$600 Enthusiast
\$1,000 Partner

Annual Giving
\$1,000 Friend
\$1,500 Friend Plus
\$2,500 Patron
\$3,500 Patron Plus
\$5,000 Curator's Circle
\$7,500 Curator's Gold Circle
\$10,000 Chief Curators Circle
\$15,000 Chief Curator Gold Circle
\$25,000 Director's Circle
\$50,000 President's Circle

Patrons Circle
\$2,500 Fellow
\$5,000 Sponser
\$10,000 Benefactor

Leadership Circle
\$25,000 Leader
\$50,000 Innovator
\$100,000 Visionary

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of san francisco



## Price Change: How to Prepare and Implement

Member Benefits FULLY TAX-DEDUCTIBLE	\$119 INDIVIDUAL	\$199 DUAL	\$209 FAMILY	\$299 CONTRIBUTOR <i>Best Value!</i>	\$600 ENTHUSIAST	\$1,000 PARTNER
Members and guests admitted free to permanent collections and special exhibitions (up to \$35 value per ticket)	1	2	2	2	2	2
Invitations to Member Previews	●	●	●	●	●	●
Priority ticketing for special exhibitions	●	●	●	●	●	●
Discounts at Museum Stores and on audio tours, lectures & more	●	●	●	●	●	●
Subscription to <i>Fine Arts</i> magazine and Member Monthly email newsletter	●	●	●	●	●	●
Free special exhibition admission for children up through age 17			●	●	●	●
Discounts on innovative family classes & tours			●	●	●	●
Invitations to Member Mornings			●	●	●	●
Invitations to Member Opening Nights				●	●	●
Reciprocal admission to more than 900 museums				●	●	●
Invitation to annual film series					●	●
Guest passes to share with friends (1 time use)					4	8
Invitation to Annual Donor Luncheon						●

Enjoy priority access to  
*Contemporary Muslim Fashions*  
when you join today as a member.

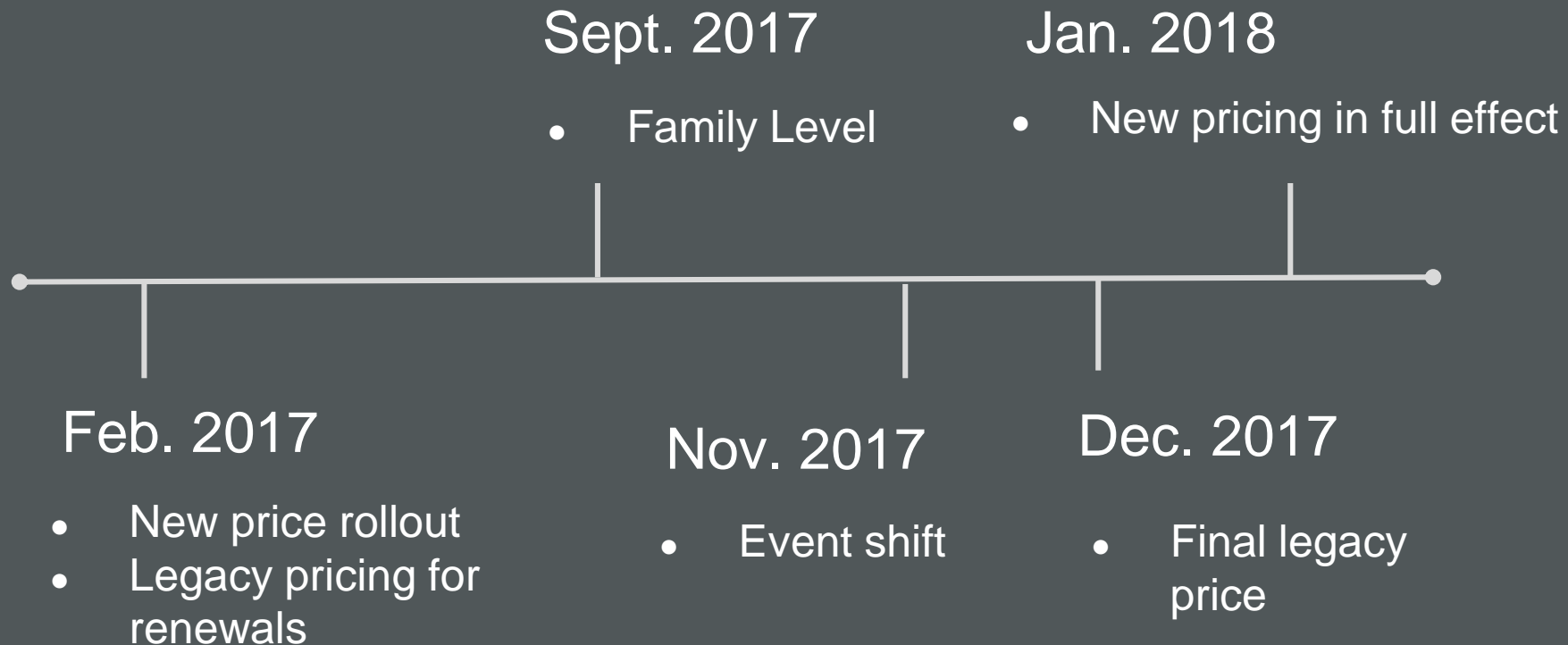
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- Enhance the Member Experience
  - Access and experiences

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# Implementation

**Price Change:**  
How to Prepare and Implement



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# Results

- 20% increase with no overall drop off
- Launched the price change in phases
- Well received by all
- Increased our Average gift by 17%
- Balanced out our member household counts according to level



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# Questions?

Chelsea Murray  
cmurray@famsf.org



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SF

MO

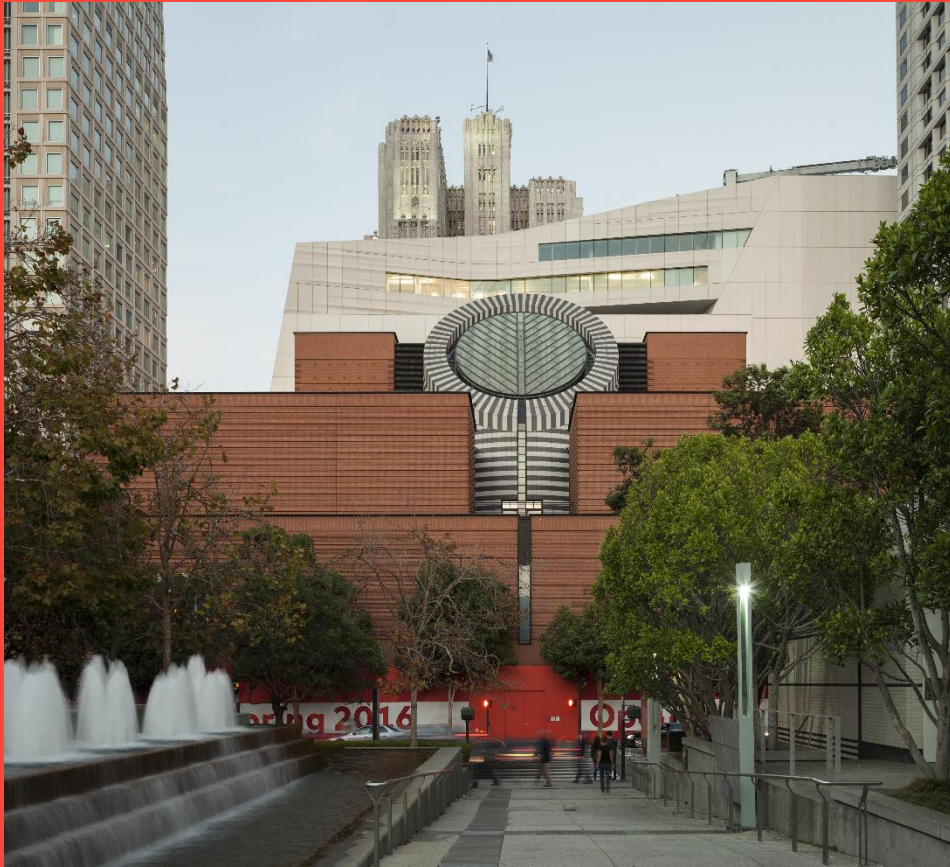
San Francisco Museum of Modern Art  
Snøhetta expansion, opened May 2016  
[sfmoma.org](http://sfmoma.org)

MA





- **Founded in 1935**
- **One of the largest museums of modern and contemporary art in the United States**
- **Mission: SFMOMA believes the art of our time is vital and shares it with passion and purpose.**



- **\$610 million expansion designed by Snøhetta completed in 2016 (3 year closure)**
- **170,000 sq. ft. of gallery space over 7 floors**
- **45,000 sq. ft. of free, art-filled public space**
- **1,000,000+ visitors a year**
- **75,000 member households**

# Membership Price Change Rationale

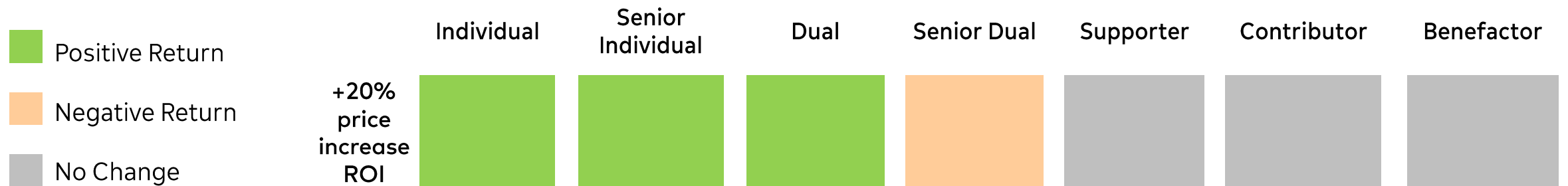


- Increased institutional revenue goals
- Benefit refresh with post-opening data to address:
  - Desire for Young Adult membership discount
  - Newly-acquired garage adjacent to museum
  - Goal to increase Contributor (\$600) members by bolstering benefits at that level
- Previous price change in October 2015 (eight months pre-opening)
- Admission and occasional exhibition surcharges left room for increase that was still transactional-friendly



# Price Sensitivity Research

- Research completed in August 2017
- Results supported 20% price increase at Individual and Dual levels only (anticipated net impact of \$181K)



- Perception concerns about increase too soon after opening and anticipated margin smaller than expected; so price change delayed for 1 year

# Revised Membership Pricing

- 20% increase at Individual and Dual levels only (90% of membership base)
- Maintained existing \$20 Senior discount at Individual and Dual levels
- New \$30 Young Adult (19-24) discount added at Individual and Dual levels
  - *Requires date of birth and only available onsite and by phone.*

	Oct 2015 - Dec 2018	Jan 2019 - current
<b>Individual</b>	\$100	<b>\$120</b>
<b>Dual</b>	\$150	<b>\$180</b>
<b>Supporter</b>	\$300	<b>No change</b>
<b>Contributor</b>	\$600	<b>No change</b>
<b>Benefactor</b>	\$1,250	<b>No change</b>

# Updated Benefits

All Members:

- 25% discount on daily parking in SFMOMA garage [Non-member discount 10%]

For Contributor Members and Up (\$600+):

- Free tickets to SFMOMA-presented films
- Priority ticketing for popular Artist Talk programs





# Communication Plan: Silent Roll Out

- Messaging began on date of change, January 3
- No prior notice, matter-of-fact roll out
- Scripts developed for questions or push back (particularly onsite and phone)
- Grandfathering only for mail received through March 31 (from printed renewal mailings sent prior to the change)



# Communication Plan: Silent Roll Out

## Advantages:

- Immediate revenue impact
- No need for “last chance” promotions
- Simple transition for staff
- Avoided having two pricing structures in CRM

## Challenges:

- Staff anxiety with “no warning”
- All materials (digital signage, web, and print) to be launched at same time



# Results

- Low volume of service issues
- Young Adult membership discount uptake immediate (with no promotion)
- No meaningful data yet on Contributor level member growth
- Nominal downgrades, revenue to date aligning with research expectations





# Results



- Long-term revenue increase expected is ~18% (20% increase on 90% of members)
- Short-term results (at 2-1/2 months in):  
Average gift increases -
  - Onsite = 20.3% up (primarily Ind. & Dual gifts)
  - Online = 12.6% up
  - Overall = 14.7% up

# Questions?

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