Delving Beyond Zip Codes to Deepen Relationships and Identify Evangelists

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Data mining to bring together the behavioral and attitudinal characteristics Evangelists

Finding and leveraging evangelists or influentials in your member community

AMMC New Orleans, 2010
A Loyalty and Referral Focus

1. Measuring and improving loyalty.
2. Building a loyalty-based approach into your program.
3. Identifying loyalty in your database to strengthen relationships.
4. Reaping the rewards of loyalty with innovative referral marketing programs.
Marketing Landscape Continues to Change

- Audiences are harder to reach
  - Receive information in new ways
  - Resistance/pessimism towards traditional advertising and promotion
  - Lack of contact information
- Blurring/shifting of formal and informal “news”
- Skepticism, trust issues
New Marketing Approach Required

• Non-profit marketing dollars and resources are limited
• New tools, media, and channels needed
  – Building buzz
  – Targeting influentials, evangelists
  – Peer to peer (P2P) marketing
  – Web marketing, online communities
  – Grassroots marketing
DELVING BEYOND ZIP CODES
To Deepen Relationships and Identify Evangelists

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AMMC New Orleans, 2010
Where We’ve Come From…

Get a Handle on Your Members

- Membership Analysis
  - Members who have not visited
  - Members who should be upgraded
  - Member visitation by zip code
  - Cost of member benefits vs. membership prices
  - Total support vs. visitation
  - Overall member involvement
## Visitation by Zip Code

**Sample Museum**

**Arrival Dates: 01/01/2005 thru 09/30/2005**

<table>
<thead>
<tr>
<th>ZIP code</th>
<th>ID</th>
<th>Member Name</th>
<th>Membership</th>
<th>New/Renewal</th>
<th>Expiration</th>
<th># Visits</th>
<th># Tkts</th>
</tr>
</thead>
<tbody>
<tr>
<td>00646</td>
<td>938362</td>
<td>Mr. Jaime Fortuno</td>
<td>FamilyMAX</td>
<td>New</td>
<td>03/31/2006</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>01028</td>
<td>928736</td>
<td>Mr. Louis H. Tursi</td>
<td>Premier</td>
<td>New</td>
<td>07/31/2005</td>
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<tr>
<td>01035</td>
<td>922527</td>
<td>Mr. Paul A. Benjamin</td>
<td>Premier</td>
<td>Renewal</td>
<td>04/30/2006</td>
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<td>8</td>
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<tr>
<td>01062</td>
<td>912723</td>
<td>Ms. Julia Moss</td>
<td>FamilyMAX</td>
<td>Renewal</td>
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<td>01106</td>
<td>941175</td>
<td>Ms. Debra Friedrich</td>
<td>FamilyMAX</td>
<td>New</td>
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<td>9</td>
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<tr>
<td>01201</td>
<td>935819</td>
<td>Mrs. Christine Gillette</td>
<td>FamilyMAX</td>
<td>New</td>
<td>01/31/2006</td>
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<td>18</td>
</tr>
<tr>
<td>01266</td>
<td>939162</td>
<td>Ms. Julia Krahm</td>
<td>Family</td>
<td>New</td>
<td>04/30/2006</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>
Tactical vs. Strategic

Analyze the data you already have to:
- Make informed decisions
- Improve performance
- Set and meet goals

Slice and Dice Your Data
Myth or Reality?

Visitation is a prime driver of renewal rates

- The more often members visit, the more likely they are to renew
  - Is that really true?
  - Does the visitation/renewal rate relationship change by level of membership?
# Visitation of Active Members

<table>
<thead>
<tr>
<th>Membership Level</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Museum Circle</td>
<td>269</td>
<td>112</td>
<td>49</td>
<td>16</td>
<td>10</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>467</td>
</tr>
<tr>
<td>Museum Courtesy</td>
<td>3,758</td>
<td>1,176</td>
<td>368</td>
<td>110</td>
<td>44</td>
<td>16</td>
<td>10</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5,486</td>
</tr>
<tr>
<td>Museum Development</td>
<td>110</td>
<td>33</td>
<td>11</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>160</td>
</tr>
<tr>
<td>Museum General</td>
<td>16,880</td>
<td>7,392</td>
<td>2,324</td>
<td>711</td>
<td>276</td>
<td>119</td>
<td>46</td>
<td>30</td>
<td>13</td>
<td>17</td>
<td>18</td>
<td>27,826</td>
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<tr>
<td>Museum Membership</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Museum Patron</td>
<td>1,975</td>
<td>831</td>
<td>331</td>
<td>135</td>
<td>53</td>
<td>28</td>
<td>11</td>
<td>10</td>
<td>1</td>
<td>2</td>
<td>21</td>
<td>3,398</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,928</strong></td>
<td><strong>9,520</strong></td>
<td><strong>3,072</strong></td>
<td><strong>972</strong></td>
<td><strong>381</strong></td>
<td><strong>167</strong></td>
<td><strong>69</strong></td>
<td><strong>43</strong></td>
<td><strong>16</strong></td>
<td><strong>20</strong></td>
<td><strong>28</strong></td>
<td><strong>37,344</strong></td>
</tr>
</tbody>
</table>

*61% don’t visit at all!  34% come once or twice!*
How Did They Renew?
At high membership levels, not visiting has less impact on renewals!
Visiting 3+ times per year has a great impact on renewals!

Visitation and Renewal Rates

- +8% for 1-2 visits
- +6% for 0 visits
- +11% for 3+ visits

Membership Level

- Museum General
- Museum Patron
- Museum Circle

Renewal Rate
So, What’s Next?
Behavioral Data

- Tickets
- Membership
- Education
- Retail POS
- F & B
Behavioral Data

Tickets | Membership | Education | Retail POS | F & B

+ 

Attitudinal Data

Preferences | Interests | Feedback

Micro-Targeting
Who Are Our Evangelists?

Get me a list of everyone who:

- Has been a member for 5+ years
- Attended any of the last 3 special exhibits
- Has purchased $100+ from the store lifetime
- Is interested in Roman art
- Rated our museum as a favorite
Fantasy?

No, we’re doing it in performing arts!

And you can, too.
Two examples from:

Philadelphia Orchestra
Wolf Brown
[and JCA]
Goal:
Move more tickets in the rear balcony

Solution:
Create a targeted “Price Club” discount program. In exchange for a $25 membership fee, the member has the right to purchase an unlimited number of $10 tickets (rear balcony seating), subject to availability.

Who are our best prospects?
Micro-Target:
Select people who are price sensitive
AND find people who buy rear balcony seats (from ticketing data, not survey data)
THEN filter out people who are inclined to subscribe
THEN filter in people who buy late (from ticketing data, not survey data)
Select people who are price sensitive

<table>
<thead>
<tr>
<th></th>
<th>Low Inclination</th>
<th>Unknown</th>
<th>Total</th>
<th>Low Inclination</th>
<th>Unknown</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>08 One Week</strong></td>
<td>13</td>
<td>5</td>
<td>18</td>
<td>54</td>
<td>4</td>
<td>58</td>
</tr>
<tr>
<td><strong>09 Two Weeks</strong></td>
<td>21</td>
<td>4</td>
<td>25</td>
<td>38</td>
<td>3</td>
<td>41</td>
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<tr>
<td><strong>10 Three Weeks</strong></td>
<td>9</td>
<td>3</td>
<td>12</td>
<td>50</td>
<td>4</td>
<td>54</td>
</tr>
<tr>
<td><strong>11 Four Weeks</strong></td>
<td>6</td>
<td>1</td>
<td>7</td>
<td>21</td>
<td></td>
<td>28</td>
</tr>
<tr>
<td><strong>12 More than 30 Days</strong></td>
<td>32</td>
<td>5</td>
<td>37</td>
<td>94</td>
<td>9</td>
<td>103</td>
</tr>
<tr>
<td><strong>13 More than 60 Days</strong></td>
<td>19</td>
<td>2</td>
<td>21</td>
<td>63</td>
<td>5</td>
<td>68</td>
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<tr>
<td><strong>14 More than 90 Days</strong></td>
<td>17</td>
<td>1</td>
<td>18</td>
<td>47</td>
<td>3</td>
<td>50</td>
</tr>
<tr>
<td><strong>15 More than 120 Days</strong></td>
<td>8</td>
<td>4</td>
<td>12</td>
<td>36</td>
<td>5</td>
<td>41</td>
</tr>
<tr>
<td><strong>16 More than 150 Days</strong></td>
<td>14</td>
<td>5</td>
<td>19</td>
<td>45</td>
<td>9</td>
<td>54</td>
</tr>
<tr>
<td><strong>17 More than 6 Months</strong></td>
<td>26</td>
<td>9</td>
<td>35</td>
<td>90</td>
<td>13</td>
<td>103</td>
</tr>
<tr>
<td><strong>18 More than a Year</strong></td>
<td>14</td>
<td>7</td>
<td>21</td>
<td>56</td>
<td>12</td>
<td>68</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>12</strong></td>
<td><strong>92</strong></td>
<td><strong>244</strong></td>
<td><strong>22</strong></td>
<td><strong>266</strong></td>
</tr>
</tbody>
</table>
Find people who buy balcony seats
Filter out people who are inclined to subscribe
Filter in people who buy late (from ticketing)

<table>
<thead>
<tr>
<th>Num Households</th>
<th>Moderate Price Sensitivity</th>
<th>High Price Sensitivity</th>
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<tbody>
<tr>
<td></td>
<td>Low Inclination</td>
<td>Unknown</td>
</tr>
<tr>
<td>08 One Week</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>09 Two Weeks</td>
<td>21</td>
<td>4</td>
</tr>
<tr>
<td>10 Three Weeks</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>11 Four weeks</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>12 More than 30 Days</td>
<td>32</td>
<td>5</td>
</tr>
<tr>
<td>13 More than 60 Days</td>
<td>19</td>
<td>2</td>
</tr>
<tr>
<td>14 More than 90 Days</td>
<td>17</td>
<td>1</td>
</tr>
<tr>
<td>15 More than 120 Days</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>16 More than 150 Days</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>17 More than 6 Months</td>
<td>26</td>
<td>9</td>
</tr>
<tr>
<td>18 More than a Year</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>80</td>
<td>12</td>
</tr>
</tbody>
</table>

Categories: Ticket Order Details - Days Prior To Perf
What Did We Find?

The micro-targeted list performed FOUR TIMES as well as general solicitations
Goal:
Identify *initiators*: evangelists who will bring friends

Solution:
Develop a marketing program that encourages and rewards people for bringing friends to Friday night concerts

Who are our best prospects?
Micro-Target:
Select people who are between 25 and 44
AND choose people who are not married
   AND do not have children at home
AND who attend “to enjoy the company of good friends”
AND self-identify as “initiators of cultural outings”
Select people who are 25 to 44
Select only those who are unmarried with no children at home.
Select self-identified initiators who attend to enjoy the company of friends.
Resulting in a targeted segment...

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Enjoy Company of Friends</th>
<th>Num Households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>18-24</td>
<td>None</td>
<td>8</td>
<td>28</td>
</tr>
<tr>
<td>25-34</td>
<td>None</td>
<td>19</td>
<td>130</td>
</tr>
<tr>
<td>35-44</td>
<td>None</td>
<td>4</td>
<td>73</td>
</tr>
<tr>
<td>45-54</td>
<td>None</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>87</td>
<td>541</td>
</tr>
<tr>
<td>18-24</td>
<td>Total</td>
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<td>25-34</td>
<td>Total</td>
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<td>158</td>
</tr>
<tr>
<td>35-44</td>
<td>Total</td>
<td>4</td>
<td>89</td>
</tr>
<tr>
<td>45-54</td>
<td>Total</td>
<td>21</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Categories</th>
<th>Survey - Demographic</th>
<th>Age Group</th>
<th>Survey - Traits - Initiates Cultural Outings</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What Did We Find?

Again, on average, the micro-targeted list performed FOUR TIMES better than general solicitations.
How Museums Can Make This Work

- Identify patrons across systems
- Combine behavioral and attitudinal data
- Profile your “ideal” constituents
- Engage these evangelists for action
  - “Traditional” media: mail, phone, email
  - Social media: Facebook, Twitter
Finding and Leveraging Evangelists or Influentials in Your Member Community

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Philadelphia Museum of Art Member

- Average 2.3 people in household
  - Only 17% have children in household
- Higher levels of education and income
- Average age: 57 years
  - 34% 65 years and older
  - 30% 55-64 years
  - 22% 45-54 years
  - 10% 35-44 years
  - 5% 25-34 years
  - .4% 18-24 years
Value of Referrals

- Best source of sales is from current customers
- WOM is among top sales source codes
  - 10%-30% of advance sales through phone center
- Referred customers cost less to acquire, generate profits earlier
- Lower cost to support referred customers
Capitalize on Member Loyalty and Referrals

• Increase attendance
• Increase member participation, engagement
• Increase member acquisition and retention

Result: Increase earned income
Referral Promotions and Impact

• Member for a Day Card
  – 3,000 members participated
  – 5,000 guests, 1.7% became members

• Friends and Family Offers
  – 2.5% became members

• Member guests for previews, exhibitions, and general admission visits

• Gift memberships (1,500-2,000/year)
Steps in Our Project

- Find evangelists, the influentials in the membership base
- Invite them to focus group discussions
  - how they share the Museum with others
  - explore referral program concepts
- Develop program to empower members as evangelists and influencers
Evangelists in Our Loyal Segments

The Hunt Begins
Finding Opportunities in Our Database

Commitment
Referral
Responsive
Activity

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Member Commitment

- Membership level
- Tenure (length of relationship)
- Life-time value
  - Membership fees, donations, other
- Annual Fund gifts
- Two-year membership, automatic renewals
- Upgrade behavior
- Renewal in 1st two notices (before expiration)
- Membership Volunteer or Guide status
Member Activity

• Members Previews (1st to see)
• Member programs (3 years)
  – Free programs
  – Paid programs (bus trips, receptions, lunch programs)
  – New Members Morning, Member Appreciation Days

• Museum and exhibition visits
• Frequency of visits
• Cross purchase: store, restaurant, other
• Art history courses, education programs

AMMC New Orleans, 2010: Suzette Sherman
Member Referral Responsiveness

- Bring-a-friend offers
- *Member for a Day* cards
- Guest passes and tickets
- Gift membership (the ultimate referral)
- Guests for previews, exhibitions, and programs
Encouraging and Tracking Referrals

AMMC New Orleans, 2010
Invite Members to Focus Group Discussion

Priority: Committed, Active, Referral Responsive

21 participated of 46

Referral Responsive

Commitment

Activity

AMMC New Orleans, 2010: Suzette Sherman
Invite Members to Focus Group Discussion

Committed and Referral Responsive

6 participated of 30

Commitment

Referral Responsive

Activity

AMMC New Orleans, 2010: Suzette Sherman
Invite Members to Focus Group Discussion

Committed and Active

Commitment

Referral
Responsive

Activity

4 participated of 51

AMMC New Orleans, 2010: Suzette Sherman
Focus Group Overview

• Qualitative Study: worked with Martin & Stowe to develop discussion guide and conduct groups
• 3 groups, 10 members each
• Participation included lunch, parking, $50 gift certificate for the Store
• 2-hour discussion, video taped with remote live viewing
Focus Group Discussion

• How members get involved and participate
• How members involve and engage others
• What encourages members to do this
  – Motivations, drivers, rewards, satisfaction
• What Museum efforts have been successful
• What can Museum do to aid referral process
  – Programs, tools, rewards
• Reactions to 4 program concepts
Concept Idea I: Art Museum Club

(like book group or theater club)

• Be the first to see ticketed exhibitions at member previews, then join in a discussion with Museum guides over light refreshments
• Receive special offers to invite friends and family to Museum activities
• Get advance, insiders’ news of upcoming exhibitions (press announcements and special promotional materials)
**Concept Idea II: Online Museum Membership Community**

- Special online member community for conversations about Museum experiences
- Resources to help you share offers, invitations, and insider highlights with others
- Online offers, postcards, and “meet me at the Museum” tools to send e-vites to friends
Concept Idea III: Museum Rewards Program, like frequent flyer loyalty program

• Earn points towards rewards when you:
  – Bring friends to the Museum
  – Sell memberships or refer friends to join
  – Tell friends about the Museum
  – Organize a group visit with friends or colleagues
  – Forward Museum e-mails to friends

• Redeem points for:
  – Museum Store and Restaurant dollars
  – Free months of membership
  – Free membership upgrades
  – Free guest passes

• Earn other incentives for selling memberships
Concept Idea IV: Museum Insiders’ Program

• Up to 3 personal tours of collections – invite 10 friends and family
• Personal concierges available to customize museum experiences (e.g. make dining, tour, and other arrangements)
• Annual event to acknowledge involvement
• Get advance, insiders’ news
Findings: Member reaction to Museum concepts was mixed

• Members most enthusiastic about:
  – Post-exhibition discussion group (or pre-tour talk)
  – Private tours with friends and family
  – Special offers to invite others to activities
  – Easy-to-use resources to share Museum invitations, offers, and information
  – Prefer picking up the phone, rather than sending online invitations
**Findings: Member reaction to Museum concepts was mixed**

- Members reacted neutrally to things they feel they already have:
  - “First to see” privileges
  - “Advance insider news”

- Members least interested in or negative about:
  - Annual event to acknowledge them and their efforts
  - Online member community to dialogue with others
  - Earn and redeem points for incentives
  - Bringing guests to events with high demand
Other Research Findings

• Cultivating others offers many psychic rewards
• Members are proud and honored to represent and share their Museum
  – Preferring “thanks” to rewards, payment, or “bribes”
• Expression of support, but also form of self expression and gratification
  – Position as social leader or connector who’s “in the know”
• Enjoy learning in social settings
  – Socializing in person – not electronically!
Other Findings: Challenges

• Many friends in member’s social circle were already members
• Older members not involved with social media, rely on printed materials
  – Facebook used by some to connect and share with family only
Conclusions and Next Steps

- Encourage members to evangelize with their social groups, not just to individuals
  - Members may sponsor or host gatherings
    - Retirement communities, art making classes, alumni groups, libraries, civic/neighborhood groups, language classes
  - Outreach, slide lectures can mobilize members

- Pursue the personal tour concept
  - Introduces guests to collections
  - Instead of concierge service, focus contact on arranging and tailoring tours to meet specific group’s interests
    - Flowers in Art for Horticulture Society and garden clubs
Conclusions and Next Steps

• Pursue discussion group concept
  – Further consider whether best execution is as “pre” or “post” gathering; both had merit and were of interest

• Actively educate members about and promote use of website content and e-tools to share their Museum
  – Low awareness of what is available and/or where it is located on website

• Select key strategies to test – plan, execute and elevate effectiveness
Two Ideas from Cultural Friends

• The Walker Art Center
  – SpeakEasy
  – Think and a Drink

• Woodland Park Zoo
  – Family Philanthropy
  – Inspiring three generations
Delving Beyond Zip Codes to Deepen Relationships and Identify Evangelists

Questions?

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