

Case Study: Arena Stage Subscriber Base Increased 57%, Revenues 73%

Keeping Subscription Alive and Well in Newly Renovated Venue

THE SCENARIO:

Arena Stage is one of America's leading regional theatres, performing on three stages in the newly renovated Mead Center for American Theater. Before moving back into the Mead Center, Arena Stage had seen declining sales from 2001–2007. In 2008 they sought out TRG to help strategize their move back into DC and address key sales challenges.

Are subscriptions viable? Subscriptions sales were in a downward slide from 2003–2007, along with the subscriber renewal rate. Arena's staff actively questioned the validity of the subscription model going forward and was increasingly looking to single tickets as the key source of future earned revenue.

...Or are we killing them? During prior seasons, Arena had made decisions that had the unintended consequence of negatively impacting subscribers—cancelling a week of subscription performances and condensing the run of two shows, both of which affected subscriber seating. Arena had also moved to Virginia from DC for two years while the Mead Center was under construction; subscribers first learned about the change in the media. These and issues outside Arena's control discouraged loyalty and subscription sales showed it.

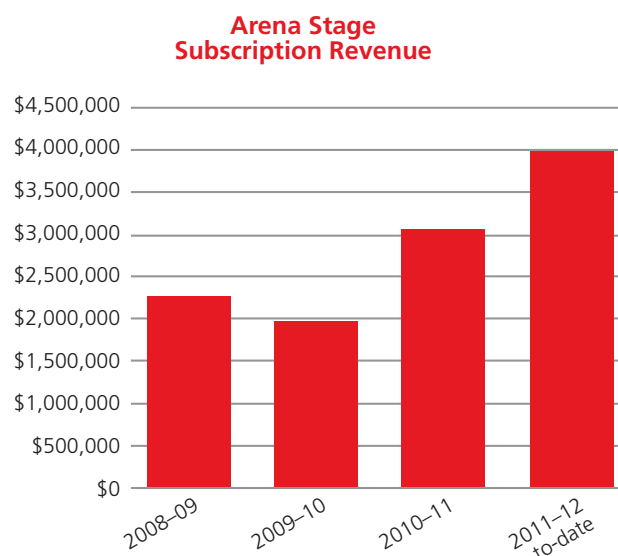
Demand management practices. Like many other arts organizations, Arena was using heavily discounted and complimentary tickets to fill in low-demand shows late in the sales cycle. Why buy ahead when good seats were available cheap or free during the run?



The Mead Center at night. Photo by Scott Suchman.

THE RESULTS:

Over the past three years, Arena Stage has increased their subscriber base by **57%** and grown their subscription revenue by **73%**.



Subscriptions are not only alive and well, they are essential to the business model, as Chad Bauman, Director of Communications, details in a recent post on his blog at arts-marketing.blogspot.com. Subscription sales for the 2011–12 season, the second in the Mead Center, continue to climb; revenue has already surpassed last season by 26%.

HOW THEY DID IT:

Retain existing patrons, especially subscribers...

Arena made an organization-wide commitment to the subscription model, and refocused efforts on retaining current patrons and reactivating past patrons vs. simply focusing on acquiring new buyers. They made a commitment to consider the impact on subscribers in decision-making, and developed new ways to reward loyalty such as offering exclusive early access to high-demand tickets. Detailed database analytics now drive aggressive direct mail campaigns targeting best prospects. Campaign materials focus on marketing messages to promote action vs. branding.

...Then upsell them. Arena had offered all subscription packages, large and small, from the rollout of their renewal campaign. TRG counseled focusing on large packages first with many opportunities to upgrade/upsell smaller packages. Pricing was developed to ensure that buying more meant better prices and better seats.

The sales office had training on the value of the larger-package “best value” subscriptions so agents were comfortable with the upgrade offer in the renewal materials. Smaller packages were introduced later in the campaign to specific database segments. In the 2011–12 season, 14% of all renewing subscribers upgraded to an eight or 11 play package with only 6% downgrading, resulting in a significant increase in average order size.

Arena’s aggressive and successful use of dynamic pricing for single tickets only reinforced the savings available to full subscribers. Early access to tickets also paid off. In addition to subscribers’ ongoing investments in their series, they also were responsible for 11% of all single tickets sold in the 2010–11 season and 9% of early single tickets sold for 2011–12 season to-date.

LEARN MORE ABOUT ARENA STAGE at arenastage.com.

Communications Director Chad Bauman details Arena Stage’s ongoing success on his blog: arts-marketing.blogspot.com.