

Case Study: Curious Theatre Company

Small Company. Big Subscription Success.

27% More Revenue, 12% More Subscribers in One Year

THE SCENARIO:

Curious Theatre Company (CTC) is a Denver-based theatre company with a budget under \$1 million. CTC hired TRG Arts at the end of 2008 for full suite consulting to address revenue problems and to review the scaling and pricing of their theater.

Unpredictable Subscription Sales. Subscriptions grew in 2006–07 and 2008–09, fueled by strong programming and single ticket sales in previous years. Since the 2006–07 season, renewal revenues were up 43%, but new subscription revenues were down 23%.

General Admission strategy fails to deliver perception of success. Curious Theatre’s space was small; the theater only seats 177. CTC used general admission seating, with the price varying by the night of the week. Average capacity for tickets sold in 2008–09 was only 47%. This suggested that seating inventory was available for blockbuster performances and that with greater resource investment, CTC could be leveraging demand for greater ticket sales and revenue.

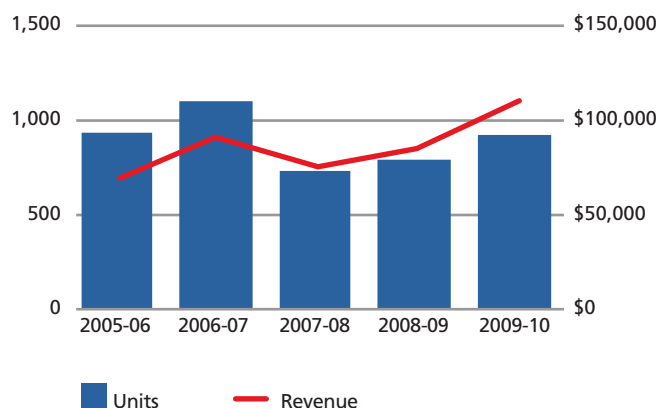
The general admission seating policy allowed patrons to select any seat, which created holes in highly visible areas of the house. All patrons, including subscribers, had to get to the theater early in order to get a good seat. Scaling the house from general admission to assigned seats would increase the perception of success, better reward loyal patrons, and increase the potential for revenue growth through pricing strategies.

THE RESULTS:

Within six months of working with TRG, CTC saw the following results:

- Subscription income grew by \$25,000, a 27% increase over prior season results.
- Subscription units grew by 12%, or 100 units.
- Rescaling the house resulted in a 14% increase in subscription per capita revenue (average price paid for a series).
- Single ticket and group per-ticket yield increased by 7% within a year of the changes.

**CURIOS THEATRE COMPANY
SUBSCRIPTION UNIT AND REVENUE SUMMARY**



HOW CURIOUS THEATRE COMPANY DID IT:

Curious Theatre Company's relationship with TRG began with an audit of current marketing practices, where staff and consultants reviewed sales, development and marketing practices. Topline recommendations included:

Subscription Campaign Planning. Increasing investment in subscription campaigns can produce greater and more consistent results. Curious Theatre's subscription renewal and acquisition campaigns were redeveloped to increase frequency with multiple rounds of direct mail, as well as telemarketing. Using TRG's Patron Loyalty Index analytic tool, patron segments mostly likely to respond to subscription acquisition marketing were identified based on past behavior. Consultants provided strategic recommendations and collateral review to maximize CTC's return-on investment.

Scaling and Pricing. CTC's venue was re-scaled from general admission to three price points for the 2009/10 season. This included introducing a limited number of seats at a low entry price point to ensure accessibility, as well as a higher price point to provide revenue growth opportunities. Consultants determined the number of seats made available at each price point based on past purchases from best, middle and bottom attended performances from 2008–09. Consultants set the prices to grow revenue; the re-scale increased gross potential by 13%.

Managing inventory. Along with the new scale-of-house, an inventory management plan was set to respond to subscriber demand, and to "force-fill" the house from front to back, center out. Consultants recommended a "hold and release" strategy to ensure maximum perception of success for every performance and maximize revenue in the back of the house. When tickets went on sale, CTC only sold the first three rows of the floor section and the first two rows of balcony. As the sections filled, the Theatre would release rows further back in the house as needed.

Patron-centered retention strategies. Implementing retention campaigns can maximize return-on-investment and patron loyalty. With subscriptions as a major focus and changes surrounding pricing, consultants saw clear need for communication and retention strategies for donor and subscribers, existing and new, and first-time single ticket attendees. As all subscribers needed to be assigned seats, they received personal calls from the box office manager to discuss the location of their seat for the season. New-to-file subscribers received a targeted communication in their subscriber welcome packet. Donors received handwritten thank you notes on their seats at performances of *Yankee Tavern* in addition to standard gift acknowledgement letters.

LEARN MORE ABOUT CURIOUS THEATRE

at www.curioustheatre.org.