

Case Study: EMP Museum

\$1.5 million two-year admission growth

Fueled by TRG revenue management strategies

THE SCENARIO: EMP Museum (formerly known as Experience Music Project) mounts exhibitions related to music, pop culture and science fiction. In 2011, EMP planned two exciting new exhibits: *Avatar: The Exhibition* and *Nirvana: Taking Punk to the Masses*. EMP leadership saw the exhibits as a way to build a more sustainable business model, funded by the community and less reliant on gifts from a few generous donors.

The potential for community support was evident in EMP's attendance numbers. The museum was already drawing an average of 400,000 visitors a year—a high attendance figure based on 2009¹ industry statistics. "We set a goal to double our admissions by 2017," Jessica Toon, Director of Marketing and Audience Development, said. "Part of this had to do with our need to be more financially sustainable. We knew we needed to change."

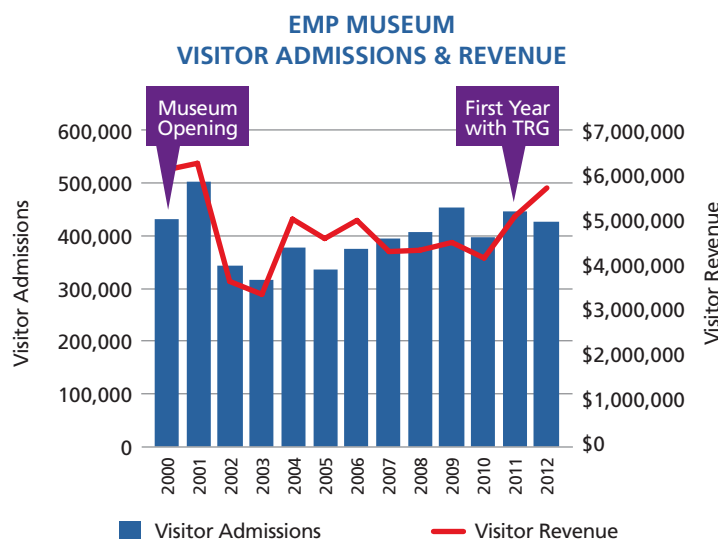


Leadership looked to outside resources to get further faster, including initiating a full suite consulting partnership with TRG in spring 2011. The museum was ready to embrace a strategic focus on earned revenue and a renewed dedication to measuring results.

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RESULTS:

- EMP's admissions revenue increased \$1.5 million in just two years—up 37%.
 - Revenues at 10-year high.
- Per ticket revenues shot up to near record highs, increasing 27% since 2010.
- Marketing investments achieved a greater ROI at a lower cost-of-sale.
 - EMP now sees an 11% average monthly cost-of-sale, down from 16%.
- By instituting a discount for buying on the web, online purchases have gone from 1% to 22% in 2013 (and growing).
 - Patron data capture rates have tripled as a result.



¹ Source: American Association of Museums, 2009 Museum Financial Information. AAM Press.

SCENARIO CONTINUED

Initially, key issues were identified by staff and consultants, including:

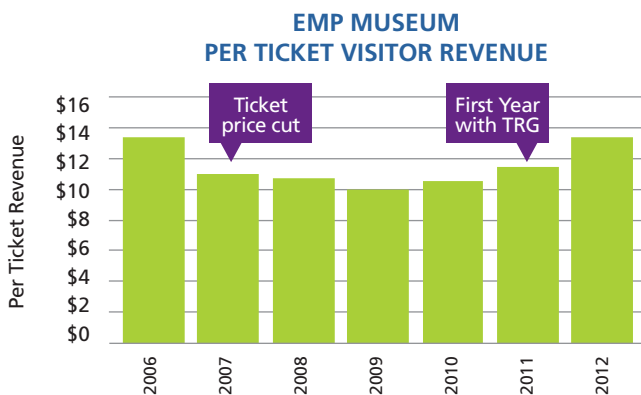
Declining admissions. As the novelty of the museum’s inaugural year wore off, admissions dropped sharply. Growth since that time had been erratic.

Misaligned pricing. In 2007, EMP cut its ticket prices hoping that would translate to an increase in admissions. In just one year the number of visitors improved only marginally while revenues fell nearly \$700,000. Additionally, discounting was prolific; more than 60 different discounts were offered in 2010 alone.

Uneven investments. Monthly marketing budgets were not proportional to revenue goals. In fact, expenses were lowest in months with the highest revenue expectations. Return-on-investment (ROI) was not regularly evaluated.

Exhibit timing. As a family-friendly museum, attendance increased during school breaks and summer vacation season. However, popular exhibits were not always scheduled in conjunction with peak visitation periods.

Lack of visitor data. Visitor contact information was rarely captured. This made direct marketing and cultivation of patron loyalty challenging. Online ticketing and membership was the only sure-fire way to obtain such detailed information.



IN HER OWN WORDS:

TRG serves as a thought partner for Jessica Toon and EMP’s marketing, membership, and guest services staff teams—bringing best practices in revenue management to the forefront.

TRG has positively influenced the way we approach our operations. Having TRG there to talk through strategies helps me feel confident in my decision-making, and mitigate fears associated with risk.

Jessica described specific strategies used to inform pricing, exhibit scheduling, marketing planning, and patron data capture—all of which contributed to EMP’s latest success.

The Price is Right

We have deployed three price increases since we started working with TRG, including testing a peak/off-peak pricing structure. We are now in the place where we’re continuing to see revenue growth while keeping our ticket price steady. It’s not that admissions are growing because people want to pay more, but we’ve done a better job of communicating EMP’s unique value proposition. We don’t have a timed ticket or any additional special exhibit pricing—one price gets visitors access to all the museum has to offer.

Fewer Discounts

We used to say ‘yes’ to a discount program any time we were asked to participate. It was almost a full-time job to administer all the deals. We’ve now eliminated most of our discounts and are much more strategic about which ones we implement. We have saved on staff costs, seen no decline in units and receive very few customer complaints.

Eliminating discounts has also made for a smoother experience at point of sale. Our guest services staff now has a much clearer understanding of what to cross-sell to visitors—we have created delineation between what products are promoted to tourists versus locals. This experience is helping to inform changes to our membership program too. Our ultimate goal is creating loyal members with repeat visitations.

Timing is Everything

The institution looks at itself differently now. EMP has made a shift to understand the value and importance of timing of exhibits. That's had a big impact on the success we're seeing.

TRG has also influenced our marketing campaign timing. We have redirected spend seasonally, being mindful of when our investments can have the biggest impact and best return. We have also redefined our marketing mix. While not all of the new mediums we've tried have been successful, implementing radio advertising has been huge—and we hadn't done that until TRG encouraged us to. TRG also helped us develop a great tool to monitor marketing plans in relation to sales pacing.

Decisions Grounded in Data

We had a robust data warehouse, but Marketing didn't take full advantage of this resource until TRG showed us the power of data. We needed to understand trends and track results. We've recognized the value of data and learned how to activate on it.

ABOUT EMP:

EMP is a leading-edge, nonprofit museum, dedicated to the ideas and risk-taking that fuel contemporary popular culture. With its roots in rock 'n' roll, EMP serves as a gateway museum, reaching multigenerational audiences through its collections, exhibitions, and educational programs, using interactive technologies to engage and empower visitors. At EMP, artists, audiences and ideas converge, bringing understanding, interpretation, and scholarship to the popular culture of our time.