

# Case Study: Hubbard Street Dance Chicago

## Data drives increased audience engagement and loyalty

TRG analysis informs plan to strengthen patron relationships

### THE SITUATION:

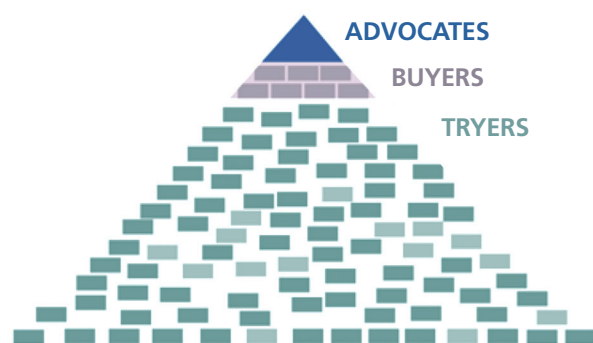
At the end of its Landmark 35th Anniversary season, Hubbard Street Dance Chicago was at a high point. Ticket sales and fundraising were stronger than ever, and buzz in the Chicago community and in the dance world was growing.

While Hubbard Street had developed a significant and enthusiastic ticketing and donor base, the marketing and development team wanted a greater depth of knowledge about the company's most engaged patrons. Bill Melamed, Chief Marketing and Development Officer, and Stacey Recht, Associate Director of Marketing, began asking: How well do we really know our patrons? How do our patrons interact across the organization? What are the trends and entry points? How can we best cultivate them toward long-term loyalty?

Hubbard Street wanted to cultivate this audience more holistically, beyond basic categories like ticket buyer, subscriber, or donor. They became curious about each patron's total investment across those categories, and engaged TRG to help analyze the data and recommend steps toward increasing loyalty.

In August of 2013, TRG presented Hubbard Street with actionable analysis of patron loyalty in the organization, along with recommendations for cultivating the groups of patrons who needed more attention. Consultants presented two reports:

- Key Metrics, which reported major trends in patron acquisition, retention, and attrition and compared them with TRG's data on organizations across the country.
- Patron Loyalty Index (PLI), which ranked every household in Hubbard Street's database by a number of loyalty factors including recency, frequency, and monetary investment across all departments. It grouped them into addressable loyalty groups TRG calls Advocates, Buyers, and Tryers.



The reports revealed a few major factors:

- Hubbard Street is highly dependent on Advocates, the most loyal group of patrons who contribute the most to an organization. 45% of Hubbard Street's revenue comes from the top 1% patrons.
- Hubbard Street has a smaller proportion of Buyers than the national average. Buyers often have ongoing transactions with an organization like a subscription or a small yearly donation but don't support the organization at a sustaining level.
- Tryers, the largest group of patrons which contributes the least per patron, had a higher than average turnover or "churn" rate at Hubbard Street.

Guided by the data, the Hubbard Street team developed a plan to keep patrons investing and engaging by honoring their personal relationship with the organization. While the work is still in progress, Bill Melamed and Stacey Recht have reported back early results indicating that loyalty and engagement are on the rise already.

## HOW THEY'RE ACTING ON THE DATA— IN THEIR OWN WORDS:

Chief Marketing and Development Officer Bill Melamed: *Our biggest learning was this general concept of looking at patrons more holistically, taking into account subscriptions, single tickets, event attendance, and donations to identify loyalty. Ordinarily we think of loyalists as the people we as staff see and interact with. But they are not just our board members and major donors. This analytical method led us to see who those patrons really are and quantify the importance of keeping them.*

Associate Director of Marketing Stacey Recht: *In the arts, we tend to think of subscribers and single ticket buyers belonging to the marketing department and donors belonging to the development department. Actually, if the organization is high functioning, those categories often overlap—and we want to encourage that engagement! The PLI allowed us to look at our patrons holistically alongside the data in aggregate to see loyalty trends over time, giving us a fascinating snapshot of patron loyalty. We're now more focused on strengthening personal relationships with patrons.*

Bill: *TRG recommended many action steps from the analysis. Instead of slamming on the brakes and changing everything we were doing, we selected tactics we knew we could layer into what already works for Hubbard Street. We determined how to be most responsive to this new and important data within our time and staff constraints.*

### Building the pipeline for Advocates

Bill: *The big finding regarding Advocates—those patrons at the top—was that, compared to other organizations, we were outliers for how dependent we are on them for revenue. We were aware of our dependence already, because if one of our major donors doesn't renew, we are struggling. To see the data confirm our suspicions was a wake-up call to the team. If we don't work to build up the pipeline, we're in trouble.*

Acknowledging its dependence on their most loyal patrons, Hubbard Street decided to strengthen its relationship with Advocates and those who might become Advocates — those in the top quartile of Buyers.

Stacey: *One of the big surprises was the number of patrons who ranked high in the PLI whom we didn't know. Of course, most of the Advocates and top Buyers were people we know and see often, such as board members, enthusiastic subscribers, and devoted donors, but many names were new to us.*

"I found that view of the dancers and their work dramatically different from anything I have experienced from a theatre seat. I rank it with a handful of performing arts experiences I have had in my life."

—Note from Advocate who was invited to a studio viewing and then made a \$1500 gift

Bill: *We looked at those groups and determined whether someone on staff or the board had a relationship with them. All of those loyal patrons we didn't recognize received a personal letter and a call from a development staff member inviting them to a private studio viewing. We developed a new prospect pool based on loyalty rather than donor history alone.*

Stacey: *Studio viewings are a privilege usually reserved for the high-end donors, so many of the patrons who support Hubbard Street in other ways or at a lower level had never received this type of outreach from us.*

Results	
Advocates/Buyers unknown to Hubbard Street	122
Invitations to date	78
Studio Viewings to date	8
Gifts to date	one \$1500 gift

Patrons were surprised and delighted to be recognized in this way and invited behind the scenes. They loved the opportunity to see their favorite dancers in the studio—performers they’ve watched for years—up close and personal. Although this type of effort takes time to produce results, patrons are engaging in different ways already. We’ve already received one unsolicited donation, and another patron has started taking a class. Because we know them now, we can personally greet these patrons at the theater and keep in touch, deepening the relationship and reinforcing loyalty.

### THANKING AND UPGRADING BUYERS

In addition to cultivating the top quartile of Buyers, Hubbard Street focused considerable effort stewarding and strengthening the loyalty of all Buyers.

Like all categories in the PLI, Buyers are defined by their level of investment in an organization across all departments. Once patrons become Buyers, they have usually made transactions in a few different categories—what TRG calls the power of “and.” A Buyer might purchase a ticket—and take a class—and make a small donation. Most often, one of those investments is a subscription.

Hubbard Street stewarded and invited subscribers to deepen their relationship in three ways:

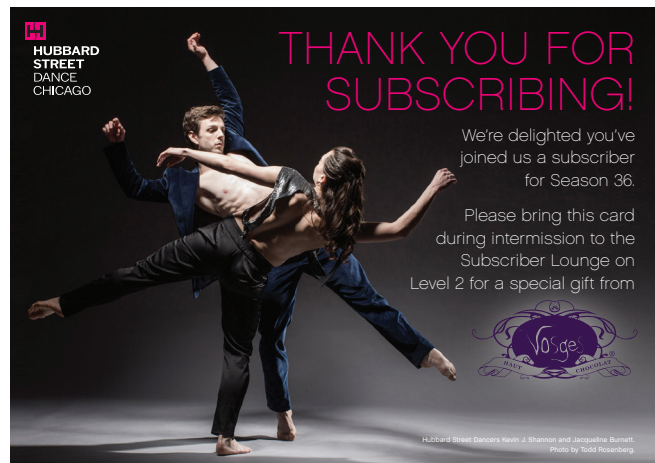
#### 1. Renewing: Capitalize on loyalty of subscribers

Bill: *Until this season, our subscribers would get a gorgeous four-color brochure with a renewal form that cost thousands to print and mail. Our internal conventional*

*wisdom was that this was how to sell a season. TRG introduced this idea that our most loyal subscribers would renew without knowing the whole season.*

Stacey: *We decided to see what would happen if we sent an email just sharing a few details and follow up with a letter and order form, two months earlier than we would normally. We only had one production confirmed: an exciting collaboration with Chicago’s famous sketch comedy company The Second City. We asked current subscribers to take a chance with us and renew early.*

*Our goal was to start the campaign as early as possible without spending a great deal. The campaign costs were much lower than in past seasons. Without the brochure, we saved about \$5,000 on renewing subscribers. We still planned to send a brochure, but we could focus that piece on acquiring new subscribers.*



#### 2: Stewardship: Say “thanks for subscribing!” with chocolate

Stacey: *Our Spring Series gave us an opportunity to greet subscribers face-to-face right around renewal time. We placed cards on each seat, thanking them for subscribing and inviting them to visit the donor lounge for free chocolate from Vosges during intermission. While they were in the lounge, we personally introduced ourselves and invited them to renew on the spot. About half of the*

subscribers picked up their chocolate. In past seasons, we gathered on-site renewals at a table in the lobby, resulting in one or two subscriptions a night. During the Spring Series chocolate reception, we averaged eight renewals per night. We followed up with an email thanking unrenewed subscribers for picking up their chocolate and inviting them again to renew.

Renewal Results, first 8 weeks		
	Renewal Rate	ROI
Last season	53%	19-1
This season	52%	97-1

Between the saved cost of the renewal mailing and this stewardship approach to renewal at the Spring Series, Hubbard Street was able to renew subscribers at the same rate while saving considerably on expenses. The ROI for renewal efforts was 97-1, compared to 19-1 the previous year.

Bill: *Our entire expense at that point had been a letter and an order form with a first-class stamp, some emails, and a seat card. With that, we renewed 52% of subscribers. And, we got the revenue two months earlier than we did last year. Most of those ideas came from our retention planning with TRG after the data analysis.*

### 3. Deepening the commitment with a donation: Spotlight Subscribers

#### Hubbard Street's Spotlight Subscriber Program:

##### UPGRADE BENEFITS

**\$100 donation:** backstage tour and invitation to champagne toast

**\$250 donation:** tour, champagne toast, 2 tickets to a choreographic workshop, and a tote bag.

##### RESULTS

- 5% Response rate
- \$3,960 in new gifts

Hubbard Street Dance Chicago created the Spotlight Subscriber program to entice their subscribers to add on a donation and engage. Making a donation is a turning point in the patron relationship; once a patron invests in the organization, retention is more likely.

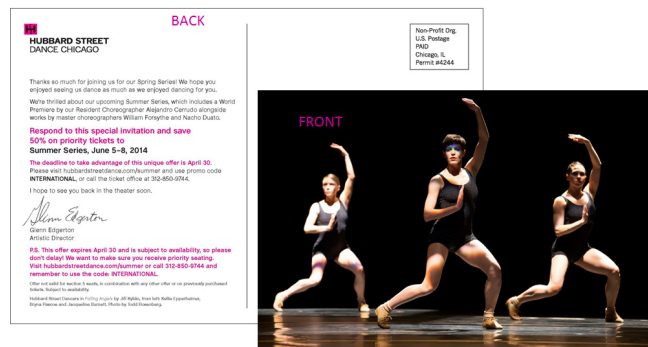
Bill: *We launched this pilot program in the fall with an invitation to current subscribers. We told them that, as subscribers, they were already our most valuable patrons, and we asked them to upgrade.*

Hubbard Street segmented the Spotlight Subscribers campaign mailings based on recent giving history. Those who were already giving at levels under \$100 or \$250 received customized messages asking them to upgrade to the next level or thanking them for being a Spotlight Subscriber.

The campaign experienced a 5% response rate and resulted in \$3,960 in new gifts.

### TRYERS, COME BACK!

Bill: *We're great at bringing in new audiences, but we learned through the PLI that our retention of those new patrons was low. We realized that the high churn rate for new ticket buyers in the Tryers category was costing way too much. The cost of acquiring a ticket buyer is more expensive than retaining one.*



The postcard that Hubbard Street sent to new ticket buyers after the first time they attended. Pictured: Hubbard Street Dancers Kellie Epperheimer, Bryna Pascoe and Emilie Leriche in *Falling Angels* by Jiří Kylián. Photo by Todd Rosenberg.

TRG recommended inviting new patrons back immediately following a performance, and enticing them with a 50% discount.

Stacey: With only four Chicago performances a season, it's crucial for us to get to patrons to come back immediately. Rather than routing first-time buyers (Tryers) into our general single ticket marketing pool in the database, we segmented and enticed them with a deep discount we almost never give.

Results for 2013-14:	
ROI:	5.43-1
Response Rate:	9%
Revenue:	\$7,480

This season we conducted a postcard/email campaign immediately following every series. The postcard featured a recognizable image from the show they had just attended. The back featured an invitation from our artistic director to return, personalized with the patron's first name. From the very first effort, we immediately converted new single ticket buyers into same-season multi-buyers, which put them well on the way to becoming Buyers.

The response rate of 9% was really good. People do want to come back and see us; we just need to ask.

**SUCCESS FACTORS: WHY IT WORKED**

Bill: You have to launch this sort of program with staff who are not risk-averse, who are entrepreneurial and willing to pivot. At Hubbard Street, we have a team of people willing to try new methods and ways of thinking. In the last few years, we've seen increasing success in patron engagement, which is why we were prepared to take these next steps. All the data in the world is of no value unless you know what to DO with it.

**ABOUT HUBBARD STREET DANCE CHICAGO**

Hubbard Street Dance Chicago is among the most original forces in contemporary dance. As one of the only professional dance companies to perform year-round, Hubbard Street is continually touring nationwide and internationally. Now in its 37th year, the main company has appeared in celebrated dance venues in 44 states and 19 countries. Read more at [www.hubbardstreetdance.com](http://www.hubbardstreetdance.com).