

# Case Study: Lyric Opera of Kansas City \$1 Million Record-Setting Subscription Revenue

## Deploying TRG-recommended New Venue Opening Strategies

### THE SCENARIO:

The Lyric Opera of Kansas City (LOKC), along with Kansas City's ballet and symphony, was moving into the new \$362 million Kauffman Center for the Performing Arts. As the Company prepared for their first season in the new center—which opened in September 2011—they hired TRG to help make the most of this once in a lifetime opportunity:

**Pricing the Hall.** There had been a lot of local and national press about the Kauffman Center, and LOKC knew they had an opportunity to capitalize on what would undoubtedly be a high-demand season. Pricing needed to be right for the Company as well as its community—low enough to welcome everyone in to the new hall and high enough to convert robust demand into increased, sustaining revenue for LOKC.

**Scaling the Hall.** When configuring each price level within a hall, the first step is to determine demand for each seat based on historical data. When working with a brand-new hall, that data is not available. Given the buzz about the hall, LOKC needed sound strategy to determine how many seats in each price level there should be and where to place them.

**Rewarding Loyalty.** A new hall, by definition, means that every subscriber's seats must change. LOKC sought TRG's help to fairly re-price subscriptions and re-seat patrons in the hall. Dual goals were keeping LOKC's most valuable patrons happy while maximizing revenue for the Company.



### THE RESULTS:

TRG consultants used campaign planning, scale of hall and pricing counsel as well as guidance on a comprehensive marketing and communications plan to help LOKC implement achieve these results:

- Over \$1 million in subscription revenues, an all-time high for the company and more than a quarter million over projections
- The 2012–13 renewal rate YTD is 75%, whereas the average renewal rate for opera companies in 2nd season of new venue is 66%. Additionally, the 1st year subscriber retention rate is 62%, up from 40%, which is historically typical for LOKC.
- LOKC saw a 10% increase in single ticket volume and 89% growth in single ticket revenue since TRG counsel began.
- Overall, LOKC sold 90% of total main stage capacity and had record-setting total ticket revenues for the 2011–2012 season of \$1.75 million. This was 43% above ticket revenue goals.

## HOW THEY DID IT:

**Use data in the old hall to anticipate demand in the new one.** From historical seat-level sales data, TRG consultants created projections on subscriber demand by price point. TRG also applied its knowledge about fill patterns in hundreds of venues to help LOKC configure pricing locations in the Kauffman Center with an eye towards maximizing revenues and ensuring that the hall would look full, regardless of how well sold a performance is.

**Reward Patron Loyalty.** LOKC took great care with re-seating loyal patrons who had sustained the Company over the last 50 years. TRG consultants and LOKC developed a renewal roll-out program that gave patrons a chance to choose their new seat through a priority system based on loyalty factors such as longevity and investment. Marketing and development built an integrated campaign to encourage donors to give more for better access to seats in the new hall, leading to an increase in annual fund gifts as the new hall's opening date drew nearer.

**Strategic pricing.** LOKC kept the two bottom ticket prices the same as before to ensure accessibility and offered four operas for the price of three in all series packages to maintain value for subscribers. Anticipated demand for the new hall warranted increasing other price levels and adding a new top price, forming the basis for a dynamic-pricing plan for single tickets.

**Marketing of the new hall.** LOKC wanted to harness public excitement about the move to the Kauffman Center. The campaign began over a year before the move—also ensuring patrons were eager to be a part of the last season in the old hall. TRG consultants outlined plans for communication, donor and subscriber benefits revision, retention planning, box office integration, and more.

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**ABOUT LOKC:** The Lyric Opera of Kansas City, a \$5 million regional opera company, celebrated its 54th season in 2011. Of their 98 productions, 29 have been American operas and three were world premieres. Learn more at [www.kcopera.org](http://www.kcopera.org).