

Philadelphia Opera Market Patron Research and Study

Prepared for

Opera America

The National Service Organization for Opera

By

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Synopsis of Findings

The Philadelphia market supports a robust array of opera offerings from seven companies:

- Opera Company of Philadelphia
- Center City Opera Theater
- ConcertOPERA Philadelphia
- Opera North
- Academy of Vocal Arts Opera Theatre
- Curtis Institute's Curtis Opera Theatre
- Temple University

Opera America, the national service organization for opera, commissioned TRG to provide the Philadelphia community and the industry with a better understanding of the impact of having a relatively large number of opera companies perform in one community. Of particular interest was the relationship

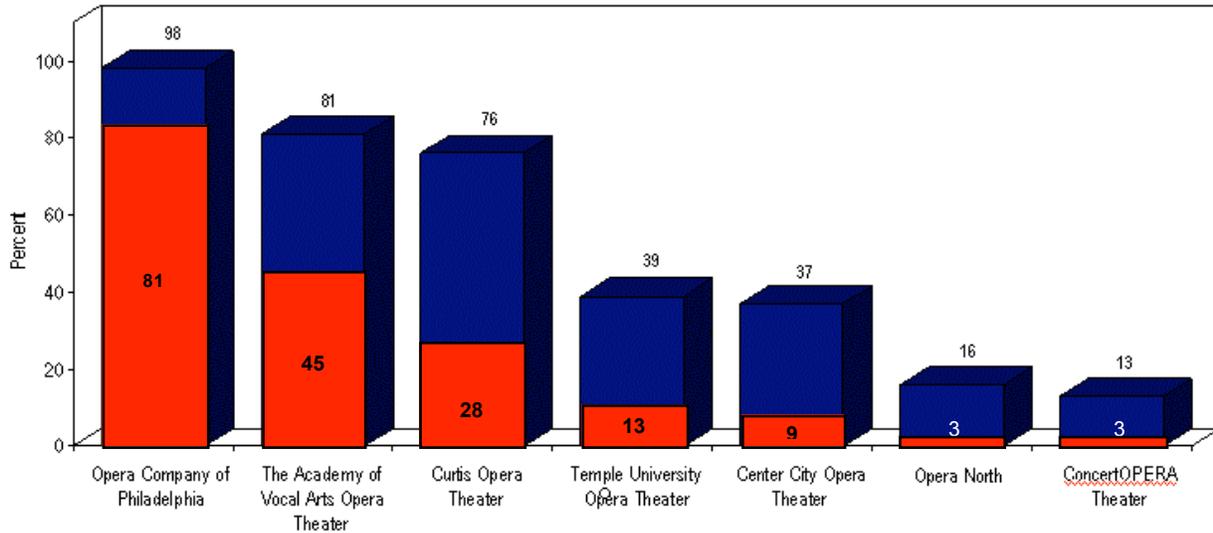
among the audiences: Did they inter-relate or cross-over among companies? Were they different demographically? How do they perceive opera in Philadelphia? The research also sought knowledge that could help each of the seven companies build and maintain audiences.

Dual-pronged research was designed and implemented in April and May 2008 to measure and illuminate understanding of this model multiple-company opera community. To examine patron behavior, TRG conducted a proprietary database study of four years of transactions (subscription and single ticket purchases as well as donations) among 36,000 patrons of the five Philadelphia opera companies that could provide study data. TRG's project partner, Shugoll Research, studied perceptions and attitudes through a mail survey of a selected sample of those 36,000 patrons.

Expectations and Surprises

At the onset of this work, there was an expectation that Philadelphia's opera patrons would have crossover behavior with several of the companies performing in their community. The research findings proved otherwise.

Some 94% of the opera-goers studied are ticket buyers for only one of the seven companies. Just 6% were "cross-over" ticket buyers for two or more companies (also called multi-buyers). Nine out of ten multi-buyers crossed over with Opera Company of Philadelphia, the city's largest company that stages the most performances.

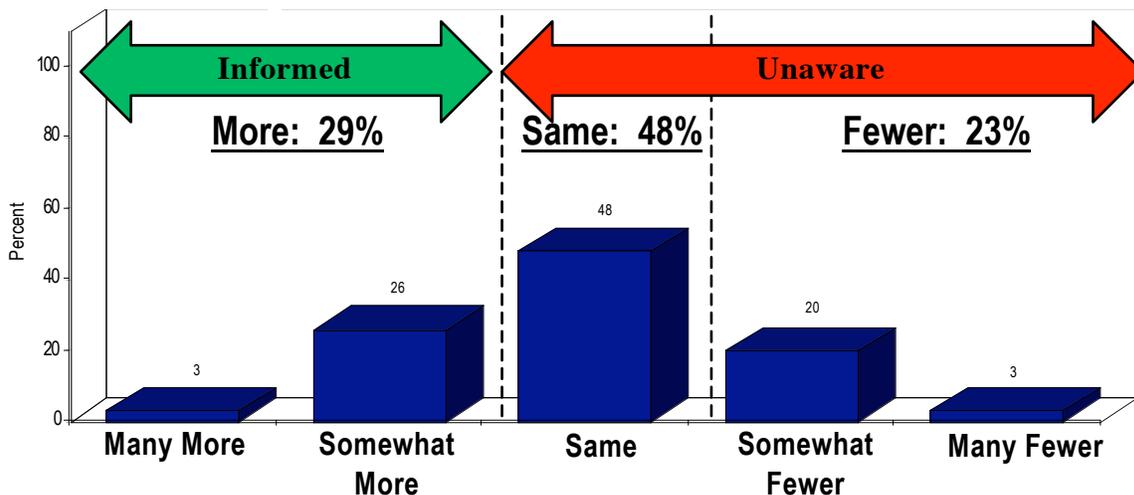


Another significant surprise was opera-goers' level of awareness and lack of familiarity with the seven companies, despite the well-educated, upscale demographic that characterizes all audience members surveyed. Opera-goers were asked if they knew each of the companies by name. Then they were asked how familiar they were with each company. While some levels of name recognition are good (shown in

blue bars in the chart above), the rate of familiarity (red bars) was lower even for the best-known companies.

Similarly, when asked whether Philadelphia had more, less, or about the same amount of opera as other metropolitan areas, most opera-goers did not appear to know about the rich opera landscape in their city.

Patron Perception of Number of Opera Companies in Philadelphia (compared to other major metro areas)



The research team observed that the level of cross-over and levels of awareness and familiarity combine to create an audience-building challenge for Philadelphia's opera companies. Opera goers need to know about and understand the performing options available to them before making any purchase decisions.

Clearly, each of the companies will benefit from sharpening their communications messages as well as increasing the reach and frequency of well-targeted ticket offers.

The Power of Community

Further analysis revealed that even the relatively low level of cross-over activity creates audience development opportunities for all seven companies.

Transactional data showed that Opera Company of Philadelphia (OCP) is providing 85% of all new ticket buyers for the city's other opera companies. Patrons who first attend OCP and then "cross over" to make a purchase with the one of the other companies represent a significant portion of the other companies' new-to-file patrons. Cross-over patronage overall accounts for 29% of new-to-file patrons at the Academy of Vocal Arts, 23% at Center City Opera, and 24% at the Curtis Institute.

OCP also benefits from communal patron behavior in Philadelphia. The benefit was found in further examination of the way patrons migrate into, out of, and repetitively up through the aggregate opera database over time. Patron migration study found that OCP not only brings in the largest number of new patrons, it also has the highest rate of

patron attrition. In this study, attrition is defined as patrons who were active anytime during the study period and were no longer active by the end of the study period. OCP's attrition rate is 74%; its colleague companies' is 53%. Sadly, as TRG studies and other industry research has documented in recent years, losing three out of every four patrons is normal in American performing arts organizations.

The silver lining in this situation appeared in data analysis of patron retention. TRG compared the behavior of patrons with transactions in only one company (unique buyers) to behavior of patrons with multi-organization transactions. In this study, the absence or presence of patron activity in 2007 (the end date of the available data) determined that a patron was either "retained" or lost through attrition. Retention rates among multi-organization buyers (i.e. those with cross-over behavior) were 85%, significantly higher than retention of unique buyers. This, TRG concludes, is good news especially for Opera Company of Philadelphia. The company accounts for 90% of cross-over with the other opera companies.

Buyer Frequency	All Organizations	Active in 2007	Inactive in 2007	Attrition	Retention Rate
Unique Buyers	36,325	18,093	18,232	50%	50%
Multiple Organization Buyers	2,380	2,015	365	15%	85%

Opportunities, Assets and Further Inquiry

The cross-pollination of audiences within a community has benefits for organizations in Philadelphia as this study shows and other TRG work in the field has corroborated. Increasing cross-over will create new buyers for some companies and stronger patronage through retention at other companies. Joint discussion of these findings already has generated productive dialog between and among Philadelphia's opera companies. They are looking for more ways to collaborate effectively and with cost-efficiency.

This study also contributes to the industry's growing evidence surrounding the significance of patron retention to audience development and growth. Stronger, longer retention patterns for multi-buyers reported here should encourage each of the companies to work for repeat and cross-over attendance. These findings further suggest that Philadelphia's major pipeline for new opera patrons, the Opera Company of Philadelphia, is "over-acquiring" new patrons and "under retaining" them. The Company immediately recognized both its immediate requirements for reducing patron attrition and the value of its leadership in promoting the whole opera community. OCP already is initiating strategic thinking that can have benefit community-wide as well as to its own audience development efforts.

Philadelphia's opera companies have an additional asset for patron prospecting and retention. They share participation in the Philadelphia Cultural List Cooperative provided by the Greater Philadelphia Cultural Alliance. The Co-op is an approval-based online resource for exchanging lists and patron information. It offers each of the participating companies access to prospective patrons already doing business in Philadelphia's broad and diverse cultural and arts community. The study team notes that the Co-op will continue to be an invaluable tool in audience development efforts for Philadelphia's opera organizations.

This study would at least suggest that Philadelphia may be a model mega-community in which arts patronage benefits rather than suffers from a wealth of available local and day-trip offerings. The research team believes a new phase of study around these issues would indeed be helpful to Philadelphia and the field.



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