

TRG/PATRON TECHNOLOGY

2008 Arts Industry Holiday Performance Report

Results of a first-time tracking poll that surveyed arts and cultural organizations about their 2008 holiday performance and event revenues

January 21, 2009

Developed and fielded in partnership between



and



Understanding Unprecedented Circumstances

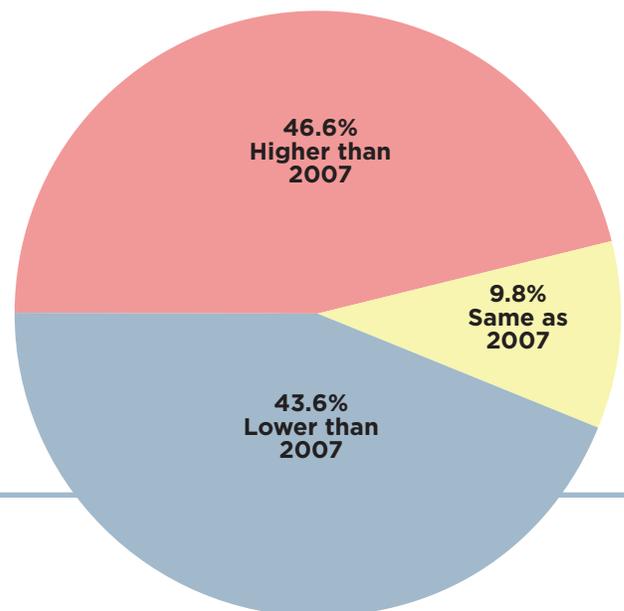
In the last quarter of 2008, as the American economy spiraled downward, many organizations in the arts and culture industry were staging holiday events and performances. For many, holiday season events represent a significant portion of annual revenue, and in a worsening 2008 economy, holiday revenue appeared to be at risk.

To better understand the economy's effects on 2008 holiday revenues, arts consulting firm Target Resource Group (TRG) and technology company Patron Technology developed and executed the *2008 Arts Industry Holiday Performance Report*. The project is a first-time effort to provide an industry-wide marketplace revenue results overview.

2008 Holiday Revenues Equaled or Exceeded 2007

56.4% of arts and cultural events staged between Thanksgiving and the end of 2008 produced revenues equal to or greater than 2007 levels.

2008 Holiday Revenues
Compared to 2007



Poll questions focused on actual revenues and factors that tend to impact revenue generation. The study compared 2008 revenue results with similar metrics for 2007, contrasting the current marketplace with the previous, far less challenging holiday season.

To collect data for the *2008 Arts Industry Holiday Performance Report* TRG and Patron Technology fielded an online questionnaire to 9,131 email contacts representing an estimated 7,370 organizations nationwide. Results are based on the 320 poll responses returned by January 9, 2009.

Operational Factors Made A Difference

Most respondents who achieved 2008 holiday revenue equal to or above 2007 levels shared several operational practices in common.

1. No change in the number of events or performances in 2008. Increased numbers of events provide greater income potential just as program cuts limit revenue opportunity. Of poll respondents who equaled or bested 2007 revenue results, 87% report they did so with the same number of events in both years.

2. Marketing budgets for 2008 holiday events were not cut. Among those that equaled or increased revenues, 87% reported they invested the same or more in 2008 holiday events compared to 2007. Despite pressures to cut expenses, most organizations appear to have maintained

marketing support for their holiday events. Among poll respondents who said they did spend less on marketing, more than half also earned less. Low-cost e-mail marketing was deployed in 2008 holiday campaigns by 90.3% of all poll responders.

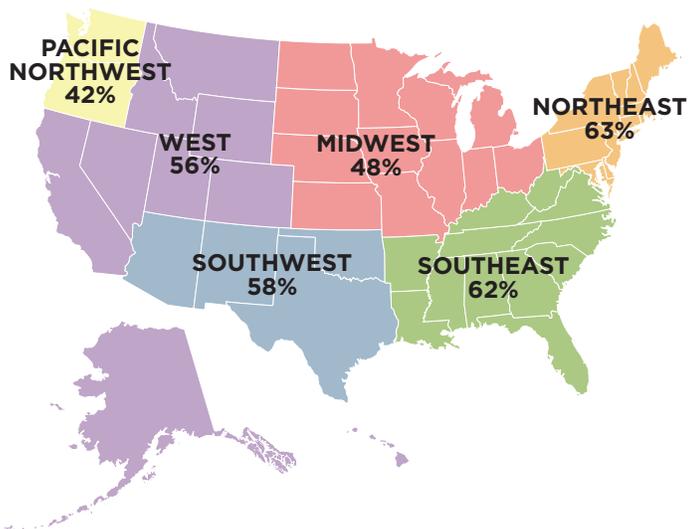
3. 2008 Holiday marketing began before the worst economic outcomes occurred. By October 2008, 68% of responders who met or bested 2007 revenues already had begun their holiday marketing campaigns. That meant holiday event patrons had been purchasing their tickets well before the stock market fell and record job losses were reported.

Regional Circumstances Also A Factor

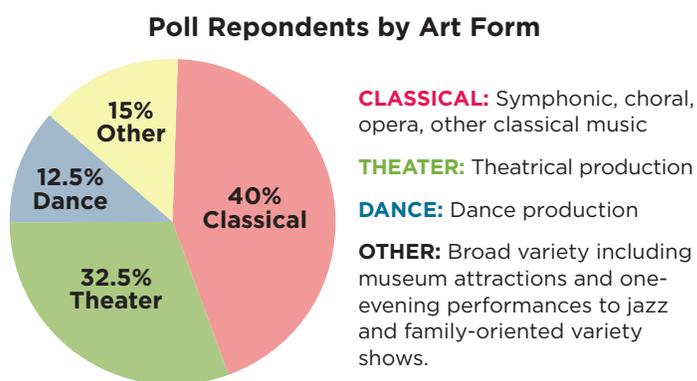
Severe weather can negatively impact sales, and the effect varies from season-to-season and by region. In 2008, prolonged bad weather appeared to depress revenues for organizations in the Pacific Northwest, as 58% of respondents with events in that region reported a decline in revenues over 2007.

In only one other region, the Midwest, did most respondents (52%) report holiday revenues lower than 2007.

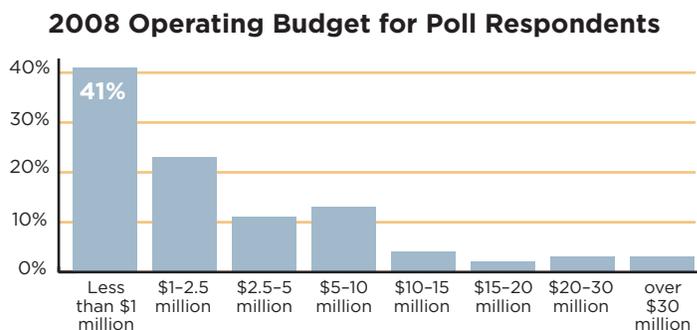
The map below shows the percentage of poll respondents by region that **achieved 2008 holiday revenues equal to or greater than in 2007**.



Poll Participants Varied In Size and Art Form Category



Responding organizations' operating budgets varied widely, ranging from less than \$1 million (41%) to over \$30 million.



Survey and Study Team

Patron Technology, Inc.

(www.patrontechnology.com)

An online marketing software and consulting company, serves the arts and not-for-profit industries with cutting-edge technology and e-marketing expertise. The company strives to revolutionize arts marketing by enabling organizations to maximize the potential of marketing and communications on the Internet. The company's main product, PatronMail, is a Web-based e-mail marketing system used by over 1,500 institutions in 49 states and nine foreign countries.

Survey Team

Eugene Carr, President

Lorna Dolci, General Manager

Target Resource Group (TRG)

(www.trgarts.com)

A data-driven consulting company that, since its founding in 1995, has worked with arts and cultural organizations to help grow larger sustainable patronage and revenue. TRG clients span North America and the industry—orchestras, performing arts centers, festivals, museums, as well as dance, opera, theater, and choral companies in the United States and Canada. From the firm's ongoing study of patron transactions, TRG has developed a unique lens through which to better understand arts and cultural consumer behavior and market demand. In addition to its client work, TRG serves as a resource to America's arts and culture industry through frequent presentations to and workshops for arts service organizations, cultural alliances and communities.

Study Team

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Free downloads of this report are available at:
<http://patrontechnology.com/elearning/2008holidayreport>

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