

*Case study:
Delaware Theatre Company*

REVENUE REBOUND

■ 41% increase in admission revenue



CASE STUDY:
Delaware Theatre
Company



Photo: Matt Urban

The situation:

DELAWARE THEATRE COMPANY (DTC) HAS BEEN ON AN UPSWING SINCE EXECUTIVE DIRECTOR BUD MARTIN ARRIVED IN 2012.

Before his arrival, their patron base had been slowly eroding, due in part to the recession and in part to an audience that was driven by programming. To build on their artistic and financial momentum, DTC hired TRG in the summer of 2015 to teach them how to use their data to continue to recover lost patrons and grow patron loyalty.

“Subscriptions and single tickets had hit the lowest point in over a decade in 2011-12. The community embraced Bud when he arrived in 2012 with the promise of delivering a new vision for the theatre. In his first year, the theatre more than doubled its single ticket revenue. The next year, subscriptions started to recover, too.”

Grier Flinn
Board Chair

TRG's baseline assessment highlighted three immediate areas of opportunity:

- 1 *DTC was spending a lot to attract each single ticket buyer and marketing mostly through mass media.*
- 2 *Yet, just 14% of their database had been active within last five years. How many were still viable?*
- 3 *The upcoming season included Diner, a musical written by Sheryl Crow and Barry Levinson. The show was projected to be a major blockbuster.*



If they allocated their marketing budget differently, could they:

- 1 *Spend less, on average, to attract ticket buyers?*
- 2 *Activate more lapsed patrons?*
- 3 *Ignite demand for a show with big revenue potential?*

| *The Results:*

In a single season, DTC has seen the following:

41%

increase in revenue from
tickets and subscribers

13%

increase in subscriber
admissions



The Results:

DTC HIT \$1 MILLION IN ADMISSION REVENUE FOR THE FIRST TIME, PROMPTING CELEBRATION AMONGST THE STAFF AND ATTENTION FROM THE LOCAL MEDIA.

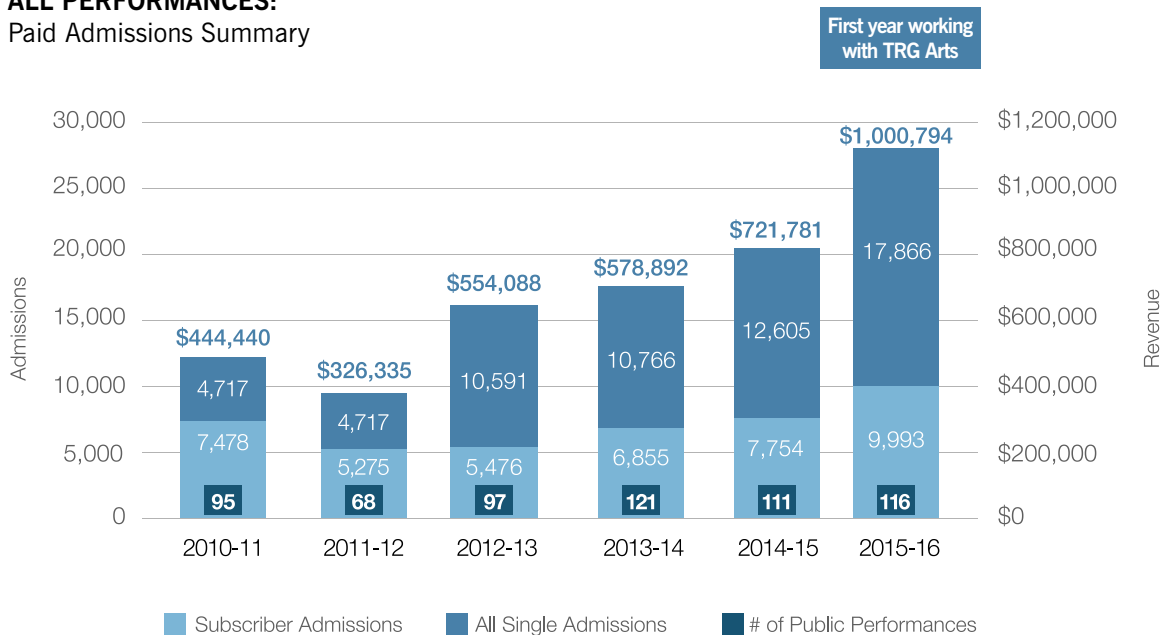
“DTC has a smart and energetic staff who are eager to learn and know no danger. Once they broke their single-season ticket revenue record in the spring, and they set their sights on reaching the \$1 million mark for total admissions. With three performances left in the season, they accomplished just that!”

J.L. Nave
Senior consultant
at TRG Arts

“The day we hit \$1 million in sales was such a celebratory day for the board and staff of the Delaware Theatre Company. I was thrilled to see the community rally around pushing us above our goal, further solidifying the new vision of the theatre. I was confident that our team could do it, and we did!”

Bud Martin
Executive Director

ALL PERFORMANCES: Paid Admissions Summary



How they did it:

Reactivate

With the loss of 1,139 subscribers (46%) from 2008-2012, there were lots of opportunities to reactivate past patrons. Of DTC's entire database, only 14% had been active within the last five years.

Working with TRG, DTC developed a reactivation campaign plan that offered lapsed subscribers from the past ten years a deal too good to pass up – three plays for \$75. This was significant for two reasons:

- 1) The price was appealing.
- 2) This was the first time DTC had a subscription product that gave patrons a choice of plays.

Up to this point, the only subscription a patron could buy included all five plays in the season.



RESPONSE TO 3-PLAY FOR \$75 PACKAGE REACTIVATION CAMPAIGN

\$7,475

in revenue

- 48 households responded to this offer, generating \$7,475 in revenue.

\$27,000

in additional revenue

- Of course, not everyone came back with a subscription. 330 additional households in this group bought single tickets to at least one show in the 2015-16 season generating over \$27,000 in additional revenue.

10:1

total ROI

- The total cost of the reactivation campaign was less than \$3,500 providing a healthy return on investment.



Photos: Matt Urban



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How they did it:

Retain

DTC had seen that programming drove attendance. They debuted a new musical, *Diner*, with music written by Sheryl Crow and book by Barry Levinson. This was the largest-selling show in DTC's history and the run was extended to a fifth week to accommodate the demand.

63% of ticket buyers to *Diner* were new



RETENTION CAMPAIGN FOR TICKET BUYERS

DTC executed a retention campaign with two elements:

- › *New ticket buyers*
Offer 50% off when purchasing another show within three weeks or save 25% for an additional four weeks
- › *Existing ticket buyers*
Offer existing ticket buyers 25% off when purchasing within six weeks.

↑ 34%

The results from this campaign alone increased the number of same season multi-buyers by 34%.

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How they did it:

Re-Allocate

Much of DTC's budget and staff time was devoted to mass media, which supports prospecting more than retention. Yet, just 14% of their database had been active within last five years.

DTC starting spending less on mass media like radio and TV, and more time and money on direct channels like direct mail and email, contacting those most likely to buy. What resulted was a 24% decrease in their single ticket cost-of-sale while increasing single ticket revenue by 46%. By redirecting spending where the data indicated there was demand, DTC was able to be more efficient with limited marketing resources.

↓ 24%

*decrease in their single ticket
cost-of-sale*

↑ 46%

*increase in single ticket
revenue*

How they did it:

Repeat & Reinforce

DTC also focused their direct mail campaigns, sending more messages more often to the best qualified prospects. TRG re-examined the way that they were segmenting their campaigns, and the communications matrix for each segment.

"Prior to our engagement with TRG Arts, the theatre company would send a postcard or eblast with no specific segmentation or messaging. The theatre would go public with a single ticket campaign for each production about two weeks from first preview. Since our engagement, with increased segmentation and custom messaging and a lengthier on-sale period, the response to our campaigns has been impressive," Andy Truscott, Director of Marketing and Development, said. "Our cost-of-sale has decreased dramatically and has allowed the staff to experiment with new tactics."

🏠 3,369

*new households added to their
database (4% increase).*

↑ 26%

increase in subscriptions

↑ 26%

increase in single tickets

14% → 16%

active patrons in their database



| Looking Ahead

DTC is still seeing success in the 2016-17 season, where they have debuted their new scale-of-house plan, introduced a cross-and-upsell program in the box office, and launched the Off-Broadway transfer of *White Guy on the Bus*.

DTC has already seen a 19% increase in subscription revenue over the 2015-16 season and a 13% increase in subscription units.

“The 2015-2016 season was the best season the theatre has ever experienced. We look forward to refining our practices in marketing and patron loyalty over the next year. The revenue that we’ve generated has allowed us to continue to develop new ventures (productions with a commercial eye for Broadway or Off-Broadway runs,)” Executive Director Bud Martin said. “Being able to capitalize on the momentum, as it relates to new ventures, such as *Because of Winn-Dixie*, *Diner*, and *The War of the Roses* has put Delaware Theatre Company back on the map – and helped raise our visibility, as well as the visibility of Wilmington, Delaware.”



Photos: Matt Urban

| *About Delaware Theatre Company*



Photos: Matt Urban & Charles Erickson

Founded in 1979, Delaware Theatre Company (DTC) is the state's only LORT professional theatre.

Recognized as a cornerstone in the Brandywine Valley's rich cultural landscape, DTC has produced 191 productions for over 1 million people. The theatre also has an array of award-winning education and community engagement programs. DTC's artistic programming has been awarded 12 Barrymore Awards for Excellence in Theatre by Theatre Philadelphia, and is home to nationally recognized education programs which reach out to all sectors of the community, including youth at risk and individuals with developmental disabilities.



DTC is working with TRG Arts in a Best Practices Consultancy, TRG's deep-dive engagement for organizations who want to shift their marketing operations toward a patron-centered approach.

To explore a Best Practices Consultancy for your organization, email LetsTalk@trgarts.com.

www.trgarts.com