



Market-Based Strategy and the Use of Audience Research and Data in Philadelphia

**Findings from TDC's interviews with Philadelphia Arts and Cultural
Organizations and National Experts**

April 2016

I. Introduction

The traditional arts and culture business model is based on a long history of patronage. A relatively small group of patrons heavily frequented cultural institutions and provided the significant majority of earned and contributed revenue. Occasional attendees and ticket buyers were valued, but not crucial. In this closed system, focused and relatively inexpensive marketing techniques were highly effective.

Today, the market for arts and cultural organizations is undergoing three major transitions. Nationwide, there is a “climate” change in audience behavior.¹ Audiences are shifting their fundamental buying patterns. Long-term patrons are aging and leaving organizations. The occasional attendees and single ticket buyers who are replacing them are more transactional – they generally consume fewer events, exhibit lower retention rates, and donate less (if at all).

As a result of this “churn,” arts and cultural organizations are experiencing a confounding problem. The number of unique audience members attending arts and cultural organizations is increasing, while overall attendance and ticket sales are declining. This trend is accelerating as traditional patrons age and the costs of acquiring customers are rising in step. Different parts of the sector experience these trends in different ways – they are most pronounced for performing arts groups whose business models are built around the subscription model. For these organizations, *maintaining* ticket sales is becoming a victory.

As organizations contend with these disruptive trends, they also face shifting demographics and increased competition. The number of arts and cultural organizations increased, while at the same time arts audiences are more omnivorous, consuming multiple forms of culture and broadly defining cultural experiences.² Although organizations agree on the overwhelming benefit of engaging a larger and wider audience, they are struggling to adapt their strategies and business models.

The William Penn Foundation and TDC’s 2014 study *Capitalization, Scale, and Investment: Does Growth Equal Gain?* documented the effects of these trends in Philadelphia.³ Attendance growth is not keeping pace with population growth (2.2%). Overall increases in earned revenue reflect increases in ticket and admission prices rather than actual attendance increases. Paid attendance decreased 1% from 2007 to 2011, while unpaid attendees increased 5%. Performing arts organizations fared slightly better and experienced 2.8% growth in paid audiences versus a 5% decline for museums.

¹ Robert Flanagan, *The Perilous Life of Symphony Orchestras, Artistic Triumphs and Economic Challenges* (New Haven: Yale University Press, 2012).

² Arthur Cohen, La Placa Cohen, Culture Track 2014 Report (presentation, The TimesCenter, April 2014).

³ Susan Nelson and Juliana Koo, *Capitalization, Scale, and Investment: Does Growth Equal Gain? A Study of Philadelphia’s Arts and Culture Sector, 2007 to 2011* (TDC 2014).

Philadelphia's organizations recognize that these trends spell a coming "adapt-or-die moment," and are attempting to respond. However, organizations are uncertain of how to proactively advance their programmatic and marketing strategies based on these new realities. Arts and cultural leaders require new information and new strategies to understand and attract the audience levels required to sustain their organizations. In TDC's research for *Capitalization, Scale, and Investment: Does Growth Equal Gain?* and own practice, we observe a limited use of audience data and research to help craft intelligent solutions to this changing environment.

TDC's research

These findings prompted TDC to explore how to increase the usage of audience data and research in organizations' decision making.

Specifically, TDC sought to understand:

- How *could* arts and cultural organizations leverage audience data and research in their strategy development? How do leading practitioners, experts, and strategists gather and use market intelligence?
- How are Philadelphia's arts and cultural organizations currently using these resources? What is the current capacity of the sector?
- What are barriers to integrating audience data and research into senior-level decision making? How does this vary by business model, discipline, and size?
- How are organizations using their own data versus shared data resources or databases?
- Is there potential value in a set of shared services and resources in Philadelphia to increase the capacity of individual organizations, and the sector as a whole?

To address these questions, TDC conducted interviews with:

- 26 national experts in audience and market research: To understand best practices in audience research and data, from leading arts and cultural organizations, funders, audience research providers, and strategists, and
- 37 Philadelphia arts and cultural organizations: To understand the current capacity of the sector and preliminarily explore the value of an audience research center. TDC included organizations across disciplines, size, and business model, and defined arts and cultural organizations broadly to include both niche and popular organizations.

A complete list of interviewees is available in the Appendix.

In tandem, TDC assessed the current available platform for shared data available to organizations in Philadelphia through the Greater Philadelphia Cultural Alliance and TRG Arts. TDC also conducted research on other potential shared data solutions.

The report is divided into four parts:

- Introduction (above)
- Market-based strategy in arts and cultural organizations
- Current state of Philadelphia arts and cultural organizations
- The potential for a shared data solution

Field learnings and resources

While this report focuses on TDC’s interview findings, it is informed by TDC’s practice and inspired by experts including foundation leaders, nonprofit strategists, and market research and data experts. The Wallace Foundation recently published an invaluable guidebook for organizations who are planning market research, *Taking Out the Guesswork: A Guide to Using Research in Build Arts Audiences*.⁴ Ben Cameron, President of the Jerome Foundation, speaks around the country on audience churn. Kate Prescott’s work documenting churn and its link to donations progressed this discussion in orchestras.⁵ DataArt’s white paper *New Data Directions for the Cultural Landscape: Toward a Better-Informed, Stronger Sector* depicted a cultural sector that is not yet making “effective and strategic” use of abundant available data.⁶ Among others, these perspectives helped to shape our own.

⁴ Bob Harlow, *Taking Out the Guesswork: A Guide to Using Research in Build Arts Audiences* (New York: Bob Harlow Research and Consulting, LLC, 2015).

⁵ Kate Prescott, “Churning Butter into Gold: Patron Growth Initiative” (presentation, League of American Orchestras 2011 National Conference).

⁶ Slover Linett Audience Research for the Cultural Data Project, *New Data Directions for the Cultural Landscape: Toward a Better-Informed* (White paper, 2013).

II. Market-based strategy in arts and cultural organizations

Great art leads. Organizations seek to engage, delight, and educate their audiences through exceptional experiences of arts and culture.

At the same time, the business decisions that support this art are critical to sustainable and thriving institutions. Market-based strategy means that organizations develop their strategy and make decisions based on a deep understanding of the consumer and marketplace. This requires data and research on audiences and the broader market.

Why is this understanding of the consumer and the marketplace valuable? First, it provides insights that are immediately tactical and can improve short-term revenue return. *How should I price this new series? Who in my database would be most likely to purchase it? How should I message this to attract likely buyers?*

Second, it helps organizations to define their overall strategy and business model. It enables them to maximize – and to scale – earned revenue potential. It also helps them to scale the level of philanthropic dollars necessary to support their art. *In light of the continued loss of our subscribers and the long-term earned revenue outlook – what is the appropriate scale for our productions? What audiences are we not reaching, and what are potential strategies to engage them?*

Finally, it can inform an organization’s assessment of strategy. *Have our strategies worked? Are we reaching our target audiences? Is our artistic theory resonating with our audiences? Which audiences? Are we fulfilling our mission?*

Market-based strategy should not define an organization’s artistic theory. Market intelligence can help organizations to *refine* their artistic theory and to understand what elements of the theory are most important, how audiences experience that theory, and whether they experience it differently. In this way, arts organizations can both lead and respond to their audiences.

Market-based strategy should influence how great art is targeted, scaled, priced, packaged, interpreted, and communicated to engage audiences. TDC recognizes how challenging this can be even for the most sophisticated and strategic organizations. However, these shifts in consumer behavior require a market-side approach. Past strategies and inherited wisdom are reaching their shelf-life – a deep understanding of the market is the path towards strategies that are worth investment.

Through expert interviews, TDC sought to identify *how* organizations employ this market-based approach. What does effective practice look like? What do “leading-edge” organizations know and seek to understand about their audiences and markets? Through what methods do they collect this information, and what resources and expertise are required? Do the tools and capabilities vary by business model? What are the broader organizational and cultural enablers?

An understanding of what success looks like enables us to assess the state of Philadelphia’s organizations and what may be needed to support them.

The link to philanthropic investment

At first blush, TDC's efforts focus primarily on understanding and building audiences. However, there is no earned revenue "silver bullet" for arts and cultural organizations, which are heavily reliant on philanthropic investments. Market-based strategy helps organizations to both maximize earned revenue potential *and* scale the level of philanthropic dollars necessary to support their art.

Market intelligence also provides insights that improve the return on development investment. The same tools used to understand audiences help organizations understand the attitudes, behaviors, and profiles of donors, and how those differ from audience members. However, the reality is that some organizations are highly donor-driven. In these instances, investment in audience research may matter less.

A. What could success look like?

Organizations that adopt market-based strategy have a market research agenda driven by their overall strategy. These "leading-edge" organizations develop a customized research agenda that provides them with specific, relevant, and actionable data, which they integrate into senior-level decision making.

Successful audience and market research begins with a set of strategic questions. *What is the organization's overall strategy? What are the strategic decisions the organization needs to make? In what context – of artistic vision, priority audiences, competition, financial health, and revenue trajectories – are we making those decisions?* As Jay Finney, Chief Marketing Officer at the Peabody Essex Museum noted: "You need to start with what decisions you need to make. And then what information do I need in order to make the decisions. Museums want to ask 60 different questions on their exit surveys... but why waste questions on things that you can't or won't do anything about?"

With their context and strategy clarified, leading organizations craft a market research agenda to understand:

- Current audience: who is coming and why, their behavior and attitudes
- Implications of current audience behavior on business model and future revenue
- Potential new audiences: who they are not reaching and why
- Overall market: the size and dynamics of the local market

These organizations also leverage data and tools to:

- Test and refine strategies in advance of launch (including marketing, interpretive, programmatic, and engagement strategies)
- Quantify and assess audience response after the fact
- Predict and model audience size

How leading-edge organizations collect audience data and market research

The reality is that no single research method or tool provides all the data to answer an organization’s questions. Leading-edge organizations develop the appropriate methodologies for research, including what tools to use and how often, how and when to invest time and money, and what specific metrics to track. They utilize a combination of tools depending on their goals as well as the current state of their market research.

There are four broad categories of audience data and market research methods that TDC observes:

- 1) Quantitative analysis of point-of-sales data
- 2) Longitudinal exit surveys or post-performance surveys
- 3) Focus groups
- 4) One-time market studies or deep dives

The table below highlights how organizations can deploy each of these tools to support market-based strategy. The dark green color indicates a tool’s primary utility; light green indicates secondary with caveats noted.

Exhibit 1: How market research tools support market-based strategy goal

| | | Market research tool | | | |
|---|---|--|--|--|---|
| | | 1) Quantitative analysis of point-of-sales data | 2) Longitudinal exit surveys or post-performance surveys | 3) Focus groups | 4) One-time market studies or deep dives |
| Market-Based Strategy Goal | Understand current audience | <i>Behavior</i> | <i>Demographics, attitudes, and behavior</i> | <i>Used effectively to prepare for quant. surveys</i> | <i>Not necessary if strong longitudinal survey in place</i> |
| | Understand potential audiences | | | | |
| | Understand overall market | | | | |
| | Test and refine strategies in advance of launch | | | | <i>Due to cost, likely only to be used for major strategy reset</i> |
| | Quantify and assess audience response | | | <i>Used effectively to supplement quant. analysis or surveys</i> | |
| | Predict and model audience size | <i>Depending on data collection, may require quantitative POS modeling and surveys in tandem</i> | | | |
| <u>Basic requirements to execute</u> | | <ul style="list-style-type: none"> - Data storage and analytic systems - Expertise and capacity to design, execute, analyze, and integrate into senior-level decision making | | <ul style="list-style-type: none"> - Often outsourced (\$) - Expertise to design and facilitate - Access to target customers - Facilities to conduct (ideally purpose-built) | <ul style="list-style-type: none"> - Often outsourced (\$) - Expertise and capacity to design and execute |

In TDC’s experience, ongoing quantitative analysis and surveys can yield rich results, and can also be conducted internally. However, TDC observes that these methods are underutilized. Leading organizations tend to emphasize collecting and analyzing data over time. The power and value of data

increase over time; longitudinal data is required in order to observe changes and leverage the data to predict future outcomes. And, ongoing audience research has a lower cost; with an approach in place, maintaining data collection and analysis costs less.

One-time market studies and deep dives are most often outsourced to market research experts. These studies are expensive for all but the largest organizations or grant-funded activity. One-time market studies often include audience surveys and focus groups – the key differentiator is that they are not used and updated continually. Leading-edge organizations supplement – but do not replace – ongoing quantitative analysis and surveying with these studies. While these studies can be hugely beneficial during major strategy resets, in TDC’s experience there are important drawbacks to these efforts. First, they cannot by their nature inform ongoing decision making. TDC observes organizations relying on outdated data to make important strategy decisions. Second, organizations can struggle to interpret and action the findings. Finally, these studies do not build organizations’ internal analytic and strategic capabilities.

Below TDC describes each of the observed market research methods, their value to organizations, and the resources and expertise that are required to execute. TDC observes that while there is a shared set of tools and an approach to audience and market research, key differences by business model exist. The section below notes where the emphasis of this work differs by two core business models: the attendance- and membership-driven model (including museums, zoos, history, and gardens) versus the ticket- and subscription-driven model (primarily performing arts). In TDC’s analysis of audience and market research, arts schools are more analogous to the ticket- and subscription-driven model.

1) *Quantitative analysis of point-of-sales data*

What is it? Current point-of-sales (“POS”) systems capture a unique customer’s entire purchase history and contact information. Depending on the system, organizations may be able to link customers’ development and purchasing history. While there is potential to append a customer’s demographic profile to this record (through the purchase of data appends or electronic surveys), this is challenging, expensive to maintain on an ongoing basis, and can be inaccurate.

What is the value? Organizations can use this data in a multiplicity of ways. First, organizations can analyze this data to establish a baseline understanding of ticket buying patterns among their audience and how this has changed over time. Organizations can establish the rate of “churn” specific to their subscribers and single-ticket buyers. This enables organizations to project future earned and contributed revenue. Second, organizations can identify specific behavioral segments, and target marketing, sales, and programmatic offers. Third, organizations can track customers’ responses to certain offers to assess the return. Finally, organizations can analyze this data to identify the root causes of a specific outcome – for example, that an “underperforming” concert did not attract single ticket buyers at the normal rate.

TDC contends that understanding “churn” can be crucial for performing arts organizations – it allows organizations to quantify the level of ticket sales and earned revenue needed in the short-term and how that will increase as churn accelerates. In TDC’s experience, this analysis often creates the burning platform for a new market-based strategy and deeper market research.

What resources and expertise are required to execute? There are three key requirements to quantitative analysis. First, organizations must be able to access their POS data. Depending on agreements with ticket agencies, not all organizations have access. Second, organizations must invest in sophisticated point-of-sales software. Third, organizations must define the key metrics and data-points they wish to track. Finally, and critically, organizations must also invest in the analytic expertise. Some leading-edge organizations choose to outsource this analysis; others invest in maintaining in-house expertise.

Adrian Ellis, Director of AEA Consulting, noted both the importance and challenge of investing in internal analytic expertise. “The goal is to get organizations to understand that deep knowledge of their audience and of the people they would like to come but currently don’t can be transformational to attract audiences. Even though there is a lot of existing data in the sector, there is not a systematic and sophisticated intelligence strategy around this. In many cases staff structure does not support the analysis and use of the data in the right way. It’s often a sub-point in someone’s job.”

TDC’s interviews revealed a counterintuitive finding about ticket- and subscription-driven organizations. In theory, the value of audience research should be much higher for these organizations, especially in terms of quantitative analysis. They possess rich transactional data and systems such as Tessitura that have robust analytic capabilities. The lifetime value of their customers is also higher – both because of the price of a ticket and subscription, as well as the strong link between customers and donors. However, TDC found that on the whole these organizations were less likely to leverage audience data in market-based strategy.

TDC posits two primary reasons for this. First, although the potential return may be high, audience research and data analytics are more difficult. Audience behavior is more complex and is in flux. The frequency and variations in performances are significant – identifying an effective surveying theory and comparison groups is challenging. Due to the quality of current data append methodologies, even organizations that invest in adding demographic data to their customer records cannot know concretely their customers’ profiles. And while point-of-sales systems have high potential, they require staff with deep expertise to tap them.

Second, TDC posits that organizations with ticket- and subscription-driven models may have more difficulty realizing the value of audience research. The complexity of the season structure increases the complexity of interpreting audience feedback to refine artistic strategies. Decision-making processes can be more siloed and the artistic direction is often driven by an individual. One marketing director of a major performing arts organization observed: “There can be a belief that audience research can interfere with artistic mission. This is about creating experiences, and what are the extra steps in creating experiences that attract and engage audiences.” Interviewees cited this tension even among field leaders in audience and market research.

Attendance- and membership-driven organizations supplement longitudinal surveys and focus groups with analysis of historic point-of-sales trends by numerous variables (including season, exhibitions, weather, and even sports playoffs) to create sophisticated predictive attendance models. Organizations with robust enterprise revenue streams also analyze point-of-sales data to plan offerings, merchandise, and even the physical location of amenities.

2) Longitudinal exit surveys or post-performance surveys

What is it? Leading-edge organizations conduct post-performance or exit surveys of their current customers. Surveys typically capture information about customers' profiles (demographic, attitudinal, behavioral, and who they came with), experiences (including satisfaction), and promotional/ marketing channels (including how they heard about the organization or event), at a minimum. Organizations can also add specific questions to test strategies in advance or quantify audience response to a certain strategy (e.g., likelihood to purchase).

Depending on the organization's seasonality and complexity of programming, organizations may execute these surveys at different frequencies—some may do so after every performance or exhibition, some quarterly, and some annually. These organizations have a theory about the required frequency and apply this theory consistently.

There are differing views regarding best practice in executing these surveys. Intercept or paper surveys distributed at events capture a representative sample of audiences, including single ticket buyers and diverse audiences; however, these surveys are often more challenging for organizations to execute and require more staff time. Many rely on email surveys. Email surveys can be automated, and, ideally, organizations can link respondents back to their point-of-sales records based on email addresses. However, these surveys heavily bias towards members and subscribers.

What is the value? Leading-edge organizations use these surveys to understand who is in their audience, audience response to programming and artistic theory, and how wrap-around activities such as amenities and engagement activities are perceived and used. Organizations also segment and cross-tabulate responses to understand how attitudes and satisfaction varies by behavioral and demographic groups. This data is ultimately used to determine whether an organization is reaching its target audience, the efficacy of different marketing channels and promotions, and to refine program strategy.

TDC observes that attendance- and membership-driven organizations tend to be more reliant on longitudinal visitor and member surveys. Survey results inform way-finding, programming scheduling and location, and operating hours, as well as strategic investments in marketing and programming. They also provide the basis for understanding how audience demographics and engagement changes over time.

Alan Brown, Principal at Wolf Brown, spoke about the value of longitudinal surveys. "This research allows organizations to think about the shifting sands of demand. The insight that drives programmatic evolution is what we are after."

What resources and expertise are required to execute? Similar to quantitative point-of-sales analysis, ongoing audience surveys require organizations to frame a set of strategic questions to track over time, discipline to apply the survey tool consistently, and analytic expertise to analyze the surveys.

The challenge of understanding audience demographics

The most simple questions – *Who am I serving? Who is in my audience?* – are among the most difficult to answer precisely.

At the most basic level, organizations and their investors want demographic information about their audience – including age, ethnicity, and location. This allows organizations to understand if they are reaching target audiences and how audience behavior and satisfaction vary among key groups, which can in turn be used to target marketing messages and buys (in the short-term) and engage audiences (in the longer-term). What methods are available to do this and what are the challenges?

Audience surveys: Across all methods, randomly distributed in-person surveys are the most accurate means of capturing demographic data. While this method also requires staff capacity to distribute surveys and compile data, it creates the most accurate and representative picture of an organization’s audience.

Electronic surveys, which are frequently used by organizations, introduce biases. Subscribers and members are more likely to respond to surveys than less frequent attendees – skewing results positive and also towards dominant audiences (who are most often white, female, and older). In addition, there is evidence to suggest that minority groups may be less likely to respond to surveys.

More sophisticated organizations can link electronic survey responses to transaction records, and thereby identify specific customer’s demographic profiles. However, given the biases and response rates for electronic surveys, this picture is incomplete.

Point-of-sales data: Demographic data appends: Database marketing companies such as Acxiom and Experian bundle consumer data and sell it to both individual organizations and patron database providers. That data can be appended to individual customer records, through identifiable customer information such as name, email address, or phone number.

Because of cost, individual organizations are less likely to purchase data appends. In practice, they tend to be only available to large database holders, such as Tessitura and TRG, and the organizations that participate in these consortia. Furthermore, match rates are not high. According to GPCA, TRG’s demographic data, for example, only matches about 50 percent of the households in its Philadelphia database. And, that match rate is not spread evenly across the population. Matched households are highly correlated to wealthy, white audiences, with 99 percent of matches falling in this category. Finally, there are instances in which data appends can be misleading. For example, younger audiences who use their parents’ credit cards to purchase tickets would be tagged with their parent’s demographic information.

Point-of-sales data: Zip code extrapolation: An alternative methodology is to extrapolate or assume customer demographics based on zip codes. Customer zip code data is often available for organizations via the customer’s billing information in point-of-sales systems. In this methodology, assumptions are made about an individual’s demographic profile based on the zip code in which they live. For example, if Census data shows that a zip code is 40% African American, an assumption is made that 40% of the organization’s customers who live in that zip code are African American. This method attempts to overcome the real challenges and constraints with other methods. However, in TDC’s interviews and practice, we heard growing awareness of the flaws of this methodology and a call to find new solutions.

These challenges do not mean that organizations should not use the available methods. Organizations should understand the tradeoffs of different methods (cost, ease, accuracy, etc.), and understand any inherent biases with the final method they choose based on their needs.

3) Focus groups

What is it? The first two methods reviewed in this section are primarily used to understand and measure customer response after a customer's experience. Focus groups are a common and effective method for testing ideas in advance of launch. This includes both getting audience feedback on a developing idea, refining the interpretive and marketing message, and understanding the impact of a strategy with a small group.

In this report TDC focuses on the benefit of focus groups as a means of testing and refining strategies in advance of launch. Focus groups can also be utilized to enhance an organization's understanding of current or new audiences in advance of a quantitative study. Hearing first hand from consumers can be an extremely powerful experience for operational and artistic leadership. However, focus groups should not replace quantitative methods. The Wallace Foundation's guidebook *Taking Out the Guesswork: A Guide to Using Research in Build Arts Audiences* notes: "The greatest strength of focus group research is that it lets you go in-depth with a small group of people and obtain a rich, multidimensional view of their lives. That is also the source of its greatest limitation, and why results should be interpreted with care."⁷

What is the value? Pre-activity focus groups accelerate organization's learning and improve the return on development for a specific strategy. The results of this testing directly informs organization's decision making. For example, one museum reported testing and refining their interpretive theory for an exhibition with an audience.

What resources and expertise are required to execute? Focus groups require funds to pay for design, participant recruitment, facilities, and facilitators. Organizations must also build focus group testing into their timelines for strategy development. Finally, focus group testing requires organizations to understand the methodology and apply it correctly.

In the for-profit world, consumer goods companies frequently utilize consumer panels. Consumer panels are groups of consumers who are used to answer targeted questions, usually about products or promotions. Panel participants can include both current and potential customers and are recruited by market research companies. Panel participants can be asked to participate in quantitative surveys, focus groups, or other research methods, usually for an incentive. Most often, panel participants are used to field brief surveys.

To TDC's knowledge, there is no consumer panel of arts and culture consumers. TDC posits that there may be an opportunity to leverage this tool.

4) One-time market studies or deep dives

What is it? In addition to the above methods, organizations can also conduct one-time deep dives or tests in order to better understand their current and potential audiences, market positions, and other

⁷ Bob Harlow, *Taking Out the Guesswork: A Guide to Using Research in Build Arts Audiences* (New York: Bob Harlow Research and Consulting, LLC, 2015).

specific questions. For example, TDC observed organizations conducting segmentation studies of arts consumers, surveying non-attendees, studying the lifetime value of their customer segments, and cross-organization studies of tourist marketing channels.

What is the value? These deep dives allow organizations to understand the broader market dynamics and size new audience development opportunities. Sarah Lutman, Principal at Lutman & Associates observed: “Organizations are always looking within the same bands – they aren’t thinking about new audiences. Most of the sector thinks about best practice to find more people who look more like the people they are already serving. There is much less practice around how to reach or retain people who don’t participate.”

These studies also help organizations to understand their position in the broader market, and answer questions such as: What is our reputation? Do our audiences know who we are, and what we are offering?

What resources and expertise are required to execute? These studies are most often outsourced and therefore require direct funding. In addition, they require careful framing – organizations must have a clear understanding of their broad strategic priorities, identify a specific set of research questions that will inform those priorities, select the appropriate research tools and methodology to answer those questions, and understand how the results of the study can be used. Otherwise, in TDC’s experience, these studies risk sitting on the shelf.⁸

B. Organizational capacity and investment

National experts and leading-edge organizations highlighted the importance of investing in the internal or external resource to execute this research, and of possessing leadership that values audience data.

Investment in internal and external capacity, through varied models

The reality is that, for many organizations, dedicated market research capacity or audience analytic capacity is not a full time job. To jumpstart a market research agenda takes time as well as expertise – it requires that organizations determine their strategic questions and frame a research agenda and methodology.

Once an agenda is framed, data collection, analysis, and interpretation happens at intervals throughout and across years. This varies by organization’s size, the ups and downs of an organization’s season and schedule, the determined frequency of data collection and analysis, and where an organization is in its strategy development.

⁸ The Wallace Foundation’s guidebook *Taking Out the Guesswork: A Guide to Using Research in Build Arts Audiences* is a must-read for organizations undertaking significant market research studies and working with outside market research firms. Bob Harlow, *Taking Out the Guesswork: A Guide to Using Research in Build Arts Audiences* (New York: Bob Harlow Research and Consulting, LLC, 2015).

As a result of this “ebb and flow,” many leading-edge organizations may outsource some or all of their ongoing research.

In TDC’s research, only the largest organizations invest in the internal capacity to conduct analytics. These organizations hire staff with sufficient technical expertise to design research tools and execute data collection and analysis.

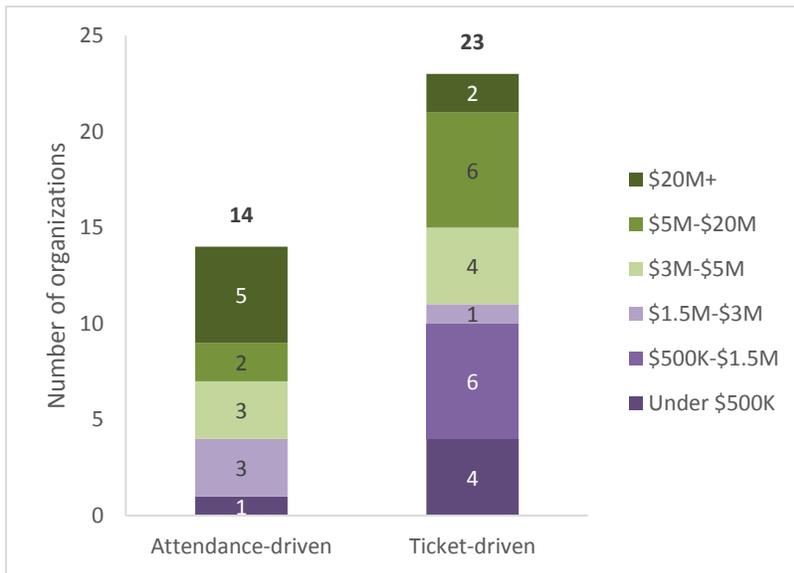
Leadership believes in the return on investment

Regardless of how they invest, leading-edge organizations have buy-in on the value of market research. Audience and market research requires upfront investments in capacity and expertise. Therefore, leading organizations must share a belief that research improves the organization’s return on marketing and programming investments, even (and especially) when that payback is over a longer time horizon than other potential uses of financial and staff resources. David Snead, President and CEO of the Handel and Haydn Society in Boston said: “Many organizations feel like they can’t afford this. But the cost of not doing it is actually higher.”

III. Current state of Philadelphia arts and cultural organizations

TDC interviewed 37 Philadelphia-based arts and cultural organizations to examine the current state of audience and market research in the sector. Interviewees spanned disciplines and budget sizes, from a \$230,000 organization with two full-time staff to Philadelphia’s largest arts institutions. Out of the 37 organizations interviewed, 14 were attendance- and membership-driven, and 23 were from ticket- and subscription-driven organizations.

Exhibit 2: Organizations interviewed by business model and budget size



TDC found that, on the whole, audience research is not an area of investment among Philadelphia’s arts and cultural organizations; most do not have market research agendas driven by organizational strategy. While most are conducting some audience research using a combination of the tools outlined in Section II, their efforts are limited and sporadic. A few organizations are conducting significant market research and realizing its value.

This is consistent with the findings from the William Penn Foundation’s internal performance measurement survey of grantees, which identified limited staff time and lack of financial resources as top challenges to collecting and analyzing performance measurement data.⁹

Among interviewees, the median budget dedicated to ongoing audience research is \$0; the highest annual budget is \$35,000. To understand the relative scale of this investment, TDC compared

⁹ McClanahan Associates, *Findings from William Penn Foundation Grantee Performance Measurement Survey* (unpublished internal report, 2013).

interviewees' aggregate admission and ticket revenue and marketing spend to direct audience research costs and dedicated staff.¹⁰

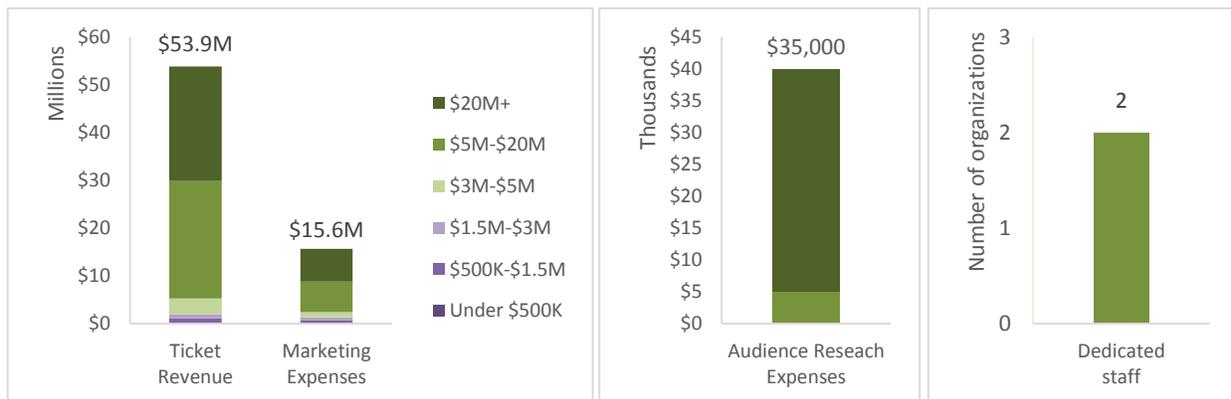
In total, the attendance-driven interviewees seek ~\$35M in admissions revenue and spend almost ~\$10M in marketing annually. Collectively, they invest less than ~\$100,000 in direct audience research costs. Organizations under \$20M spend \$0.

Exhibit 3: Attendance-driven organizations aggregate admissions revenue, market spend, direct audience research expenses, and dedicated staff



The ticket-based organizations interviewed, similarly, are chasing over ~\$50M in ticket revenue and invest ~\$15M in marketing, and spend a total of ~\$35,000 on audience research.

Exhibit 4: Ticket-driven organizations aggregate ticket revenue, market spend, direct audience research expenses and dedicated research staff



¹⁰ DataArts, 2012. Totals include only organizations interviewed by TDC. Ticket revenue includes total reported ticket and subscription revenue (Section 3, Questions 2 and 10). Admission revenue includes total admission revenue only (Section 3, Question 1). Marketing expenses are drawn from Section 7, Question 14. Audience research expenses as reported by organizations.

A minority of organizations have invested in a dedicated staff role, all or most of whose time is allocated to audience data and research. TDC found that only seven organizations total—less than a fifth of those interviewed—have full-time internal staff dedicated to audience research and analysis. Of those, five represent the largest attendance-driven organizations. Three of the seven organizations have Research or Strategic Initiatives departments or senior staff members; the rest are junior staff. Even among these seven, interviewees noted the difficulty of finding candidates who possess market research expertise, quantitative skills, and strategic capabilities. Of those with dedicated staff, most lack a dedicated budget for audience research initiatives; one had \$25,000 beyond staff salaries and others had \$0.

Other large attendance-driven organizations, and the majority of smaller organizations, lack an internal role for research and analysis. Some of the largest organizations without a dedicated internal role do have a yearly or bi-yearly allocation for audience research activities; however that funding is low, with the highest being \$35,000 per year. These organizations rely primarily on existing, non-dedicated staff to conduct audience research. Conducting audience and market research is a sub-point of an existing staff job; thus staff are not hired with the expertise required to execute it effectively, nor is it a role for senior staff who could bridge research insights with organizational strategy and decision making.

The “in-virtuous cycle” of investment: a lack of proof points

Overall, TDC heard a limited awareness of the potential value and application of market research in organizational strategy. TDC’s interviews suggest that this low perception of value, and the low level of investment, may be the result of an “in-virtuous cycle.”

Given their constrained budgets, organizations lack the capacity and expertise to design, implement, and interpret research. In turn, they do not conduct ongoing research that would provide them with valuable data – and therefore lack proof points that would inspire them to invest in capacity. As one interviewee put it, “Do I get on WHYY or do audience research?”

Some organizations seek to correct their lack of internal expertise by outsourcing some audience research. Often, they take advantage of an opportunity to conduct one-time research. TDC heard that the research is often not tied to their organizational strategy, or the research is not of high quality. Unsurprisingly, they see a limited value and continue to not invest. In fact, TDC heard that these experiences can actually erode their perceptions of the value of research and data, as they invest but do not get actionable insights from their efforts.

Finally, a few organizations invest in a major research study, usually funded by a grant. These organizations reported gaining a wealth of insights through the research and, unlike those that have done little market research or some small outsourced projects, they believe in the value of data – they have proof points of its effectiveness. However, in nearly every case they lack the funding to repeat another major study. Additionally, major studies do not tend to build organizations’ own capacity or an ongoing research agenda.

B. Current market research activity in Philadelphia

Given a context in which organizations face severe constraints and many do not believe in the return on investment, it is unsurprising that levels of investment are low. However, organizations in Philadelphia

do undertake some level of audience research activity. Below, TDC outlines the current activity among Philadelphia organizations compared to the approach outlined in Section II. Audience research activities correlate highly, although not directly, with organizational budget size. TDC notes where activity differs by business model or scale.

1) Quantitative point-of-sales data

Ticket-driven organizations: All ticket- and subscription-driven organizations interviewed save one have invested in POS software that collects and stores audience data. Most of the largest organizations participate in the region's two Tessitura consortia, which provide a shared data housing system with customer records from several organizations and appended demographic data. The majority of large organizations have used their systems for several years and have multiple years of comparable transaction-level data. Smaller organizations have also made significant investments in their POS software. Three smaller organizations reported recently implementing or upgrading their software to better track attendees.

Less than a quarter have conducted in-depth behavioral analysis on their audiences. Those who have include some of the largest performing arts organizations, all with annual operating budgets over \$3 million. They have sought to understand single ticket buyer and subscriber behavior and churn. Two organizations have used POS analysis to segment their audiences. Interviewees greatly valued the insights gained; for one, reversing the observed churn trends has become a core driver of organizational strategy, and for another, quantitative analysis helped form a set of assumptions underpinning new programming models. Only one organization – interestingly, the smallest of those that conducted such analysis – hired an internal position to spearhead data analysis, which the rest have outsourced.

Many more organizations rely on reports generated by their POS software systems to track audience behavior. These organizations, who span the budget spectrum, look primarily at when and how often people buy tickets, as well as at topline breakdowns of ticket and subscription sales and subscription renewals. TDC observed that these organizations view quantitative analysis as a useful tool to target direct marketing. As one mid-sized organization noted, POS data can inform “what to send and who to send it to.” A large organization similarly said: “The goal for using the data would be to make us more efficient in ticket sales.” These organizations rely on existing internal capacity within the marketing department to review POS reports, and this function is often a sub-point of someone's “real” job. As one interviewee noted, “None of us are data experts. We look at the information and have conversations.”

Finally, a subset of the smallest ticket-driven organizations conduct almost no quantitative analysis. For these organizations capacity and expertise are key barriers. Each organization has a single marketing staff member or none at all, and as one interviewee said: “I can't invest this much time to figure it out.” Another noted, “I'm not coming from the data community. I'm an arts leader.”

Attendance-driven organizations: Most Philadelphia attendance-driven organizations collect and track data on their visitors and membership. TDC found that these organizations track overall attendance and visitor zip codes, and half reported using zip codes to map their audiences. Most analyze membership data, with that work falling under Development. Few conduct any in-depth analysis of attendance

trends using this data or have predictive models in place. TDC observed that several smaller attendance-driven organizations struggle to track attendance data, noting they lack POS software beyond Microsoft Excel.

2) *Longitudinal exit surveys or post-performance surveys*

A minority of both attendance- and ticket-driven organizations use consistent, ongoing exit or post-performance surveys. All attendance-driven organizations over \$5 million, as well as a quarter of mid-sized to large ticket-driven organizations, do have consistent surveys. Interestingly, the majority of ticket-driven organizations that do deploy ongoing surveys are those between \$3 and \$20 million. Some use consultants to craft questions, but almost all rely on internal capacity to implement and analyze surveys.

These organizations use surveys to gain insight into audience experience, demographics, and attitudes. One mid-sized theater reported using surveys to track the impact of pricing changes over time, and another of presenting younger performers, or artists of color, on audience makeup. Interviewees highlighted that surveys provide “a great handle on why people come and what keeps them coming back” and enable them to “revamp the customer experience.”

However, several highlighted the limited integration of survey findings into organization-wide decision making or strategy development. One noted that while surveys indicate populations to target, “We don’t have a mechanism to reach them,” and another felt that “Our surveys do not have any kind of predictive value.” Organizations also highlighted methodological challenges. Nearly every organization uses online surveys, which are opt in, and one interviewee noted the lack of staff to conduct more representative intercept surveys. Expertise was also cited as a barrier. As one noted, “How do we craft surveys so we get answers?”

However, many more organizations, including smaller attendance-driven organizations and both small and large ticket-driven organizations, do not conduct consistent longitudinal surveys. Of these, most survey infrequently, or, as one interviewee described: “randomly, with no system in place.” Others have conducted only one-time, baseline surveys. Attendance-driven organizations reported relying on students or interns to craft and analyze surveys, or on consultants funded through grants. Ticket-driven organizations, on the other hand, reported undertaking surveys in-house, when there is capacity to do so. For both, a lack of bandwidth and expertise is a key barrier. One mid-size visual arts organization shared, “Surveys are sitting on a shelf.” Another asked, “What questions should we ask?” Organizations conducting infrequent surveys also reported a low perception of their value; one noted surveys are “not terribly useful,” and another felt they provide “limited results.”

Finally, a subset of both attendance- and ticket-driven organizations do not conduct any surveys. This group includes large ticket-driven organizations as well as smaller attendance- and ticket-driven organizations. Some reported interest in conducting surveys, although others raised questions about their usefulness. One large music organization noted, “We’ve talked about them, but haven’t started.” One of the largest organizations shared, “I don’t have any of the skills to do this.” Yet others doubted the usefulness of surveys, wondering, “How effective would it be after the first year?”

3) Focus groups

Overall, less than a third of organizations have used focus groups to test new programming, exhibitions, or formats. Attendance-driven organizations, including one small organization, reported using focus groups in this capacity more often, while only three ticket-driven organizations have used focus groups for testing new ideas. One large attendance-driven organization has used them as an ongoing part of their strategy development. That organization uses iterative focus groups to test potential exhibition topics, refine them, and then test particular program ideas. Other large attendance-driven organizations have used focus groups to inform how to “work through barriers to attending” or predict exhibition attendance and create messaging. Three ticket-driven organizations – two mid-sized and one large – have used them to test new formats or programs.

Some organizations also have used focus groups to understand potential audiences. These organizations used focus groups to pinpoint real and perceived barriers to attending as well as perceptions of the organization by non-visitors. Yet these organizations also noted their inability to continue these efforts. As one noted, “A focus group always costs \$35,000.”

Organizations not conducting focus groups emphasized a desire to both test new ideas and to better understand motivations and barriers. As one interviewee noted, “I want to be able to test the waters with where we want to go.” Another expressed a wish to be able “test a hypothesis. Is there a market?” Overall, organizations highlighted the high costs of conducting focus groups, as well as the significant time investment if that work were to be conducted in-house.

4) One-time market studies or deep dives

Finally, three organizations have undertaken in-depth, comprehensive audience studies as part of a major planning initiative. These organizations, which span budget sizes, spent significant time and money to complete a full quantitative and qualitative analysis of current and potential audiences, and to integrate their findings into organizational strategy. In each case, these organizations were reliant on grant funding (in two cases through a major foundation initiative) and at least one external consultant. These organizations highlighted the vast insights gained from this work but also underscored the prohibitive cost of conducting this work more often than “every ten years.”

IV. The Potential for a Shared Data Solution

Thus far we have focused on the efforts of individual organizations to leverage *their own* data to develop organizational strategy. We now turn to a potential system-wide asset that could enable organizations – and the sector as a whole – to gain a deeper understanding of audiences and the market: a platform for shared data across organizations.

A. Potential value of a shared data warehouse

Interviews with experts and individual organizations underscored that there is potential to leverage data across organizations through a shared audience data warehouse.

What is a centralized data “warehouse”?

A centralized data warehouse is a collective repository of organizations’ audience data. All participating organizations input their records of current and past audience members. Critically, a successful warehouse holds transaction-level data (rather than household-level data). This enables comprehensive analysis based on audience behavior.

The warehouse itself acts as a database of these audience records. The data in the warehouse is “cleaned,” including de-duplicating records, updating addresses and mailing information. The warehouse provider can also purchase and append demographic information and/or segmentation information to the records.

Requirements for success

There are four critical enablers of a successful shared data warehouse. Specifically, it must:

- Enable organizations to easily “input” or upload data;
- Align incentives so that organizations include all data, including all customers as well as all transactions;
- Be paired with market research experts to analyze the data; and,
- Meet the needs of organizations of different disciplines and scales.

Potential uses

With these requirements in place, a centralized warehouse creates shared data on current and past audience members for all organizations. This shared data could provide three key benefits – identify audience prospects, add value to the data through expert analysis, and enable organizations to answer targeted research questions.

Identify audience prospects: A data warehouse would enable organizations to identify new audiences and target potential audience members who are outside their own databases. This is made possible through the trading of customer lists. Ideally, organizations could share email addresses as well as mailing addresses.

Provide market intelligence through value-added analysis: Analysis of the shared data would allow organizations to understand how their own and other organizations’ customers behave in the local landscape. Shared data would also enable the linking of audience behavior to attitudes and trends

through a longitudinal consumer survey. This understanding would be actionable in the short term as well as valuable in understanding and shaping strategy in the medium to long term.

Provide access for consumers to conduct targeted research: With shared data, organizations would have access to targeted lists of consumers to whom they could address specific questions. For example, an organization could elect to conduct focus groups with infrequent museumgoers. This is especially useful for focus group recruiting or targeted surveying.

B. Current offerings in Philadelphia

As noted above, a fully leveraged shared data solution does not exist within the arts and cultural sector, in Philadelphia or elsewhere. Current offerings in the market provide some of the potential uses, which organizations use to differing extents. However, TDC observes that they lack the requirements for success that would enable them to best serve organizations and the sector.

In Philadelphia, the Greater Philadelphia Cultural Alliance (GPCA) partners with TRG to provide a set of tools to assist organizations in understanding their own audiences and sector-wide trends. The tools build on a community-wide network of shared customer lists called Audience Analytics, which is run by GPCA and based on TRG software. Organizations across budget sizes utilize these resources.

The section below details the roles of GPCA and TRG and assesses Audience Analytics and GPCA/TRG's wraparound services against the criteria for success. It then assesses how well it provides the potential benefits of shared data. TDC would like to thank John McInerney and GPCA, who have been generous partners and worked closely with us to help us understand these resources.

Providers

1) GPCA

For over ten years, GPCA has offered a service that provides local organizations access to each other's direct mailing lists. For the past several years, GPCA has used TRG as a vendor for this service. In addition to liaising between TRG and organizations, GPCA supplements the TRG tools with custom audience research for individual organizations and sector-wide research.

2) TRG

TRG is a national marketing consulting firm. It developed Data Center, a proprietary software product that facilitates direct mail trading among organizations and stores uploaded data in a secure, shared database. Organizations in Philadelphia access this software by participating in GPCA's Audience Analytics network. TRG de-duplicates and stores the data, and appends demographic information using Acxiom consumer data where available. Outside of Audience Analytics, TRG also offers additional consulting and research services to organizations, which GPCA has used in its sector-wide research. Exhibit 6 depicts the relationship between TRG and GPCA.

Audience Analytics

The basis of the current shared data solution is Audience Analytics, a community-wide network of shared customer lists, which is run by Greater Philadelphia Cultural Alliance and based on TRG's Data Center software. The Audience Analytics database is populated by participating organizations, who each

upload their own customer lists into the Data Center. In addition to facilitating direct mail trading, Data Center also enables some cross-organizational analytics for participating organizations. Currently, 95 Philadelphia organization are members of Audience Analytics, which requires a yearly membership fee.

Exhibit 6: Role of GPCA and TRG in providing audience research tools to organizations and the sector

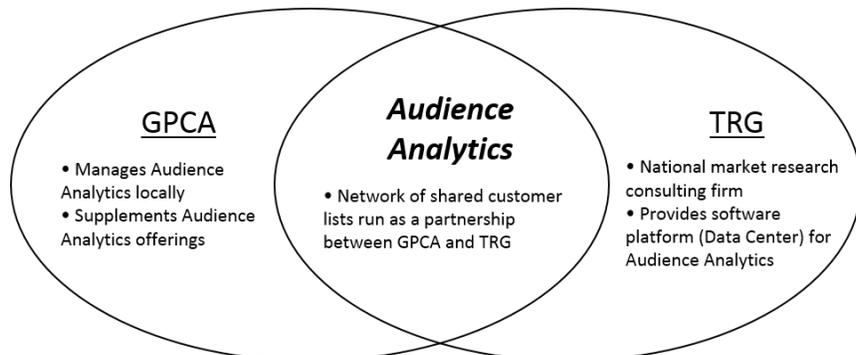


Exhibit 7: Audience Analytics annual membership fee

| | | <u>Price</u> | |
|----------------------------|--------------------------------|---------------------|-------------------------|
| | | <i>GPCA members</i> | <i>GPCA non-members</i> |
| <u>Organization budget</u> | <i>Under \$500,000</i> | \$260 | \$310 |
| | <i>\$500,001-\$1,000,000</i> | \$520 | \$620 |
| | <i>\$1,000,001-\$5,000,000</i> | \$845 | \$1,010 |
| | <i>\$5,000,001 +</i> | \$1,170 | \$1,404 |

Audience Analytics: Feedback on requirements for success

Interviews with experts, GPCA, and individual organizations indicated that Audience Analytics lacks the critical requirements that would enable it to be a successful shared solution.

Easy for organizations to “input” or upload data: Audience Analytics does not possess an automated data upload. Organizations must format their data prior to uploading, which requires some training and facility with Microsoft Excel. However, interviewees reported high turnover in staff positions responsible for data upload. As a result, few organizations regularly upload data.

Incentives aligned for organizations to include all data: Organizations are not required to upload all their customers. Especially when they have “high-value” lists of donors, some organizations reported that they do not share all of their customer lists.

Furthermore, in order to use Data Center’s analytics to segment their own customer lists by behavior at a transaction level, organizations must pay an additional \$6,000. This is prohibitively expensive for all but the largest organizations; therefore, few upload transaction-level data. John McInerney reported that, in fact, no Philadelphia organizations have made the investment in transaction-level analysis through Audience Analytics.

Market research experts to analyze data: Perceptions of both GPCA and TRG as market research experts were mixed. TDC heard mixed perceptions of GPCA as an expert in audience and market research, with larger organizations in particular wondering about the depth of GPCA's research in this area.

TRG's analyses are focused on list trading and short-term applications. TDC observes that different providers and experts bring their own perspectives about effective short- and long-term strategies to the data, which shapes their analytic approach and drives what tools they create. In turn, this determines how organizations themselves perceive and use the data.

Meets needs of organizations of different disciplines and scales: Both GPCA and TRG are trying to provide a scaled solution and serve all arts organizations, which tends to skew their offerings towards smaller and lower-capacity organizations. This creates a dilemma in which few organizations feel well served. Larger institutions wondered about the value of these tools and reports, which they note are geared towards lower-capacity organizations. Small organizations struggle to interpret the findings or know what to do with them.

Audience Analytics: Feedback on use and value of current solution

The Greater Philadelphia Cultural Alliance recognizes the drawbacks of the current data warehouse solution in Philadelphia, and is working to identify a different solution that would drive towards greater potential outcomes. Below we assess the value of the current solution against the potential value of shared data, based on feedback and an understanding of other options in the market.

At a baseline, Audience Analytics lacks a complete shared list of audience members, with corresponding behavioral data on audience members for all organizations. This stems from the fact that not all organizations upload all of their customers or all of their transactional data, nor do they all upload data consistently or frequently. Despite these challenges, the database for Audience Analytics holds contact information for 2.2 million unique households, of which 1.1 million are within the Greater Philadelphia region.

Identify audience prospects: The primary use for Audience Analytics is list trading. Organizations create targeted mailing lists by filtering their own lists and lists requested from other organizations by geography, demographics, or "multi-buyer" (whether an individual appears on multiple organizations' lists).

Most organizations felt that Audience Analytics was an effective tool for direct mail trading, although some expressed concerns about the completeness of other organizations' data, the potential for list sharing to cause customer fatigue, and the service's lack of use for online marketing, which is increasingly a primary strategy. Finally, list trading is inherently focused on audiences already in the system rather than new audiences.

Provide market intelligence through value-added analysis: TDC observed a limited use of the Audience Analytics database for deeper analysis. TRG provides some analytics through its software platform, including zip code penetration (how your own organization compares to others by zip code), demographic profiles, and cross-over with other organizations.

However, a limited number of organizations reported using these features, and several raised questions about their value to individual organizations. And while Data Center also enables organizations to segment their own customer lists at a more granular transactional level (for example, by price paid), no Philadelphia organizations have paid the additional \$6,000 for this feature. Finally, several interviewees noted that the demographic data within Data Center is not useful, given the limited percentage of households with appended data.

GPCA supplements Audience Analytics offerings. GPCA uses the TRG database from Audience Analytics as well as Census data and Esri business data to offer “demand mapping,” in which they map individual organizations’ audiences and compare their reach to other community audiences. GPCA has also conducted targeted cross-organization analysis. In 2014, GPCA commissioned a research project to analyze patron loyalty and behavior among 17 large arts organizations in Philadelphia, all of whom were members of Audience Analytics. Each organization paid an additional \$1,000 to participate, and GPCA had to work directly with organizations to receive full transaction-level data rather than relying on the Audience Analytics database. Interviewees had mixed perceptions about the value of these efforts.

Provide access to consumers for organizations to conduct targeted research: The Audience Analytics database of customers is not currently leveraged as an access point to conduct follow-up research. As noted above, the database holds contact information for over 1 million culturally-inclined households in Greater Philadelphia. This contact list is an untapped resource for conducting aggregated analysis, sending surveys, and recruiting focus group and consumer panel participants. Because of its privacy agreements, GPCA’s ability to leverage this data is limited.

Current developments in shared data in Philadelphia

GPCA recognizes the limitations to Audience Analytics and TRG’s Data Center product. They are currently working with JCA Arts Marketing to create a new product to pilot that could solve some of these data constraints.

V. Conclusion

TDC's research suggests that Philadelphia's arts and cultural organizations lack critical ingredients to support a market-based strategy. Broadly, TDC observed:

- Skills deficit to collect and leverage audience data at system- and individual-organization level
- At individual organization level, varied levels of investment and expertise, but overall low
 - Even for organizations who are investing – capacity and expertise is a challenge
- Organizations are uncertain of the value of market research...
- ... because have limited evidence of the power of market intelligence
- 1M audience members names in Audience Analytics... but data not being leveraged

These findings suggest that the market for audience research is immature. Organizations lack proof points of the potential return on investment in audience and market research. Yet TDC's interviews with experts and leading organizations underscored the potential impact of this work. This suggests there is a possibility for a market intervention. Specifically, an intervention could "jumpstart" a market among Philadelphia's arts and cultural organizations for audience research and shared data, if it were focused on proving the value of having shared data, educating organizations about potential value and use, and providing capacity and expertise.

VI. Appendix

A. Philadelphia arts and cultural organizations interviewed

| <u>Name</u> | <u>Title</u> | <u>Organization</u> | <u>Discipline</u> |
|---|--|--|-------------------|
| Jennifer Childs | <i>Producing Artistic Director</i> | 1812 Productions | Theater |
| K. James McDowell | <i>President & Artistic Director</i> | Academy of Vocal Arts | Arts Education |
| Patricia Wilson Aden | <i>President & CEO</i> | African American Museum | Museum |
| Hazami Sayed | <i>Executive Director</i> | Al-Bustan Seeds of Culture | Arts Education |
| Amy Murphy | <i>Managing Director</i> | Arden Theatre Company | Theater |
| Christine Cox | <i>Founder, Artistic & Executive Director</i> | BalletX | Dance |
| Diana Duncan Jan Rothschild Will Cary | <i>Senior VP, External Affairs; Senior VP, Marketing & Communications; Director, Visitor Services & Membership</i> | Barnes Foundation | Art Museum |
| Janelle McCoy | <i>Executive Director</i> | Chamber Orchestra of Philadelphia | Music |
| Rob Lukens | <i>President</i> | Chester County Historical Society | History |
| Elizabeth Racheva | <i>Vice President, External Affairs & Patron Engagement</i> | Curtis Institute of Music | Arts Education |
| Sandra Horrocks | <i>VP, External Affairs</i> | Free Library of Philadelphia | Library |
| Nick Stuccio | <i>President & Producing Director</i> | FringeArts | Theater |
| John Brady | <i>CEO</i> | Independence Seaport Museum | Museum |
| Jill Katz | <i>Director of Marketing and Communications</i> | Institute of Contemporary Art | Art Museum |
| Kim Andrews | <i>Executive Director</i> | Japanese House & Garden | History |
| Edward Cambron | <i>Executive Vice President</i> | Kimmel Center for the Performing Arts | PAC |
| Alon Koresh | <i>Executive Director</i> | Koresh Dance Company | Dance |
| Marnie Conley | <i>Director of Marketing/Chief Marketing Officer</i> | Longwood Gardens | History |
| Amanda Schkeeper & Sharon Torello | <i>Executive Director; Marketing Manager</i> | Mendelssohn Club of Philadelphia | Music |
| Ivy Barsky & Yael Eyton | <i>CEO & Gwen Goodman Director; Director of Marketing & Communications</i> | National Museum of American Jewish History | Museum |
| David Devan | <i>General Director & President</i> | Opera Philadelphia | Music |
| Adam Lesnick | <i>Executive Director</i> | Orchestra 2001 | Music |
| Harry Philbrick | <i>Edna S. Tuttleman Director of the Museum</i> | PAFA Museum | Art Museum |
| David Gray | <i>Executive Director</i> | Pennsylvania Ballet | Dance |

| | | | |
|--------------------|--|---|----------------|
| Abigail Adams | <i>Director & CEO</i> | People's Light & Theatre Company | Theater |
| Philip Maneval | <i>Executive Director</i> | Philadelphia Chamber Music Society | Music |
| Andrew Greenblatt | <i>Executive Director</i> | Philadelphia Film Society | Media Arts |
| Jennifer Francis | <i>Executive Director of Marketing</i> | Philadelphia Museum of Art | Art Museum |
| Mary Rivera | <i>Executive Director</i> | Raices Culturales | Arts Education |
| Ulrike Shapiro | <i>Managing Director</i> | Tempesta di Mare | Music |
| Christopher Taylor | <i>President</i> | The Clay Studio | Visual Arts |
| Troy Collins | <i>Senior Vice President, Earned Revenue, Marketing & Operations</i> | The Franklin Institute | Museum |
| Catherine Cahill | <i>President & CEO</i> | The Mann Center for the Performing Arts | PAC |
| Janice Hay | <i>Vice President</i> | The Philadelphia Orchestra | Music |
| James Haskins | <i>Managing Director</i> | The Wilma Theater | Theater |
| Ralph Weeks | <i>Director of Marketing & Public Relations</i> | Walnut Street Theatre | Theater |
| Amy Shearer | <i>Chief Marketing Officer</i> | Zoological Society of Philadelphia | Museum |

B. National experts interviewed

- Bill Bissell, *Pew Center for Arts & Heritage*
- Doug Bohr, *Pew Charitable Trusts*
- Alan Brown, *WolfBrown*
- Ben Cameron, *Jerome Foundation*
- Cindy Cox Roman, *WIT Consulting*
- Adrian Ellis & Brent Reidy, *AEA Consulting*
- Teresa Eyring, *Theatre Communications Group*
- Peter Fadar, *Wharton School, Upenn*
- Jay Finney, *Peabody Essex Museum*
- Karen Gershowitz, *Strategic Action, Inc.*
- Michael Kaiser, *DeVos Institute*
- Sarah Lutman, *Lutman & Associates*
- Maud Lyon, *Greater Philadelphia Cultural Alliance*
- Paula Marincola, *Pew Center for Arts & Heritage*
- John McInerney, *Greater Philadelphia Cultural Alliance*
- Susan Schwartz McDonald, *National Analysts*
- Kate Prescott, *Prescott & Associates*
- Sandy Radoff, *S. Radoff Associates*
- Josephine Ramirez, *Irvine Foundation*
- Mi Ryung Song, *League of American Orchestras*
- Marc Scorca, *Opera America*
- Susan Sherman, *Independence Foundation*
- David Snead, *Handel and Haydn*
- Beth Tuttle, *Cultural Data Project (now DataArts)*
- Zannie Voss, *National Center for Arts Research*
- MK Wegmann, *National Performance Network*