



# Spektrix Insights Report 2019



## FOREWORD

**At Spektrix, we believe that opportunities for people to experience arts and cultural events are fundamental to a high quality of life and the health of our communities. It is our mission to enable the vital organizations presenting these events to engage and deepen relationships with the broadest range of audiences.**

With this mission in mind, I am pleased to introduce the first edition of the Spektrix Insights Report. Building on our benchmark reports released in 2015 and 2017, the Insights Report delivers new and deeper analysis on effectively engaging and deepening relationships with audiences. It features new data including online device usage and accessible online booking, and a number of concrete examples of organizations demonstrating best practice in audience engagement and revenue generation. We also hope you will gain useful perspective and insights from valued industry partners, and from our own expert consultants.

Nearly 12 years ago I co-founded Spektrix on the idea that cloud-based software paired with expert consultative support could bring significant advantages for arts organizations looking for effective ticketing, marketing and fundraising technology. Today we work with 400 clients across the United Kingdom, the Republic of Ireland, Canada and the United States using the same system concepts, and thereby generating a powerful amount of aggregate data and inspirational best practice.

From the foundation of our data and the success stories that came out of it, we want to share insight, expertise and best practice with the entire sector. I hope you are inspired by what you find.

**MICHAEL NABARRO**  
CO-FOUNDER AND CEO

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# Executive Summary

*The Spektrix Insights Report is a look into the consumer transaction data of up to 343 arts organizations that use the Spektrix ticketing, marketing, and fundraising CRM system. Focused on metrics for audience engagement, revenue management and customer and donor experience, it includes a quantitative analysis of more than 25 million items purchased across the Spektrix system in 2018. This analysis is placed within the wider context drawn from our economic landscape, the arts sector and other related industries such as retail. It includes a range of examples from the organizations that sit in the top 10% of our key metrics.*

## OUR FINDINGS

Against a challenging economic backdrop for arts organizations<sup>1</sup>, there are positive signs of resilience and investment in future-looking strategies. Yet there is a great deal to learn from one another as we see considerable variance between organizations.

### LOYALTY IS A REAL GROWTH AREA

- Encouraging loyal audiences remains an area with sizeable uplift potential:
  - On average, 56% of transactions recorded by an organization in 2018 were made by patrons who were new to that organization.
  - Proportions of returning buyers and frequent bookers are largely unchanged since last reported in 2017.

### MAKE IT PERSONAL

- Customization yields results:
  - On average, targeted segmentation roughly doubles email marketing engagement.
  - Microtargeting based on recent patron behavior has shown to increase engagement by 20 times in some cases.

### MOBILE IS THE FUTURE

- New insight into patron and donor behavior finds the move to online, and specifically mobile, is dramatic:
  - 60% of transactions are made online.
  - 46% of visits to our Spektrix online purchase path are on mobile phones.
- Even as online transactions become more prevalent, in-person contact remains an important channel for higher-value transactions. On average, these are 40% larger than online transactions, likely due to in-person cultivation of major gifts and group sales – but the pattern is also evident in everyday transactions.
  - Donations with ticket sales are more than six times more likely when a transaction occurs online. However, they are worth almost double in value when made in person or on the phone.
  - Online upselling of supplementary items occurs 1.7 times more often than in person and over the phone. However, in-person upselling represents 35% more in value.

## UNMET DEMAND FROM AUDIENCES

- There appears to be considerable unmet demand for wheelchair-accessible seats available for online booking:
  - Only 15% of United Kingdom and Republic of Ireland organizations had one or more online bookings which included a wheelchair hold last year.
  - On average, in the United Kingdom and Republic of Ireland, 4% of bookings including wheelchair access needs occurred online – nearly five times lower than in the United States and Canada where equal access to online booking is mandated by law.

## UNTAPPED OPPORTUNITIES

- Yield management metrics indicate some organizations are leaving vital revenue on the table. Those that implement a strategy to maximize revenue on high-demand events, and tend to have an upward trend in their prices as the show approaches, can make an extra 10% or more on their original base price.

## CONSIDERATIONS

These findings paint a complex picture of patron behavior and expectations, but also show some useful common factors for successfully connecting with audiences and building effective revenue.

- **Patrons expect a customized approach.** Whether it is what they are booking, the channel they are using, the emails they click on, or what they choose to support with donations, a one-size fits all approach is often less than half as effective as a custom approach.
- **Customer and donor context matters.** A focus on customizing offers, donation asks and communications based on audience members' interests is effective; approaches that also take into consideration people's immediate context are even more so. Cues like device usage, recent website visits, in-person visits and basket abandonment can help organizations design relevant and effective engagement triggers.
- **Investing in technological tools is important, but only part of the picture.** Thanks to the continued move to online transactions, applying effective audience engagement and revenue-generating tools online (and in particular on mobile) is more important than ever. However, investing in the customer- and donor-facing team's ability to connect with audiences in person and on the phone yields major gains in revenue and engagement that technology is hard pressed to match.

## APPENDIX

- 1 U.K. - [Consumer confidence reached a five-year low in early 2019](#) and retail sales have again decreased year over year. In the U.S. [the middle class has seen stagnating real wages \(after inflation\) for many years, and lower-income families have seen their real wages drop.](#)



In the following pages of the report you will explore data and success stories that we hope will inspire you at your organization.

## INTRODUCTION TO THE DATA

This report includes aggregate data primarily from January 1-December 31, 2018, gathered across up to 343 performing arts organizations from the United States, Canada, the United Kingdom and the Republic of Ireland. This large aggregate data set comes directly from our Spektrix client databases, and gives a unique quantitative view of key performance metrics from across regions and disciplines.

For each of the metrics included, we have defined a way to measure consistently across the whole data set, and then looked at average percentages rather than raw figures to make the data points comparable across differing sizes and types of organizations. Where appropriate, we have also drawn comparisons between different organization types (these are defined in the "About this Report" section on page 60) and global regions, where this may have a direct impact on the success metrics.

## HOW TO READ THIS REPORT

This report has been structured into five sections to guide you through the data and analysis. In each, you will find an introduction to the metrics and why they're important measurements, including the **Key Findings** from our analysis. We then share some **Success Stories** from organizations that are operating in the highest 10% for that metric, showing how their average compares to the full average of the data set. We share some **Considerations** for assessing your own organization's performance against the averages for the data set. In each section, we include **Industry Insight** from a professional consultant who specializes in that area. If you would like to **Benchmark** your organization's performance more fully, we also provide more in-depth data at the end of each section.

# Optimizing the Online Experience

*Global trends continue toward a greater use of digital devices for all financial transactions. We have reached the point where we see mobile phones dominate while the use of personal computers for online transactions begins to decline.*

*To better understand just how critical online transactions have become and the devices used to make them, we explore key metrics on:*

- **Most utilized and effective channels for all transactions**
- **The devices visitors use to access our iframes<sup>1</sup>**

## KEY FINDINGS

### ON TRANSACTION CHANNELS

**60% of transactions were online in 2018**, up from 53% in 2016 and 43% in 2014. This average rises to 82% for organizations doing particularly well in this area.

However, **transactions made by phone or in person are on average 40% higher in value than those made online.**

### GOOGLE ANALYTICS ON ONLINE DEVICE USAGE

For online visits to our iframes, **almost half (46%) of users are on mobile devices**, while only 38% of visits are on personal computers.

When looking at the average rate of patrons converting from a visit to our iframe to a confirmed transaction, **personal computers top the list at 28%; mobile conversion rates are only 16%.**

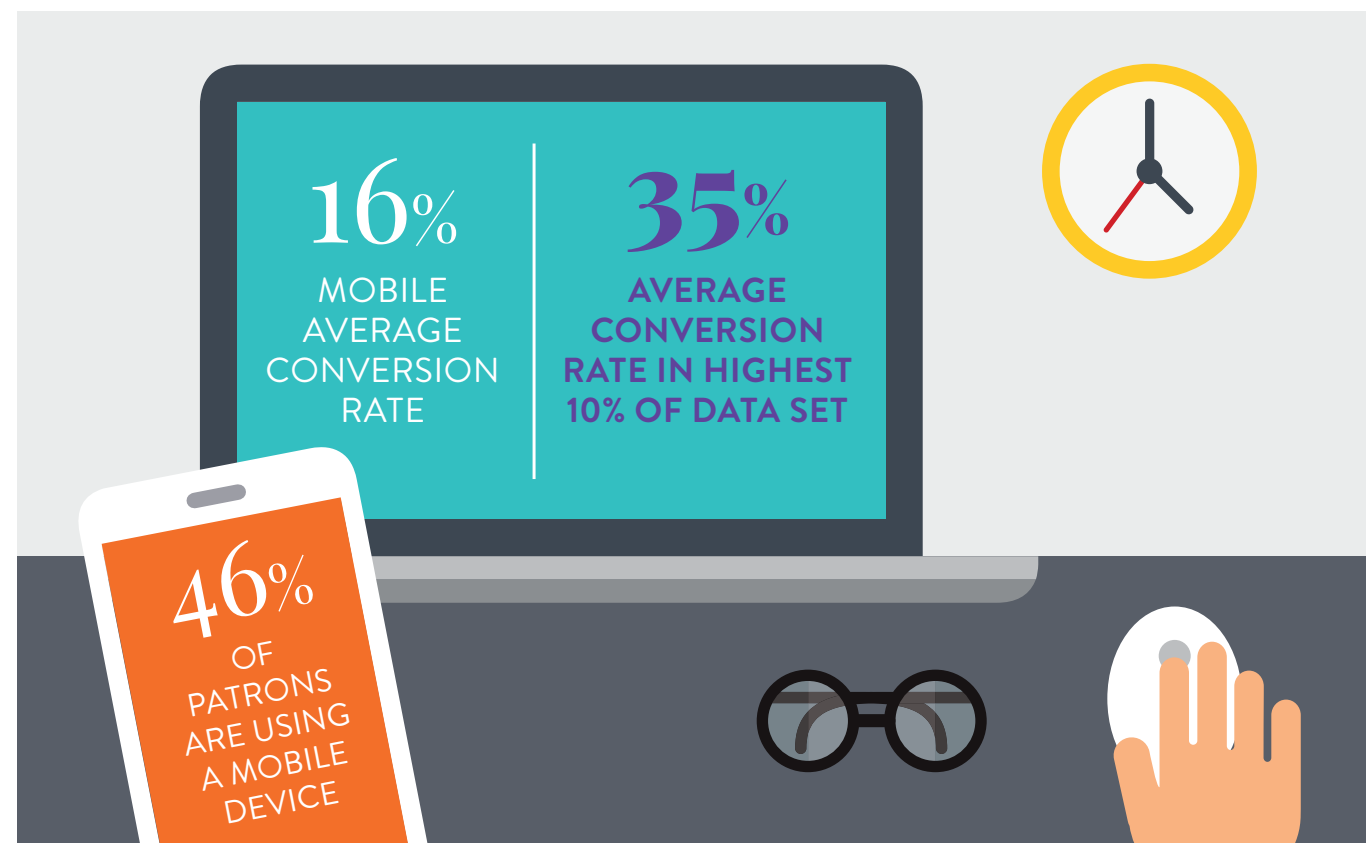
“ At Supercool, we're seeing more and more organizations put accessibility at the forefront of their digital strategy. Focusing on an accessible code structure and clear design is a great foundation for building a website that everyone can access. But as technologies develop and audiences grow, we're seeing more organizations invest continually in their websites, keeping them up-to-date and developing new features that help their audiences.

KATE MROCZKOWSKI  
HEAD OF STRATEGY, SUPERCOOL

E-commerce continues to increase as a proportion of spending across the economy, now representing 12% of all retail sales in the United States and 18% in Great Britain<sup>2</sup>. Our data analysis suggests that the arts sector is ahead of the curve given the dominance of online transactions across the data set, with 60% of transactions occurring online. Yet, despite online's dominance, person-to-person transactions are on average worth 40% more in revenue. This is likely due to in-person cultivation of major gifts and group sales, but the pattern also applies to everyday transactions (as seen in Sections 2 and 5).

The general term “online” can describe the use of any device, such as traditional personal computers, tablets, or mobile phones. When comparing the use of these devices, the performance of our data set is in line with all-industry trends, and the story is clear: We have reached the point where mobile phones rule<sup>3</sup>.

Though dominant for browsing, mobile phones still lag behind personal computers for transaction conversion rates<sup>4</sup>. This pattern – browsing on mobile phones but buying on personal computers – confirms consumers’ self-reported behavior<sup>5</sup>. Yet, if organizations performing in the highest 10% for mobile phone conversion rates are any indication, mobile optimization will become more important in the future.



## MAKING MOBILE MAKE SENSE

TWO ORGANIZATIONS THAT ARE MAXIMIZING MOBILE CONVERSION RATES DESCRIBE WHAT IT TAKES TO IMPLEMENT A DEVICE-FIRST MINDSET.

### TRAVERSE

EDINBURGH, MIDLOTHIAN, UK



*Scotland's new writing theater, the Traverse, champions creative talent by placing powerful and contemporary theater at the heart of cultural life. With two custom-built and versatile performance spaces, the Traverse's home in Edinburgh's city center holds an iconic status as the theatrical heart of the Edinburgh Festival Fringe every August.*

Responding to clear patron demand for a website that would work across all devices (the Traverse saw a 27% conversion rate on mobile phones in 2018, well above the average of 16%), the Traverse continues to reinvest in its digital profile and launched its new website in April 2019 with user experience at the heart of its design. The site, built by Supercool<sup>6</sup>, enables multiple browsing and search functions to allow patrons to easily find an event in a way that suits them. The layout responds dynamically to the device, ensuring a seamless experience across personal computer, tablet and mobile phone. The new website also has a “guest” style checkout path, allowing patrons to continue with their purchases without needing to log in.

To further respond to Fringe festival-goers’ specific needs, the site will switch to “Festival mode” in time for festival booking. This specific area of the site is designed to increase the visibility of the festival program while providing extra information and easy navigation of festival shows to a specific section of the Traverse’s audience.

The Traverse team members now feel equipped to extend the same high level of service they offer in person in the theater to their digital interactions with their audiences.

“ The new user-focused site will allow Traverse to take its online marketing campaigns from efficient to intelligent, improving ticket sales and ROI.

VICTORIA MURRAY  
HEAD OF COMMUNICATIONS



## CLEVELAND PUBLIC THEATRE CLEVELAND, OHIO, USA



*CPT's mission is to “raise consciousness and nurture compassion through groundbreaking performance and life-changing education programs.” They are a professional nonprofit theater company that develops new, adventurous work and nurtures Northeastern Ohio artists – particularly those whose work is inventive, intelligent, and socially conscious. CPT's acclaimed education programs engage youth and adults in creating new works that speak to contemporary issues and empower participants to work for positive change in the community.*

CPT is the only organization in our data set seeing better conversion rates on mobile phones and tablets than on personal computers. They achieve this by keeping the purchase path simple and easy to navigate with clear calls to action, and employ an express checkout and dynamic sizing.

Since approaching the redevelopment of their website in 2015, mobile access (especially on phones and tablets) has been a high priority for the CPT team. As an organization that values inclusivity, their drive to make booking seamless for all patrons is central to their mission.

Before they began their website redevelopment, they were already seeing a high number of ticket purchases happening on mobiles or tablets, and CPT knew their patrons' desire to book on these devices would only increase with time. With the support of their web developer, Go Media<sup>7</sup>, the team tested relentlessly, recruiting staff members to try booking journeys across different devices, user personas and more. The result is an ever-improving, easy-to-navigate and attractive website that works just as well on a mobile phone as it does on a personal computer.

“As Cleveland Public Theatre, we're a theater for all, so looking at the customer experience for someone who has never been to a theater before was important.

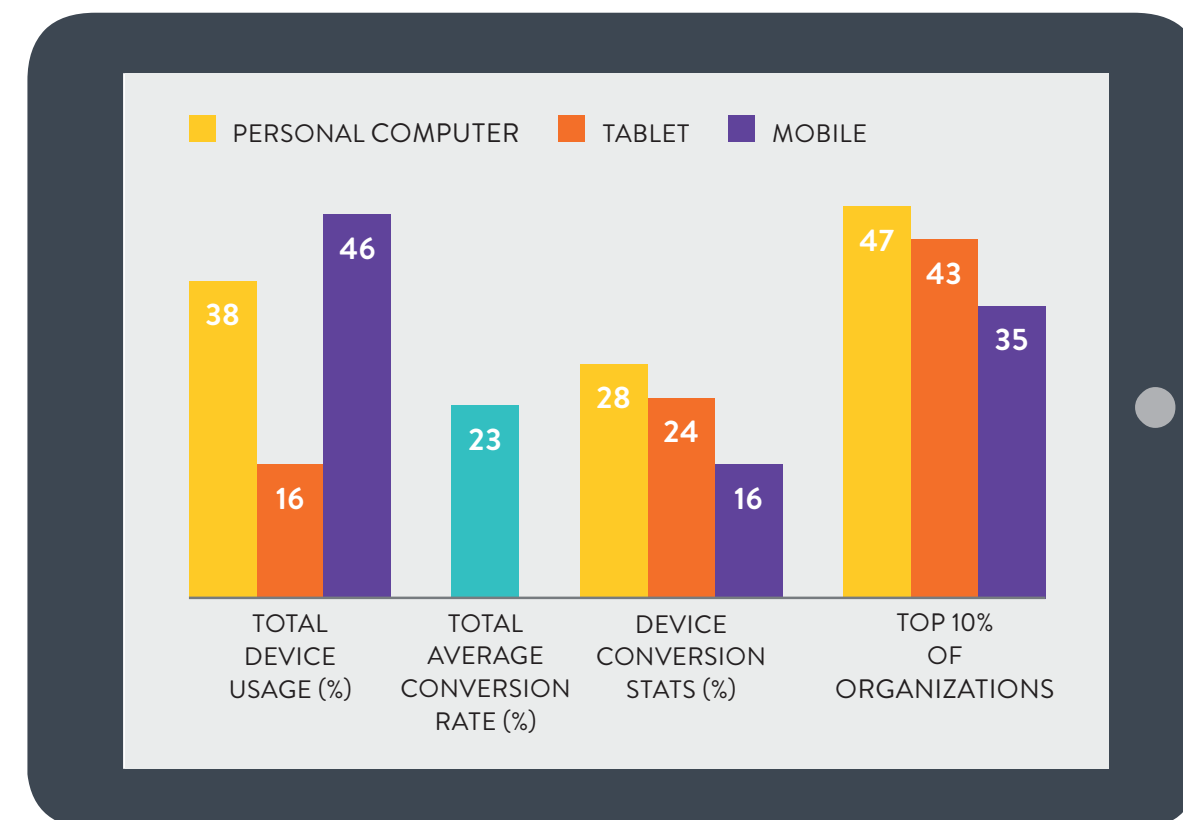
CAITLIN LEWINS

DIRECTOR OF AUDIENCE ENGAGEMENT AND MEDIA RELATIONS

## CONSIDERATIONS

- Mobile has moved from simply one of many concerns to a key critical revenue channel. Organizations with exceptional mobile conversion rates describe being in partnership with their web agencies and investing time and resources in an iterative approach to design, with patrons at the center of all decisions. **Does your organization's approach prioritize a mobile revenue strategy?**
- An approach like the one above might involve a new way of budgeting for web development – as a regular expense rather than a one-time investment every three to six years. **Does your organization's partnership with your web development agency allow flexibility in a rapidly changing online environment?**
- Even as online sales account for 60% of all transactions, in-person and phone transactions are worth 40% more in revenue on average. Many organizations are making plans to increase the accessibility of these sorts of transactions online while others are staffing up development and sales teams to increase valuable human-to-human interactions where possible. **What is your organization's approach?**

## BENCHMARK DATA



## *industry insight:* Capacity Interactive



**Capacity Interactive is a digital marketing consulting firm that partners with arts and cultural organizations across the United States and internationally. They help clients engage audiences, build community, and market smarter. Yosaif Cohain, Vice President, Analytics at CI, discusses the importance of investing in website optimization on a regular basis.**

Having an optimized website that drives more conversions is an item atop any arts marketer's wish list. Website optimization is not a one-time task, but rather is an ongoing process centered around patrons and guided by data. The first half of website optimization is about infrastructure and requires having the right tools in place. The second half is in the organization's mindset – that we must design for patrons above all others, that we will commit to learning and improving, and that we need a dedicated budget for continual website improvements.

Using a suite of free tools – customized Google Analytics solutions for quantifying website performance and learning about user behavior, Hotjar for gaining insights by polling users and watching screen recordings of their sessions, and Google Optimize for running A/B tests on the website – data creates the feedback loop we need to take action and improve the website in a repeated manner. This is website optimization.

For most organizations, the starting focus should be mobile optimization. Yet within mobile, many components can be addressed (e.g. landing pages, page load times, site navigation, the purchase path, etc.). Where does one begin? The answer lies in your data.

## APPENDIX 4

- 1 An iframe is a technology that allows a page on the internet to be embedded inside of another – in this case, displaying the Spektrix transaction (ticket, voucher or membership sale or a donation) interface on your website.
- 2 [https://www.census.gov/retail/mrts/www/data/pdf/ec\\_current.pdf](https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf); <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc>
- 3 <https://blog.globalwebindex.com/trends/device-usage-2019>
- 4 Our aggregate Google Analytics data set tracks conversions from the point a visitor hits a Spektrix iframe. We have looked specifically for entering iframes for purchasable items (tickets, donations, merchandise, memberships, gift vouchers), and visitors that then go on to make a purchase. These conversion rates will likely be higher than typical Google Analytics conversion rates as they cannot track from the moment a visitor hits the website but take as a starting point a page where the visitor has shown a higher propensity to make a purchase. Equally, they are not comparable to basket abandonment rates as the visitor has not necessarily put an item in the basket.
- 5 <https://advantec.co.uk/ecommerce-consumer-behaviour-survey-2017/#q5>
- 6 Find out more about Supercool at <https://supercooldesign.co.uk/about>
- 7 Find out more about Go Media at <https://gomedia.com>
- 8 Find out more about Capacity Interactive at <https://capacityinteractive.com>

# About this Report

## ORGANIZATIONAL CLASSIFICATIONS

*For some benchmarking statistics we have grouped the organizations in our data set into cohorts so that the data is comparable for similar types of organizations. They are as follows:*

- **Arts Center** – multi artform.
- **Classical/Music** – including opera, orchestras, concert halls.
- **Festival** – majority of programming occurs during a condensed time period, normally annual/biennial cycle.
- **Producing** – primary programming is of resident company, artistic output is produced in-house.
- **Receiving & Presenting Venues** – majority if not all programmed events produced externally.
- **College/University** – schools/colleges/universities that predominantly focus on music and drama (e.g. conservatories or drama schools), where the mission is mainly to showcase student work.

## ABOUT THE AUTHORS

### SARAH FROST CLIENT INSIGHT MANAGER

Sarah is serious about data and using it to help make great things happen in the arts. She works frontline on strategic initiatives with organizations that use Spektrix, supporting them to leverage data for decision making and to monitor their success. Sarah has a detailed understanding of the sector's challenges and ambitions, and using her Spektrix and data know-how has helped make a real difference for many organizations. She has previously worked in arts and publishing marketing roles and is based in our Manchester office.



### LIV NILSSEN SECTOR STRATEGY LEAD

Liv brings 15 years' experience in performing arts management and fundraising in both the U.S. and the U.K. to the global Spektrix team. Her role is to ensure that we have the biggest impact on the arts and cultural sector as possible. She is the Co-author of our *Boldly Compliant - GDPR* series and is always looking to further understand the world from our clients' perspectives, share learnings and make connections that help realize and even grow their ambitions.



## ABOUT SPEKTRIX STRATEGIC CONSULTATION

### Strategic Consultation

The combination of our people, software tools and extensive industry experience puts us in a unique position to consult with our clients on a wide range of topics. The areas we support range from strategic to tactical and from one-off workshops to long-term projects. We often focus on business change supported by best practice use of our software. The service is available to all of our clients and there is no extra cost for accessing it.

### Support and Training

We're on hand to help our clients seven days a week with their use of Spektrix and getting the most out of our tools.

# What's next?

***Would you like to speak to us about anything you have read in this report?***

**If you're an organization that's not using Spektrix**, book a call with one of our expert team members to explore how your organization shapes up against your industry peers. [Click here](#) to book a slot or call (646) 741-4337.

**If you're an organization already using Spektrix** and would like to explore how you can take the insights from this report and make changes within your organization, please visit our Support Center where you can access our consultative support, contact us via [support@spektrix.com](mailto:support@spektrix.com) or call (646) 569-9097 or 1-800-961-5971. All our consultative support is included at no extra cost.

**For partners, press or sector questions** please contact us at [hello@spektrix.com](mailto:hello@spektrix.com) to explore opportunities for utilizing the data.