

Ticketing strategies: pricing and packaging

Selling shows as part of a package | Why packages are a good idea

Offering performing arts experiences together as 'subscriptions' or 'packages' has many benefits, both for you and for your audience members. (The benefits for audience members described here have been gathered from Focus Group research with arts audiences in regional Australia. These are things audiences have told us.)

Benefits for your Audience:

- **Self Discipline.** Audience members who like to buy in packages use the advance commitment as a form of self-discipline: **it 'makes them go'**. Even if they're tired, it's midweek, or it's raining, they'll still go because they've already bought the ticket.
- **Help Juggling Commitments.** Perhaps they're not so good at spontaneous outings: they might be juggling multiple commitments across work and family, and their calendars are busy. Some people's response is to **'get organised'**, by putting events they want to attend into their calendars in advance. Buying packages in advance helps them do this.
- **Socialising.** Some audience members use their attendance at performing arts events as **occasions to catch up with friends or family** members. Putting the dates in everyone's calendars in advance ensures that they're all available, that they'll be there.
- **Saves Money.** Offering a discount price for packages, in return for their advance commitment, provides an incentive to consider buying, and people appreciate **saving money** on the full ticket price
- **Enjoyable discoveries.** Sometimes people see shows they wouldn't otherwise choose, as part of a package, and they **discover something new** that they didn't realise they'd enjoy. This experience encourages them to be more adventurous in future, and leads to **deeper knowledge of the arts and deeper enjoyment across a greater range of experiences**. Their life is enhanced.
- **Anticipation.** A paper in the journal *Psychological Science* suggests that **we derive more pleasure from anticipating experiences** than material objects. So it follows that **buying tickets in advance** of the event provides more enjoyment than buying the ticket closer to the event.

Benefits for You:

- **Save time and marketing costs** when selling packages: your return on marketing investment is much greater compared with single ticket sales.
- **Plan your marketing in advance.** Seeing sales in advance across the year **helps you plan your marketing effort for individual shows further in**

advance. You get a sense of what shows will sell better than others, earlier in the year.

- **Increase audience frequency.** Encouraging your audience to buy multiple shows in advance **encourages more frequent attendance**, which results in **more loyal and more experienced audiences who are willing to try more new experiences.**

Small themed packages

Packages don't have to be large. Take your single ticket prices for each event, add them together, and offer a slight discount on the package (maybe 10% to 15%) – or you could include one complimentary drink or snack with each event. In a metropolitan setting you may need to have a number of events in the same artform or genre to offer together, for this strategy to work. People might like to stick to the one genre (theatre, or music) for example. But in regional Australia audiences seem to attend a more diverse range of events, perhaps because there is not so much to choose from. (Use your Vital Statistics analysis to work out how big the potential audience might be for each type of event, by doing the *analysis for targeting described on page x.*) Examples of small themed packages: combining a classical music, traditional theatre and traditional dance event together, and calling it a "Classics Pack"; combining a puppet event, children's music event, and children's theatre event and calling it a "Family Pack".

Small flexible packages

OR, you could allow people to make up their own package by offering 10-15% off (or a free drink or snack each time) with any combination of three events bought together.

Organisations who offer whole-year subscriptions often find this type of small, more flexible packaging works to attract previous single ticket buyers to their first package purchase.

Pricing strategies for single ticket sales

Dynamic and demand pricing (also known as 'yield management')

For popular events, some arts organisations are now trying dynamic pricing linked to demand, as do hotels and airlines. This usually means the price rises closer to the event. This only works for events that are in demand. (Usually, for events that organisations find difficult to sell, the number of discounted offers increases the closer we get to the event.) Sydney Theatre Company has used yield management successfully to increase revenue over a number of years. Dynamic pricing or yield

management must only be introduced after careful planning, as there are downsides. See online references below.

Value-adding

You should start out offering single tickets at full price, monitor sales, and then if sales are slow, try value-adding: a glass of wine included for the same price; a second ticket at half price; a bag of popcorn with a family ticket. (Find out what your audience values most – perhaps by looking at your bar sales.) Rather than making these offers loudly and publicly, to avoid disappointing customers who have already bought unenhanced full-price tickets, make these value-added special offers to membership organisations in your community, or to segments of your own database, quietly via email. Monitor sales. Make more value-add offers available if more effort is still needed.

Discounting

Price discounting, apart from offering concessions based on capacity to pay, such as for pensioners and full time students, should usually be a strategy of last resort. As the event approaches, consider whether you need to step up the effort and offer discounted prices to select groups, again via email. Groups who can email their members on your behalf are valuable in these circumstances. Discounts tailored to particular groups are also a great way to track results: if you create a special buyer type + price for each offer, you can easily check your (Vital Statistics) reports to see how response to the offer is going. This will tell you which groups will provide the most valuable relationships to pursue in the long term.

Note on timing:

It will be obvious by the descriptions of these pricing strategies that they require advance planning, close monitoring of ticket sales, and time to implement them as the event approaches. They are not expensive to implement, and when combined with segmented use of your database, other membership organisations in your community, and good email practice, can be very effective.

Online resources on pricing:

How to think about pricing in a downturn: <http://hbswk.hbs.edu/archive/2884.html>

Dynamic pricing and revenue management in the arts:
<http://www.thinkaboutpricing.com/left-navigation/revenue-management.html>