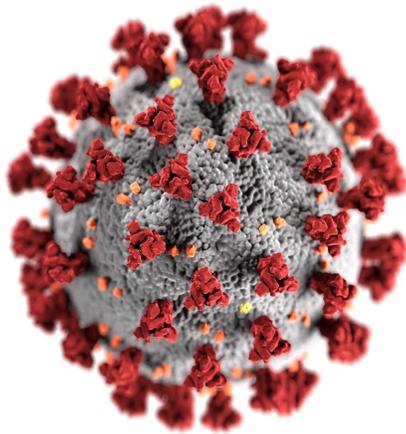




# Ticketsolving: Establishing an Effective Response to Covid-19:

Maximising Revenues with Baker Richards

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COVID-19 has caused major disruption to arts & culture. Many organisations are facing new challenges each day to ensure their doors reopen. In this Whitepaper, we'll show you the impact of the COVID-19 pandemic and prepare your organisation for a successful reopen.

21 April 2020\*



## Baker Richards

Baker Richards is a leading international provider of consulting services and software for the arts & cultural sector. In the latest edition of The Arts and Everything In Between podcast, we sat down with David Reece & Robin Cantrill-Fenwick of Baker Richards to discuss bounce-back strategies for the arts and addressed best practices to effectively plan for future reopening after the Covid-19 related closures.

# Current Challenges Facing the Industry

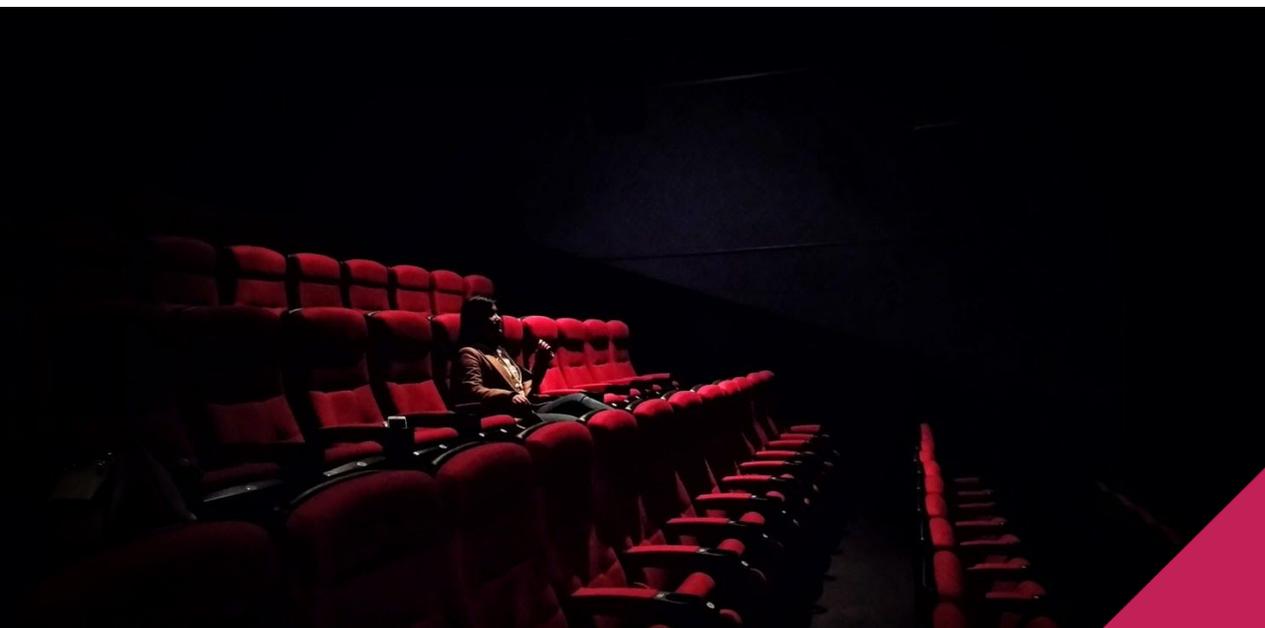
Early indicators suggest the arts sector could be looking at a lost quarter, potentially two, with many experts anticipating a return to normality as far as a year away. Planning now will ensure teams can hit the ground running, once it is safe to reopen doors to the public.

## Uncertainty and Closure

One of the most pertinent challenges faced by the arts sector currently is time. Theatres and arts organisations are currently looking at long periods of closure with no certainty around the end of the pandemic. Managers are concerned with how their organisational structure will need to adapt to a new and unfamiliar landscape when doors reopen. At the moment, the only certainty is uncertainty. Planning for the future should be a top priority for organisations looking to adapt to new challenges in the coming months.

## Key Staffing Issues

Cash flow is a challenge for the arts sector. Research shows that organisations may need to furlough vital staff for a period of weeks and in most instances, months. This presents further difficulties amongst teams as the knowledge for strategic planning within the organisation and key staff are not available to assist. There is a trade off and opportunity cost for keeping your strategic employees on the sideline as you try to rebuild, so careful consideration is necessary when evaluating your short-term and long-term priorities.



# Strategic Planning to Secure the Future

While there are certainly a lot of challenges right now, it is critical for arts and cultural organisations to look forward and plan strategically for the future, regardless of how long closures last. Below, Baker Richards outlines three core actions organisations can take now in order to secure their future.

## 1. Create Your Own Playbook

Proper planning will prepare organisations with the ability to adapt to new situations and thrive in periods of uncertainty. Of course this requires a lot of work especially, as no one fully understands how the industry will look six months from now. Baker Richards uses playbooks to map out various scenarios and to also formulate planned responses and tactics to combat any new challenges within the sector. Playbooks (your planned strategy, tactics and actions) will allow you to have greater flexibility and help your teams adapt to any situation. This can be used everyday and not just in crisis situations! While it is impossible to plan for every eventuality, even the act of sitting down and thinking through the majority of them will better prepare you for your current situation and reopening.

## 2. Time to Take Stock

Use this time to understand what activities are most valuable for your organisation and identify which actions lead to the greatest results. Identify your most profitable income streams and what monies make the biggest difference to your bottom line. For example, in the UK donations eligible for Gift Aid might be more financially impactful than general ticket sales for your organisation. Leveraging data and what you know about your audience segments will allow you to tailor your strategy to find your winning combination.



### 3. Maximise Income

Baker Richards suggests focusing on a retained income strategy and using a tool called 'The Income Strategy'. This allows you to analyse ways to maximise earned income in your organisation based on the below;

- **Admissions:** ticket sales.
- **Affiliation:** memberships, loyalty schemes, volunteers, donations, etc.
- **Ancillary:** Food, beverage, merchandise, etc.

Baker Richards explores the different business models of these streams and looks at how they can work together to encourage upselling and cross-selling and improve profitability.

*“Organisations should seek to maximise the income from their customer base by optimising sales across these three areas; cross-selling and up-selling between each. The pricing of all three areas is inherently related. For example, changing the price of admissions may directly affect the perceived value of an affiliation programme, where benefits include free or discounted admission. In all cases the prices charged for one element affect a customer’s perceptions of the prices being charged in another area”.*

\*First published by Arts Professional, 26 October 2017, [artsprofessional.co.uk](https://artsprofessional.co.uk)

## Maximising Revenues and Retaining Income

At the moment the financial health and security of arts and cultural organisations is at the top of everyone's minds. Below Baker Richards will take you through three key areas to consider when looking at how to maximise your revenues: retaining income, using segmentation to find your most valuable customers and dealing with discounts.

### Retaining Income Where Possible

In the long term, it's going to be very important to recoup money from the current downtime, especially the money that makes the biggest impact. Right now Ticketsolve customers are seeing a major increase in prepaid tickets being converted to donations and credit vouchers. Currently, 52% of ticket revenue has been secured for organisations using the Ticketsolve Ticket Exchange Tool. These audience members will be vital to maximise income when doors open once again.

*"The Ticket Exchange Tool has transformed what otherwise would have been a daunting and tedious process for our team here at Ipswich Regent Theatre. The tool is optimised within Ticketsolve meaning that there is no manual effort required. Their team has worked with us from the beginning of this pandemic, developing and growing the tool to respond to our changing needs and most importantly, to fulfill the expectations of our audience members and minimise the impact of cancellations and postponements for our customers and staff".*



Peter Ling, Shows & Finance Manager,  
Ipswich Regent Theatre and Corn Exchange.

## Segmentation

It's fair to say that audience members interact with your organisation in different ways. Segmentation is important if you want to effectively maximise income.

### Start with Your Membership Scheme

A good first place to start is by separating your transactional from philanthropic audiences. Philanthropic audience members know the true value of your offering and make ongoing efforts to support your organisation.

While both are important, the philanthropic segment is the most valuable for reopen campaigns as they already have an affiliation with your organisation. Ideally, you'll want to gear up to retain and grow the number of people affiliated to your cause through membership schemes and loyalty programmes.



Baker Richards recommends that you enroll people in [membership schemes](#) or an existing friends scheme to reward them for their support. Those who have left donations have made a significant gesture and rewarding that behavior will encourage more of the same. Priority booking and access to exclusive events will encourage booking and will also hold high-value to the customer while being a low cost to your organisation.

## Best Practices for Segmentation

The next step is to better understand your audiences to help grow your membership, and to begin to identify which audiences to target with different types of communications. This is crucial as it will help you identify your most valuable customers and given your likely limited resources, targeting this segment will be more fruitful straightaway.

**Frequency** - How often a customer visits

**Recency** - How recently have they last visited

**Purchase Value** - How much do they spend per visit

Using this analysis you'll be able to highlight specific audience members who are actively engaging with your venue and segment customers with great potential for long-term loyalty. Segmentation creates an important opportunity to get tactical with communications and grow membership within new and untouched segments. These simple reports can be easily created in Ticketsolve with Your Reports .

Another area to consider are possible untouched segments. Baker Richards have given us two examples of audiences to keep an eye out for, these are;

**Infrequent loyalist:** comes once a year but every year

**New converts:** only came twice but came twice in recent months

Identifying new clusters of audience members like the above will help you maximise your customer communications ROI and deliver the right message to the right people!



## Are Discounts Your Best Tactic to Draw Audiences Back?

By default, many organisations will be formulating plans to attract audiences back to their venue through discounted tickets and exclusive offers. Although this may work in the short-term by boosting volume, discounts undermine the value of your offerings in the long-term.

We understand how difficult it can be to escape discounts. Especially now, when so many people are being financially impacted by the health crisis. However, alongside the pressure of competitor offerings, consumers become comfortable with promotional reductions and form a low-anchor price for your organisation's product. It takes time for consumer expectation to rebuild to a higher price and this may damage income in the long term.

If you do implement a discount strategy, your offerings need to be strategic and specific. For example, rewarding advanced booking or multiple show purchases encourages upselling without diminishing the value perception attached to your product.



SALE

## Final Thoughts

A final tip from the team at Baker Richards: this is a great chance for introspective analysis. Use this time and seize this reopening opportunity.

Break your current planning into three stages;

### **Step 1: Reboot**

Get things in order, take stock and create your own playbook. This is where you create your own adaptive plan.

### **Step 2: Re-Engage**

Understanding your value and messages to your newly highlighted segments.

### **Step 3: Reopen**

Welcoming back your audience members. Use this time to monitor and constantly plan for the future.

Indeed there is a lot to consider, so start small and see which actions make the biggest difference to your individual organisation. If you want some advice or want to chat about anything don't hesitate to get in touch with us here at Ticketsolve.

We would like to offer a special thanks to Baker Richards and David & Robin for coming on for this special episode of our podcast.

If you would like to find out more about their work, check out Baker Richards website for further resources on

<https://www.baker-richards.com>