

Paid Patronage in Philadelphia: Migratory Trends and Growth Factors

A TRG Patron Behavior Study



Synopsis

This study examined paid patronage trends among Philadelphia arts and cultural organizations. Findings are presented as part of the Engage 2020 *Research Into Action Report*, a resource to help inform strategies for doubling engagement in the community by the year 2020.

TRG analyzed patron behavior in:

- 17 organizations; nine performing arts and eight museum / cultural organizations,
- Five years of transaction history for each organization,
- A total of 515,677 households,
- 1.64 million transactions—single admission and subscription purchases as well as membership and donation investments, and
- Migratory patterns, i.e. how patrons began and ended paid patronage and how patronage lapsed and reactivated.

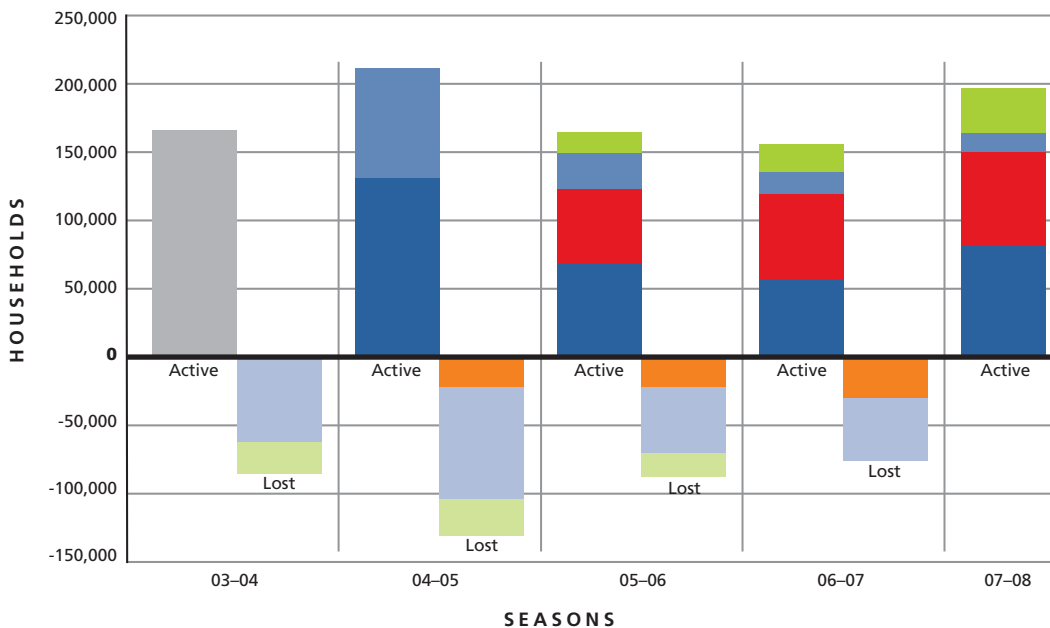
The overall effect of migratory behavior patterns were observed to determine whether and how paid patronage growth occurred in the community.

Major Findings

Philadelphia experienced high levels of total attrition—households ending paid patronage in all organizations of the community. Attrition—paid patronage losses, also called churn—at individual arts and cultural organizations has been well-documented in recent years. This study shows that paid patronage losses by an organization also can be a total loss of that patronage for the entire community. Attrition during the study period was especially acute among new-to-file patrons, those who made a first paid transaction at any organization within the community during the study period.

Two out of every three new-to-file households were lost from the community in the year following their first paid transaction. Regardless of the number of new-to-file patrons, the rate of loss year-to-year among newcomers was consistently high: 63% in 2004–05, 68% in 2005–06, and 78% in 06–07. Conversely, only 32% of all “new-to-file” households remained active paid patrons in the community (were retained) after their first year of paid patronage.

PORTRAIT OF PAID PATRONAGE MIGRATION



Active	Lost through Attrition
■ New to File (NTF)	■ Exited — as NTF
■ Retained — Previous Year NTF	■ Exited — as Existing Patron Multi-year
■ Existing Patron Multi-year	■ Lapsed — Returns Later
■ Reactivated After Lapsing	

For each year of the study period: The bar above zero shows the number of households that were active in paid patronage. The adjacent bar below zero depicts that year’s households lost through attrition.

Patron losses consistently offset active paid patronage year-to-year. Blue-shaded bars represent the study’s dominant force—new-to-file (NTF) households. Whether the number of NTFs each year was large or small, two-thirds or more ceased paid activity the following year.

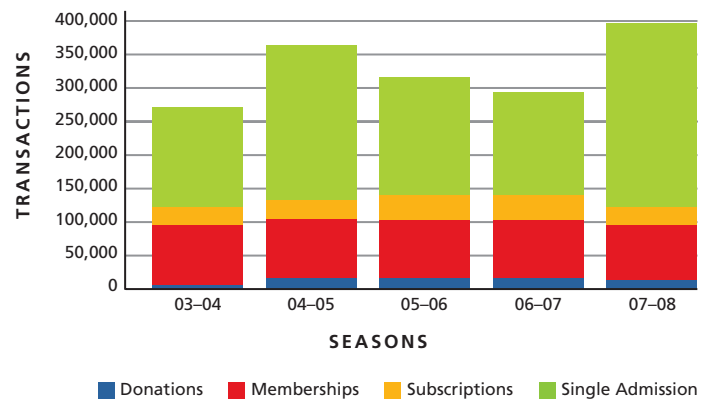
Attrition outpaced retention, even with incremental growth among retained patrons (red bars).

Single admissions drove paid patronage in the community; major events drove single admissions.

(Single admissions are represented by the green bars in this diagram.) When major events occurred in the community, single admissions increased, driving up paid patronage overall. Major museum exhibits—one blockbuster in 2004–05 and two very popular installations in 2007–08 generated peak paid patronage in these seasons. (Deeper analysis of the impact of major exhibits and events, while outside the scope of this community-level study, could provide instructive insights and should be pursued.)

In this study, 45% of all transactions were for performing arts organizations; 41% were for one museum alone and 14% were for the seven other museum / cultural organizations.

TRANSACTIONS BY BUYER TYPE



Having just one paid transaction in the community over the study period was the most common type of patron behavior.

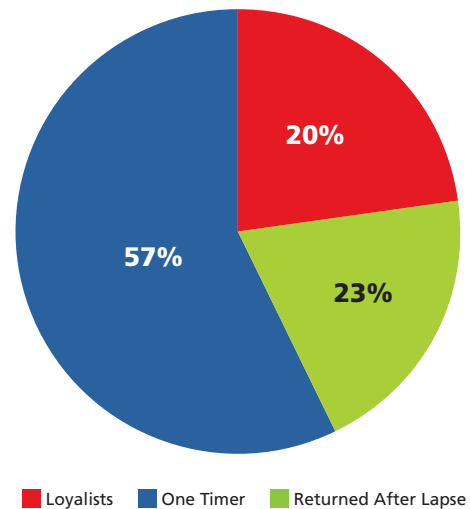
Among all households examined over the study period, 85% had migratory behavior attributes that fit into one of three patterns:

One-timer (blue segment in chart), began paid patronage one year and exited the next. Three of four of this group’s transactions were single admissions, 24% were memberships. With a median age in the low 50s, this youngest of the three groups has the longest potential patronage life span.

Returned after lapse (green) exited for one year or more and then resumed paid patronage during the study period. Two-thirds of these transactions were single admissions.

Loyalists (red) had paid transactions in three or more years of the study period. While 46% of Loyalists’ transactions were single admissions, they also subscribed (18%), were members (28%) or donors (8%).

MIGRATORY BEHAVIOR GROUPS



The net effect of migratory behavior was decline.

The number of households engaged in paid patronage dipped 5% from first to last year of the measurable migratory study period.

In a community striving for growth, this study underscores the importance of increasing rates of patron retention within organizations and, therefore, community-wide.

