

Understanding Your File Makeup in the “New Normal”



Here with you today:



**Myles King, Director of Donor Communications, Stewardship,
& Annual Fundraising**
The Kennedy Center



Ambry Capistrano, Director of Membership
Monterey Bay Aquarium



Daniel Vincent, Director of Membership
The Trustees



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Avalon Consulting Group

What's the new normal for arts fundraising?

- Museums and performance venues closed
- Limited re-opening
- Staff furloughed
- Digital fatigue
- What do we do???

The Metropolitan Opera Won't Reopen for Another Year



A worker checks the body temperature of a visitor outside the Metropolitan Museum of Art as the city continues Phase 4 of re-opening. Photo by Galati/Getty Images



2 of 5 | Museumgoers line up outside the Seattle Art Museum in downtown Seattle as they wait to enter on SAM's first day of reopening, after pandemic closures. (Ellen M. Banner / The Seattle Times)



COURTESY OF/CONSTELLATION CULINARY GROUP

The food truck, Prepped, is located on the north side of the museum.

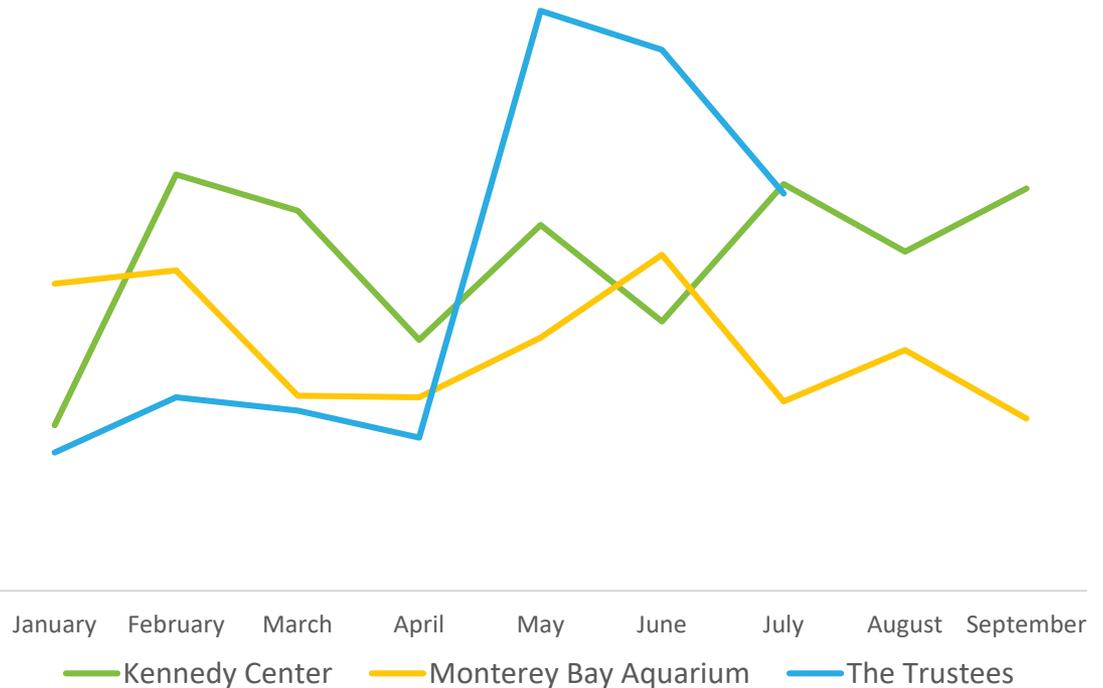
The Philadelphia Museum of Art has reopened to visitors, <https://www.phillyvoice.com/tags/food-drink/>

Museums Across the US Are Furloughing and Laying Off ...
Apr 7, 2020 — Now, museums large and small across the United States are steadily laying off and furloughing staff as they grapple with their new financial ...

Look at your data. In today's evolving environment, you need to understand what's happening with your file.

- Understand today's picture
- Know what *your* performance looks like – it could be very different from other orgs
- What are your current challenges?
- What challenges do you need to consider for future years?

2020 Monthly Revenue



If my revenue and member counts look good, why do I need to look beyond standard KPIs?





**The
Kennedy
Center**


AVALON®

When outside factors skew our performance, we must make sure that our Membership foundation is strong.

CHALLENGES:

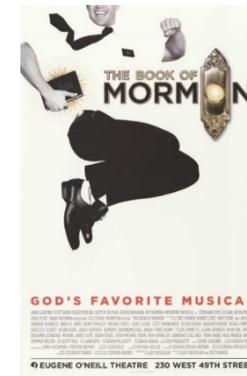
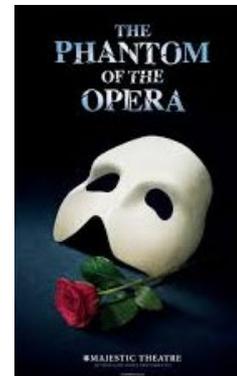
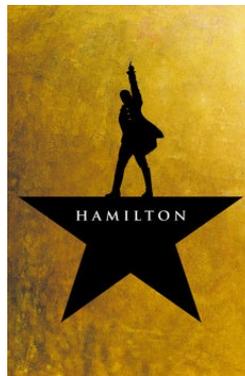
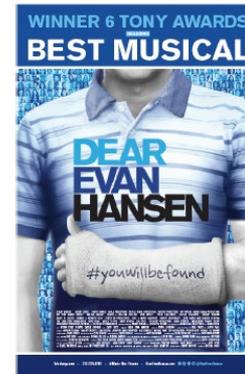
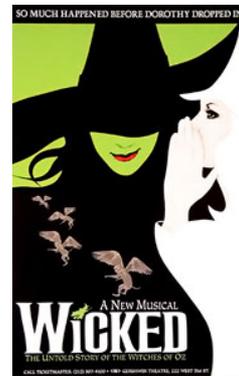
- Pandemic-related closure
- Membership rate increase
- Surges from blockbuster shows
- Press coverage about *other* orgs applied to the KC – different business model!

HOW DO WE MANAGE THROUGH THESE?

- Review and compare post-surge and post downturn performance from the past to inform our re-solicitation strategies going forward.



Member surges are driven by show popularity.
Understanding how Membership ebbs and flows around
big shows is critical.



And, more recently, other factors have impacted our file in big ways: a rate increase and COVID-related closure.


THE KENNEDY CENTER FOR THE PERFORMING ARTS
WASHINGTON, DC 20540

IMPORTANT – Open to see your Early Renewal Offer!

POLY 1-1/8 x 4-1/2
78L 5883

Act now! Rates increase January 1st

When you renew today, you will continue to receive your current benefits such as Members-Only Ticket Priority, a 10% discount at our restaurants and gift shops, and your free subscriptions to our *Kennedy Center News* magazine and *On the Aisle* newsletter.

In addition, we are pleased to introduce a number of new exciting privileges, including:

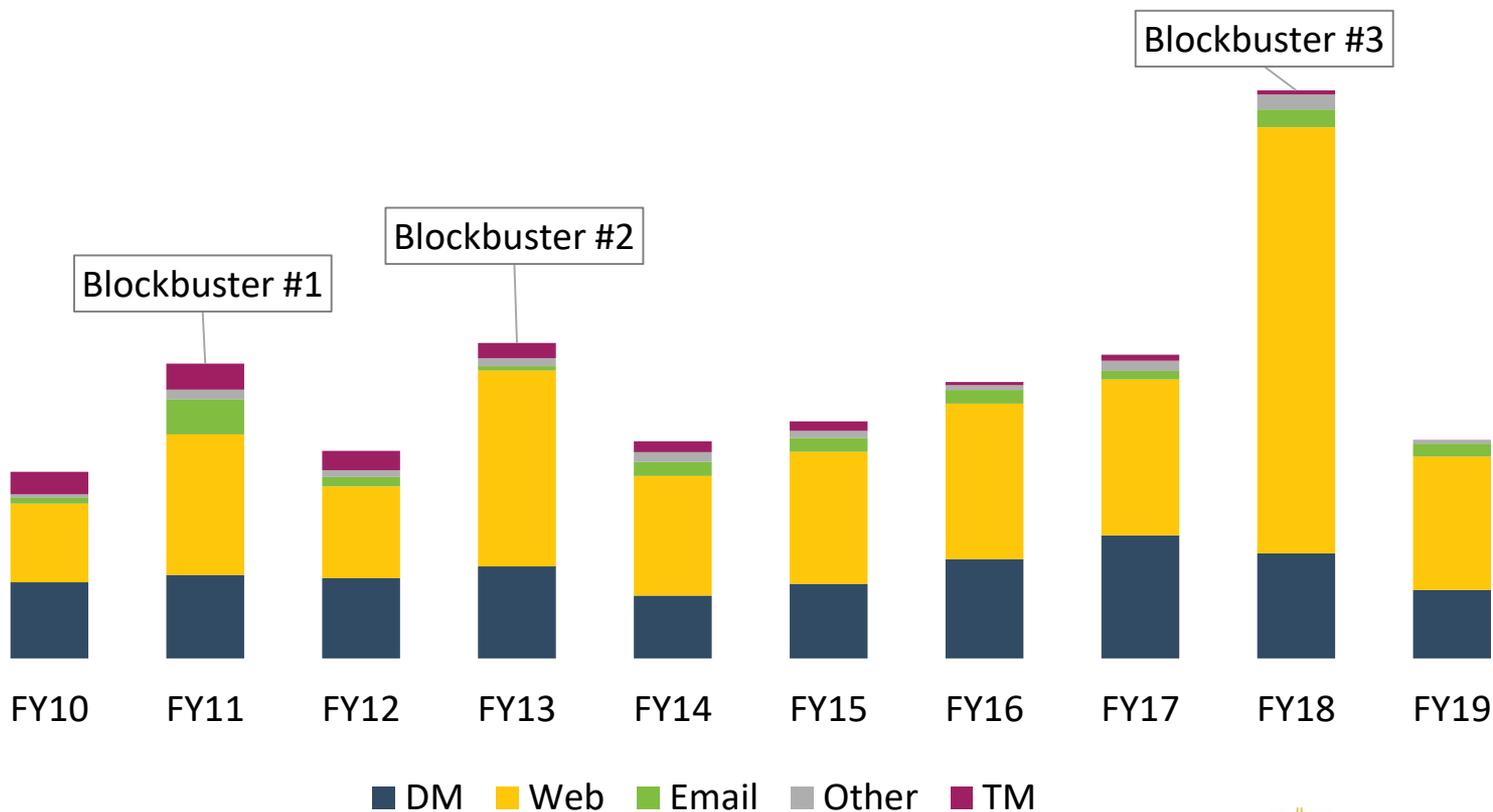
- Access to Kennedy Center updates and discount offers, starting at the ~~\$25~~ Associate level ~~\$60~~ (previously called the Sustainer level);
- Reserved seating at Washington National Opera's annual *Opera in the Outfield*® event, starting at the ~~\$200~~ Sponsor level; ~~\$600~~
- Reduced service fees on purchases for Kennedy Center performances, starting at the ~~\$200~~ Sponsor level; ~~\$600~~
- Access to the Priority Waitlist for the Kennedy Center Honors, starting at the ~~\$200~~ Sponsor level; ~~\$600~~
- Our new *Principal* level of Membership, starting at ~~\$1,000~~ ~~\$850~~. Benefits include advance invitations to major special events at the Kennedy Center, an invitation to up to four National Symphony Orchestra Working Rehearsals for you and a guest, and a voucher for a collectible souvenir cup to enjoy a drink of your choice during a performance. And invitations to purchase tickets to our spectacular July 4th Celebration will now begin at the *Principal* level;
- And so much more! Please see the enclosed brochure for all the exciting details.

Renew before January 1 to lock in these 2018 rates!

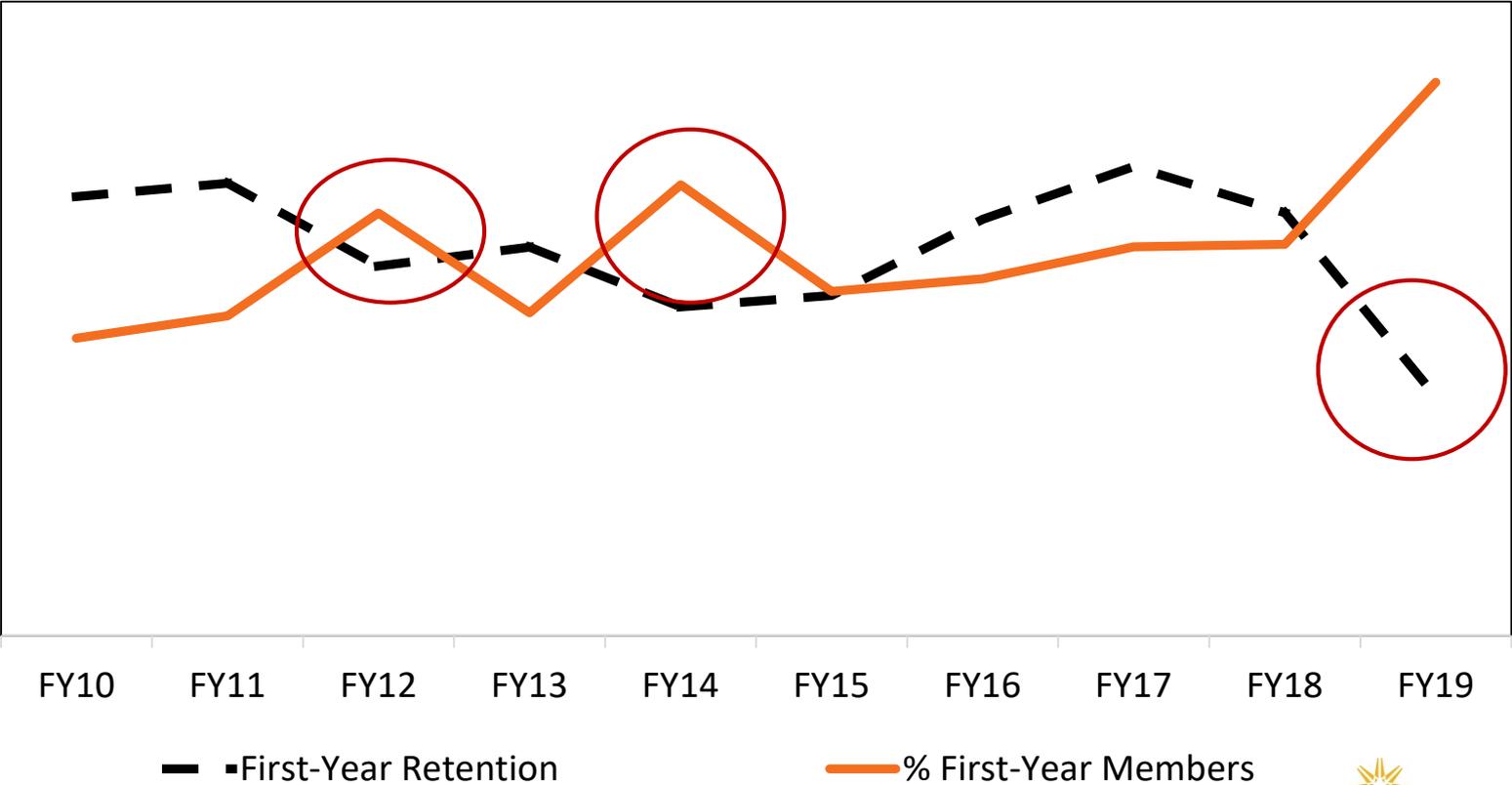
New level of Membership!



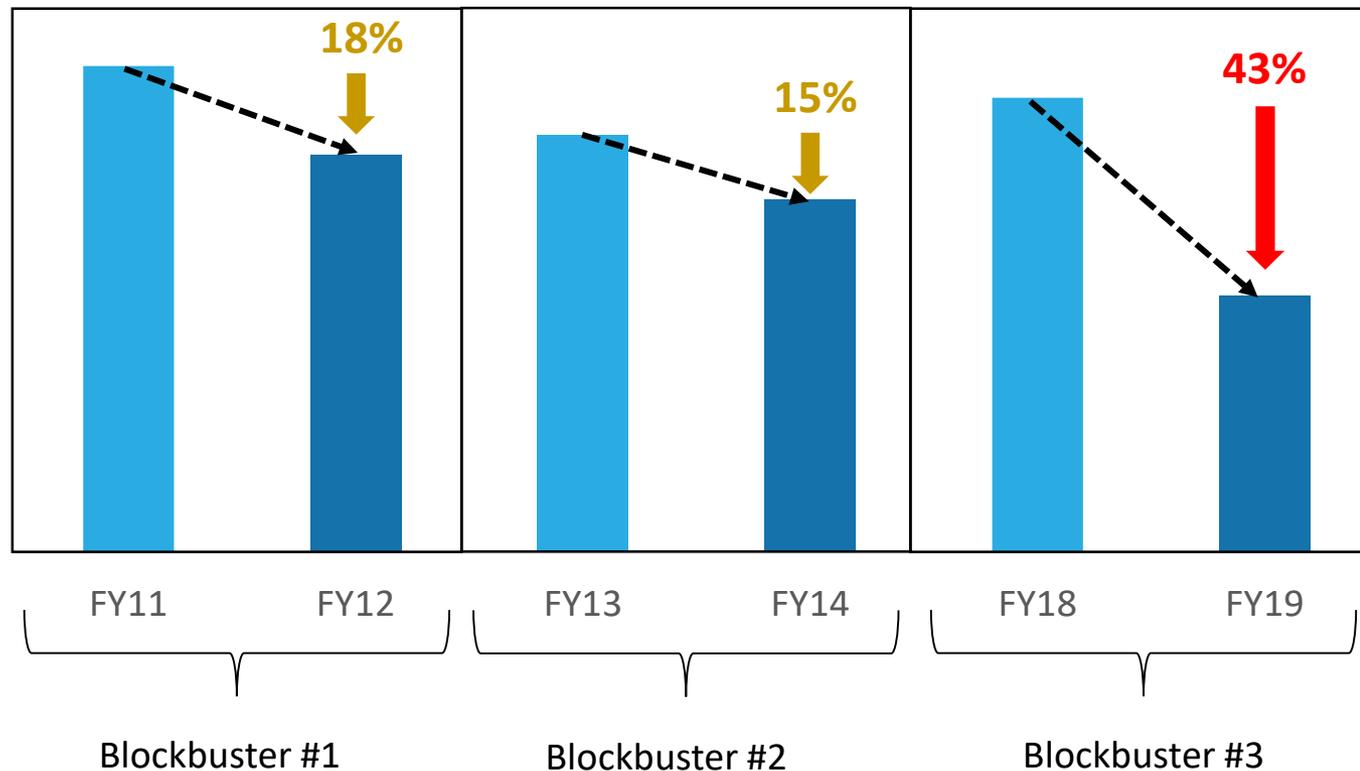
In FY19, new joins were at the lowest level they've been since FY14, with declines in acquisition across all channels and dramatically down after the 2018 surge.



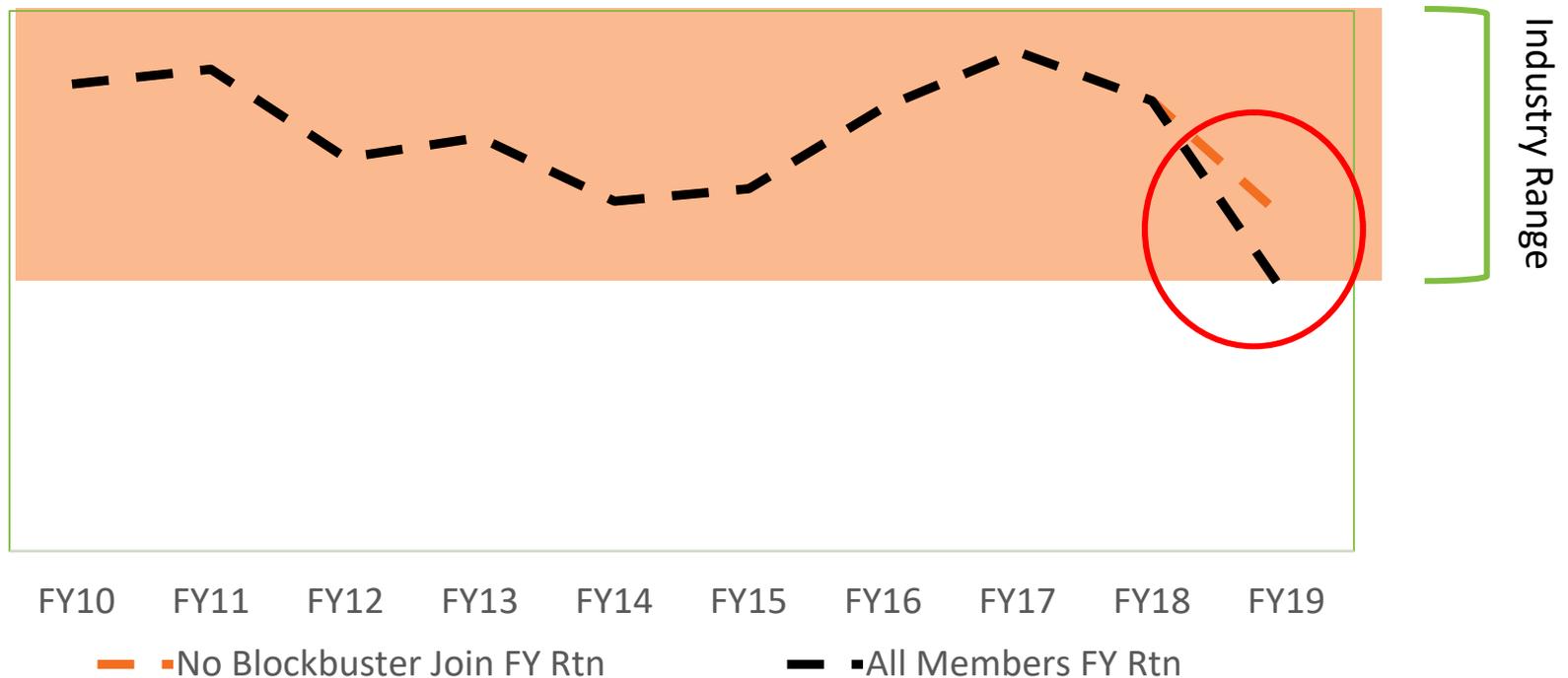
Following blockbuster years, we'd seen a spike in the percentage of first-year Members on file and a decline in first-year retention.



While first-year retention often drops when first-year volumes increase, the drop-off after the FY18 blockbuster was much larger than previous years.

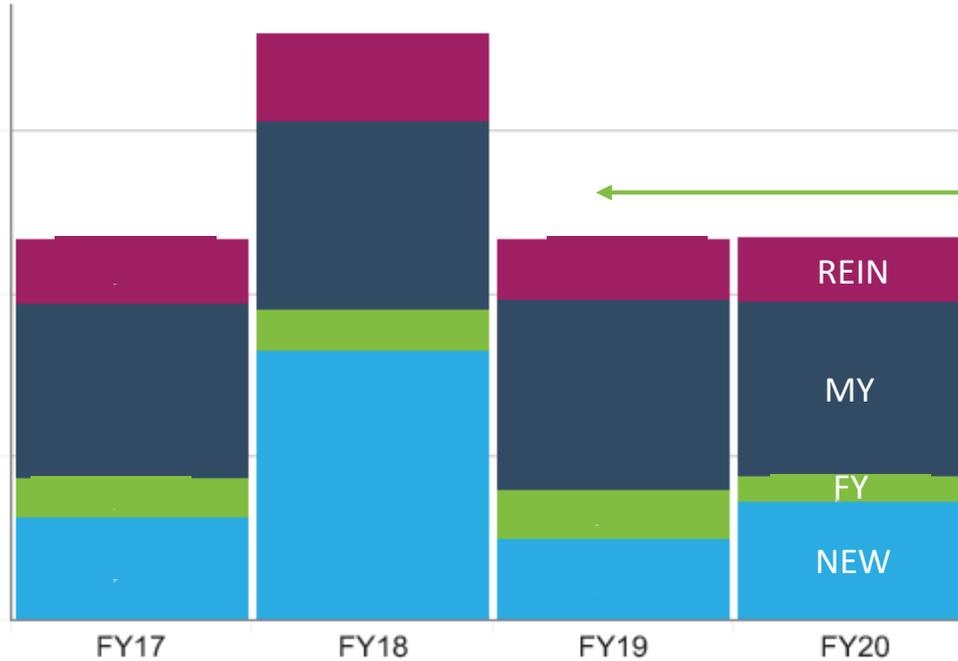


Excluding FY18 blockbuster joins, the decline in first-year retention is less severe (22% vs. 43% decline) and is typical after a rate increase.



So, we're ready to anticipate some drop in retention.
But our Member counts look ok, right?

Members (through Q3)



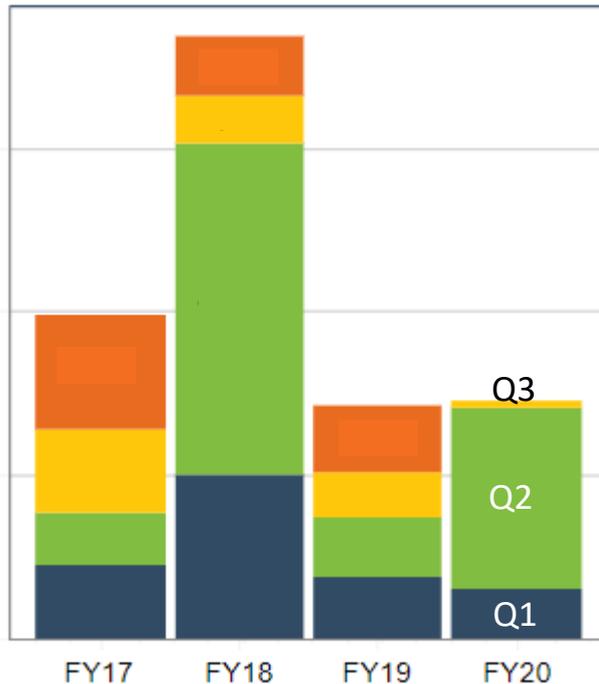
Overall FY20 Member numbers look flat to FY19.

And new joins are up 42% in FY20 vs. FY19 through Q3.

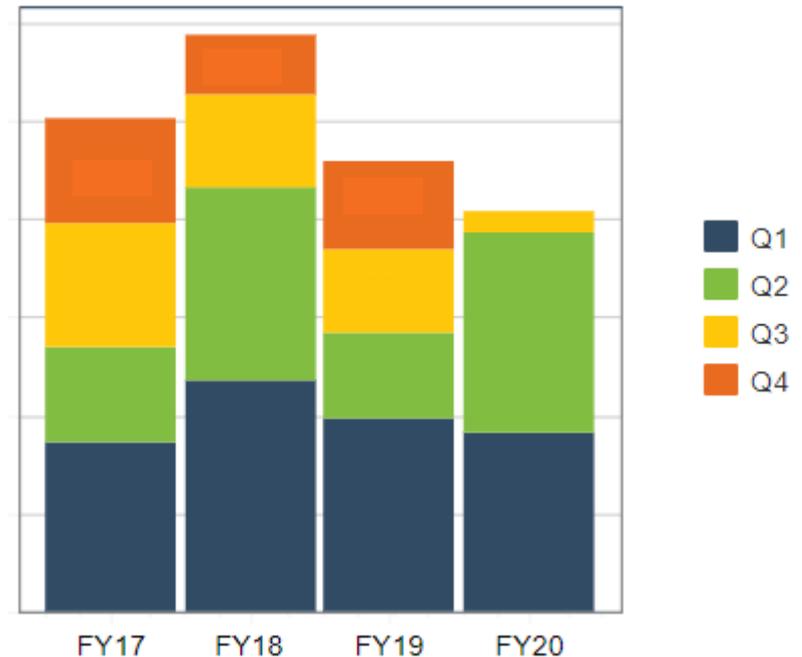
■ New Joins ■ First-Year Members ■ Multi-Year Members ■ Reinstates

But when you look at new joins and reinstates by quarter, you see a MUCH different picture. The huge Q2 surge (green) is masking the Q3 drop off (yellow).

QOQ New Joins



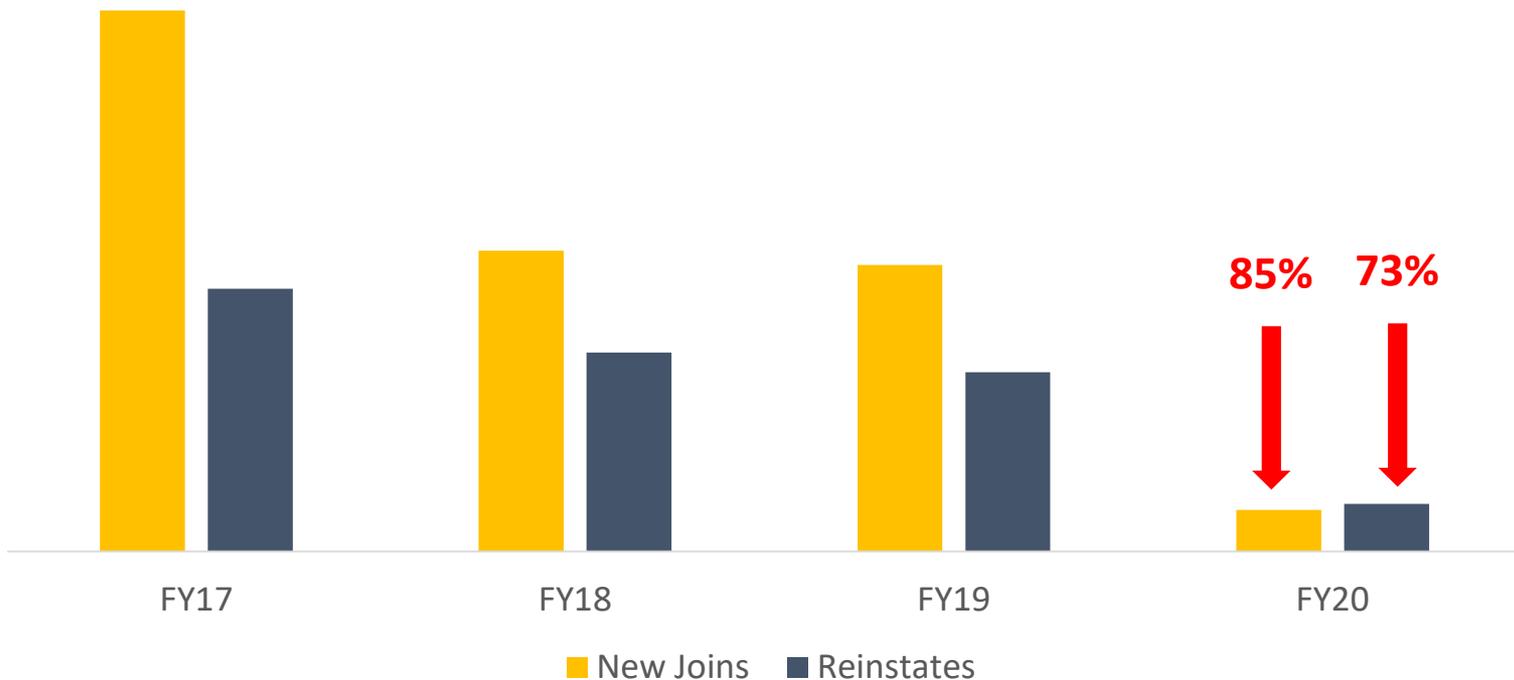
QOQ Reinstates



And that Q2 surge is heavily weighted toward “blockbuster joins” which we know will have weaker retention. . .

And in Q3, the abrupt delays in acquisition due to COVID-19 = drastic declines in new joins/reinstates over FY19.

YoY Q3 New Joins and Reinstates



And new joins are not the only group impacted.

- Number of new joins
 - New join *revenue* over time
 - Number of members in the pipeline to major gifts
 - Major donor revenue over time
 - Upgrade potential and associated revenue over time

We need to double down now to counteract the drop off

- Add a DM acquisition mailing – Q4 new joins should rebound slightly
- Expand all other DM acquisition campaign quantity
- Expand co-op models to mail most productive lists
- Increase TM reinstatement contacts
- Increase mail quantity in planned reinstatement mailings
- Add a year-end reinstatement email campaign
- Move expense from Patron program to Membership

So we are proactively developing new strategies, like evergreen packages, to allow us flexibility in the future.



Exclusive Membership Opportunity

John Q. Sample 123
Any Street Address
line 2 Anywhere
US 12345



YES! I want to become a Member! Please accept my contribution of \$_____ (fully tax-deductible)
 \$25 Associate Member \$200 tax-deductible
 \$150 Contributor Member \$200 tax-deductible
 \$350 Partner Member \$200 tax-deductible
 \$700 Sponsor Member \$504 tax-deductible
 \$1,000 Principal Member \$501 tax-deductible

Become a Member and Gain Insider Access...
See reverse for details.

"After enjoying many outstanding performances at the Kennedy Center, I decided that now was the time to give back to this institution that has given me so much, to ensure that my children and grandchildren can experience the Kennedy Center's magic."
Mary M. — Alexandria, VA

"Kennedy Center @ Home has brought an incredible variety of arts programming directly into our home, from classic National Symphony Orchestra performances for us to fun learning activities for our kids."
Mike L. — Frederick, MD

"As someone who was inspired by John F. Kennedy's advocacy for the arts, I find it fitting that his presidential memorial is our nation's cultural center. And as a Kennedy Center Member, I am proud to support his dream to make the arts accessible to all."
Kristin D. — Washington, DC

"The Members-Only Ticket Priority is simple to use. It's great getting tickets before the general public! It truly is the secret to getting the best available seats."
Page A. — Falls Church, VA



Exclusive Members-Only Announcement

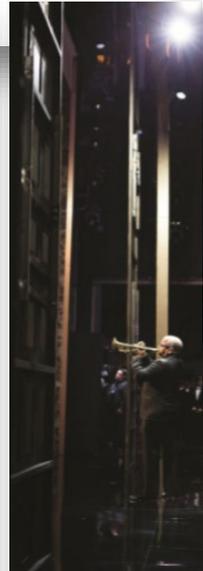
Join the Kennedy Center today and experience exclusive insider access with [all of the benefits of Membership.](#)

Dear Friend of the Arts,

During these unprecedented times, the **John F. Kennedy Center for the Arts** is leading the way to keep the arts vibrant and accessible. **And I invite**

As the Kennedy Center moves toward thoughtfully and safely resuming world-class performances on our stages, we continue to advance President Kennedy's vision to increase the country's engagement with the arts through innovative education initiatives and cutting-edge online programming.

Hope you will help us reopen the Kennedy Center stronger than ever and keep blazing exciting new trails for the arts—by becoming a Kennedy Center Member today.



The Kennedy Center

The Kennedy Center

The Kennedy Center



And engage Members and the public with experiences they want... that we can safely deliver.



Outdoor space

The Kennedy Center
Circles



**Kennedy Center Circles *Beyond the Stage:*
Spotlight on Social Impact**

Thursday, August 6, 2020 | 5:30 p.m. ET

Virtual donor events



Digital content and performances



Streaming event passes



So that next year and beyond we will have...

- A Membership file that is trending toward stability and back on track for growth;
- Members who are invested not only in performances they can see in person but also the KC's mission and digital presence; and
- A strong group of philanthropically motivated Members poised to upgrade to major gifts.

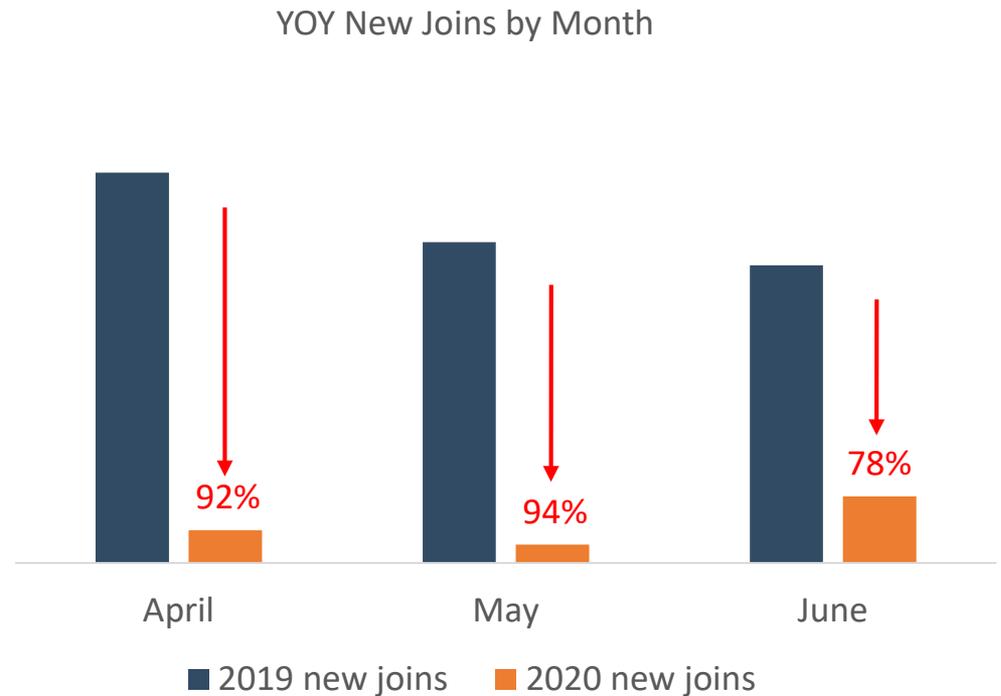




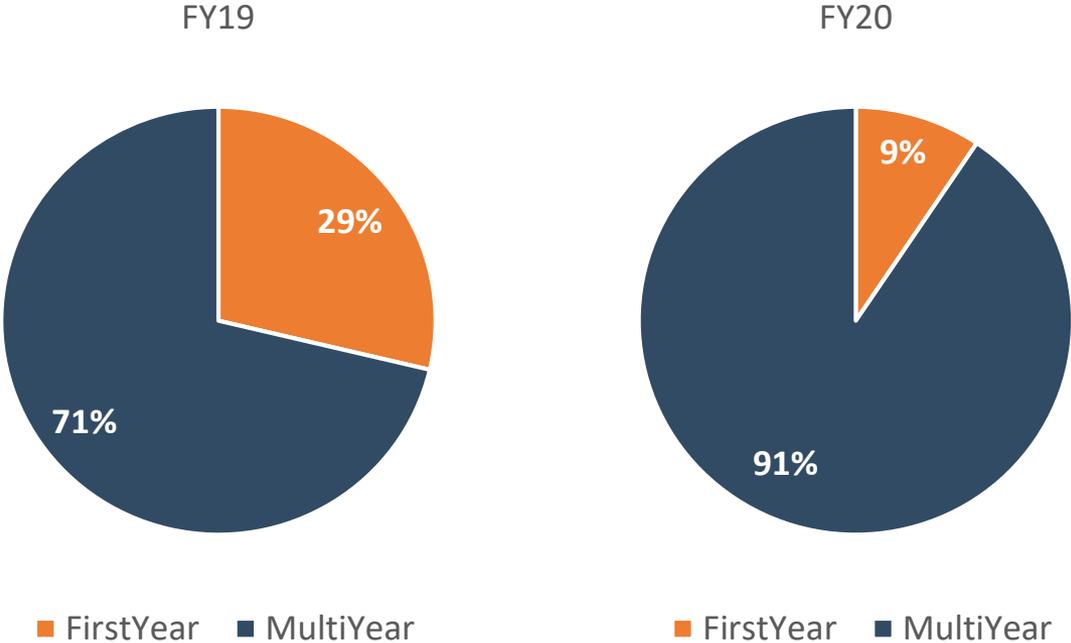
Monterey Bay Aquarium®

COVID closure led to a huge drop in new joins.

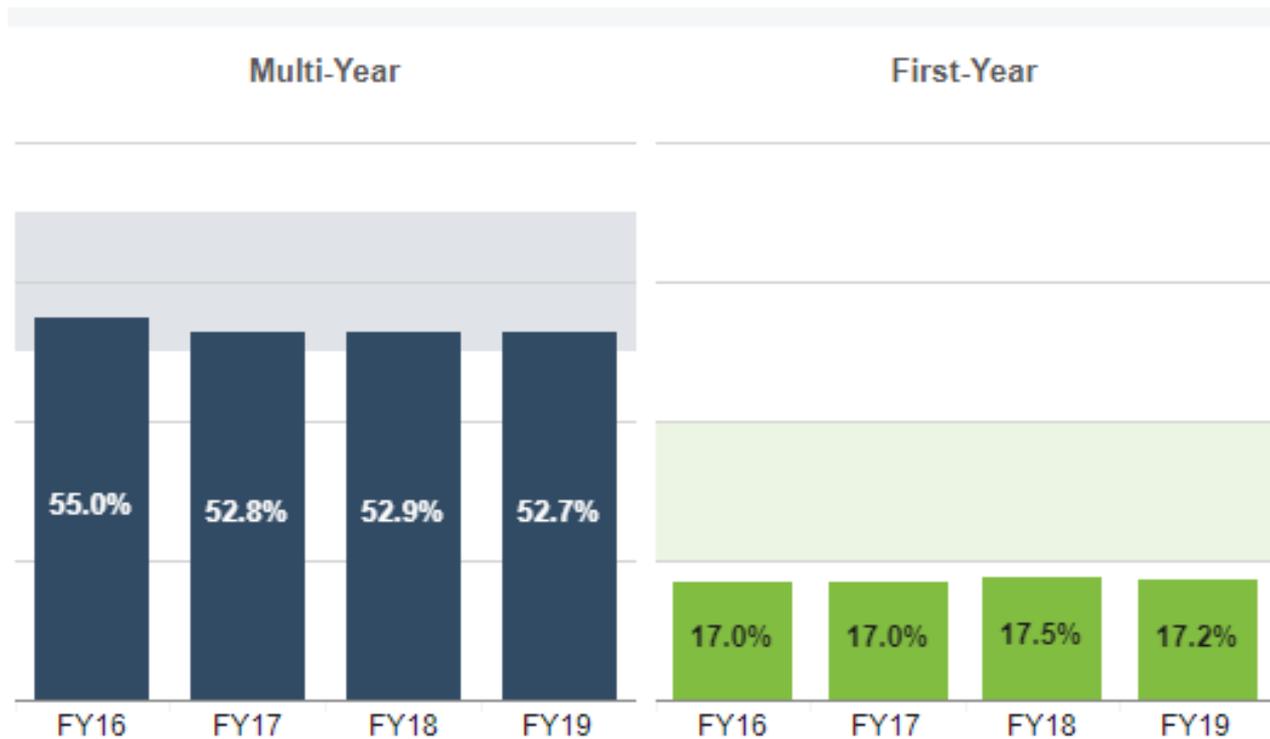
- Closure, no ticket sales or on-site joins
- Virtually no web joins
- DM acquisition performance half of the previous Spring acquisition
- All led to dramatic drop off in new joins compared to FY19



This led to a great shift in file composition, moving the program toward more multi-year members.



And, because multi-year retention is typically much stronger than first-year, we need to project average gifts and response rates up in FY21, which will help offset revenue loss from a smaller membership file.



Retention through FY19 Q4

To further get ahead of potential revenue loss, we had to double down on our existing campaigns.

- Highlight “two free months” offer in member acquisition
- Keep renewals on track
- Expand reinstatement efforts
- Focus messaging on the animals and conservation work



Your membership gift will also be put to work immediately to help cover the costs of caring for the more than 80,000 animals and plants in our nearly 200 living exhibits. With a 100% loss of admission revenue during our closure, we now face a \$45 million shortfall this year. Your support is urgently needed to help us come back stronger than ever.

In-state reinstatement language

Your generous donation will be put to work immediately to help us come back stronger than ever – so that we can continue delighting families around the world, while sparking a love of nature and science in young people and offering a sanctuary for wonder and reflection during this most difficult time.

Out-of-state reinstatement language

Since on-site member benefits were not going to be motivating factors during the closure, we had to diversify our messaging to make clear how the closure was impacting us.



Monterey Bay Aquarium®

NAME
ADDRESS
ADDRESS
CITY, STATE, ZIP

Dear SALUTATION,

I hope this letter finds you and your family safe and healthy during this extremely challenging time. The outpouring of support we have seen from our members and donors has literally kept me and our Aquarium team going these past several months. I can't thank you enough for your emails, texts, personal notes and for the generous support so many have extended us.

I am coming to you at a most urgent time unlike any we've ever experienced. After being closed for going on six months — and a 100% loss of admissions revenue during that time — **we are grappling with a daunting shortfall of at least \$45 million this year.**

Your support at this critical time is more important than ever, not only to help us provide animal care and maintain the ongoing Aquarium operations, but also to continue our pressing work to protect the ocean through education, science and conservation programs — many started right here in our own exhibit galleries.

Your support matters — especially now

Thank you for being a part of our community! Due to the loss of 100 percent of admissions revenue while the Aquarium remains closed, we face the daunting challenge of a \$45 million shortfall through the end of this year. Your support for our Special Fund for the Aquarium will play a critical role in our recovery. Please make a donation today to sustain all that you love about the Monterey Bay Aquarium.

[Donate now](#)



And we had to continue communicating the need for ongoing support, despite the closure.

Monterey Bay Aquarium

You have the power to make change

A healthy ocean supports healthy communities by providing jobs, food, recreation and inspiration. It even protects us against the worst impacts of climate change. But our ocean, and its amazing wildlife, face numerous threats like habitat degradation, unsustainable fishing, climate change and plastic pollution.



Help end plastic pollution

We're swimming in ocean plastic pollution – sometimes literally. Vote for legislation that stops the flow of plastic from land to sea.

[Learn why plastic is a problem](#)



Take on climate change

Climate change and ocean acidification are affecting ocean health in profound ways. Support leaders who act to protect communities on the front lines of climate change.

[Learn about climate change](#)



Protect ocean ecosystems

Cast your ballot for leaders who understand that the well-being of our communities depends on a healthy, resilient ocean.

[See why our coasts are worth protecting](#)



Speak up for sustainable fisheries

Nearly 90 percent of fish stocks are fished at, or above, their sustainable limits, threatening wild populations. Encourage policymakers to shift fisheries and aquaculture in more sustainable directions.

[Find out more about sustainable seafood](#)

We're closed until further notice. [Support us with a donation.](#)

Monterey Bay Aquarium

VISIT ANIMALS JOIN & GIVE ACT FOR THE OCEAN FOR EDUCATORS

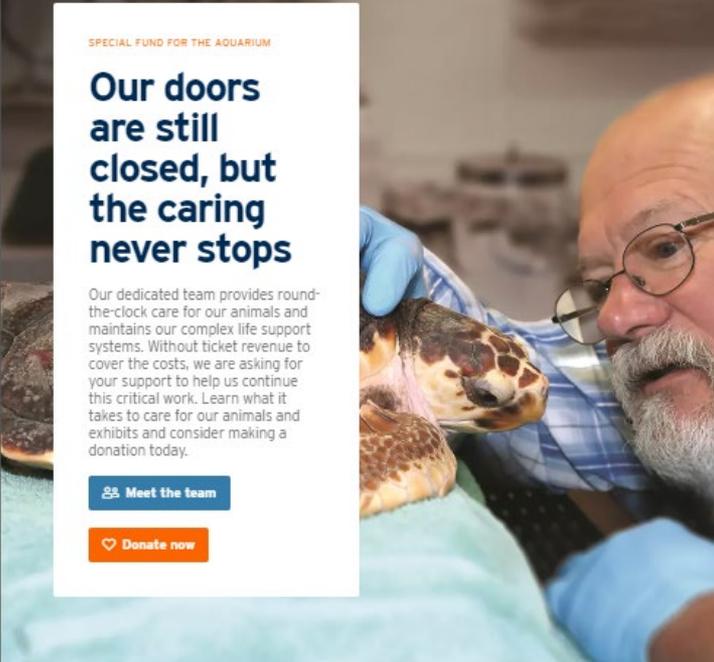
SPECIAL FUND FOR THE AQUARIUM

Our doors are still closed, but the caring never stops

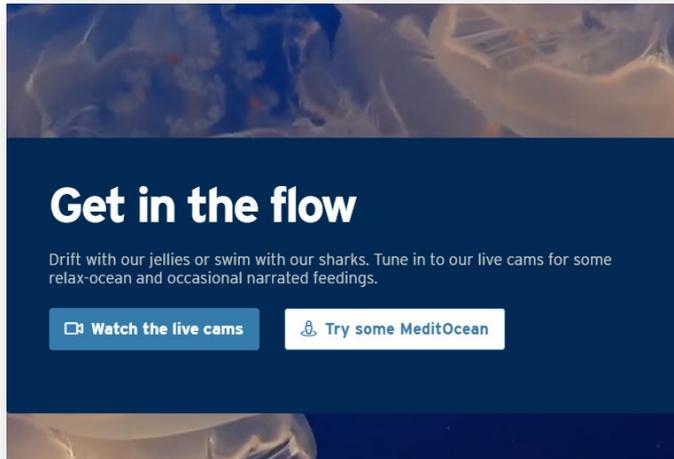
Our dedicated team provides round-the-clock care for our animals and maintains our complex life support systems. Without ticket revenue to cover the costs, we are asking for your support to help us continue this critical work. Learn what it takes to care for our animals and exhibits and consider making a donation today.

[Meet the team](#)

[Donate now](#)



We leveraged digital content to keep people engaged.



Learning at home

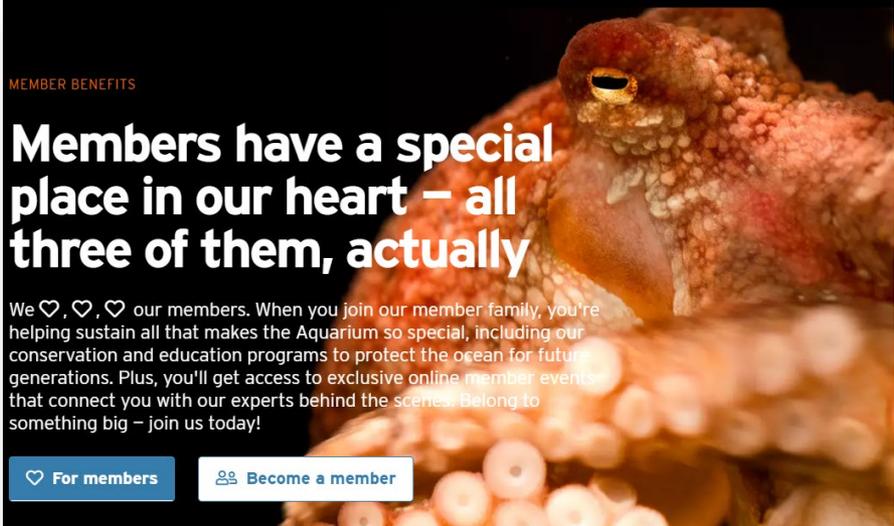
Support children's learning at home for grades PreK through 12.

These online courses and family-friendly science activities encourage a sense of wonder and connection to the natural world while teaching important science concepts.

© Love our educational resources? Support us with a donation.

Going forward we will:

- Ramp up reinstatement
- Continue to change messaging based on geography
- Engage members in special digital programming and events
- Prepare for the aquarium's reopening
- Be ready to ramp up acquisition when the time comes
- Add resends to renewals to further engage members.



MEMBER BENEFITS

Members have a special place in our heart – all three of them, actually

We ♡, ♡, ♡ our members. When you join our member family, you're helping sustain all that makes the Aquarium so special, including our conservation and education programs to protect the ocean for future generations. Plus, you'll get access to exclusive online member events that connect you with our experts behind the scenes. Belong to something big – join us today!

♡ For members 👤 Become a member



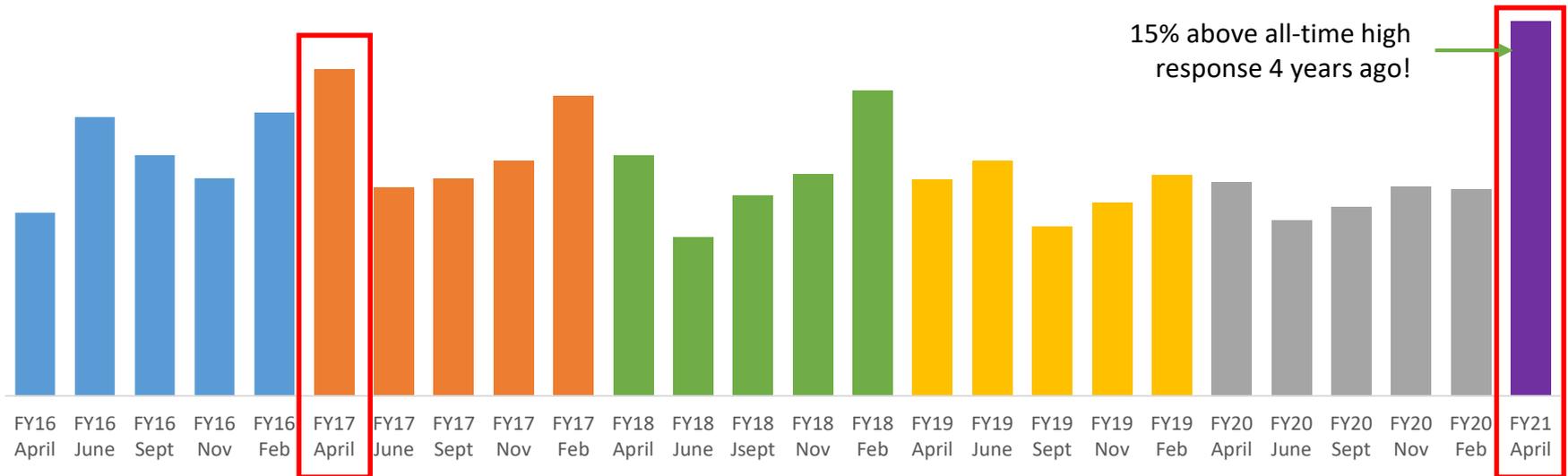
As we do every March, we began to gear up for the busy season for our outdoor properties...

- Most of The Trustees' properties are outside, weren't forced to close, and were deemed safer than indoor spaces during the pandemic.
- For people looking for safe activities, The Trustees' properties were a welcome site and this drove up new joins, reinstatements, web traffic, etc.
- Initial concern about the impact to membership was quickly replaced by concern about keeping up with the sheer volume of new members.



When the pandemic hit, we were bracing for new joins to go down... but they skyrocketed!

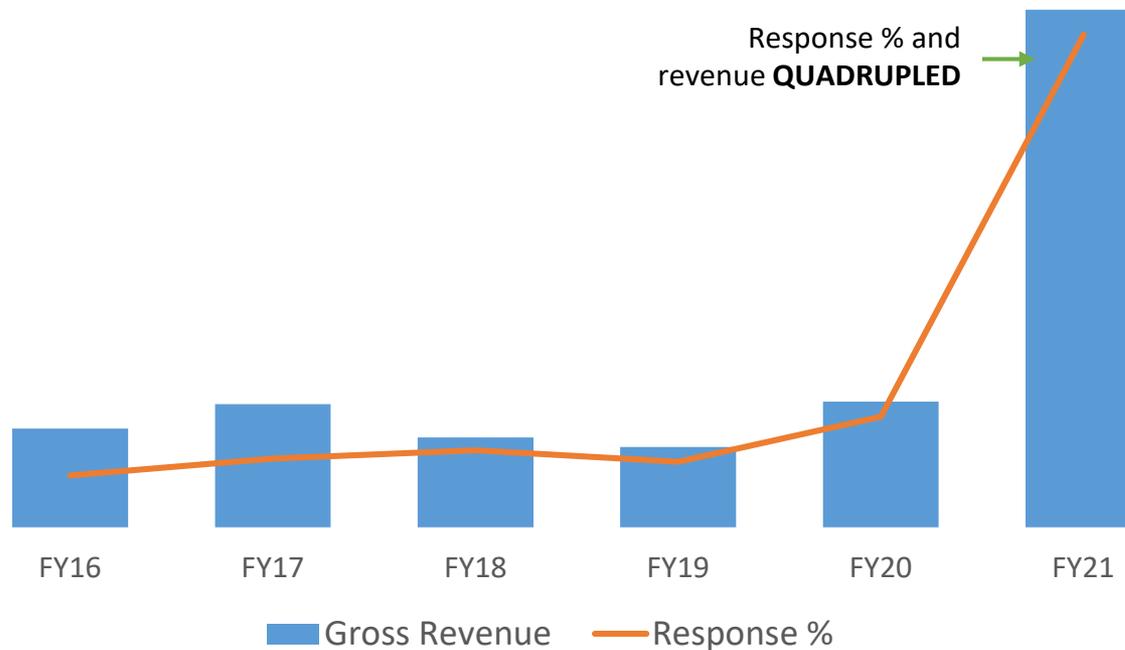
Acquisition DM Response Rate by FY



This campaign **NETTED** money and the Net/Donor was **4.6x higher** than the next highest Net/Donor on record.

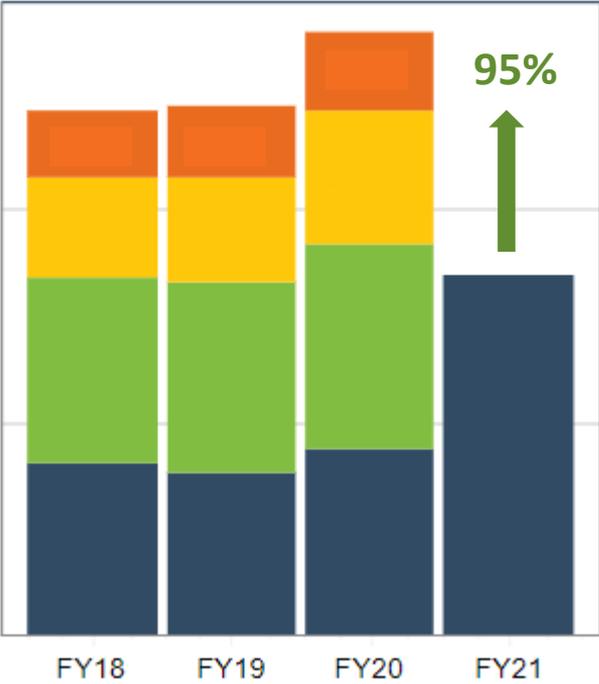
And online engagement was also off the charts.

Membership Month by FY

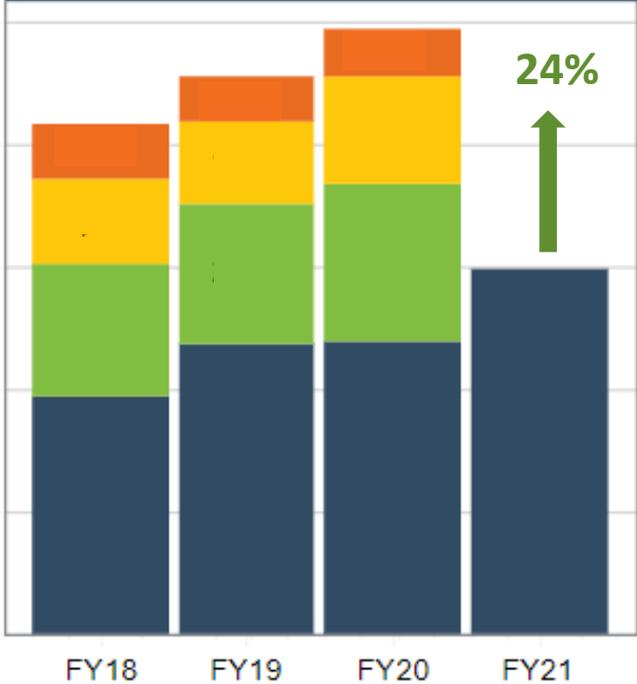


To break it down by quarter, we brought in nearly double the number of new members in Q1 as last year.

QOQ New Joins

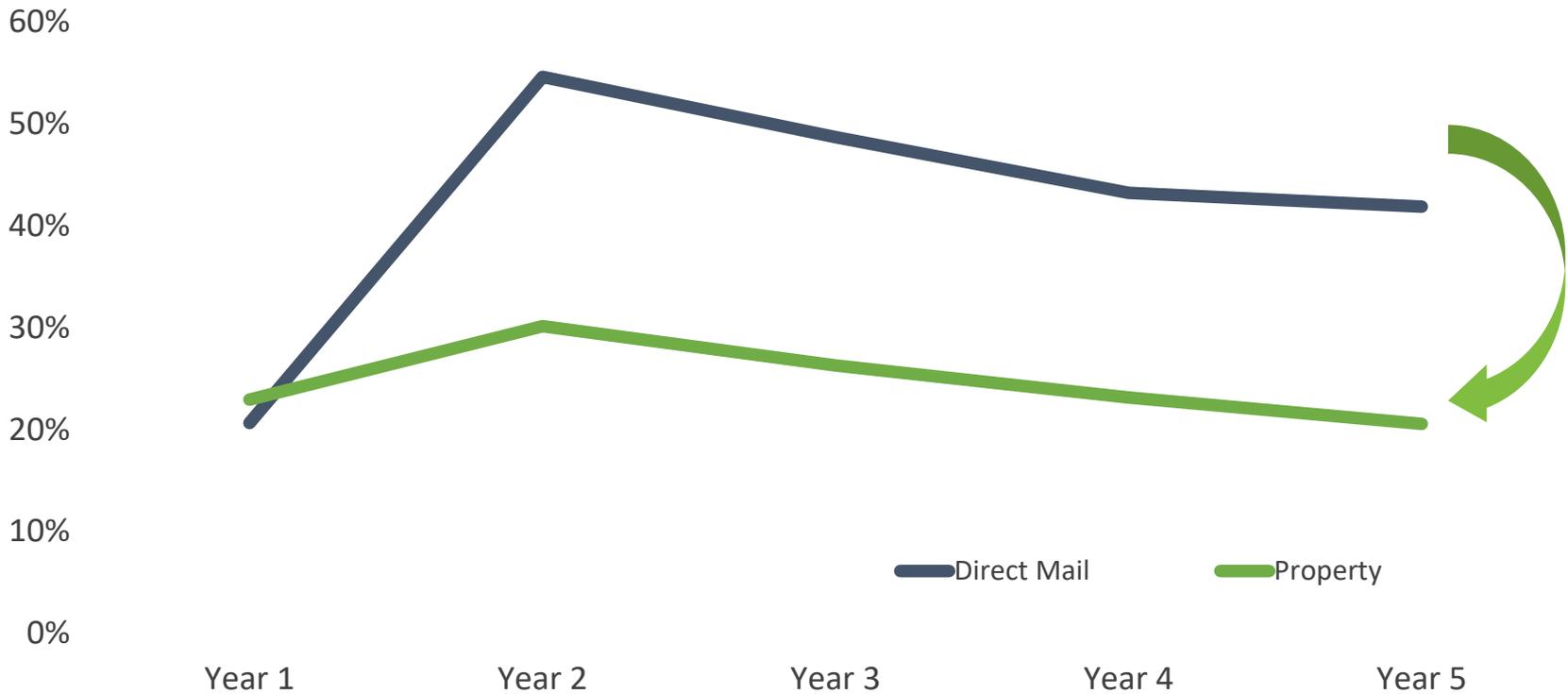


QOQ Reinstates



- Q1
- Q2
- Q3
- Q4

It's also key to know where those new joins are coming from (mostly onsite) AND how they tend to retain. Spoiler alert: Not nearly as well as DM joins.



A surge in new joins is a good problem to have, sure... but how do we keep these new members engaged this year, in 2021, 2022, and beyond?

- Unsure of how new joins will behave in terms of retention, we know we cannot bank on high retention.
- Map out contact strategies for 2020 joins that will maximize returns, but limit costs.
- Identify additional stewardship efforts to keep donors engaged.
- Forecast different scenarios based on changes in file composition.

Our focus going forward? Retain, steward, engage



We need to harness this momentum and focus on each group so even more people in Massachusetts can connect with our 120 special places!

**Ok, so how do I make all this work
for *my* program???**

How do you effectively communicate all this to your boss?

- Show how your file composition is changing and explain what that means.
- Show the value between DM-acquired vs. on-site.
- Spell out the short term impact – less revenue, fewer renewals.
- Point out the long term – less in the pipeline for major donors.
- Make the case for investment now to stave off attrition from canceling DM acquisition and closure onsite – it will pay off for years to come.
- Make the case for expanding or reinstating direct mail to stabilize your file.
- Steward your existing members; keep renewals on track.
- Maximize your digital content and communications to engage and raise funds.

Thank you!

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