

Lowering Prices for Bay Chamber Performing Arts series

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The Situation

The [Bay Chamber Performing Arts Series](#) consists of around fifteen concerts in several auditoria in Knox County, Maine, taking place between October and May. Audience numbers had been static or declining for several years and ticket prices had been climbing. Take-up of subscriptions had decreased, particularly for fixed season subscriptions; customers preferred the cheaper, more flexible 'Explore Pass'.

The Pricing Institute carried out analysis at the end of 2007 to try to ascertain whether there was a connection between recent price rises and declining audience figures. Surveys suggested that the existing audience could and might pay more, but the catchment area also has a reasonable number of less affluent people for whom it was felt that price might be a barrier.

The Series averaged 72% of capacity sold in 2006-07, and increasing sales was a central aim. The average yield realized per ticket was \$24.40, despite a top list price of \$35. This suggested that discount levels could benefit from further control.

Action

In order to increase the percentage capacity sold, it was proposed to:

- Lower the bottom ticket price to \$20, with the help of a sponsor, to attract the more price sensitive customers.
- Increase the number of lower priced seats available per performance.
- Increase the top ticket price to \$40, to allow those who can pay more to do so.
- Offer subscribers a significant discount, so that the cost of subscribing is reduced.
- Package subscriptions so that higher-volume subscription is more attractive.
- Limit the number of \$8 Youth tickets available per concert, on a case-by-case basis dependent on the likelihood of selling out the concert.
- Reduce Youth ticket availability to ages 18 and under.
- Reduce complimentary ticket offers, only targeting specific groups which align with educational aims.

Results

The alterations to the pricing structure were evaluated around half way through the season in which they had been implemented. Changes to the subscription packages contributed to a 15% increase in the number of subscribers in 2007-08, helping to secure the financial stability of the organization. The subscription target, not usually met until half way through a season, was achieved before the season started. Changing the subscription structure to make the full season option more attractive resulted in a 117% increase in the uptake of full subscriptions and a significant decrease in 'Explore Pass' bookings.

A direct comparison between the first concerts of the 2006-07 season and the 2007-08 season showed an increase of 17% in paid attendances. The average price paid dropped from \$27.24 to \$23.90, due to the \$20 tickets, but total income increased by 3% due to higher sales – better than the break-even effect hoped for.

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