

Case study

Individual giving at Welsh National Opera

David Dixon

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Welsh National Opera (WNO) is one of the UK's three regional opera companies, touring Wales and central and southern England from its base in Cardiff. As well as this 'core' UK touring WNO performs around the world and has established an enviable reputation for its artistic standards, a reputation maintained and strengthened in recent years by its Music Director, Carlo Rizzi. In 2005 WNO moved into the magnificent new Wales Millennium Centre (WMC) in the regenerated former docklands of Cardiff Bay, a move which brought opportunities and challenges in equal measure.

Under the leadership of its then Director of Development, Lucy Stout, WNO has generated substantial fundraising income, especially from corporate sponsorship and from trust funds. However, despite some successes, a lack of resources prevented the organisation from committing to a consistent programme of fundraising from individuals, whether major donors or large-scale committed giving from audiences. Lucy and her colleagues were determined to seize the moment of the move to the WMC and establish a long-term individual giving programme.

The Director of Marketing, Lucy Shorrocks faced a formidable challenge: the high-profile opening of their new home at the WMC would bring WNO an unparalleled opportunity to reach large numbers of potential new audience members but at the same time, with 85% more seats than the New Theatre, their previous home in Cardiff, a tough marketing job.

The simultaneous aims of achieving a dramatic increase in audience numbers and in recruiting large numbers of new donors from the audience required the Marketing and Development departments of WNO to work closely together. Both departmental directors wanted to ensure that the initial enthusiasm for WNO in its new home was not just a flash in the pan, but the start of a long-term increase in ticket sales and in individual donations. To this end, in late 2004, they jointly engaged David Dixon and marketing specialist Katy Raines (working as DixonRaines Ltd).

Lucy Shorrocks and her colleagues in the WNO Marketing Department created a new subscription programme which has proved extremely effective, not only in the first year of WNO at the WMC, but for subsequent seasons too. Meanwhile, the Development Department embarked on a programme of donor recruitment using telephone and mail. Key to this twin track approach was a combined Communication Plan created with the help of David and Katy which ensures that marketing and fundraising approaches to individual audience members are coordinated. This Plan allows the Development Department to schedule phone and mail campaigns away from the main ticket selling periods, to coordinate donation approaches to subscribers and to agree prioritisation of access to cultivation events. The Plan covers WNO's performances in Cardiff and around the UK.

Both Lucys are committed to joint working, for example by coordinating benefits offered in various schemes, by coordinating opening night events, by sharing scheduling information, and by using subscriber evenings to promote the Patrons Scheme (for fundraising).

Lucy Shorrocks is sure that success breeds success, so that good sales and a well-received artistic programme help fundraising. She sees no downside to audience fundraising and says that a comparison of ticketing and donation data is vital to understand customer behaviour. WNO looks at a pyramid of valuable supporters which combines all types of customer income when planning the acquisition and management of these supporters. She was pleased to engage David and Katy because they were able to broker an understanding that there is no competition between Marketing and Development for income – there were some anxieties about this within the organisation – and for the practical advice which was offered.

The Development Director, Lucy Stout, required support at the highest level for her strategy, not least because the recruitment process using phone and mail would require an investment of over £110,000 (and a new member of staff to manage the project), the largest single investment in a fundraising initiative in the company's history. Supported by her opposite number in Marketing, she was able to demonstrate to the Board and Senior Management colleagues that the Communications Plan ensured a joined-up approach which would strengthen WNO's audience relationships. She also presented an investment plan and a projected cashflow for a three-year cycle of donor development prepared by David Dixon. Lucy Stout says that her colleagues "were not sceptical, but did need to see the proof that this investment was justified."

David was very helpful in this process, according to Lucy, because, she said, he has an unusually wide range of experience and intellectual energy. David brought an objective focus, was sympathetic and trustworthy and had credibility with Boards and Senior Management.

David and his colleagues continued to provide support to the Development Department of WNO as its plans were implemented during 2005. The campaign began with a test of telephone fundraising run by an external agency using data from Cardiff (previous New Theatre bookers) and a touring venue, the Birmingham Hippodrome, to check that the initial projections were realistic and could be replicated away from home. This was followed throughout 2005 and 2006 by a rolling programme of telephone fundraising taking in all of WNO's touring venues and concluding with Cardiff again, this time using data on new attenders at the WMC.

From October 2006 a further 20,000 people who could not be contacted by telephone were sent an innovative mailing pack created in-house and designed and printed as part of an in-kind sponsorship.

The initial telephone and mail donor-recruitment process finished by January 2007 and will have generated an estimated £150,000 including Gift Aid in the first 12 months of the campaign. More importantly, WNO will have recruited around 1,000 regular donors whose monthly or quarterly gifts by direct debit will provide around £100,000 each year for WNO at little additional cost. Experience from general charities and from within the arts suggests that the average 'lifetime' of such regular donations is around nine years. This suggests that, even if WNO were to do nothing else with these donors, other than replace the small number who lapse, the initial investment will generate around £900,000 for WNO at a Return on Investment (ROI) of around 8:1.

Naturally, WNO has no intention of stopping there. From early 2007 it will begin a process of 'donor development' following a plan drawn up by David Dixon which consists of a) feeding back about the success of the appeal, b) contacting people who initially made a single gift and asking them to convert to a regular gift and c) contacting regular donors and requesting they increase their contribution. In this way the number and value of donations will increase over time. The intention of this programme is to provide an underpinning of guaranteed income each year to complement other fundraising which can be less secure.

With advice from David Dixon, the decision was made early on that no benefits would be offered to donors in exchange for their gift. This made the 'ask' very straightforward and saves a great deal of time on administration as well as saving cost on the benefits themselves and makes the entire amount eligible for Gift Aid. WNO already has benefit-led Friends programme and wished to keep a clear distinction. In fact, many Friends also became donors. WNO is confident that offering benefits would have added cost and complexity without increasing the number or level of gifts.

Lucy Stout describes the success of the audience fundraising programme as a big boost to the morale of the organisation as a whole since it demonstrates in a very concrete fashion the loyalty and support of audiences at all the venues where they perform.

Lucy Shorrocks, Director of Marketing, said, *"do not underestimate the power of outside knowledge and support"*. She describes the involvement of David Dixon and Katy Raines as *"extremely helpful in enabling strategic and practical coordination between Marketing and Development. David and Katy brokered an understanding that there is no competition between fundraising and marketing for income."*

Lucy Stout, Director of Development, said, *"the Development and Marketing Directors commissioned David and Katy jointly because they have a unique combination of marketing and fundraising expertise."* She added that, *"David Dixon has intellectual energy, an objective focus, and credibility at Board and Senior Management level."*