



STRATEGIES FOR MAXIMISING MUSEUM REVENUES

An overview of business practices adopted by forward-thinking cultural institutions



ABOUT THE AUTHOR

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museum's promotional activities, audience development, loyalty programs, sales strategy and CRM usage. Subsequently, Marc set up his own consulting agency specialising in the culture sector. Clients included Pinacothèque de Paris, Artie's Chamber Orchestra, CNFPT (Training Institute) and the Luzège Theatre Festival.

Marc began his career at Procter & Gamble then Bolton Group as a B2C brand manager after spending two years in the French economic development bureau in Singapore. Marc holds a master degree from the ESSEC business school in Paris.

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1. INTRODUCTION

Museums and cultural institutions in Europe are facing challenging times. While growth is relatively stable, most institutions find themselves in a situation where they need to increase the contribution of earned revenue to their overall funding to secure their financial position and the long-term sustainability of their fundamental mission to preserve objects of significance.

Several factors have brought about this financial pressure:

- Geopolitical instability: this has had significant impact on tourism and museum attendance especially in large cities such as Paris where both the Louvre and the Musée d'Orsay experienced a recent double digit drop in visitors. *
- Competition has intensified: every museum is now organising its own “blockbuster exhibition”, which has led to increased spending on promotion to attract the same number of visitors.
- Cuts to public funding: public policy has led to a reduction in grants from the state and municipalities. The knock-on effect is that revenue from private sponsors is more sought after than ever before.

- Visitor demand for technology: due to digital advances, museums find themselves in competition with the vast cultural offer now available online and easily accessed without having to step foot into a museum. In turn, when visitors do decide to spend their time and money entering a museum, they expect the institution to go the extra mile to enhance the experience. But keeping up with the latest technologies and constantly rethinking how they can be harnessed to engage visitors comes with a cost.

The good news, as you will see on the following pages, is that ticketing and audience development teams are responding to the challenges with inspired thinking. This document is a digest of some of the innovative methods being tried and tested by forward-thinking museums in their bid to increase income generation. For certain markets, some of these practices will be familiar, but for others who are new to adopting business practices in the running of their museums, this will give you some food for thought.

*TEA/AECOM 2016 Theme Index and Museum Index : The Global Attractions Attendance Report

2. INCREASE VISIBILITY BY LEVERAGING THE INTERNET

Most museums now acknowledge that a ticket sales portal is the first step to making their offers more visible to a wider, global audience. But surprisingly there are still many organisations that do not have the capacity to sell tickets online. It is estimated in France alone somewhere in the region of 30-50% of museums who do not sell tickets online and still expect visitors to turn up and queue for tickets in the traditional way.

Of those that are selling tickets online, there is a significant proportion who find that online sales are not performing to their potential; instead of being a tool to raise visibility of the cultural offer, the technical issues they face make it a struggle to sell even the basic ticket online. The switchover to digital was often executed with traditional ticketing partners being slow to develop online solutions and relying on less efficient plug-ins to solve the problem.

But when done properly with software specifically designed for multi-channel use across different platforms.

A visit to a museum website is often the very start of the customer journey.

Tactics such as ease of navigation, making the offer more readable, simplifying the purchasing experience with as few clicks as possible, suggest extra offers with up/cross-selling and using storytelling to present offers in a smart way are examples that boost conversion rates, turning online visitors into future physical visitors.

An online ticketing portal is proving a good vehicle at not only sales but also at achieving an enhanced guest experience.

CASE STUDY: Centre Pompidou

With 3.4 million annual visitors and daily visitor numbers of up to 15,000, Centre Pompidou is the sixth largest museum in Europe in terms of attendance and has recorded a 9% growth in 2016, despite the tourism decline in Paris. At the end of 2013, the Centre Pompidou began a project to overhaul its ticketing and customer relationship management systems.

The first objective was to facilitate the sale of all services on the online ticketing site, including guided tours and arrangements for groups. The museum needed a tool adapted to all the particularities of the different areas of the Centre Pompidou in terms of their marketing (museum, live entertainment, cinema, mediation activities etc).

By deploying SecuTix as the backbone of their online ticket shop, the audience development team has seen a significant increase in on-line sales of certain products, such as guided exhibition tours, which have gone from an average fill rate of 40% to 90%.

2. INCREASE VISIBILITY BY LEVERAGING THE INTERNET

CASE STUDY: Picasso Museum Paris

The Musée National Picasso-Paris is a single-artist museum dedicated to the work of Pablo Picasso. With 5,000 works, the museum curates the world's largest public collection of works by the master of cubism. Following five years of renovation, the new museum opened its doors on the 25th October 2014, generating considerable interest both from the French public and foreign tourists.

By setting up an advance reservation system on their online ticket shop, the museum could meet the challenge of hosting a considerable number of visitors in optimal conditions. Previously, tickets could only be purchased at the ticket desk. With SecuTix, the museum put in place online ticket purchasing which enables the public to reserve the time slot for their visit in advance. The principle of fast tracking through half-hourly time slots reduced waiting times by approximately 30%.

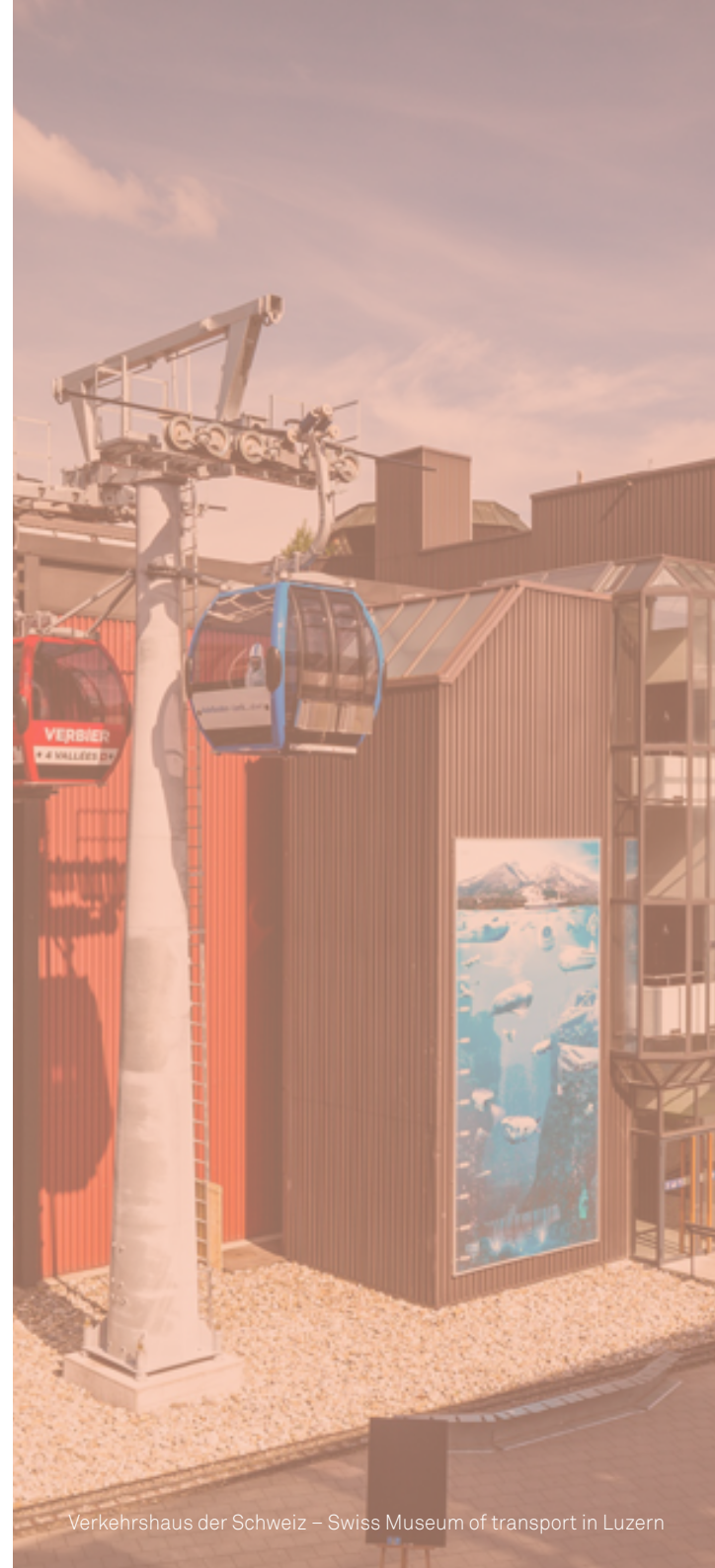
By developing ticket sales on its website and mobile app, not only did the Musée National Picasso-Paris increase its ticket sales capacity, but it also optimised the visitor flow. In less than five months, the museum had attracted more than 400,000 visitors with daily peaks of 3,200 tickets sold.

CASE STUDY: Swiss Museum of Transport

The Swiss Museum of Transport in Lucerne – Verkehrshaus der Schweiz – welcomes 750,000 visitors a year, providing a comprehensive and diverse offer encompassing the transport museum itself, a 'Media World', a film theatre, a planetarium, a shop and a conference centre.

The museum's primary objective was to increase ticket sales online and via mobile devices, while presenting its rich product offering on their online ticket shop. Within just a few months, the new online ticket shop was available to visitors in four languages and via a cutting-edge mobile app. Visitors can now book seat positions for the events they wish to attend. Verkehrshaus can quickly launch new offers and sales campaigns in the shop and offer not only discounts but also entirely new offers. One such offer was 'Family Day', for which almost 3,000 family tickets were sold online, prompting a sales boost for the entire venue.

The museum's sales co-ordinator Dominic Wirth commented : "We wanted to give visitors the opportunity to buy their tickets online around the clock. Since introducing SecuTix, our online sales rates haven't stopped climbing."



3. IMPROVE DATA-DRIVEN INSIGHTS

Collecting data about visitors, glean insights and turning these into actions are having a positive impact on the bottom line of all types of tourist attractions. Increasingly, the cultural world is recognising this and is using data to their advantage in many areas, including audience segmentation and Customer engagement.

Audience segmentation

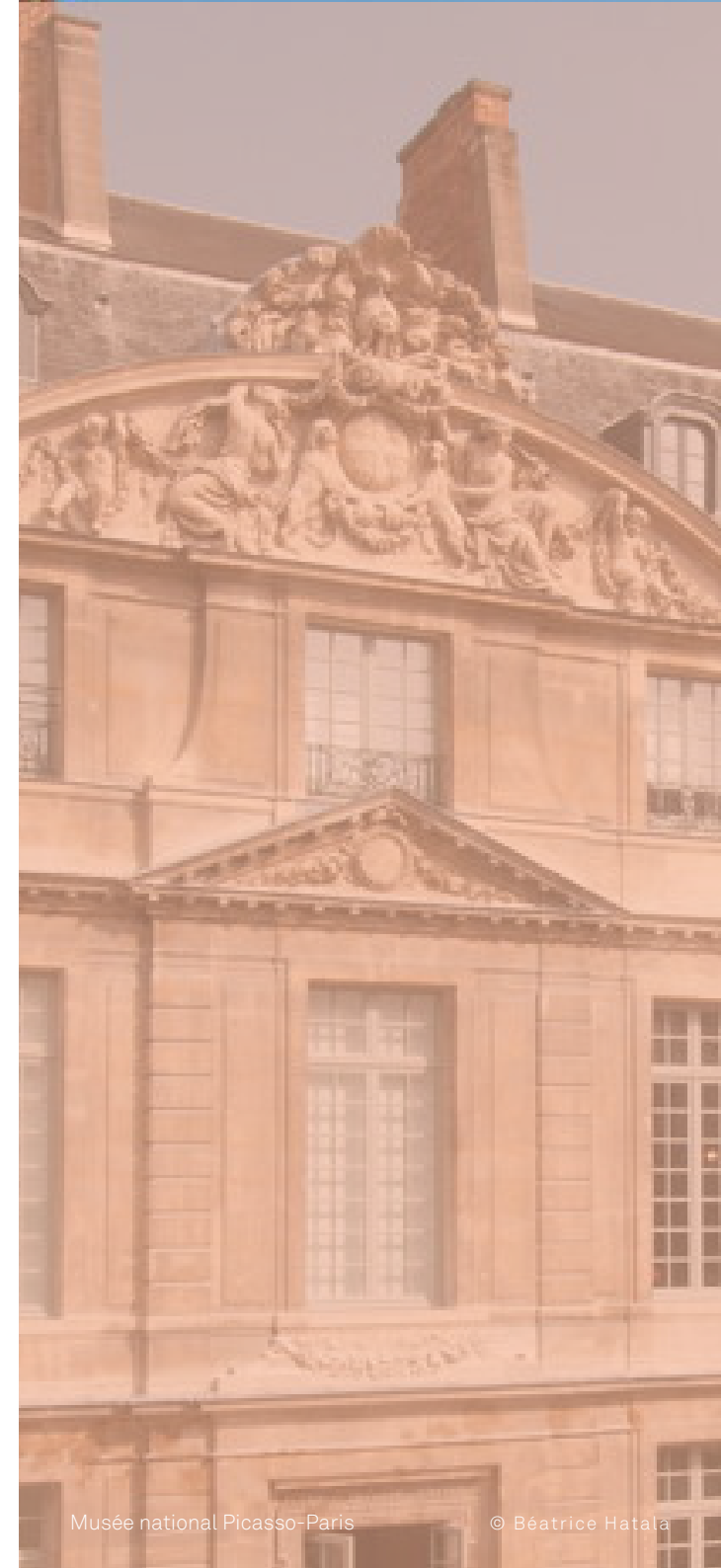
Data is used to segment audiences, understand their preferences and identify targets for specific campaigns. Museums gather data through surveys, audience barometers or, even better, systematic collection of data through online ticketing systems. Smart museums use this analysis to create action plans that reflect their own development strategy, for example to attract more families or to comply with governmental cultural policies such as targets for visitors in the 18-26 years old bracket.

CASE STUDY: Picasso Museum Paris

The largest risk faced by a single-artist museum is being perceived as a 'fixed' institution which merits only a one-time visit. The Picasso Museum in Paris put in place an audience development strategy with the view to attract and build loyalty with the local community and develop its position within Parisian life.

Understanding the audience was the starting point for targeted information campaigns via digital channels. For example, the museum put in place a loyalty program to create a community of members.

Crucial to this community building project was the museum's usage of an e-marketing tool to maintain engagement with its membership network and establish direct links with different segments of the public. Consequently, members receive a monthly newsletter detailing future exhibitions, offering invitations to preview events and even discounts for partner institutions.



3. IMPROVE DATA-DRIVEN INSIGHTS

Customer engagement

Museums use their databases to develop long-term customer engagement.

By hiring in specialists - either agency or staff - they can test out different digital communications e.g. personalised offers and regular news updates. Using the response rate results, they are uncovering which communications work best, when and to whom. The findings then help sharpen future offers to make them even more effective.

The advantage of the digital approach is its capacity to “test and learn” at an affordable cost.

CASE STUDY: Centre Pompidou

Centre Pompidou wanted to increase customer loyalty through targeted marketing campaigns and tailored promotional offers. The audience development team used the SecuTix targeting and segmentation functionality to increase its knowledge of purchasing behaviour and visitor profile.

“We now have a 360° view of our customers’ purchasing experience for all our services”

said Cécile Venot, head of the team in charge of audience development at the Centre Pompidou. “This visibility allows us to better segment our audiences and create offers in line with their expectations. In addition, we are now able to measure the impact of our campaigns on ticketing revenue, allowing us to adjust our strategy continuously and ensure better operational management. This tool has opened up a whole new range of possibilities.”



3. IMPROVE DATA-DRIVEN INSIGHTS

Proving success

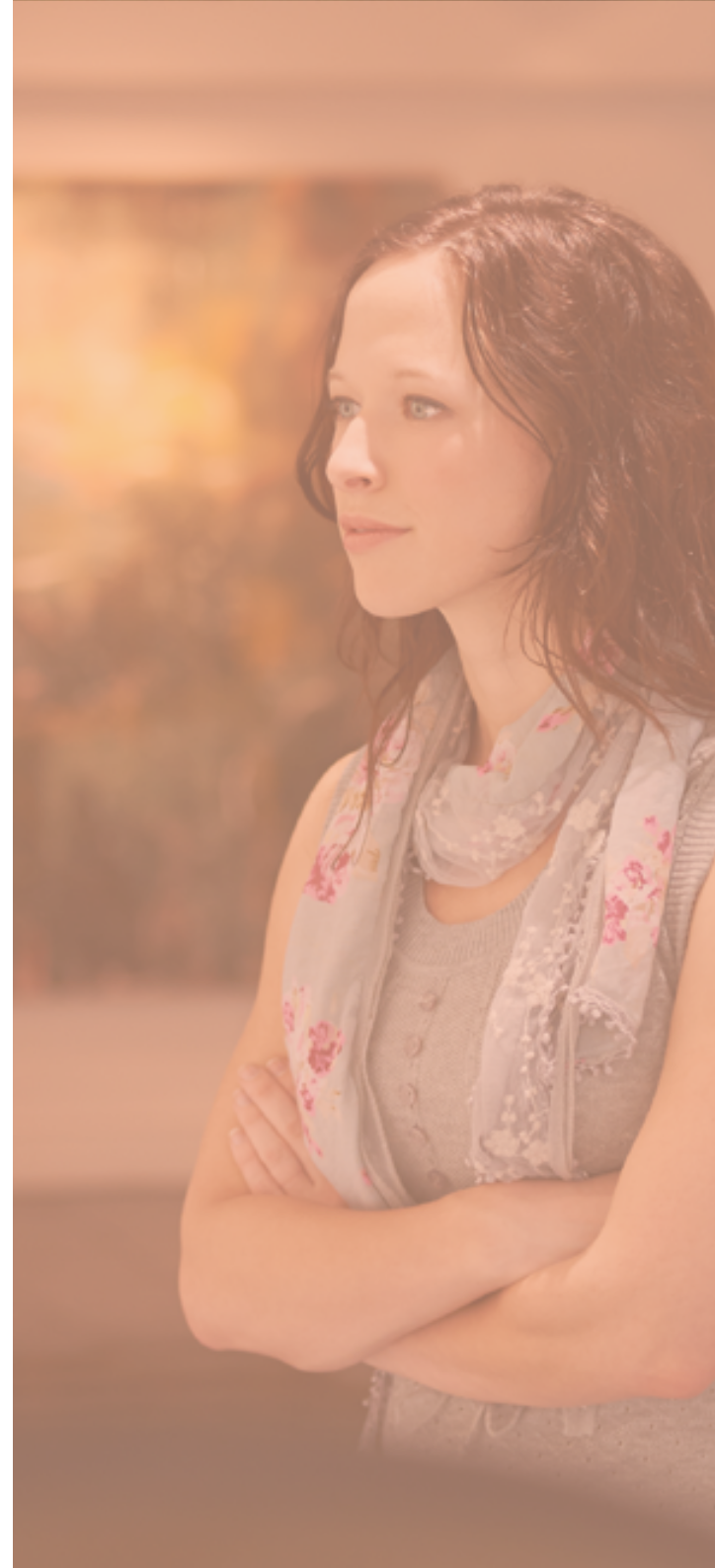
In a world where there is an increasing requirement to prove success, data is vital. The best museums use hard evidence to measure impact, demonstrate social relevance and in turn secure budgets for future projects.

Frustratingly, some organisations are finding technical, human and even philosophical barriers to using data effectively. It is the latter that can prove the most difficult to overcome as it requires winning over those internal sceptics about embracing such a commercial approach. Museums have been content editors for many years, long before today's fashion for a content strategy. They were very comfortable delivering stories and information about their exhibitions. Where the difficulty lies is when an institution wants to promote an offer. Frankly, such a commercial message makes some in the museum sector uncomfortable. To address this, the most successful institutions strike the right balance between storytelling, educational and commercial messages, maintaining the fundamental museum's role as curator whilst also attracting new and diverse audiences.

As for the technical challenges, these can be overcome by working with the right partners who have the tools to create a 360-degree audience view, activate email campaigns and loyalty programmes and importantly measure campaign effectiveness.

The human problem requires the resource in house of someone who can analyse and interpret data for an effective marketing strategy. A museum needs that talented person who can select the good targets and send them the right messages at the right time. Until recently, this person didn't exist in the structure of a museum, but those organisations who have invested in this resource are reaping the benefits.

It also requires an openness to sharing data across departments. Data is used most effectively in those museums where internal silos have been broken down and teams are sharing all their customer data with each other to understand what the visitor needs. By taking this approach of putting the visitor at the centre of an organisation, some museums are gaining an advantage over competitors that fail to do so.



4. IT OUTSOURCING

There is a growing awareness amongst the museum community that massive investment in their own IT resource is no longer financially viable and that the outsourcing model is a viable approach, following the lead of more and more non-cultural institutions.

The traditional way of an organisation owning machines and using internal resources to operate, maintain and secure a fully-owned IT environment now costs too much when you consider:

- Continuous investment to keep up with the fast pace of technological changes.
- An individual institution will never have enough capacity and subject-matter expertise to protect their applications against security threats (e.g. cyberattacks).
- The demand for a scalable amount of processing power to guarantee business continuity, e.g. continued availability of a website at peak periods.
- IT is not their core business.

It can be difficult to break with the traditional approach. Today, more IT solutions are being delivered as SaaS (software as a service) with remote servers which are managed by a third party, for example the SecuTix ticketing platform. For a museum used to having its own IT solutions, being confronted with an alternative you can only rent and not own can initially be a concern. But the benefits of leveraging the SaaS mode are huge. For instance, the SecuTix ticketing engagement platform is constantly improving as and when new technologies come on board which means the system is always at the forefront. There's no playing catch up.

Museums can focus their energy on their mission of curation and preservation while benefiting from the skills, experience, software features and processing power of an expert partner at a fraction of the cost of ownership.

CASE STUDY: Centre Pompidou

One of the IT objectives of the museum's ticketing overhaul was to consolidate the information system and standardise on a cloud-based ticketing technology that could support the museum's audience development strategies.

“The big advantage of a SaaS solution is that it is natively designed for the web.”

It offers the assurance of a solution that integrates the latest technological developments, protecting us from the risk of obsolescence and allowing us to adapt to the changing habits of our audiences. The modern approach of the SecuTix ticketing solution was another asset for us,” said Centre Pompidou's IT Director Philippe Benaïche.

Eight months after choosing ticketing engagement platform SecuTix 360° in 2016, the Centre Pompidou switched its entire functional area in less than 24 hours, a first for a cultural institution of this scale.

5. INCREASE BASKET SPEND

It's no secret that it costs more effort, time and money to attract a new visitor than it does to retain one. For this reason,

Museums are focusing on ways to increase the basket spend of existing visitors to generate more income.

Some of the techniques include:

- Cross-selling related merchandise such as a book connected to the exhibition at the ticket purchasing moment,
- Diversifying the range of packages online beyond the standard ticket. For example, upgrades to guided tours, audio guides at the point of purchase or additional services like food or parking,
- Building partnerships with other cultural institutions in order to offer comprehensive and attractive packages that benefit both. Cross-selling of tickets for each other's exhibitions creates a more satisfying experience for the visitor and helps to build customer loyalty.

CASE STUDY: City Of Reims

The cultural life of the city of Reims is dynamic and rich. Reims offers a varied and constantly evolving cultural programme across numerous venues. To showcase its cultural activities, Reims decided to create a cultural network, bringing together four major cultural institutions (the opera, two theatres and a concert hall) with the local municipal museums and a cultural information centre called "Le Trésor".

This involved the implementation of a shared ticketing platform across all institutions. The city chose the SecuTix ticketing engagement platform in order to facilitate the combination of offers from multiple institutions in attractive packages. Today all ten of the city's cultural institutions are fully integrated and live on SecuTix. Through its online city portal, the city is now able to offer attractive packages such as weekend passes or combined products offering access to museums, theatres and gift vouchers, which allows visitors to build their own cultural journey. The shared ticketing tool also opens up several avenues for future development such as designing tourist packages, creating a student "cultural pass" or developing cultural merchandise.



6. CURATE FOR SOCIAL MEDIA

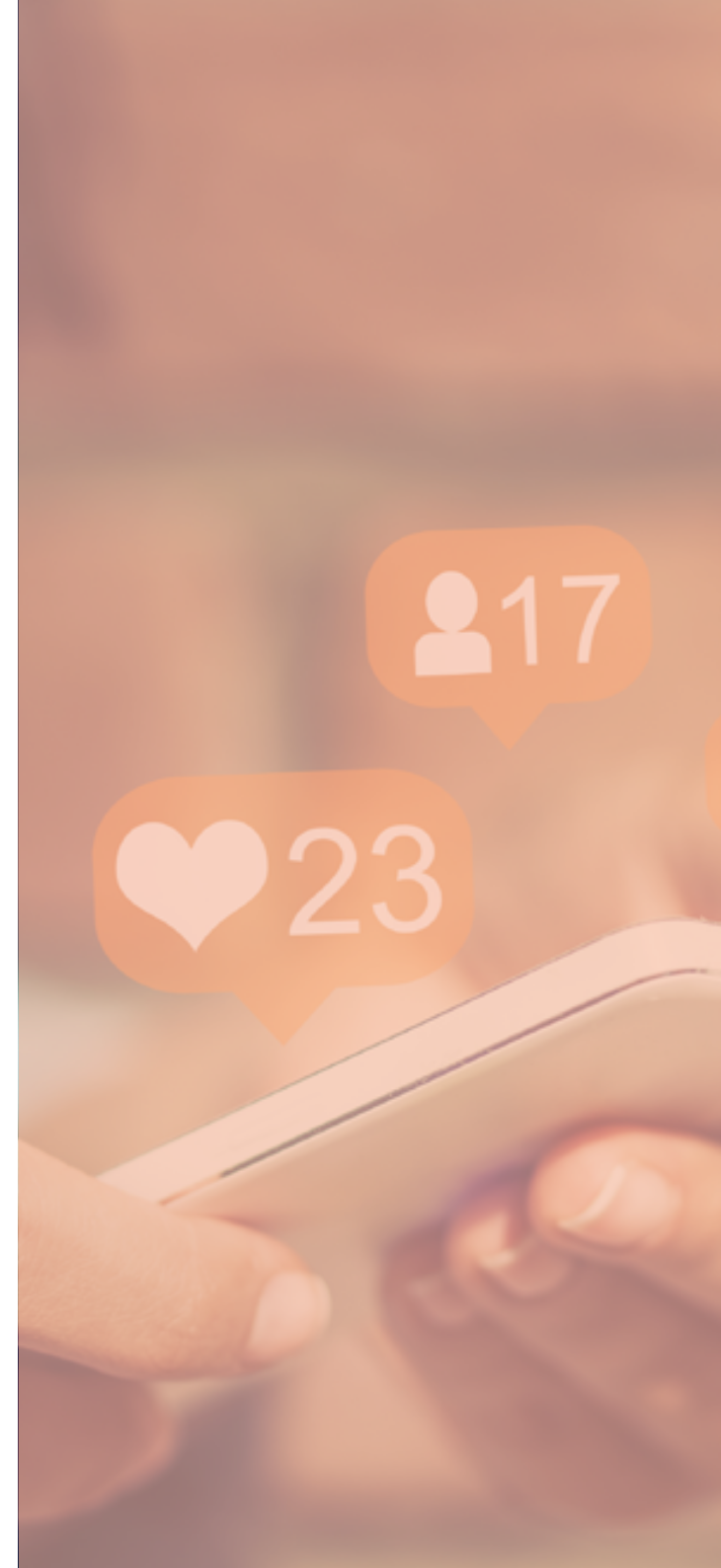
Museums have long led the field in terms of content creation, using social media to tell engaging stories about their collections. But increasingly, social media is being used more intelligently as a platform to bring in new audiences and build awareness of exhibitions.

Messaging on social media platforms is now crafted to generate click throughs to the museum site and to the online ticketing portal. And for museum members, online groups are being created to deliver exclusive content and drive greater loyalty.

Social media continues to play an important role throughout the customer journey, particularly during the museum visit itself. Curators are exploring ways that visitors can interact with installations and have that selfie moment with augmented reality exhibitions and Instagram competitions. Apps are being designed to deliver additional content while exploring the exhibition.

This more dynamic approach to social media generates shareable experiences, prompts visitors to react and engage directly with the museum and of course generates awareness of the exhibition.

**And the more that can be
done to spread the word,
the more visitors will come.**



7. DEVELOP CHARITABLE GIVING

At this challenging time for funding in the museum sector, cultural institutions are looking at methods to increase donations from charitable giving. In conversations with clients, two approaches jump out as successfully encouraging philanthropic support.

Donations when purchasing tickets online

Integrated into the online purchasing journey is a request for a charitable donation. This is often a small amount asked of the individual, but with a high volume of visitors willing to participate, this is proving to be an effective tool in generating income.

It is relatively easy to set up this type of online donation. For instance, the SecuTix ticketing platform can either integrate donation within the purchasing journey or partner with third party applications by simply plugging in an online charity module. For micro-donations we have partnered with Common Cents. Common Cents handles the whole process, ensuring all regulations around charitable donation in that market are met, for example sending out a fiscal receipt to each and every individual donor. It can be a time-consuming

exercise to handle internally, but by outsourcing to experts, this extra revenue stream can be managed very efficiently.

Crowdfunding

Participative funding has now reached the cultural field, with institutions increasingly turning to crowdfunding for projects they need to finance.

Successful museums will link crowdfunding with their CRM system, so a fundraising campaign can target the primary audience most likely to give by segmenting visitor data on spending habits, exhibition preferences and their history in cultural giving. Using SecuTix, all data from the exercise is collected, donors tagged and retargeted at a later date.

The benefits of crowdfunding go beyond the collection of funds; it is also a means to modernise a museum's image, engage with younger audiences and generate publicity for the project.

CASE STUDY: Musée du Louvre

An example of the smart use of database and outsourcing is when the Louvre launched its first crowdfunding campaign in 2010; the objective was to raise €1 million to contribute to the purchase of Cranach the Elder "The Three Graces" painted in 1531.

The campaign, heavily supported through advertising, proved an unexpected success with around 7,000 donors and achieving its financial. The bad news was that the museum had not anticipated neither the logistics (cashing cheques and sending fiscal receipts), nor data collection of 7,000 contacts. Building on this first experience, the museum has now implemented a CRM tool gathering information on both customers and donors. All crowdfunding campaigns are now based on digital outreach to the most relevant targets (former donors, members, frequent visitors) while cashing and fiscal receipts are outsourced, enabling the fund-raising team to focus on its core objectives. The most recent crowdfunding campaign attracted 3,700 donors and raised €670,000, mainly supported by an internal-run e-marketing strategy.

8. BRANDING

Museums are increasingly aware of the importance of their 'brand', of its value and how audiences connect with it. The adoption of brand thinking is now commonplace in the sector and plays a pivotal role in tackling the issues raised by public funding cuts, fiercer competition for visitors and the need to attract new audiences.

Within the most successful museums the brand is a set of shared values upheld across the whole organisation - it doesn't just sit in the marketing department. This approach leads to clarity of message and a clear distinctive positioning in this competitive environment.

Branding today is about defining the identity, the spirit, even the purpose of a cultural organisation.

The Tate Group and MoMa are leading lights in brand thinking. Their brands are now very much established and can therefore extend beyond their physical boundaries into products, publishing, social media and through partnerships with other cultural institutions. For instance, when a Tate Modern exhibition travels beyond London's South Bank, it attracts audiences partly because of its brand appeal.

The 21st century visitor responds well to a consumer brand approach and philanthropists are attracted to museums with strong brand appeal. It's no longer something that curators should be sceptical about.



9. MOBILITY

'Please switch off your mobile phone' signs are now a thing of the past as successful museums put in place a 'mobile-first' strategy. Those that haven't yet are undoubtedly missing out on opportunities to attract more visitors and raise additional funds. Why? Because smartphones are increasingly part of our daily lives and are the device of choice. By next year it is estimated 67% of Western Europeans will own a smartphone (Statista 2017*). More websites are now downloaded by mobile devices than desktop computers** and in 2016, nearly one third of European internet users completed purchases via a mobile device (smartphones & tablets) ***. However, slow adoption of responsive design across websites of cultural institutions remains a major concern.

Museums are leveraging the smartphone in several ways:

- Offering an "anytime anywhere" purchasing experience to their visitors. Mobile ticketing is now part of multi-channel ticket distribution.
- Mobile ticket app. SecuTix develops ticketing apps for clients which visitors can intuitively navigate to view upcoming events, select seats, make secure credit card payment and download an electronic

ticket, which can be presented at the venue. The app is also being used to communicate with audiences – notify them on upcoming events, share promotional offers, or send real-time alerts about last-minute changes.

- Content-driven apps for specific exhibitions - delivering extra information or the ability to download a simplified catalogue of the exhibition onto the smartphone.
- Offer geo-localisation services inside the museum to optimise the physical visit of large museums that have a complex floor plan across multiple buildings and rooms.

Ultimately, the smartphone can enhance the visitor experience enabling them to see more of the museum, spend less time in queues and increase their learning through additional educational information being delivered directly to their phone.

*Statista 2017

**StatCounter Global Stats November 2016

***Research and Markets - Europe M-commerce 2017 report



10. CONCLUSION

Museums are aware that increasing and diversifying earned revenue is key to them pursuing their fundamental missions of curation and exhibition of collections. Not so long ago, it was taboo for a museum to discuss business strategies as a means to raise turnover, let alone to call a visitor a “customer”. But times are changing and museums are now more comfortable with combining business and philanthropic motivations; running the museum like a business while delivering on their primary mission to make culture accessible to everyone.

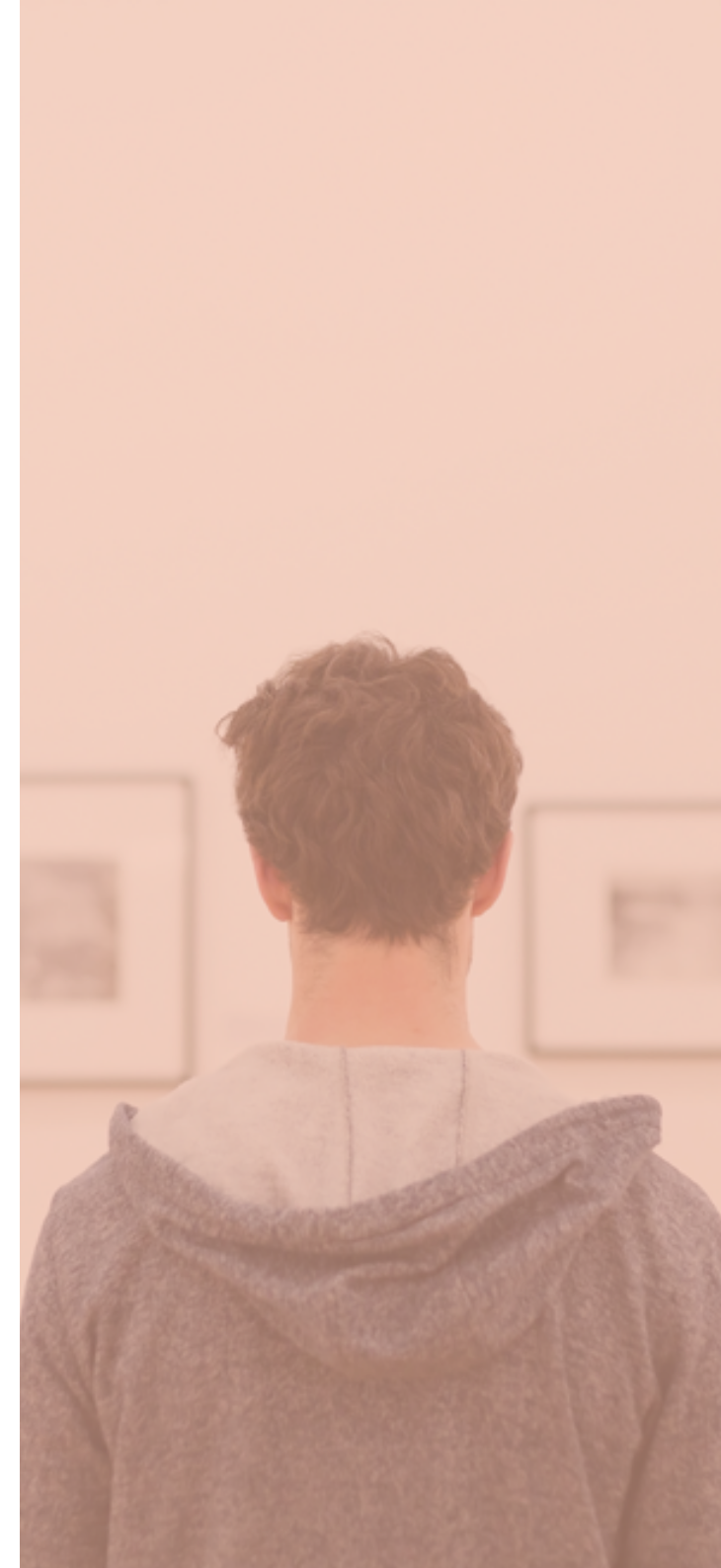
Key to all this is the adoption of a customer-centric approach. From data-driven insights and IT outsourcing to branding and social media, the question being asked time and time again is how the museum can provide a better service for the visitor.

As museums put themselves into the visitor’s shoes, they take into account the customer journey in both the physical and digital worlds. Those organisations that create a framework where departments and digital technologies all work together for the good of the visitor are reaping the benefits.

Rising out of this difficult environment is the opportunity to experiment, change and modernise. Successful museums are trying new things, taking risks, learning from outside experts and measuring results in a bid to continuously improve the service. And this is a new way of thinking.

Those that now see themselves as service providers to the visitor are the ones succeeding in increasing earned income.

The need to diversify and solidify museum revenue streams has never been greater. Fortunately, the tools and thinking are out there not only to help achieve this goal but also to future-proof the museum sector.



About SecuTix

SecuTix is a European technology provider of a Ticketing Engagement Platform that helps organisations boost ticket sales and enhance audiences' experience before, during and after live events.

Our product, SecuTix 360°, is a cloud-based platform that combines ticketing and marketing functionality, and is offered as a white label SaaS service.

Used by the largest sport clubs and stadiums, live entertainment businesses, and leading museums and cities across Europe, SecuTix manages the yearly sales of 30 million tickets. Among our clients are Opéra National de Paris, UEFA, Centre Pompidou, Aspro Parks, Saracens FRC, Paléo Festival, Musée Picasso Paris and more. A daughter company of the ELCA Group, SecuTix has a local presence in Switzerland, France, Germany, Spain and the UK.

Learn more about the SecuTix Ticketing Engagement Platform and how it helps museums accelerate their digital and mobile transformation.

Ticketing for museums

Or feel free to send any inquiry to info@secutix.com