

## 0506 Acquisition Brochure: Drop #1 Analysis of results to-date (5/16/2005)

Product	\$	Subs	Seats
Adventures in Music	\$6,894	95	380
Casual Classics	\$8,542	76	304
Classical	\$86,601	410	2466
Weekender Pops	\$22,345	130	724
	\$124,382	711	3,874

This report will look at the characteristics of those households that received a brochure in Drop #1 and of those who subsequently purchased a subscription to that product. It will report on response rates, gross revenue, geographic location, and other factors. It will consider hypothetical mailings where the lessons learned can be quantified based on the actual results we had.

The **0506 Acquisition Brochure Drop #1** was sent only to Minnesota Orchestra patrons and members of the Email Club (many of whom provided their address when they joined). No outside names (rented or traded) were used.

All 0506 subscription results in this report are as of May 16, 2005. With only a few exceptions, I segmented all patrons based on their buying history as of February 7, 2005.

### **This report will make the following conclusions and recommendations:**

- “ Using refined segmentation, we can make greater net revenue by mailing to fewer people
- “ Our best Zip codes for subscriptions are moving away from Orchestra Hall
- “ We should make our sales pitch for subscribing soon after a patron attends a concert
- “ The effectiveness of my experimental %Key Characteristics+segments is still uncertain
- “ No-activity and similar segments should only be used for prospect cards

DROP #1 RESPONSE ANALYSIS - CLASSICAL		as of 5/15/2005						
Classical brochure recipients who purchased a Classical 0506 series								
Order in which names pulled	Segment	# of HHs mailed	# of responders	% response	\$	\$ per mailed HH	Subs	Seats
1	Lapsed Classical sub	7,338	93	1.27%	\$39,873	\$5.43	184	1,086
2	Classical single 4+ in last 2 seasons	248	1	0.40%	\$384	\$1.55	2	12
3	Classical single 4+ 0203	76	1	1.32%	\$456	\$6.00	2	12
4	Metro-area CLASSICAL music	41,659	94	0.23%	\$37,476	\$0.90	182	1,116
5	Preview concert attender	241	4	1.66%	\$1,332	\$5.53	8	48
6	Metro-area CHORAL	7,759	5	0.06%	\$2,139	\$0.28	9	54
7	CYZ	2,522	2	0.08%	\$522	\$0.21	4	24
8	Prosp 0405 Classical or Multi	30						
9	CDs (Metro) last 3 seasons	144	1	0.69%	\$558	\$3.88	2	12
10	Metro video buyer	513						
11	Strib lecture	2,227	2	0.09%	\$417	\$0.19	3	18
12	Metro Key char 3+ but NOT CLA	145						
13	Metro BROADWAY/AM SONGBOOK	5,621						
14	Metro Rentals only	4,186	1	0.02%	\$180	\$0.04	2	12
15	25-dollar offer responders	21						
16	Win a Trip contest	278						
17	NOTA in high True New Zips	2,889	2	0.07%	\$612	\$0.21	4	24
18	No-Activity in high True New Zips	3,622						
19	CLA patrons since 2-7-2005	499	4	0.80%	\$2,652	\$5.31	8	48
		80,018	210		\$86,601		410	2,466
	Overall response rate:			0.26%		\$1.08		

← Recency

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## OBSERVATIONS:

\* Recency of attendance at a Classical concert (preview concert, regular season concert) were two good indicators of likelihood of subscribing to Classical.

~ No-activity accounts, None-of-the-Above+(NOTA) accounts, Strib Women's Lecture attenders and Rental-only accounts were a failure for selling subscriptions.

~ By excluding those who had attended a classical concert, the Metro-area Broadway/American Songbook+(BRO) segment proved a failure. However, since Broadway/American Songbook attendance is a demonstrated characteristic of 33% of current Classical subscribers, BRO+Classical attendance might still be useful. I need to perform further analysis.

## Hypothetical: What if we knew then what we know now for the Classical brochure?

In Drop #1, we mailed the Classical brochure to 80,018 households --- and only 210 households responded (0.26% response). We made \$86,601 (\$1.08 per person mailed) and filled 2,466 seats. **What if we had only mailed to those segments that proved most successful?** The table, below, shows what the results would have been:

HYPOTHETICAL		as of 5/15/2005						
Classical brochure recipients who purchased a Classical 0506 series								
Order in which names pulled	Segment	# of HHs mailed	# of responders	% response	\$	\$ per mailed HH	Subs	Seats
1	Lapsed Classical sub	7,338	93	1.27%	\$39,873	\$5.43	184	1,086
3	Classical single 4+ 0203	76	1	1.32%	\$456	\$6.00	2	12
4	Metro-area CLASSICAL music	41,659	94	0.23%	\$37,476	\$0.90	182	1,116
5	Preview concert attender	241	4	1.66%	\$1,332	\$5.53	8	48
9	CDs (Metro) last 3 seasons	144	1	0.69%	\$558	\$3.88	2	12
19	CLA patrons since 2-7-2005	499	4	0.80%	\$2,652	\$5.31	8	48
		49,957	197		\$82,347		386	2,322
	<b>Overall response rate:</b>			<b>0.39%</b>		<b>\$1.65</b>		

By mailing only to these %best+segments, we would have made **95% as much gross revenue** as we did in reality, but would have mailed to **38% fewer people**. The gross revenue would have been **\$1.65 per person mailed** versus the \$1.08 that we did make in reality.

### QUESTION

**Does a 38% reduction in variable print and mailing costs equal \$4254 or more?** If so, then this hypothetical mailing should be used in the future. \$4254 is the gross revenue this hypothetical mailing failed to make compared to the actual mailing.

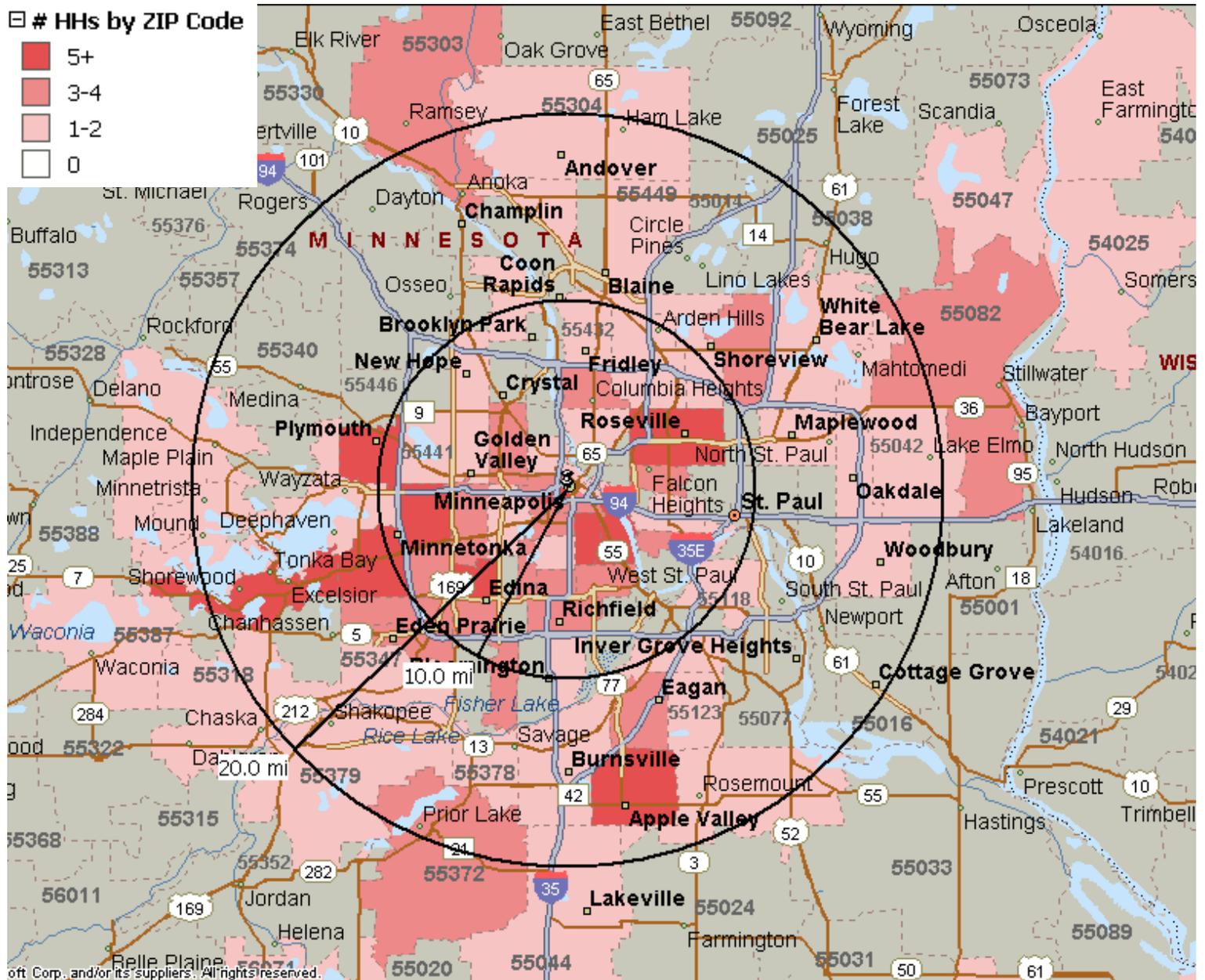
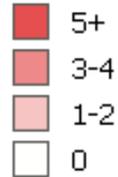
The variable print and mailing costs could be reduced further with little revenue impact if I were to refine the %Metro-area CLASSICAL music+segment (**41,659 households**). I would need to do further analysis of this segment and the characteristics of those who purchased to know for certain how that reduction might be done successfully.

# Where are the households that responded to Classical brochure (Drop #1)?

## Zips with 3+ buying HHs

Zip5	\$	# HHs
55113	\$2,778	6
55436	\$2,130	6
55447	\$1,965	6
55345	\$3,261	5
55406	\$2,955	5
55331	\$2,511	5
55305	\$2,400	5
55403	\$2,262	5
55407	\$1,476	5
55124	\$1,293	5
55404	\$2,733	4
55303	\$2,106	4
55122	\$1,923	4
55422	\$1,809	4
55410	\$1,782	4
55372	\$1,776	4
55405	\$1,638	4
55426	\$717	4
55408	\$555	4
55344	\$2,733	3
55421	\$1,677	3
55127	\$1,386	3
55439	\$1,350	3
55417	\$1,236	3
55419	\$1,182	3
55108	\$1,089	3
55105	\$1,068	3
55423	\$924	3
55343	\$882	3
55082	\$792	3
55437	\$768	3
55346	\$744	3

## # HHs by ZIP Code



Responders outside the seven-county Metro and WI suburbs

\$	# HHs
\$8,718	20

DROP #1 RESPONSE ANALYSIS - WEEKENDER				as of 5/15/2005				
WP brochure recipients who purchased a WP 0506 series								
Order in which names pulled	Segment	# of HHs mailed	# of responders	% response	\$	\$ per mailed HH	Subs	Seats
1	Lapsed WP sub	2,717	20	0.74%	\$7,539	\$2.77	46	250
2	WP single 4+ in last 2 seasons	37	1	2.70%	\$528	\$14.27	2	12
3	WP single 4+ in 0203	12	0					
4	Metro WP single	17,085	21	0.12%	\$7,411	\$0.43	43	242
5	CYZ	7,649	8	0.10%	\$3,476	\$0.45	16	92
6	Prosp 0405 WP or Multi	19	0					
7	Metro Jazz PLUS another	1,108	1	0.09%	\$396	\$0.36	2	10
8	Strib Lecture	2,534	2	0.08%	\$794	\$0.31	4	22
9	Metro Rentals-only	8,994	5	0.06%	\$1,754	\$0.20	11	64
10	NOTA in high True New Zips	1,986	0					
11	No-Activity in high True New Zips	1,998	0					
12	WP patron since 2-7-05	205	1	0.49%	\$115	\$0.56	2	10
13	25-dollar offer responders	304	1	0.33%	\$194	\$0.64	2	10
14	Win a Trip contest	509	1	0.20%	\$138	\$0.27	2	12
		45,157	61		\$22,345		130	724
Overall response rate:				0.14%		\$0.49		

### OBSERVATIONS

~ No-Activity, NOTA, and Rentals-only failed as segments.

~ The Metro Jazz PLUS another+segment failed. It had excluded WP attenders, who were pulled earlier in the list.

~ Recency was a key indicator of purchase.

In the hypothetical %insight+mailing, below, a **39% reduction in brochures** mailed would see a reduction of **\$3276 in revenue**.

HYPOTHETICAL								
Order in which names pulled	Segment	# of HHs mailed	# of responders	% response	\$	\$ per mailed HH	Subs	Seats
1	Lapsed WP sub	2,717	20	0.74%	\$7,539	\$2.77	46	250
2	WP single 4+ in last 2 seasons	37	1	2.70%	\$528	\$14.27	2	12
4	Metro WP single	17,085	21	0.12%	\$7,411	\$0.43	43	242
5	CYZ	7,649	8	0.10%	\$3,476	\$0.45	16	92
12	WP patron since 2-7-05	205	1	0.49%	\$115	\$0.56	2	10
		27,693	51		\$19,069		109	606
Overall response rate:				0.18%		\$0.69		

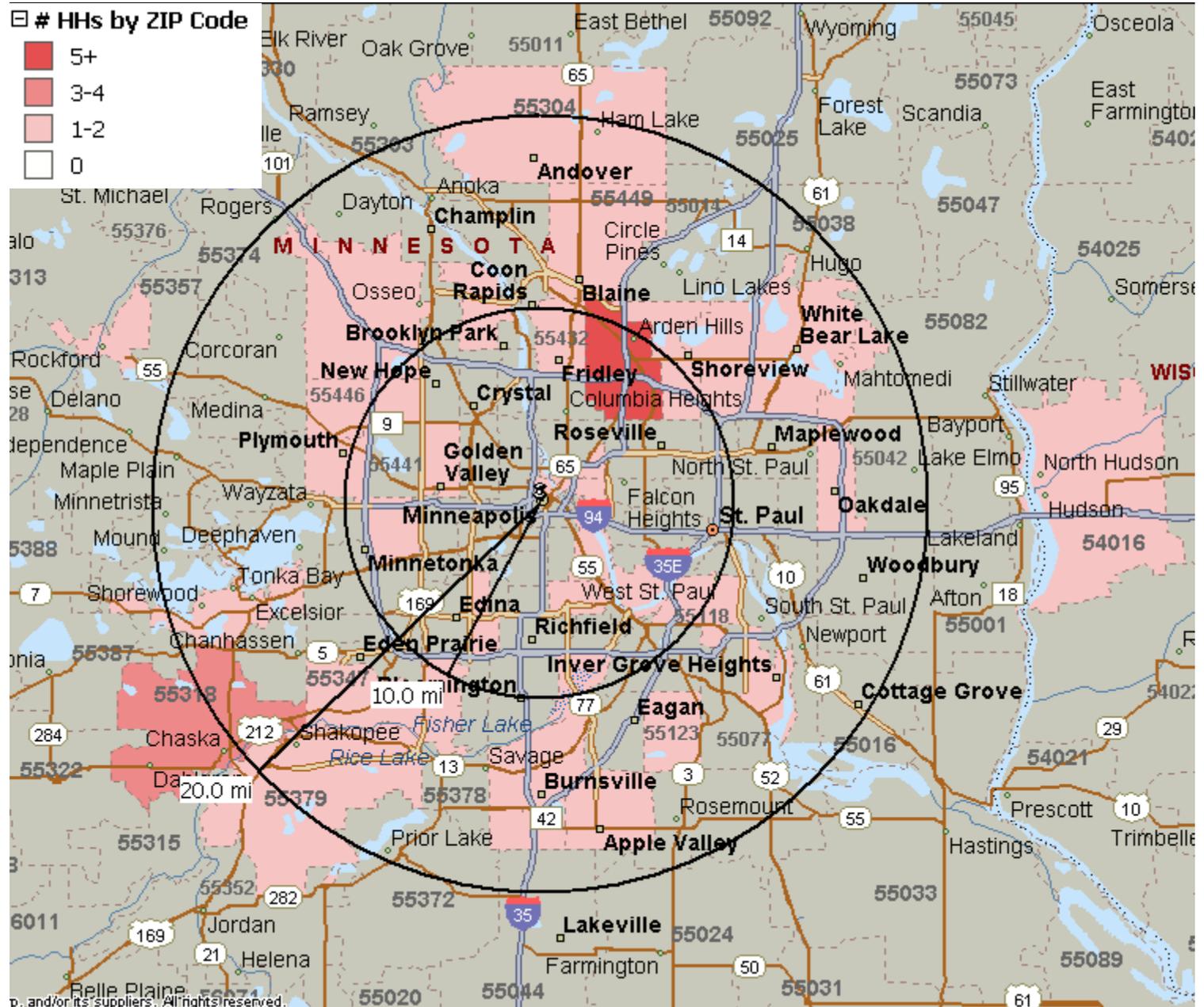
# Where are the households that responded to Weekender brochure (Drop #1)?

Zips with 2+ WP-buying HHs

Zip5	\$	# HHs
55112	\$1,864	5
55318	\$901	3
56303	\$636	2
55449	\$612	2
55447	\$726	2
55434	\$539	2
55427	\$456	2
55337	\$960	2
55331	\$909	2
55305	\$924	2
55124	\$576	2
55116	\$1,056	2

Responders outside the seven-county Metro and WI suburbs

\$	# HHs
\$2,928	8



DROP #1 RESPONSE ANALYSIS - CASUAL CLASSICS				as of 5/15/2005				
CC brochure recipients who purchased a CC 0506 series								
Order in which names pulled	Segment	# of HHs mailed	# of responders	% response	\$	\$ per mailed HH	Subs	Seats
1	Lapsed CC sub	1,497	7	0.47%	\$1,258	\$0.84	12	48
2	Metro-area CC singles (anytime)	2,279	5	0.22%	\$1,288	\$0.57	10	40
3	CYZ	10,149	14	0.14%	\$3,456	\$0.34	28	112
4	Prosp 0405 CC or Multi	15	0					
5	Metro-area CD buyer	675	1	0.15%	\$208	\$0.31	4	16
6	AIM sub 0001 or earlier	981	2	0.20%	\$816	\$0.83	7	28
7	Metro-area nonAIM CLA kid last 3 seasons	362	0					
8	Metro CLA at a Garrison Keillor	151	1	0.66%	\$288	\$1.91	2	8
9	Metro CLA (3+ in last 3) never Classical sub	1,877	1	0.05%	\$124	\$0.07	2	8
10	25-dollar offer responders	219	1	0.46%	\$120	\$0.55	2	8
11	Win a Trip contest	525	0					
12	Metro-area nonCC CLA with KEY CHAR (10)	13	0					
13	Metro-area nonCC CLA with KEY CHAR (9)	69	0					
14	Metro-area nonCC CLA with KEY CHAR (8)	189	0					
15	Metro-area nonCC CLA with KEY CHAR (7)	494	0					
16	Metro-area nonCC CLA with KEY CHAR (6)	938	0					
17	Metro-area nonCC CLA with KEY CHAR (5)	1,801	3	0.17%	\$576	\$0.32	5	20
18	Metro-area nonCC CLA with KEY CHAR (4)	3,346	2	0.06%	\$408	\$0.12	4	16
19	CLA patrons since 2-7-2005	130	0					
20	NOTA in high True New Zips	1,983	0					
21	No-Activity in high True New Zips	1,998	0					
		29,691	37		\$8,542		76	304
	Overall response rate:			0.12%		\$ 0.29		

## OBSERVATIONS

~ Previous CC single-ticket buyers proved surprisingly unresponsive. Perhaps programming is to blame?

~ %Old+AIM attenders (whose kids are too old for AIM) might have a better response rate if refined by other criteria.

~ No-Activity, NOTA, and Rentals-only failed as segments.

~ %Key characteristic+segments failed. They excluded CC attenders, who were pulled earlier in the list.

~ Recency could not be tested since there were no recent CC concerts at time of mailing.

In the hypothetical %insight+mailing, below, an **83% reduction in brochures** mailed would see a reduction of **\$4772 in revenue**.

Order in which names pulled	Segment	# of HHs mailed	# of responders	% response	\$	\$ per mailed HH	Subs	Seats
1	Lapsed CC sub	1,497	7	0.47%	\$1,258	\$0.84	12	48
2	Metro-area CC singles (anytime)	2,279	5	0.22%	\$1,288	\$0.57	10	40
6	AIM sub 0001 or earlier	981	2	0.20%	\$816	\$0.83	7	28
8	Metro CLA at a Garrison Keillor	151	1	0.66%	\$288	\$1.91	2	8
10	25-dollar offer responders	219	1	0.46%	\$120	\$0.55	2	8
		5,127	16		\$3,770		33	132
	Overall response rate:			0.31%		\$ 0.74		

0506 Acquisition Brochure: Drop #1 - Analysis of results to-date (5/16/2005)

DROP #1 RESPONSE ANALYSIS - AIM			as of 5/15/2005					
AIM brochure recipients who purchased a AIM 0506 series								
Order in which names pulled	Segment	# of HHs mailed	# of responders	% response	\$	\$ per mailed HH	Subs	Seats
1	Lapsed AIM subs (1 or 2 seasons)	758	9	1.19%	\$2,317	\$3.06	33	132
2	Metro AIM singles last 3	1567	11	0.70%	\$2,766	\$1.77	36	144
3	Metro video buyers last 3	55	0					
4	Prosp 0405 AIM or Multi	16	0					
5	Metro Email Club with AIM interest	5007	3	0.06%	\$704	\$0.14	11	44
6	Kid disc (sub or single) last 3	651	3	0.46%	\$859	\$1.32	11	44
7	NOTA in high True New Zips	1983	0					
8	No-Activity in high True New Zips	1999	1	0.05%	\$128	\$0.06	2	8
9	AIM patron since 2-7-05	11	0					
		12,047	27		\$6,774		93	372
Overall response rate:				0.22%		\$0.56		

## OBSERVATIONS

~ Video buying proved a bad indicator of purchasing. However, the presence of a child-discounted ticket proved a comparatively good indicator.

~ A stated interest in AIM in the Email Club failed as an indicator. This is probably due to how long ago this interest was stated (i.e., the kids are now too old).

~ No-Activity and NOTA failed as indicators.

~ Surprisingly, recency was ***not*** a good indicator for AIM.

In the hypothetical hindsight+mailing, below, a **75% reduction in brochures** mailed would see a reduction of only **\$832 in revenue**.

Order in which names pulled	Segment	# of HHs mailed	# of responders	% response	\$	\$ per mailed HH	Subs	Seats
1	Lapsed AIM subs (1 or 2 seasons)	758	9	1.19%	\$2,317	\$3.06	33	132
2	Metro AIM singles last 3	1567	11	0.70%	\$2,766	\$1.77	36	144
6	Kid disc (sub or single) last 3	651	3	0.46%	\$859	\$1.32	11	44
		2,976	23		\$5,942		80	320
Overall response rate:				0.77%		\$2.00		

## Conclusions and recommendations:

### **Mailing to fewer people can produce greater net revenue**

We should drastically reduce our brochure mailings through careful segmentation (as revealed by the hypothetical mailings in this report). With the money saved, we should rent ~~new mover+~~ mailing lists in Zip codes that fit the demographics of our likely buyers. Using my mapping software, MS MapPoint, I can identify these Zip codes.

### **Best Zip codes are moving further away from Orchestra Hall**

The best Zip codes are often 10-20 miles away from Orchestra Hall. This is supported by the findings in my report concerning Zip codes for renting mailing lists. We can use these ~~best Zip codes+~~ not only to rent mailing lists, but also to reduce the amount we mail by refining our larger patron segments with these Zip codes.

### **Make sales pitch for subscribing soon after patron attends a concert**

With the exception of AIM and possibly Casual Classics, the likelihood of subscribing goes up if the brochure arrives shortly after the person attends a concert of the same product (e.g, Classical or Weekender). The use of ~~wraps+~~ to call attention to how next season's concerts are similar to what was just heard might prove effective.

### **Effectiveness of experimental “Key Characteristics” segments still uncertain**

The poor results of my experimental ~~key characteristics+~~ segments for Casual Classics show that they cannot predict subscription to Casual Classics. However, as was shown in a previous report, Classical subscribers are largely characterized by their attendance at Broadway/American Songbook concerts, among other characteristics. The failure in the case of Casual Classics simply means the indicators cannot be transferred to Casual Classics.

In the case of the Classical brochure, the ~~Key Characteristics+~~ segments excluded anyone who had attended any sort of classical music concert. This is because all classical music attenders were pulled earlier in the list. Clearly, classical attendance is a key characteristic for subscribing to Classical. Key characteristics may prove useful in refining future mailings.

### **No-activity and similar segments should only be used for prospect cards**

No-activity accounts, ~~None-of-the-Above+~~(NOTA) accounts, Strib Women's Lecture attenders and Rental-only accounts were a failure for selling subscriptions to any product.