



# **CONSUMER RESPONSE TO DIFFERENT PRICING SYSTEMS IN THE PERFORMING ARTS' INDUSTRY**

Marina Angione

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ADVISOR: Ana Isabel de Almeida Costa

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## **ABSTRACT**

**Title of the dissertation:** “Consumers response to different pricing systems in the performing arts industry”

**Author:** Marina Angione

More research is required in the field of performing arts, whose link with business management is often weak and lacks specific theories and expertise. Performing arts’ revenues are undermined by external and internal barriers, such as reduced government spending, increased competition and shifting consumers’ needs. This results in organizations struggling in making ends meet and an audience participation rate that has not grown over the last two decades. Working on good pricing strategies becomes urgent, especially in a field where the relation between quality and price is difficult to assess, due to the nature of cultural products, and consumers often strive in taking purchase decisions.

This thesis undertakes an experimental approach in order to investigate under which conditions consumers’ demand increases. Two pricing models are compared, subscription and membership, which respectively represent a more traditional and a more innovative form of loyalty. Additionally, the effect of a positive price anchor is tested, through the use of single ticket price information as a reference price. As expected, results confirmed a positive effect of the use of single ticket price information on demands for loyalty formulas as well as a higher demand for membership than for subscription, a less flexible pricing model. Additionally, main effects of demographic variables led to the definition of a proper target for membership, which showed its potential in not only retaining existing audience but also attracting new ones whose needs are so far not satisfied.

## SUMÁRIO

É necessária mais pesquisa no domínio das artes performativas, cuja ligação com a gestão empresarial é frequentemente fraca e carece de teorias e competências específicas. As receitas das artes performativas são ameaçadas por barreiras externas e internas, como a redução dos gastos governamentais, o aumento da concorrência e a mudança das necessidades dos consumidores. Isso resulta em dificuldades para as organizações, que lutam para fazer face às despesas e uma taxa de participação da audiência que não cresceu nas últimas duas décadas. Desenvolver boas estratégias de preços torna-se urgente, especialmente num campo onde a relação qualidade/preço é difícil de avaliar.

Esta tese desenvolve uma abordagem experimental para investigar em que condições aumenta a procura dos consumidores. Dois modelos de preços são comparados: Subscrição e Adesão (Associação), que representam respectivamente uma forma mais tradicional e mais inovadora de fidelidade. Adicionalmente, o efeito de uma âncora de preço positiva é testado, através da utilização da informação de preço de bilhete único como um preço de referência. Como esperado, os resultados confirmaram um efeito positivo da utilização de informações relativas ao preço do bilhete único sobre as fórmulas da procura de fidelidade, assim como uma maior procura por adesão do que pela assinatura (modelo de preços menos flexível). Além disso, os principais efeitos das variáveis demográficas levaram à definição de um alvo adequado para a adesão, o que mostrou o seu potencial não só para manter o público existente, mas também para atrair novo público, cujas necessidades até agora não são satisfeitas.

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# CHAPTER 1: INTRODUCTION

## 1.1 Background and problem statement

Despite several publications asserting the importance of marketing and structured business practices in the context of art (Colber, Nantel, Bilodeau, Rich, 1994; Kotler, Scheff, 1997; Rentschler, 1998; Butler, 2000; Rentschler, 2002; Kolb, 2005; Hill, O'Sullivan, O'Sullivan, 2012), there is still a gap between marketing theory/practice and the management of cultural industries, particularly in the area of performing arts. Factors like reduced government spending, increased competition from expanding entertainment markets and shrinking audiences have placed pressure on the ability of performing arts organisations to make ends meet (Hume, Mort, Winzar, 2007). From a consumer perspective, the fear of not understanding the point of a play, a feeling of being overawed or out of place, and the financial risk associated with “wasting money” on a less than enjoyable experience, all remain real barriers to access performing arts (Hill, O'Sullivan, O'Sullivan, 2012). This raises the need to minimize such barriers by undertaking a customer-oriented perspective (Botti, 2000), as well as introducing innovations capable of retaining existing audiences and generating engagement of new potential consumers (Rentschler, Radbourne, Carr, Rickard, 2002; Bernstein, 2011; Courchesne, Ravanias, 2015).

Ticketing and pricing strategies are becoming more and more a relevant topic in the performing arts. Firstly, good pricing strategies are the main way cultural organizations have to attract customers, whose main reason for lack of attendance is entry price (Butler, 2000). Consequently, performing arts organizations traditionally use a combination of single tickets and subscription pricing formulas, which represent forms of immediate and delayed purchase, respectively, differing in terms of payment moment and structure. However, little is known about how consumers evaluate and respond to these different pricing formulas and whether other, more appealing or more viable, alternatives exist. Secondly, the relationship between the value and the price of cultural products is rather complex. Indeed, quality in the performing arts industry is not assessed by a consensual set of criteria, but rather by multiple and highly subjective ones, such as expectations, performers' reputations, the popularity of the show and the stature of the venue (Butler, 2000). In environments where quality is difficult to assess, price becomes an indicator of the expected value of the consumption experience (Zeithaml, 1988). However, since in the field of performing arts price is highly variable and depends on many factors, customers face a situation of information asymmetry

that makes product comparisons and purchase decisions relatively hard to take. In such an environment, offering an appropriate pricing strategy is vital to reduce consumer uncertainty and stimulate demand.

## **1.2 Aims and scope**

The main aims of this thesis are to empirically assess the effectiveness of different pricing systems in increasing consumer demand for, and satisfaction, with performing arts events, as well as investigate how companies in this sector may optimize their pricing system by taking the use of reference price into consideration (Thaler, 1983, 1985). Consumers' preferences are analysed through Thaler's findings on mental accounting and mental accounting of delayed consumption (Shafir, Thaler, 2006). The interest in researching this topic arose in the summer of 2016 during my internship at Torino Spettacoli, one of the main performing arts organizations in Turin, Italy. This work experience had the fundamental role of highlighting the main interest areas and research opportunities and led me to the development of the following research questions:

RQ1: Which pricing strategy – single tickets, subscriptions or membership cards – better responds to consumer needs and generates more ticket demand?

RQ2: Which marketing initiative can be used by performing arts organizations in order to simplify purchasing decisions and stimulate sales in an environment where quality is difficult to assess in advance?

Contrary to single tickets, subscriptions imply a multiple purchase and a large separation between the moments of payment and consumption. They entail a single payment for a set of entrances to a defined number of performances, typically incurred before season start, which is compensated by a unit discount. Tickets purchased outside the subscription formula cost the same as regular single tickets. Subscriptions are especially valuable to organizations since, besides producing about 40% of revenues in advance (Theatre Communication Group, 2014), they generate consumer loyalty and retention, and allow the development of a marketing database, among other benefits related to customer relationship management (Osterwalder, Pigneur, 2010). In spite of guaranteeing a good financial deal for both companies and consumers, such entrance formulas are mainly only appropriate to familiar and loyal audiences, who can plan their consumption in advance and afford a lump-sum payment as well.

In 2015, Eric Joly, Director of Marketing and Communication at TOHU (one of the main circus companies in Canada) identified a shift in consumer demand towards more flexible entrance formulas (Bolton, Kennan and Bramlett, 2000). For this reason, he implemented the use of a membership pricing model in his organization. This model requires the payment of a membership fee up front to the organization and gives consumers the right to a consistent discount on future tickets purchases (Radbourne, 1999). It is already widely used in other business fields, being then successfully applied by Joly as a key tool in responding to new consumer needs and facing an ever-expanding competition (Courchesne, Ravanis, 2015).

Both memberships and subscriptions represent a form of delayed consumption (purchase and consumption are separated in time), but differ greatly in terms of payment methods and saving perceptions. Subscriptions require a lump sum payment before consumption that gives the right to attend a fixed number of plays. No additional expenses occur when actually attending a play during the season. Savings here are related to the fixed number of plays included in the formula (e.g. 10 plays for the price of €185, while play's single price ticket is normally €36). On the other hand, memberships require an initial payment of a fee, which will be followed by future diluted payments according to how many tickets consumers decide to purchase throughout the season. Additional expenses occur whenever attending a play and are equal to the discounted price of tickets (e.g. members' special price of €13,50 while play's single price is normally €36). Savings occurs only when the initial membership fee's expense is amortized and grow accordingly to the amount of tickets purchased. Like the subscription model, memberships also focus on relational, rather than transactional marketing (Johnson and Garbarino, 2001). However, they reduce substantially the financial impact of a lump-sum payment for consumers.

During my internship, I also realized how the already difficult and turbulent economic conditions surrounding the consumption of cultural products was made worse by the extreme variability of ticket prices. This results in consumers often not having any reference price helping them decide whether a ticket purchase for a particular performance is a good deal or not. For this reason, I decided to investigate the use of reference price (Thaler, 1983, 1985) as a tool capable of simplifying purchase decisions and potentially enhance sales in this industry. Hence, the price of a single ticket was chosen as the reference price (Thaler, 1983, 1985) and its effect on the purchase of subscriptions and memberships tested. This line of research was pursued to ascertain if the provision of the single ticket price (reference price) could work as a positive price anchor for subscriptions and membership offers, allowing consumers to realize the value of the deal and enhancing their demand.

Even though performing arts include music, dance, theatre, and opera (Botti, 2000), the scope of this thesis is limited to organizations offering exclusively theatre plays, for reasons of both feasibility and focus. Moreover, the analysis of the offer is limited to the pricing strategy; content and quality of the offer are not investigated. As mentioned, quality is very hard to assess when talking about cultural products (Throsby, 1990) and needs to be judged by qualified sector specialists rather than marketers (Botti, 2000). Sector analysis and empirical research in this thesis were all conducted during the second semester of 2016 and the first of 2017, and were limited in geographic scope to Western and Central EU countries.

### **1.3 Research methods**

The first part of this thesis employed a descriptive research approach, making use of secondary qualitative data from active performing arts organizations in Italy and France for sub-sector economic analysis. First, knowledge about and direct experience with the topic were developed during the internship conducted at Torino Spettacoli. The mentoring and support of its CEO and cultural expert Irene Mesturino helped understand the changes in the goals of today's performing arts organizations, as well as its main challenges, from an internal perspective. Moreover, benchmark study was conducted in the area of Turin, involving the main local performing arts organizations. This led to the definition of common ticketing strategies and trends, as well as to the collection of specific information about the type of tickets sold, the range and scope of the offer, and prices and conditions.

The second part of the thesis undertook an explanatory approach. Insights from the analysis of secondary data were used at this stage to design and conduct an online experiment with EU consumers (n=270, part of the Prolific Academic panel) in April 2017. This study employed a completely randomized 3X2 factorial design where the type of ticket (single ticket vs. subscription ticket vs. membership card) and information about single ticket price (no vs. yes) were jointly manipulated. This resulted into 6 experimental groups of which one was eliminated due to redundancy (single ticket with single ticket price info), and 2 new ones were added in order to simulate a more realistic choice architecture (a complete scheme of experimental groups and conditions can be found in Chapter 3, Table 1). In the experiment, respondents were initially faced a real consumption situation, in which they were asked to consider purchasing an entrance for a local theatre. After being showed their randomly assigned, manipulated choice scenarios, they were then asked to express their likelihood to buy the presented offers on an eleven-point probability scale (10 through 0) (Juster, 1966). This measure was followed by a series of questions aimed at investigating additional

variables, such as overall satisfaction, participation intentions and mental accounting rules. The experiment was completed by a questionnaire with the aim of describing the sample in terms of culture consumption orientation, theatre consumption habits and main socio-demographic characteristics.

#### **1.4 Relevance**

Studies tailored to performing arts sector should benefit both cultural managers and industry experts, who often have an artistic rather than managerial background, and sometimes struggle in turning their artistic resources into a profitable and sustainable business (Colbert, 2003). Specifically, assessing consumers' purchase intention and satisfaction to diversified ticketing strategies and learning how to optimize them should contribute to help theatrical enterprises and cultural managers to better exploit the value of their offers, with consequent improvements in audience development and retention (Maitland, 2000). Such issues are essential in order to respond and properly engage with the ongoing challenges and potentials of the performing arts and their institutions. Over the last two decades, participation rates in the arts and cultural activities have been static. Hence, the importance of increasing the number of people taking part in arts activities has been recognised and an increase in art events' participation has become a formal target agreed among many governmental institutions and foundations (Barlow, Shibli, 2007).

#### **1.5 Dissertation outline**

Chapter 2 presents a literature review on the main marketing studies conducted in the performing arts field, particularly those supporting the development of testable research hypotheses. Chapter 3 describes the research methodology employed, including both the secondary data collected from local active organizations and the primary data collected through the experimental study. Chapter 4 presents and discusses the main empirical results obtained. Derived conclusions and managerial implications, as well as study limitations and recommendations for future research, are finally presented in Chapter 5.

## **CHAPTER 2: LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK**

### **2.1.1 The cultural product**

It is common to distinguish the performing arts from visual arts like painting, photography, and sculpture (Botti, 2000). Performing arts comprise all forms of art that include a public performance by some artists, such as music, dance, theatre, and opera. As such, they have some intrinsic characteristics that make the study of pricing strategies particularly interesting. First, they are intangible products that consumers cannot try before actual purchase. Secondly, they are perishable products that cannot be returned or resold, which is why consumers may perceive their purchase as risky. Finally, they are not subject to decreasing marginal costs, contrary to traditional good industries (Heilbrun & Gray, 2001). The average cost of seats decreases in the direct proportion of the number of performances due to the paying off of production costs.

A good pricing strategy for consumers, which in the case of subscriptions can include a discount on the purchase of a bundle of tickets, can work as a compensation for taking the risk of buying a good whose information before the purchase is limited (Blattberg & Neslin, 1990). No matter if the promotion regards a bundle of tickets or last minute entrances, they are the main mean for selling the maximum amount of seats, which results in extending the number of performances and consequently firm revenues (d'Astous, Legoux, Colbert, 2004).

### **2.1.2 Business and the arts – and old antinomy**

As highlighted by Jonhson and Garbarino (2001), as well as d'Astous, Legoux and Colbert (2004), barely some decades ago, marketing strategies designed to increase theatre audiences were defined "a threat to the artistic integrity" by several company managers (Belk and Andreasen, 1980). Price promotions, in particular, represented the most controversial topic for theatre managers, with some of them arguing how discounts on tickets and subscription were attracting a "lower quality" customer base, seduced uniquely by cheap prices and not by the cultural quality of the offer (Newman, 1977).

Promotional offers often carry a negative connotation, even when associated to simple consumer goods, and find themselves on the borderline between generating appreciation and feelings of being manipulated into a buy (d'Astous and Jacob 2002). Such negative connotations are likely exacerbated when promotions are linked to value-expressive products,

such as ballet or a theatre performances, due to perceptions of inappropriateness or inconsistency relatively to the characteristics of the artistic product (d'Astous, Legoux, Colbert, 2004). However, it is becoming fairly normal, at least in North-American markets, for last minute tickets to performances to be show-cased and sold at discounted prices in specialized websites and apps. An example is TodayTix, the app implemented by Merritt Baer and Brian Fenty for Broadway tickets that works just as a last-minute sell for flight tickets (Huddleston, 2016). This practice has started to dismantle the scepticism towards the combination of cultural products and promotions, even though this trend still needs to get a foothold in Europe.

### **2.1.3 Transactional vs. relational exchanges**

Building a good pricing strategy does not necessary always imply using marketing tricks or seductive price promotions that could potentially damage the nature of a cultural product. It could and should also offer the possibility to develop marketing initiatives that generate customer engagement and increase loyalty towards the performing arts organizations, such as the case of subscriptions and memberships. This essentially means shifting from a transactional to a relational marketing approach (Courchesne, Ravanas, 2015).

Transactional marketing tries to find out what are the reasons that pull economic actors to buy and sell, focusing on dynamics of a single transaction. Conversely, relationship marketing stress the importance of building a long-term relationship between customers and companies, based on satisfaction and retention (Hollensen, 2015). Whereas transactional marketing focuses on acquiring new customers interested in buying single tickets for some specific shows, relationship marketing works on the retention of existing customers with the goal of building a loyal and committed customer base (Dwyer, Schurr and Oh, 1987; Voss and Voss, 1997; Rentschler, Radbourne, Carr & Rickard, 2002). An organization should always respect customer's orientation and look for both transactional and relational customers, because each of them brings different value to the organization (Anderson and Narus, 1991).

What differentiates loyal from occasional customers is their level of trust in and commitment to the organization (Dwyer, Schurr and Oh 1987; Berry, 1995). Compared to occasional/transactional customers, they generate more money up front to the organization, have higher participation intentions, even for the less popular shows, and are generally more satisfied and less demanding of offers. They also depend less on critics' reviews and advertisements to form preferences, share more of an organization's values, have higher philanthropic attitudes and ultimately embody the community support that is required in order

for companies to receive grants and help from government, foundations and corporations (Newman, 1977). Ultimately, they decrease price elasticity, transaction costs and failure costs, and enhance the overall reputation of the cultural organisation (Anderson, Fornell and Lehmann, 1994). For these reasons, relational customers have been defined as the highest quality of customers an organization can attract (Johnson and Garbarino, 2001).

#### **2.1.4 Criticisms to subscription business models**

The practice of using a subscription business model in addition to the traditional single ticket one started in the 1960's, when marketers began to consider it a highly cost-effective pricing offer (Heilbrun and Gray, 1993). However, this positive attitude towards subscribers was soon replaced by a series of severe criticisms during the '80s and '90s, when cultural managers started believing that relying on a subscription business model was unprofitable and old fashioned. Due to economic and lifestyle changes, it was thought that people were not able or willing to plan their activities so much in advance any more, or, more importantly, to pay a sizeable lump sum of money at the beginning of the season (as required by subscriptions). Besides being discriminatory of some consumer groups, this business model was considered a danger for the organization itself. It was thought that the artistic integrity of organizations was being mined by the routinely and conservative decisions taken in order to appease its up-front paid, loyal customer base (Martorella, 1977). The playwright August Wilson highlighted how theatres were becoming generators of mediocrity and discrimination by assuming the function of clubs exclusively reserved to its members (Wilson, 1996). Newman even suggested that at a certain level of success, an organization should reduce the number of seats reserved for subscribers, in order to sell the maximum number of tickets at the full price (Newman, 1977).

Nevertheless, such criticisms seem to have been based more on anecdotal than empirical research, as hinted by the long list of advantages that subscribers bring to organizations due to their relational nature (Johnson and Garbarino, 2001). It is also important to highlight how the costs associated to customer retention (tours, brochures, tote bags, newsletters and phone contact to remind or encourage renewals) are much smaller than those entailed by customer acquisition (Hobson, 1983; Reichheld and Sasser, 1990). Consequently, interest in subscription offer systems has raised again in recent years, due to the marketers' growing tendencies to shift from transactional to relational marketing approaches (Bhattacharya, 1997; Voss and Voss, 1997, Hollensen, 2015).



### 2.1.5 Review of performing arts' marketing studies

Studies on marketing for the performing arts comprised two broad research streams. Less recent studies typically investigated the profile of audiences. Within this topic, researchers were mostly interested in studying the drivers of consumption (DiMaggio, Useem, Mand, Brown, 1978; Semenik, 1987; Thomas and Cutler, 1993; Kotler, and Scheff, 1997). Such studies showed that the audience of performing arts was generally white, wealthy and highly educated (Baumol and Bowen, 1966; Throsby and Withers, 1979; DiMaggio and Useem, 1983; McCarthy et al., 2001a), with education being a better predictor of attendance than income (DiMaggio and Useem, 1978). Industry professionals were shown to attend performances significantly more than other groups (Baumol and Bowen, 1966; DiMaggio and Useem, 1978; Cwi, 1985; Lefklin 2003), whereas gender was found to be either statistically non-significant, or to be significant in older segments only. An exception was ballet, where attendance varied significantly with gender for all age groups (Peterson et al., 2000).

More recent research on performing arts has studied other types of variables such as economic factors (Borgonovi, 2004), attitudinal and contextual variables (Guillon, 2011) and drivers of customer loyalty (Johnson and Garbarino, 2001; Guillon, 2011). The current tendency is therefore to identify which characteristics differentiate “heavy” from “light” consumers and distinguish different levels of loyalty (i.e., behavioural segmentation), in order to build more effective marketing strategies (Petr, 2007; Guillon, 2010). Particularly interesting are the findings from Johnson and Garbarino (2001), who uncovered that what prevents highly satisfied but occasional subscribers and individual tickets buyers from becoming frequent subscribers are lack of time and uncertainty issues, such as uncertainty of actual use, lack of refunding for unused tickets or lack of time to attend. High price scored second for satisfied individual ticket buyers, but third for occasional subscribers, after a play interest factor. These results are particularly interesting as they show that flexibility of purchase and price, which are two variables easily adjustable by organizations, can have a great impact even among highly satisfied audiences whose attendance can still be improved.

The second stream of research focused less on audience characteristics and more on the technical aspects that make offers more desirable. Currim, Weinberg and Wittink (1981) used conjoint analysis to determine the impact of factors such as *performer reputation*, *seating priority*, *season discount* and *number of events on subscription* on the demand for subscriptions to performing arts events. Results showed that *performer reputation* was the most important factor across all customer segments, followed by *price of single ticket* and *seating priority*. *Discount percentage* and *number of events* scored last.

Since cultural consumption is driven to a large extent by aesthetic, symbolic and hedonic motivations, some authors (e.g., Bourgeon-Renault, 2000; Evrard, Bourgeon, & Petr. 2000) proposed that audiences should appreciate more sales promotions when those have an hedonic (premiums, sweepstakes) rather than an utilitarian (samples, price reductions, coupons) nature. Additionally a study by d'Astous, Legoux and, Colbert (2004) uncovered that promotions were more effective in terms of consumer perception when performances was deemed to be attractive, and there was a perceived fit between the promotion and the performance.

The aforementioned case of TOHU demonstrated how a radical change in the business model of a performance arts' organization may equally represent a good opportunity to increase audience, profitability and satisfaction (Courchesne and Ravanias, 2015). Indeed, Eric Joly decided to respond to the new challenges that his circus company faced by adopting the membership pricing model of art museums (Hendon, Costa and Rosenberg, 1989), instead of the standard performing arts' subscription system. The membership model works with the initial provision of a membership fee up front to the organization, and allows members to buy single tickets to performances later, at a discounted price. Hence, the initial expense (membership fee) is followed by smaller ones each time the customer purchases a single ticket; expenses are therefore diluted in time and immediate financial impact is reduced. Here, the quality of the deal depends on the amount of tickets acquired: the more tickets one purchases, the more the cost of the membership fee will be amortized and unit price of tickets decreases. When just a few tickets are purchased, the initial investment will not be amortized and the formula loses its value. In the subscription model, savings are fixed and refer to the tickets already included in the formula (e.g. 10 tickets for the special price of 185 €). When compared to subscriptions, membership deals reduce thus immediate financial impact and respond better to consumer concerns about potential lack of time to attend the theatre in the future and to loose part of the value of the initial ticket purchase (Johnson and Garbarino, 2001).

## **2.2 Irrational purchasing behaviours in cultural environment: the use of reference price**

Due the complex nature of cultural products and the relative difficult consumption environment, customers can sometimes undertake purchase behaviours that are not rational from a strictly economic viewpoint. Andreasen and Belk (1979), for instance, found that people were more receptive to the possibility of buying a second ticket at half price than getting a 40% price reduction on their first ticket, a result which is incompatible with a

financial benefit-only explanation. More recently, an experiment investigated how different bundling strategies affected consumer decisions and perceptions towards cultural goods (Darveau, & d'Astous 2014). Respondents were asked to construct their bundle of cultural products following an additive (starting from zero and adding their preferred products to the bundle) or subtractive model (deleting options from the full bundle). Results showed that using a subtractive option framing led to a greater number of items and a more expensive bundle chosen. This could be explained either by loss aversion (Thaler, 1980), i.e., consumers being more sensitive to losses than gains, or by choosing among product options that share mostly positive features, in which fewer disadvantages give reasons to reject alternatives (Park, Jun, and MacInnis, 2000). Taken together, these findings indicate that humans have bounded rationality, a concept which refers to the limits humans experience in formulating and solving complex problems and processing information (Simon, 1991), and hence often need to rely on habits and mental short cuts when making purchase decisions. An example of such a short cut, or heuristic, is anchoring, which refers to the use of an initial piece of information to make subsequent judgments (Tversky, Kahneman, 1975). Price anchors, for instance, are often used to shape consumers' perception about offer value and influence choices (Simonson, Drolet, 2004).

Anchors work by giving consumers a reference price, which helps them define the value of the deal: if the price one is required to pay is equal to the reference price for the good, the transaction value is zero; if the price is lower than the transaction utility is positive (Thaler, 1983, 1985). The reference price is set by previous experience and perceptions about several factors, such as the seller's reputation, its location and so on. If consumers do not have a reference price in mind, as it could be in the case of performing arts – where prices are extremely variable -, it becomes very hard for them to assess offer value and therefore make satisfactory purchase decisions. In this case, organizations can simplify choices by giving consumers a clear reference price. Moreover, the absence of a reference price, or deviations to it, can be perceived as discouraging or unfair by consumers, which may limit purchase intentions and negatively impact firm revenues (Kahneman, Knetsch, & Thaler, 1986; Wirtz & Kimes, 2007; Xia, Monroe, & Cox, 2004).

Reference price and its impact on perceived value, fairness, and purchase intention has been previously examined, but no research has been identified in the field of performing arts. (Bearden, Kaicker, Borrero, & Urbany, 1992; Kahneman et al., 1986; Thaler, 1985; Winer, 1996). In 2016, Shapiro, Dwyer and Drayer (2016) tested the effect of reference price in a sport ticket pricing environment, assuming that a ticket price offer absent previous price

information will be perceived as fairer than an offer price that includes a lower previous price as a point of reference (Shapiro, Dwyer and Drayer, 2016). Following his research path, we can assume as well that an offer providing a higher reference price will be perceived as fairer than an offer without reference price.

### **2.3 Conclusions and hypotheses formulation**

The aims of this thesis entail assessing the appeal and feasibility of the membership pricing system by testing consumers' responses to it, relatively to the more traditional single buy and subscription ones. This implies comparing absolute demands for the three types of entrance formulas (single ticket, subscription ticket and membership card), when those are presented separately (one at a time). As such, it is predicted that single ticket will generate the biggest likelihood to buy, since it is the option that requires the minimum monetary transaction.

In view of this, the following research hypothesis is proposed:

H1: Absolute demand for single tickets is bigger than absolute demand for comparable subscription tickets and membership cards, when offers are presented individually.

The previously discussed difficulty in assessing cultural products value and the information asymmetry on the topic of price, make consumption decisions particularly hard to take. We know that reference price helps assessing the value of a deal (Simonson, Drolet, 2004) and that if the reference price is higher than actual price, the traction utility is positive, with a consequent higher probability of finalizing the purchase (Thaler, 1983, 1985). In the case of performing arts, the higher reference price is represented by price of single tickets, whose unit price is higher than any loyalty form's that could be proposed. However, as emerged from the benchmark analysis, sales of single tickets and memberships are usually locally or temporally separated, which derives in consumers actually not being showed the price of single tickets when purchasing a loyalty formula. We believe that displaying the price of single tickets could be enough to increase consumers' perception about the loyalty formulas' value. The use of singlet ticket price information as a reference price (Thaler, 1983, 1985) is therefore tested, being expected to work as a positive anchor and therefore enhance demand for both subscriptions and memberships. In view of this, the following hypothesis is proposed:

H2: Absolute demand for both subscription ticket and membership card increases when information about single ticket price is provided.

In real life, buyers of theatre entrances choose between pricing systems that are presented

simultaneously, not independently or sequentially. Therefore, it is important to test relative demands when pricing formulas are presented jointly. We expect respondents to perceive the membership option as requiring a minor financial impact than subscriptions. Therefore, we predict that relative demand for memberships will be bigger than for subscriptions. Consequently, we propose the following:

H3a: Demand for a membership card is bigger than for a subscription ticket, when both options are jointly presented to consumers and information about single ticket price is not available.

If no relative demand effects are observable, we expect the demands for subscription tickets and membership cards to be equal to their absolute demands, since, in both cases, information about single ticket price is not provided. Hence:

H3b: Relative demand for both subscription tickets and membership cards is equal to their respective absolute demand, when both subscription ticket and membership card are offered, but information about single ticket price is not provided.

Lastly, when tickets are presented jointly and information about single ticket price is provided, (i.e., reference prices effects with more than one option) we predict that, as for H2, single ticket prices will work as a positive anchor and positively influence demand for both subscription ticket and membership cards. Therefore:

H4a: Relative demand for subscription tickets and membership cards are bigger than their relative absolute demand, when both subscription ticket and membership card are available and information about single ticket price is provided.

Additionally, following the reasoning behind H3a, we predict that relative demand for membership card will be bigger than relative demand for subscription ticket.

Therefore:

H4b: The relative demand for membership ticket is bigger than that for subscription tickets when both are offered to consumers and information about single ticket price is provided.

These hypotheses were empirically tested through the performance of an experiment and the collection of primary data from consumers, the details of which are provided in the following chapter.

## **CHAPTER 3: METHODOLOGY**

### **3.1 Descriptive stage**

The descriptive stage of the research consisted in a two-phase study, leading to the collection of relevant secondary data used to explore literature gaps and began to answer the proposed research questions. Firstly, knowledge and direct experience were assembled during the work conducted for Torino Spettacoli and the expertise provided by its CEO and cultural expert Irene Mesturino (In depth interview's results in Annex 1). This entailed information about sales, attendance and audience behaviours, as well as expertise about the industry operating principles, and hence helped better understand performing arts organizations' goals and challenges from an internal perspective. The secondary phase of the descriptive stage concerned a benchmark analysis conducted on the area of Turin on the main performing arts organizations during the spring 2017. Here, the information collected included the definition of common ticketing strategies and trends, entrance formulas proposed, prices and conditions of the offers. This study involved 8 local companies (Torino Spettacoli, Teatro Stabile di Torino, TPE, Alfa Teatro, Teatro Regio di Torino, Teatro Colosseo, Cubo Teatro, Fondazione Teatro Giovani e Ragazzi), all of them being performing arts organizations involved either in the production of original shows, or the hospitality of guest companies, or both. In order to assess the ubiquity of results collected through the benchmark analysis, a comparative study was made with theatres located in the region of Nord-Pas-de-Calais (France). In particular, Théâtre du Nord, Théâtre Sébastopol and Théâtre de Lille, which are comparable in terms of public resonance, prices and genres offered, were analysed. They resulted to have comparable common practices and ticketing strategies that adhere with the findings above outlined, which allow to drive the conclusions that these strategies are transversal at least in the Euro zone.

### **3.2 Explanatory stage**

Since the explanatory approach aims at studying the causal relationships between variables and their underlying processes (Saunders et al., 2009), this was the approach undertaken in the second phase of the analysis. Primary data were collected through the performance of an online experiment (Annex 2) and used to test the research hypotheses presented in Chapter 2. With experimental studies, the researcher gains complete control over variables extraneous to the causal relationship under scrutiny. Therefore, it can more confidently determine that the

effect observed on the dependent variable is directly due to the manipulation of the independent one (Saunders et al., 2009).

### 3.2.1 Population and sample

The experiment was designed using Qualtrics and then distributed using a mixed of nonprobability and probability method through personal links and the Prolific platform. Respondent were recruited during a period of two weeks, in the month of April 2017 and were pre-screened on the bases of their country of residence. Only participants living in the Eurozone were accepted, for reasons of both feasibility and similarity of the market, as well as those that answered *yes* to the pre-screening question *Did you attend at least one theatre play in the last 12 months?* In this way, a total of 270 subjects participated in the experiment.

### 3.2.2 Experimental design and manipulations

The study employed a completely randomized 3X2 factorial design, where the type of ticket (single ticket vs. subscription ticket vs. membership card) and information about single ticket price (no vs. yes) were jointly manipulated. From the original 6 experimental groups, one was eliminated as it was redundant (single ticket with single ticket price info). In addition, 2 more were included in order to simulate a more realistic choice architecture: group 6 presented two types of tickets jointly (subscription with membership) and in group 7 information about single ticket prices was included (Table 1).

Table 1: Variables Investigated per experimental group – Type of ticket and information about single ticket price

Groups	Type of Ticket		Information about single ticket price
Group 1 (control)	Single Ticket	36 €	
Group 2	10 Plays Subscription Ticket	185 €	
Group 3	Membership Card	50 € membership fee + single ticket at 13,50€ each	
Group 4	10 Plays Subscription Ticket	185 €	Single ticket price for 2016/2017 season will be 36€
Group 5	Membership Card	50 € membership fee + single ticket at 13,50€ each	Single ticket price for 2016/2017 season will be 36€
Group 6	10 Plays Subscription Ticket	185 €	Single ticket price for 2016/2017 season will be 36€
	Membership Card	50 € membership fee + single ticket at 13,50€ each	
Group 7	10 Plays Subscription Ticket	185 €	
	Membership Card	50 € membership fee + single ticket at 13,50€ each	

These groups were presented to participants as a represent a realistic ticketing offer from a credible performing art organization. In order to do so, the real ticket sale webpage of the *Teatro Stabile di Torino* was taken as a model for the design of the scenarios, with the Single



Ticket and Subscription Ticket options also taken from there offer. The original webpage was translated in English and modified with some photo editor tools, in order to present the desired manipulations adequately. All seven scenarios presented identical appearance and all was made to ensure that background information did not unduly influence choices.

### **3.2.3 Online survey design**

The study was organised as follows. After a brief introduction, the experiment treatment was administered to participants (Annex 2). These were then asked to rate their likelihood to buy the entrance formula (or formulas) appeared in their experimental condition in an eleven-point probability scale (1 through 10) (Justen, 1966).

Next, questions regarding the additional experimental measures such as overall satisfaction, participation intentions and mental accounting rules were administered, following a fully randomized assignment in order to avoid respondents answering on the bases of some logic calculations. Overall satisfaction with choice was measured in five, 5 point-Likert scales – Satisfaction (*I'm satisfied with the types of tickets offered*), Fairness (*I think that ticket prices are fair*), Unfairness (*I feel I am being cheated with these ticket prices*), Premium offer (*The type of tickets offered indicate a premium product*) and Sufficient Choice (*There is sufficient offer of different types of tickets*) (Annex 3, Q2).

Participation intentions were measured on a scale from 0 to 48, the minimum and the maximum amount of plays one could hypothetically attend during the year (Annex 2, Q3). The assessment of mental accounting rules was made through two questions, one representing the moment of purchase and another the moment of consumption (Annex 2, Q4, Q5). Answers available were loosely based on Thaler's' work on mental accounting of delayed consumption (Shafir and Thaler, 2006) and had the objective of understating what was respondents' perceived value of money for the three pricing strategies, both in the moment of purchase and the moment of consumption.

The third and final part of the study included questions about the culture consumption habits and socio-demographic characteristics of participants (Annex 2, Q12-Q17). In particular, agreement about Perceived expertise (*On the topic of art and culture, I have more knowledge than others*), Information search (*I'm continuously searching for information about cultural events and activities*), Interest (*I'm interested in art and culture*) and Participation (*I participate in the cultural life of my town*) was rated on 5-point Likert scales (Annex 2, Q6). Additionally, theatre consumption patterns and future purchase intentions were assessed (Annex 2, Q7-Q10, Q11).

### **3.2.4 Data Analysis**

At first, descriptive statistics of demographic variables were calculated, in order to have a good description of the sample in terms of socio-demographic variables. A series of Chi square tests were additionally performed, in order to find if there were any significant differences among those variables and treatment groups (Annex 3).

After analyzing individual descriptive statistics for each culture orientation item (Interest, Information search, Participation, Perceived Expertise), a One-Way ANOVA was run in order to compare means between experimental groups. Additionally, culture orientation items were factor analyzed in order to see if they correlated between themselves. Subsequently, descriptive statistics were calculated for theatre consumption patterns. For each of these variables, Chi Square test and One-Way ANOVAs were run in order to find statistically significant differences among groups (Annex 4 and 5). At this point, another series of Chi Square tests were run in order to find correlations between theatre consumption variables and demographic variables (Annex 6). Finally, descriptive statistics were calculated for future purchase intentions. A One-way ANOVA was also performed to test the existence of statistically significant differences between treatment groups and Pearson or Spearman correlations computed to relate present and future consumption behaviors, and well as these to culture orientation ratings (Annex 7,8).

Likelihood to buy was analysed for each experimental groups and differences in means were tested by a series of One-sample t tests.

In addition, several One-Way ANOVAs were run in order to find interactions between the main dependant variable and socio demographic variables, culture orientation and theatre consumption variables (Annex 9,10).

As for what concerns the dependent variable Willingness to attend theatre plays, means' differences among experimental groups also computed through a series of One-sample t tests and One-Way ANOVAs were run in order to find main effects of socio demographic and, culture orientation and theatre consumption variables (Annex 11,12,13).

Overall satisfaction items were factor analysed per group with the extraction of 1 fixed factor (Overall Satisfaction Factor) and only 3 out of 5 items were included. "Unfairness" was the first item excluded (attention check strongly and negatively correlated with the other factors) and "Premium Offer" was the second one, since showed a very weak correlation with the other items in every experimental group (extraction =. 300 approximately) (Annex 14). Pearson Correlation Tests were run in order to find correlations between Overall Satisfaction

Factor and likelihood to buy and Overall Satisfaction Factor and Participation intentions (Annex 15, 16).

A descriptive analysis was finally conducted on questions about mental accounting rules.

### 3.2.5 Sample Description – Demographics

Responses were fairly equally distributed throughout experimental groups, as depicted in Table 2.

**Table 2: Distribution of study participants among experimental treatment groups**

	<b>Group 1</b>	<b>Group 2</b>	<b>Group 3</b>	<b>Group 4</b>	<b>Group 5</b>	<b>Group 6</b>	<b>Group 7</b>	<b>Total</b>
<b>N</b>	40	43	41	38	38	38	32	270
<b>%</b>	14.8	15.9	15.2	14.1	14.1	14.1	11.9	100.0
<b>Cum.%</b>	14.8	30.7	45.9	60.0	74.1	88.1	100.0	100.0

The sample was composed of a higher (58.5%) number of females than males, with participants having a mean age equal to ca. 29 years old (SD=10.07, range 18-66). The majority (51.9%) were currently living in Italy, followed by France (19.3%) and Portugal (10.7%). The rest of respondents resided in Austria, Belgium, Finland, Germany, Greece, Ireland, Netherlands, Slovenia and Spain. Participants were fairly well educated, with 89.3% of them having or currently taking a university degree. The majority of participants (45.9%) were full-time worker, whereas 44.8% of them were students. The monthly family income of 53.8% of the participants was less than 2.000 €. No statistically significant differences were found in these variables across experimental groups.

### 3.2.6 Sample Description – Culture orientation and theatre consumption variables

Fairly high scores for culture orientation items were observed overall: Interest ( $4.17 \pm 0.884$ ), Information search ( $3.52 \pm 1.026$ ), Participation ( $3.37 \pm 1.078$ ), Perceived expertise ( $3.21 \pm 1.054$ ). Yet, with no statistically significant differences existed across treatment groups.

Factor analysis on four culture orientation items resulted in one highly reliable factor explaining 61.8% of variance. Cronbach's Alpha coefficient was 0.79.

Theatre attendance and overall expenditure for year 2016 were both fairly low (the majority of participant attended between 1 and 3 theatre plays and spent between 0 and 30 € on theatre entrances in 2016). A big 25.2% never attended a theatre play, of which 50.0% because they did not have the occasion, 29.4% because they were not interested and 19.1% because they considered it too expensive. Results also indicated that subscriptions were more popular among participants than memberships (21.1% of participants purchased a subscription in the

past against 9.3% who purchased a membership and 6.7% currently own a subscription against 4.1% that own a membership). Again, none of those variables exhibited statistically significant differences across experimental groups.

Significant and highly significant correlations between future purchase intentions and theatre consumption variables were found, as shows Table 3. Those results served at confirming the reliability of the sample as well as at integrating results obtained throughout the analysis of the main experimental variable, willingness to buy.

Table 3: Spearman Correlation Test results for future purchase intentions and theatre consumption variables

	Future Purchase intentions			
		Single ticket	Subscription	Membership
<b>Theatre Attendance</b>	Spearman Coeff.	<b>0.121*</b>	0.103	-0.26
	Sig.	<b>0.047</b>	0.093	0.674
<b>Theatre Expenditure</b>	Spearman Coeff.	0.16	<b>0.279**</b>	<b>0.256**</b>
	Sig.	0.798	<b>0.000</b>	<b>0.000</b>
<b>Past Subscription Purchase</b>	Spearman Coeff.	<b>-0.122*</b>	<b>0.236**</b>	0.117
	Sig.	<b>0.044</b>	<b>0.000</b>	0.056
<b>Frequency Past Subscription Purchase</b>	Spearman Coeff.	0.40	0.28	0.055
	Sig.	0.768	0.839	0.684
<b>Current Subscription own</b>	Spearman Coeff.	-0.199	<b>0.304*</b>	0.013
	Sig.	0.138	<b>0.021</b>	0.924
<b>Past Membership Purchase</b>	Spearman Coeff.	-0.11	<b>0.202**</b>	0.153*
	Sig.	0.851	<b>0.001</b>	0.012
<b>Frequency Past Membership purchase</b>	Spearman Coeff.	0.327	0.129	-0.321
	Sig.	0.111	0.539	0.117
<b>Current Membership Purchase</b>	Spearman Coeff.	-0.358	-0.12	-0.306
	Sig.	0.079	0.955	0.137

\* Correlation is significant at the 0.05 level (2-tailed)

\*\*Correlation is significant at the 0.01 level (2-tailed)

## CHAPTER 4: RESULTS AND DISCUSSION

### 4.1 Exploratory Research

Results from the explanatory phase of the research (benchmark analysis and in-depth interview with the cultural expert Irene Mesturino) allowed the driving of some common behaviours and practices, which were taken into account alongside the research design. Those are mainly:

- Single tickets' prices vary a lot between shows and within each organization and depend on a wide range of factors such as costs associated with the theatre and the production company, the reputation of the theatre and the performers, the days of the week, seating location and so on. There is no homogeneity in prices even in the same geographic area.

- The sell of single tickets is often locally and/or temporally separated from the sell of subscriptions (of whatever type they are). Meaning for instance that single tickets are sold alongside the season while subscriptions are sold only during summer or until a certain date (usually early September or October). Or additionally, on theatre webpages, the sell of tickets is organized in two separated windows, one for single tickets and one for subscriptions. This makes prices difficult to assess and compare.
- The most commonly used form of subscription is the bundle/package of tickets, which is juxtaposed to the sell of single tickets. None of the theatres considered into the analysis used other forms of subscription/loyalty ticket, such as the membership card.
- Usually the subscriptions offered are a number between 2 and 8 and the characteristics that differentiate them are the number of shows/plays included in the bundle/package (usually from 3 to 12) and consequently the price. Plays can also be bundled by theatrical genre. For instance there will be the package that assemble “classical” or “drama” or “experimental theatre” and so on.
- Occasionally some additional benefits are associated with the purchase of the subscription such as discounts on public transports or museum entrances. Rarely subscriptions include seating priority as additional benefit for possessors of subscription tickets.
- The use the membership pricing model is not at all diffused for analysed performing arts organizations but, when introduced and discussed alongside the in-depth interview, it received an overall positive feedback (Annex 1). It was defined as a dynamic and stimulating business model for both consumers and the organization. The main concern that emerged was linked to organizations whose revenues are based on both the production and the execution of original shows and the host of guest companies. In this case, it should be discussed how to regulate membership rights incomes between the hosting and guest companies. Guest companies would see their earnings suddenly shrinking a lot, if exclusively based on a percentage on tickets sold (whose price with the membership model would be much lower).

## **4.2 Online experiment**

In this session we present the descriptive statistics of the main dependent variables, likelihood to buy theatre entrances and participation intentions to attend theatre plays with the intent of giving an overview of the principal experimental results. Results presented in Table 4 and 5 will be afterwards used when testing each hypothesis at time and analysing each experimental

group accordingly (group 1, 2, 3 are analysed in order to test for H1; group 4,5 for H2, group 6 for H3a and H3b, group 7 for H4a and H4b).

Table 4: Descriptive statistic results for main dependent variable – Likelihood to buy theatre entrances per experimental treatment group (1 – No Chance – 10 – Certain).

GROUP	Treatment	DV How likely are you to buy	N	Mean	Std. Dev.
1	One option	The <b>single ticket</b> for € 36	40	5.00	2.670
2	One option	The <b>subscription ticket</b> for € 185	43	3.28	2.384
3	One option	The <b>membership card</b> for € 50	41	4.76	2.321
4	One option + Single ticket info	The <b>subscription ticket</b> for € 185	38	4.55	2.910
5	One option + Single ticket info	The <b>membership card</b> for € 50	38	5.66	2.453
6	Two options	The <b>subscription ticket</b> for € 185	38	3.71	2.660
		The <b>membership card</b> for € 50	38	5.87	2.591
7	Two options + Single ticket info	The <b>subscription ticket</b> for € 185	32	4.69	2.507
		The <b>membership card</b> for € 50	32	6.44	2.242

Table 5: Descriptive statistics results for dependent variable –Participation intentions for theatre plays in 2016 per experimental group (0 is Min and 48 is Max)

	G1	G2	G3	G4	G5	G6	G7		
<b>N</b>	40	43	41	38	38	38	38	32	32
<b>Mean</b>	10,1	11,46	12,87	10,1	14,21	15,94	11,07	18,0	16,03
<b>Std. Deviation</b>	10,65	9,37	7,78	8,46	10,98	11,82	7,95	13,26	12,21
<b>Std. Error Mean</b>	1,68	1,43	1,21	1,37	1,78	1,91	1,29	2,34	2,15

Main effects of theatre consumption variables and socio-demographic variables on the likelihood to buy entrances and on the willingness to attend theatre plays were tested. Not so relevant effects were found on the willingness to attend. Effects of theatre consumption variables on the likelihood to buy were found for subscriptions and memberships, whose likelihood to buy were particularly higher for respondents with a higher theatre attendance and expenditure and for participants already owning these loyalty entrance formulas. Concerning the main effects of demographic variables on the likelihood to buy, results can be seen in Table 6 and will be deeply analysed group by group in the next session.

Table 6: ANOVA model results with likelihood to buy theatre entrances and – Gender, Education, Occupation, Income and Age as independent variables

	Group1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7		
								<b>Sub</b>	<b>Memb</b>
<b>Gender</b>	<b>0.003</b>	0.325	<b>0.044</b>	0.547	0.915	0.346	0.379	0.204	<b>0.040</b>
<b>Education</b>	0.964	0.601	<b>0.009</b>	0.302	0.403	0.398	0.270	0.849	0.992
<b>Occupation</b>	<b>0.050</b>	0.949	0.781	0.568	0.326	0.188	<b>0.036</b>	0.086	0.880
<b>Income</b>	0.179	0.070	0.391	0.414	0.091	0.682	<b>0.008</b>	0.781	0.517
<b>Age</b>	<b>0.045</b>	0.628	0.520	0.239	<b>0.029</b>	0.498	0.080	0.098	0.484

\*Please notice that figures refer to Sig. of F test.

#### 4.2.1 Test of research hypothesis 1

Results for likelihood to buy entrances, willingness to attend plays and mental accounting rules of group 1, 2 and 3 were analysed and compared between them in order to test H1. In a condition where entrances were presented one at time and information about single ticket price was not available (group 1, 2, 3) registered results were coherent within groups and presented a predictable distribution. Here below the results of t tests run between group 2's and 3' likelihood to buy and group 1', which served as control group.

Table 7 Results of One-sample t tests for group 2's likelihood to buy and control group 1's and group 3's likelihood to buy and control group 1's.

	Group 1	Group 2	Group 3
	Single Ticket	Subscription	Membership
<b>Mean ± St.Dev.</b>	5.00 ± 2.670	3.28 ± 2.384	4.76 ± 2.321
<b>T-test value</b>	0.000	-4.734	-0.673
<b>Sig.</b>	1.000	0.000	0.505

As shows Table 7, reported likelihood to buy subscriptions was significantly lower than single tickets', while there were not significant differences in likelihood to buy memberships. One sample t test was afterwards repeated in order to compare group 2's and 3's likelihood to buy, it resulted a significantly higher likelihood to buy membership than subscriptions.

As we have introduced in previous session and showed in Table 6, main effects of gender, education, occupation and age were found on the likelihood to buy. Single tickets were indeed preferred by females (female = 6.14 ± 2.632, male = 3.74 ± 2.13), older groups of respondents, meaning 46-55 years old (8.00 ± 2.708) and >56 years old (8.00 ± .00) and were particularly disliked by students (4.13 ± 2.634). Membership cards were particularly appreciated by females (female = 5.25 ± 2.222, male = 3.69 ± 2.25) and younger students (Bachelor) (M = 6.67 ± 1.497).

As for what concerns participation intentions, subscription's and memberships' were both higher than single ticket's, as we would have expected from entrance formulas that enhance loyalty. As shows Table 5, a higher demand for memberships goes along with a higher participation to attend plays. Those results are coherent with results obtained from mental accounting rules answers, where memberships scored a higher participation intention than subscriptions'. It is indeed important to highlight how subscription formulas are the most convenient ones when participation stays below 10 plays, while after this ceiling, membership

becomes the most convenient formula since the unit price of entrances decreases when consumption raises (Table 8).

Table 8: Cost of entrances according to pricing formulas and number of plays

Pricing strategy	Fee	Number of Plays															
		1	2	3	4	5	...	10	11	12	13	14	15	16	17	18	
Single ticket	/	36	72	108	144	180	...	360	396	432	468	504	540	576	612	648	
Single ticket's unit price	/	36	36	36	36	36	...	36	36	36	36	36	36	36	36	36	
Subscription	/	185	185	185	185	185	...	185	221	257	293	329	365	401	437	473	
Subscriptions' unit price	/	18.5	18.5	18.5	18.5	18.5	...	18.5	20.1	21.4	22.5	23.5	24.3	25.1	25.7	26.3	
Membership	50	63.5	77	90.5	104	117.5	...	185	198.5	212	225.5	239	252.5	266	279.5	293	
Membership's unit price		63.5	38.5	30.2	26	23.5	...	18.5	18.0	17.7	17.3	17.1	16.8	16.6	16.4	16.3	

\* Figures refer to euros.

Indeed, memberships received a higher “investment perception” as compared to subscriptions (31.7% against 20.9% for subscriptions), as well as a higher “saving perception” (29.3% against 18.6%) and a much lower “wasting money perception” (9.8% against 20.9%).

Single tickets were the ones that surprisingly received the biggest amount of “investment perception” answers (32.5%) and their low financial impact did not push respondents in either very positive or very negative directions.

#### 4.2.2 Test of research hypothesis 2

The introduction of single ticket price information, as for group 4 and 5, had the effect of boosting both demands for subscriptions and memberships, resulting in a significantly higher likelihood for both entrance formulas when compared to their respective control groups 2 and 3. A positive and significant correlation between both likelihoods and the Overall Appreciation Factor was found in group 4 and 5, which contribute to build evidence of the positive effect of single ticket price information on loyalty formulas' demands. Besides this, group 4 and 5's results were similar to those registered for group 1, 2 and 3. It emerged a significantly higher likelihood to buy membership than subscriptions, partially explained by the effect of Age on the likelihood to buy memberships, which were especially appreciated by the youngest group of respondents, aged <25 years old ( $6.18 \pm 2.039$ ).

Information about single ticket price does not have an effect on participation intentions, which do not change significantly as compared to group 2 and 3 and still present a higher mean for membership than for subscription.

An effect that information about single ticket price do provides is an increased “investment perception” for subscription (31.6% vs. 15.8% for membership), meaning that the reference price actually helped respondents estimating the deal's value. Regarding the other accounting



rules, as for group 1-3 and coherently with demand and participation intentions, “saving perception” is still much higher for respondents being showed membership than subscription (23.7% vs. 13.2%) and the “wasting money” option is much lower (7.9% vs. 15.8%).

#### **4.2.3 Test of research hypothesis 3**

Group 6 is the one that identifies a shift in results recorded so far for groups 1-5. This shift does not concern results for relative demands, but rather the path of answers so far registered on likelihood to buy, participation intentions and mental accounting rules.

As emerges from Table 4, likelihoods to buy do not present a change in respondents’ preferences but only a radicalization of results registered for 1-4. When both entrance formulas are presented jointly and information about single ticket price is no more provided, subscription’s likelihood to buy falls at its absolute level (group 2) while membership’ keeps growing. As for previous groups, membership’s demand is still significantly higher than for subscription’s and this result is again confirmed by the positive and significant correlation of Overall Satisfaction Factor on likelihood to buy for memberships in group 6.

Main effects of occupation and income were found for likelihood to buy membership cards in group 6. In particular this option was less appreciated by students ( $4.71 \pm 2.519$ ) but significantly more appreciated by respondents in a low-medium house income range, meaning respondents from 1.001-2.000€ ( $7.17 \pm 1.169$ ) and 2.001-3.000€ ( $8.67 \pm 1.366$ ).

The shift before announced occurs in the participation intentions. Those were significantly higher for respondents owning a subscription than for those owning a membership (Table 5). As for groups 4-5, subscription generated a higher “investment perception” (31.6% vs. 13.2%) but “saving perception” (34.2% vs. 18.4%) and “wasting money perception “ (21.1% vs. 18.4%) are still higher for memberships. These results are inconsistent with those from participation intentions, since as we saw in Table 8, membership represents the most convenient choice only if participation stays in the ceiling of 10 plays.

#### **4.2.4 Test of research hypothesis 4**

Results from group 7 represent a mix of all effects registered along previous groups’ analysis. As emerges from Table 4 and coherently with results from group 4 and 5, displaying single ticket price information raises both demands at a significant level but membership’s relative demand is still significantly higher than subscription’s one. Anyway, this choice architecture

reported the highest likelihood to buy for both entrance formulas among all experimental groups. This result is confirmed by the positive and significant correlation of Overall Satisfaction Factors on likelihood to buy both subscriptions and memberships, which was the higher among experimental groups, in particularly due the best scores registered for Satisfaction ( $3.75 \pm 1.078$ ), Premium offer ( $3.44 \pm 1.045$ ) and Sufficient Choice ( $3.44 \pm 1.134$ ). In this last experimental group, as for group 3, it emerges that Gender had a main effect on likelihood to buy memberships, with females being significantly more positively oriented through this formula than males. (M female =  $7.11 \pm 1.663$ , M male =  $5.46 \pm 2.665$ ). Additionally, as already partially registered in group 4, single ticket price information effects the way consumers perceive the value offered by subscriptions, that this time get the best scores on “investment perception” (25.0 vs. 21.9%) and “saving perception” (21.9% vs. 18.8%) and the lowest for “wasting perception” (12.5% vs. 21.9%). The results are however inconsistent with the participation intentions, which were again registered as higher for subscriptions than for memberships. As we know, subscription represents the most convenient choice only if participation stays below the ceiling of 10 plays (Table 8). Anyway, registered participation intentions are the highest for both formulas among all experimental groups.

### 4.3 Discussion

*H1: Absolute demand for single ticket is bigger than absolute demand for respectively subscription ticket and membership card, when tickets are presented one at time.*

Experimental groups number 1, 2 and 3 presented respectively single ticket, subscription and membership, with no additional information about the availability of other options. This was made in order to test their absolute demand when no manipulations were applied. As predicted, single tickets scored the highest likelihood to buy (single ticket  $5.00 \pm 2.670$ ; subscription  $3.28 \pm 2.384$ ; membership  $4.76 \pm 2.321$ ), but results of t tests showed a statistically relevant difference only between likelihood to buy single ticket and subscription and not for likelihood to buy single ticket and membership. For this reason H1 can be only partially validated.

*H2: Absolute demand for both subscription ticket and membership card increases when information about single ticket price is provided.*

In experimental groups 4 and 5 the manipulation availability of *single ticket price information* was introduced. T tests' results showed that both likelihood to buy subscriptions and membership rose at a significant level. We can therefore announce that displaying single ticket's price information as a reference price worked as a positive anchor in the mind of respondents (Tversky, Kahneman, 1975; Thaler, 1983, 1985) and generated an increase in loyalty formulas' demand. H2 can be validated.

*H3a: Relative demand for membership card is bigger than relative demand for subscription ticket, when both subscription ticket and membership card are available and information about single ticket price is not provided.*

*H3b: Relative demands for both subscription ticket and membership card are equal to their respective absolute demands, when both subscription ticket and membership card are available and information about single ticket price is not provided.*

The next scenario, group 6, presented a more realistic choice architecture, in which respondents had the choice between both subscription and membership and information about single ticket was not provided, in order to control uniquely for the choice between more option effect. For this scenario we predicted two alternative hypothesis H3a and H3b. T tests' results showed a relative demand effect, meaning a significantly higher likelihood to purchase memberships than subscription (membership  $5.87 \pm 2.59$ ; subscription  $3.71 \pm 2.66$ ), which leads us to reject H3b and to validate H3a.

*H4a: Relative demand for membership ticket is bigger than relative demand for subscription ticket, when both subscription ticket and membership card are available and information about single ticket price is provided.*

*H4b: Relative demand for both subscription ticket and membership card is bigger than their relative absolute demand, when both subscription ticket and membership card are available and information about single ticket price is provided.*

Finally, the last experimental group 7 presented the most realistic scenario, facing respondents to both choice between the two formulas and information about single ticket price, this was made in order to check for interactions of both effects. As predicted, and as already validated

by H2, displacing single tickets price information had the effect of increasing both subscription and membership demands, H4a can be therefore validated. Additionally, following the reasoning behind H3a, we predicted to find relative demand effect. Likelihood to buy membership was significantly higher than subscription one, therefore H4b can be validated.

Our first research question had the aim of investigating the pricing system that would have generated the highest consumers' demand and appreciation. Results emerged from the experimental study showed an overall very positive attitude towards the membership pricing formula which, as deeply highlighted, represent a highly flexible pricing system and does not present risks of uncertainty of actual use, lack of refunding for unused tickets or lack of time to attend since consumers are free to buy as many tickets as they want, when they want. These finding are in line and are a direct explication of Johnson and Garbarino's (2001), who highlighted how lack of time and uncertainty issues were the first reasons that prevented participation and highlighted the inappropriateness of subscriptions for some specific groups of customers. Testing the feasibility of the membership pricing formula in the field of performing arts did not had the aim of expanding the knowledge built from previous academic literature, since pricing systems are still not a deeply explored topic in this field, but rather tries to test validity of results obtained from a successful case study (Rentschler, Radbourne, Carr, Rickard 2002) and to build theoretical knowledge that could be used for future research. Indeed, the success of the membership pricing formula on performing arts field observed in this study reinforces the idea of conducting future feasibility studies and open possibilities for real market tests.

The second research questions had the aim of investigating a way to simplify customers' purchasing decisions, taken into consideration the difficulties that consumers have in assessing the value of cultural products. It was decided to investigate how the use of single ticket price information could work as a reference price capable of enhancing the value of deals represented by loyalty formulas such as subscriptions and memberships and boosting their demands. The positive results of the use of reference price in impacting demand are consistent with previous studies (Bearden, Kaicker, Borrero, & Urbany, 1992; Kahneman et al., 1986; Thaler, 1985; Winer, 1988) as well as with findings from Shapiro, Dwyer and Drayer (2016), that studied effects of reference price on price fairness perceptions in the field of sports entertainment.

Moreover, the investigation on mental accounting rules led us to confirm Shafir and Thaler's findings that advanced purchases are typically treated as "investments" rather than spending (Shafir and Thaler, 2006), however the biggest "investment perception" was recorded for single ticket option, which does not represent a delayed consumption situation. We cannot therefore attribute the "investment perception" to the separation between purchase and consumption uniquely.

Something that emerged from this research is that the more information respondents had, as for experimental groups 6 and 7, the more they were subjects to irrationalities in making choices and judgments. Those results are coherent with the idea that humans have bounded rationality (Simon, 1991) and need to rely on mental short cuts. The use of a mental shortcut as the anchoring effect (Tversky, Kahneman, 1975) could be an explanation to the irrational higher participation intention generated by subscriptions in group 6 and 7. Since results obtained are only hypothetical, we can not be certain about their validity; an option that is worth considering when assessing feasibility of those two loyalty entrance formulas in real market is consumer incurring in sunk cost fallacy. It is a concept that indicates when people continue a behaviour or as a result of previously invested resources (time, money or effort) (Arkes & Blumer, 1985) and could occur when people owning a membership card persist in buying tickets for the sake of the initial membership fee, representing a sunk cost.

## **CHAPTER 5: CONCLUSIONS AND LIMITATIONS**

### **5.1 Conclusions and Implications**

We have seen how for many years business and performing arts, or art in general, were seen as parallel worlds, with many prejudices concerning the devaluation of the cultural product due to the inappropriateness of marketing strategies that undermined its artistic nature (Jonhson and Garbarino, 2001; d'Astous, Legoux and Colbert, 2004). We have observed as well how this mistrust has started to fall enough in the recent years to generate the dissemination of many researches on consumer behaviour of performing arts' audiences (Guillon, 2010; Darveau, & d'Astous 2014). Literature still lacks studies on pricing systems adapted to the performing arts fields and cultural organizations tend to undertake routinely strategies. The result is an audience that is the more and more attracted by expanding and varied entertainment markets and is therefore difficult to retain, as showed by participation rates that have been static during the past two decades (Barlow, Shibli, 2007) . This dissertation focused on pricing systems as price is one of the factors that mostly concerns

customers (Butler, 2000; Johnson and Garbarino, 2001), specially when facing a difficult economic situation. This dissertation showed how the use of a simple marketing initiative, as the use of a reference price, can boost demand for loyalty entrance forms, (the ones that generate the greatest amount of benefits for cultural organization) without however generating a feeling inappropriateness in consumers (Overall Appreciation Factor did not decrease when respondents faced the reference price manipulation). Additionally, it built knowledge on the effectiveness of reference price for ticketing strategies of performing arts, a topic that has already been explored by Shapiro, Dwyer and Drayer (2016) in the context of ticketing strategies but only related to sport entertainment.

This dissertation also compared two loyalty forms, subscription and membership, and reported a significant higher consumer demand and appreciation for the membership form. Additionally, main effects of gender, age and income on the likelihood to purchase memberships allowed creating the profile of an ideal target. This formula was indeed preferred by females, from the youngest age group (<25 years old) and mainly low-medium house income respondents (total house monthly income 1.001 – 2.000 €). Those results clearly show how this strategy not only is appreciated by the majority of respondents but has a real potential in attracting a target that would be otherwise difficult to approach. Memberships resulted as being the intermediate solution between the single buy and the subscription that could easily attract and retain younger and eclectic audience that otherwise would not opt for a potentially constraining loyalty form. Taking into consideration the different public destination of our two loyalty forms, we believe that including both subscription and membership options in the ticketing offer would be the most profitable solution for a performing arts organization. Additionally, as demonstrated by this study, giving respondents the possibility to choose between two options enhances demands for both of them. Knowing its audience and constructing a precise loyalty ladder, as the one prepared by Joly based on the model on the Rentschler's model, are at the basis of any good pricing strategy (Rentschler, Radbourne, Carr, Rickard 2002). Joly for instance identified four groups of targets: the Suspects (possible customers, including members of affinity groups such as students and sociocultural groups), the Prospects (attendees of the performing arts, art museums, cinema), the Customers (repeat and single-ticket purchasers) and the Fans (subscribers, members and donors) (Courchesne, Ravanis, 2015). As applied by Joly, each target should receive distinctive offers and consistent messages and, since Fans are the most precious target, they should be given access to a wide range of benefits such as more flexibility of choice, priority booking, access to private events, and discounts on festival tickets and other services. This

implies diversification in the offer, always taking into account the sensibility and care that this unique “product” requires and deserves.

## **5.2 Limitations and future research**

One of the main limitations of this study is the sample being composed for a big majority by young participants, when compared by the average theatre public’s age. Since as we have seen, youngsters expressed a particular appreciation for the membership pricing model, we could suspect that the high demand for memberships could have being raised thanks to the preferences of the biggest part of the sample. It would be useful to repeat the study including older groups of the population in order to check for the validity of results and to validate again research hypotheses.

Another limitation concerning the sample is the wide dispersion of consumers concerning the country of residence. As many countries were included in the study, due to sample size issues, we are forced to generalize results and we cannot check for country effects (since some countries include a too narrow number of respondents). It is recommended to repeat the experiment by making sure that each country object of the study contribute to the total sample size with a sufficient amount of respondents, in order to be validate results at a local level.

Another limitation that needs to be highlighted is that, while testing likelihood to buy, the transaction was only hypothetical. Since there has been some criticism of the use of likelihood to buy when no transaction actually occurs (Shapiro, Drayer, Dwyer, 2016), field experiments could be a valuable tool in understanding these phenomena in more detail.

Moreover, due to the inappropriateness of the measurement scale, it was impossible to drive significant and relevant conclusions on mental accounting rules at the moment of the purchase and at the moment of the consumption. It is recommended to repeat the analysis with the use of an agreement scale.

Additionally, it would be relevant to test study’s results with different price levels or additional benefits linked to the loyalty forms, as actually implemented by Joly (Courchesne, Ravanas, 2015) and suggested by Johnson and Garbarino (Johnson, Garbarino, 2011) when highlighting how much consumers value other benefits rather than price, such as for instance seating priority. Studying how additional services can be associated to pricing strategies and can shape consumers demands would be fundamental in order to build a precise targeting strategy and to bring consumers an added value. An important aspect to test would be the hedonism and utilitarianism associated with each benefit, since past literature has highlighted how performing arts’ audiences appreciate more sales promotions when those have an

hedonic rather than an utilitarian nature (Bourgeon-Renault, 2000; Evrard, Bourgeon, & Petr. 2000).

Lastly, as emerged from the descriptive stage of the research, it would be necessary to discuss with performing arts organizations' managers how to organize firm's revenues in case of the adoption of a membership pricing system. As highlighted on the course of the study, performing arts organizations that work with guest companies need to find an accord on how to manage incomes, as usually based on a percentage on tickets sold. It raises indeed the question on how to split membership and tickets revenues among host and guest companies without harming neither one nor the other's financial assessment.




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## ANNEXES

### Annex 1 - In Depth Interview with Irene Mesturino, CEO of Torino Spettacoli

Torino, 15<sup>th</sup> March 2017

#### **Ticketing strategies**

Torino Spettacoli is one of those performing art organization that offers single tickets and subscriptions in the form of bundle of tickets. During the season 2016/2017 single tickets' prices vary depending on the play and the seating location (more or less far from the scene) and range from 16,50€ to 40€ for the most demanded shows. They also have a reduction of about 15% for some audience categories. Regarding the subscriptions tickets, they currently have 8 different packages that distinguish themselves for number of plays included and genre of the plays included. The prices range from 30 € for three niche plays to 250 € for ten demanded ones. They apply on subscriptions as well have a reduction of about 15% for some audience categories.

During the interview it emerged how the ticketing offer had slightly changed during the last years: the changes mainly regarded an increase in the number of different packages offered and a major flexibility in terms of seating location and fixed dates (during last years customers had to choose a fixed date, for instance always Tuesday and a fixed seat, rule that was then eliminated since not very well appreciated from the audience). The division of subscription on the base of theatre genres (they currently have subscriptions that assemble comedies and classical prose) steams from the desire of "guiding" the public through the offer and it is valued as a characteristic than generates appreciation from the public.

#### **Audience Behaviour**

It was highlighted how the major advantages that subscribers bring to the organization are guaranteed attendance and income baseline, as well as the attention of a high quality public. From the other side, trust in the programming choices, price convenience, the certainty of a favourable treatment, familiarity and the possibility of changing the date of use without having to pay penalties were pointed as the major advantages highlighted by subscribers.

It was also outlined how the possession of a subscription generates a real attendance habit so that in some cases, customers end at buying single tickets when their subscription is fully exploited. Less frequent is the case of subscribers that end at attending less shows than the ones included in their subscription. It emerged that, in cases of particularly demanded shows, the participation of subscribers is so high that it impedes the attendance of part of the non-subscribing public. Despite being economically inconvenient for the organization (non subscribers would have indeed paid the full ticket price), does not represent an issue for Torino Spettacoli, since the organization truly prizes the added value brought by subscribers and engages in a strategy that maximizes their satisfaction. This can sometimes generate interests conflicts with guest companies, whose earnings are based on a percentage of the income and therefore require a maximum limit of subscribers per performance.

#### **Membership form**

It the course of the interview it was discussed the possibility of introducing a different form of subscription, more similar to the membership forms that are proposed by other business providers, such as airlines companies. The idea received an overall positive feedback and it was defined as a dynamic and stimulating business model for both consumers and the organization. The main concern emerged as being linked to the possibility of not reaching an agreement with guest companies, that would see their earnings suddenly shrinking a lot, if exclusively based on a percentage on tickets sold (whose price with the membership model would be much lower). Who should get the membership fee? How to solve this issue?

### Annex 2 – Online Experiment

#### **Introduction**

-Please notice that **a subscription ticket for the theatre is here understood as** a ticket that allows you to attend a number of play performances during a season. Subscription tickets are purchased at the start of the season and used throughout it.

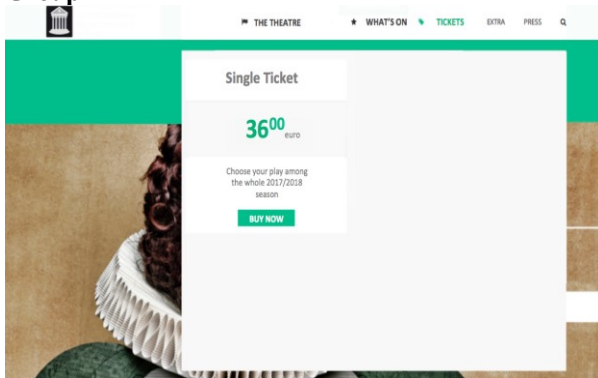
It is usually cheaper to buy a subscription ticket rather than single tickets for the same number of play performances.

- Please notice also that **a membership card for the theatre is here understood as** a card that enables buying tickets to any number of play performances during a season at special prices. Membership cards are bought at the

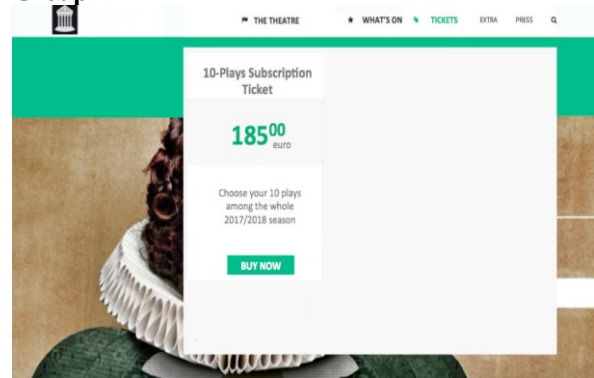
start of the theatre season and used throughout it to purchase single tickets to any number of play performances at a discounted price.

- Please notice that a **single ticket for the theatre** is here understood as a ticket that allows you to attend one performance of a play during a season.

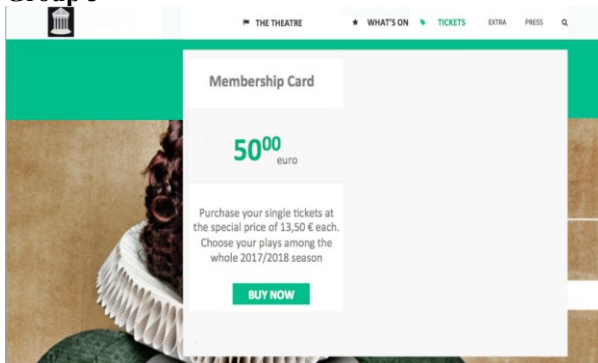
Group 1



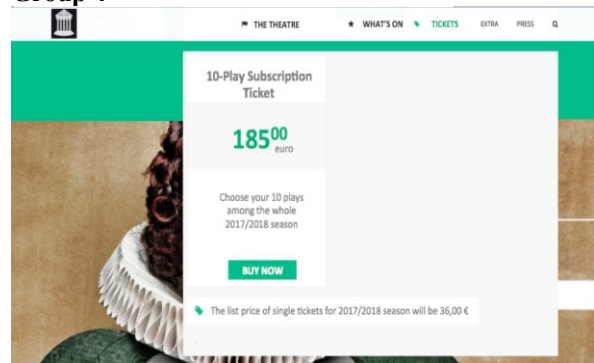
Group 2



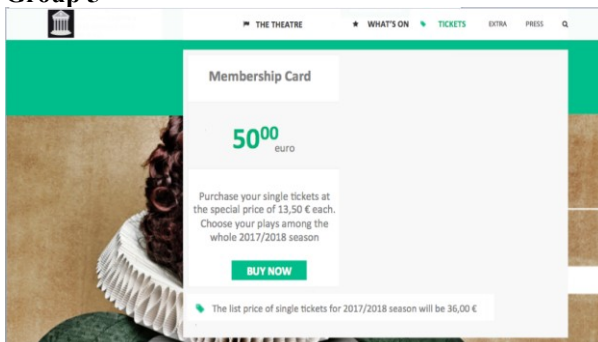
Group 3



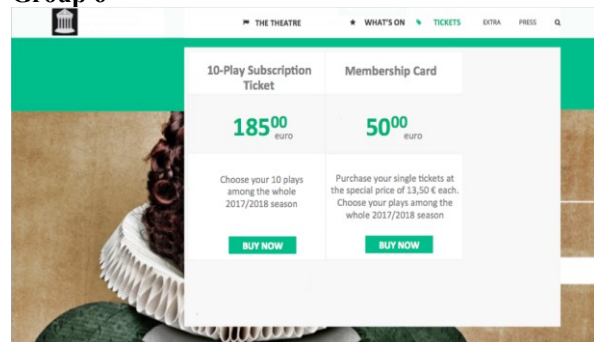
Group 4



Group 5

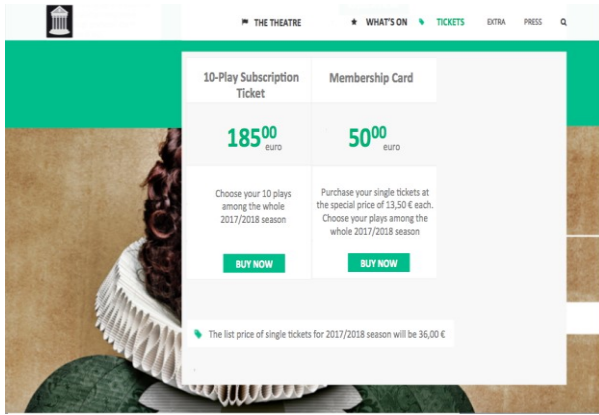


Group 6



Group 7





We will now ask you to consider buying tickets for the theatre. Next, we will show you the webpage of one of your local theatres, with information about the types of tickets available. Please take a moment to read this information.

**Q1)** How likely are you to buy this single ticket for € 36? (Questions adapted to each experimental group)

- Certain (10)
- Almost sure (9)
- Very probable (8)
- Probable (7)
- Good probability (6)
- Fairly good probability (5)
- Fair probability (4)
- Some probability (3)
- Slight probability (2)
- No chance (1)

**Q2)** Please indicate your level of agreement with the following statements about this local theatre:

	Strongly disagree (1)	Somewhat disagree (2)	Neither disagree nor agree (3)	Somewhat agree (4)	Strongly agree (5)
I'm satisfied with the types of tickets offered	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I think that ticket prices are fair	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel I am being cheated with these ticket prices	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The type of tickets offered indicate a premium product	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There is sufficient offer of different types of tickets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q3)** Knowing that this local theatre will be offering 48 different plays during the 2017-18 season, please indicate how many plays you would consider attending there?

**Q4 – Group 1)** Imagine you just bought a single theatre ticket for € 36. With it you will be able to attend one play performance at the local theatre during the 2017-2018 season. Which statement more accurately captures your feelings about this purchase?

- I feel the same as I would feel if I had just spent € 36 on dining out in a local restaurant.
- I feel like I have just made a € 36 investment on myself, the return of which I will get when I am attending the play.

- I feel I should have considered other types of entrances (e.g., season tickets or theater loyalty programs), enabling me to attend the play for less than € 36.
- I feel I have just committed myself to attend a theatre play in the very near future.

**Q5 – Group 1)** Imagine you are now attending the performance of a play at the local theatre, having bought a single ticket entrance for € 36. What do you feel is the value of the money you are spending to watch this play?

- It feels like I am spending € 36.
- It feels like I made a € 36 investment, the return of which will be over as soon as the play ends.
- It feels like I made a € 36 investment, the return of which I will be able to enjoy for some time after the end of the play.
- It feels like I might be spending more than people who bought other types of entrances (e.g., with season tickets or theater loyalty programs) for it.

**Q4 – Group 2)** Imagine you just bought a 10-play subscription ticket for € 185. With it you will be able to attend 10 play performances at the local theatre during the 2017-2018 season. Which statement more accurately captures your feelings about this purchase?

- I feel the same as I would feel if I had just spent €185 on a weekend trip.
- I feel like I have just made a € 185 investment on myself, the return of which I will gradually get during this theatre season.
- I feel like I have just saved money on future theatre entrances, in case I later decide to attend 10 play performances during this season.
- I feel like I have just wasted money on future theatre entrances, in case I later decide to attend less than 10 play performances during this season.
- I feel like I have just committed myself to attend 10 theatre play performances during this season.

**Q5 – Group 2)** Imagine you are now attending the performance of a play at your local theatre, having used a 10-play subscription ticket you bought for € 185 to get your entrance. What do you feel is the value of the money you are spending to watch this play?

- It feels like I'm spending € 18,50.
- It feels like I am not spending anything, because I paid the subscription back at the start of the season.
- It feels like I am spending € 185, even though I paid the subscription back at the start of the season.
- It feels like I am spending less money than people that bought a single ticket for it.

**Q4 – Group 3)** Imagine you just bought a membership card for € 50. With it you will be able to attend as many play performances as you want at the local theatre during the 2017-2018 season, for just € 13,30 each. Which statement more accurately captures your feelings about this purchase?

- I feel exactly the same as I would feel if I had just spent € 50 on a night out.
- I feel like I have just made a € 50 investment on myself, the return of which I will gradually get during this theatre season.
- I feel like I have just saved money on future theatre entrances, in case I later decide to attend several play performances during this season.
- I feel like I have just wasted money on future theatre entrances, in case I later decide to attend few play performances during this season.
- I feel like I have just committed myself to go to the theatre several times during this season and having to spend € 13,30 every time.

**Q5 – Group 3)** Q5-3 Imagine you are now attending the performance of a play at your local theatre, having used a membership card you bought for € 50 to buy your entrance for € 13,50. What do you feel is the value of the money you are spending to watch the play?

- It feels like I'm spending 13,50 €.
- It feels like I'm spending 13,50€, plus some share of the € 50 I paid back at the start of the season to buy the membership card.
- It feels like I'm spending 63,50€, even though I paid the membership card back at the start of the season.
- It feels like I am spending less money than people that bought a single ticket for it.

**Q4- Group 4)** Imagine you just bought a 10-play subscription ticket for € 185. With it you will be able to attend 10 play performances at the local theatre during the 2017-2018 season. Which statement more accurately captures your feelings about this purchase?

- I feel the same as I would feel if I had just spent €185 on a weekend trip.
- I feel like I have just made a € 185 investment on myself, the return of which I will gradually get during this theatre season.
- I feel like I have just saved € 175 on future theatre entrances, in case I later decide to attend 10 play performances during this season.
- I feel like I have just wasted € 185 on future theatre entrances, in case I later decide to attend less than 5 play performances during this season.
- I feel like I have just saved some money on future theatre entrances, in case I later decide to attend more than 5 play performances during this season.
- I feel like I have just committed myself to attend 10 theatre play performances during this season, but without having to pay €36 every time.

**Q5 – Group 4)** Imagine you are now attending the performance of a play at your local theatre, having used a 10-play subscription ticket you bought for € 185 to get your entrance ticket. What do you feel is the value of the money you are spending to watch this play?

- It feels like I'm spending € 18,50.
- It feels like I am not spending anything, because I paid the subscription back at the start of the season.
- It feels like I am spending € 185, even though I paid the subscription back at the start of the season.
- It feels like I am saving € 17,50.
- It feels like I am paying € 17,50 less than people that bought a single ticket for it.
- It feels like I am saving € 36.

**Q4 – Group 5)** Imagine you just bought a membership card for € 50. With it you will be able to attend as many play performances as you want at the local theatre during the 2017-2018 season, for just € 13,30 each. Which statement more accurately captures your feelings about this purchase?

- I feel exactly the same as I would feel if I had just spent € 50 on a night out.
- I feel like I have just made a € 50 investment on myself, the return of which I will gradually get during this theatre season.
- I feel like I have just saved € 175 on future theatre entrances, in case I later decide to attend 10 play performances during this season.
- I feel like I have just wasted € 50 in future theatre entrances, in case I later decide to attend only 1 play performance during this season.
- I feel like I have just saved some money on future theatre entrances, in case I later decide to attend more than 1 play performance during this season.
- I feel like I have just committed myself to go to the theatre several times during this season, but without having to spend € 36 every time.
- I feel like I have just committed myself to go to the theatre several times during this season, having to spend € 13,50 every time.

**Q5 – Group 5)** Imagine you are now attending the performance of a play at your local theatre, having used a membership card you bought for € 50 to buy your entrance for € 13,50. What do you feel is the value of the money you are spending to watch the play?

- It feels like I'm spending 13,50 €.
- It feels like I'm spending 13,50€, plus some share of the € 50 I paid back at the start of the season for the membership card.
- It feels like I'm spending 63,50€, even though I paid the membership card back at the start of the season.
- It feels like I am paying € 22,50 less than people that bought a single ticket for it.
- It feels like I am saving € 22,50.
- It feels like I am saving € 36.
- It feels like I am saving € 22,50, minus some share of the € 50 I paid back at the start of the season for membership card.

**Q4 - Group 6 – Subscription)** Imagine you just bought a 10-play subscription ticket for € 185. With it you will be able to attend 10 play performances at the local theatre during the 2017-2018 season. Which statement more accurately captures your feelings about this purchase, when you compare it to buying a membership card for € 50 + spending € 13,50 per entrance ticket?

- I feel the same as I would feel if I had just spent €185 on a weekend trip.
- I feel like I have just made a € 185 investment on myself, the return of which I will gradually get during this

theatre season.

- I feel like I have just saved money on future theatre entrances, in case I later decide to attend 10 play performances during this season.
- I feel like I have just wasted money on future theatre entrances, in case I later decide to attend less than 10 play performances during this season.
- I feel like I have just committed myself to attend 10 theatre play performances during this season, but without having to pay €13,50 every time.

**Q5- Group 6 – Subscription)** Imagine you are now attending the performance of a play at your local theatre, having used a 10-play subscription ticket you bought for € 185 to get your entrance. What do you feel is the value of the money you are spending to watch this play? (Remember that a single ticket entrance costs €13,50 with a membership card)

- It feels like I'm spending € 18,50.
- It feels like I am not spending anything, because I paid the subscription back at the start of the season.
- It feels like I am spending € 185, even though I paid the subscription back at the start of the season.
- It feels like I am spending less money than people that bought single tickets for it, without a membership card.
- It feels like I am spending the same money than people that bought single tickets for it, with a membership card.
- It feels like I am spending less money than people that bought a single ticket for it, with a membership card.

**Q4 – Group 6 – Membership)** Imagine you just bought a membership card for € 50. With it you will be able to attend as many play performances as you want at the local theatre during the 2017-2018 season, for just € 13,30 each. Which statement more accurately captures your feelings about this purchase, when you compare it to buying a subscription ticket for € 185?

- I feel exactly the same as I would feel if I had just spent € 50 on a night out.
- I feel like I have just made a € 50 investment on myself, the return of which I will gradually get during this theatre season.
- I feel like I have just saved money on future theatre entrances, in case I later decide to attend several play performances during this season.
- I feel like I have just wasted money on future theatre entrances, in case I later decide to attend few play performances during this season.
- I feel like I have just committed myself to go to the theatre several times during this season and having to spend € 13,30 every time.
- I feel like I have just committed myself to go to the theatre several times during this season, but without having to spend €185 upfront.

**Q5 – Group 6 – Membership)** Imagine you are now attending the performance of a play at your local theatre, having used a membership card you bought for € 50 to buy your entrance for € 13,50. What do you feel is the value of the money you are spending to watch the play? (Remember that a single ticket entrance costs nothing with a subscription ticket)

- It feels like I'm spending 13,50 €.
- It feels like I'm spending 13,50€, plus some share of the € 50 I paid back at the start of the season to buy the membership card.
- It feels like I'm spending 63,50€, even though I paid the membership card back at the start of the season.
- It feels like I am spending less money than people that bought a single ticket for it.
- It feels like I am spending more € 13,50 than people that bought a subscription ticket for it.
- It feels like I am spending the same money than people that bought a subscription ticket for it.

**Q4 – Group 7- Subscription and Single ticket)** Imagine you just bought a 10-play subscription ticket for € 185. With it you will be able to attend 10 play performances at the local theatre during the 2017-2018 season. Which statement more accurately captures your feelings about this purchase, when you compare it to buying a single ticket for € 36?

- I feel the same as I would feel if I had just spent €185 on a weekend trip.
- I feel like I have just made a € 185 investment on myself, the return of which I will gradually get during this theatre season.
- I feel like I have just saved € 175 on future theatre entrances, in case I later decide to attend 10 play performances during this season.

- I feel like I have just wasted € 185 on future theatre entrances, in case I later decide to attend less than 5 play performances during this season.
- I feel like I have just saved some money on future theatre entrances, in case I later decide to attend more than 5 play performances during this season.
- I feel like I have just committed myself to attend 10 theatre play performances during this season, but without having to pay €36 every time.

**Q4 –Group 7- Subscription and Membership)** Imagine you just bought a 10-play subscription ticket for € 185. With it you will be able to attend 10 play performances at the local theatre during the 2017-2018 season. Which statement more accurately captures your feelings about this purchase, when you compare it to buying a membership card for € 50 + spending € 13,50 per entrance ticket?

- I feel the same as I would feel if I had just spent €185 on a weekend trip.
- I feel like I have just made a € 185 investment on myself, the return of which I will gradually get during this theatre season.
- I feel like I have just saved money on future theatre entrances, in case I later decide to attend 10 play performances during this season.
- I feel like I have just wasted money on future theatre entrances, in case I later decide to attend less than 10 play performances during this season.
- I feel like I have just committed myself to attend 10 theatre play performances during this season, but without having to pay €13,50 every time.

**Q4 - Group 7- Membership and Single ticket)** Imagine you just bought a membership card for € 50. With it you will be able to attend as many play performances as you want at the local theatre during the 2017-2018 season, for just € 13,30 each. Which statement more accurately captures your feelings about this purchase, when you compare it to buying a single ticket for € 36?

- I feel exactly the same as I would feel if I had just spent € 50 on a night out.
- I feel like I have just made a € 50 investment on myself, the return of which I will gradually get during this theatre season.
- I feel like I have just saved € 175 on future theatre entrances, in case I later decide to attend 10 play performances during this season.
- I feel like I have just wasted € 50 in future theatre entrances, in case I later decide to attend only 1 play performance during this season.
- I feel like I have just saved some money on future theatre entrances, in case I later decide to attend more than 1 play performance during this season.
- I feel like I have just committed myself to go to the theatre several times during this season, but without having to spend € 36 every time.
- I feel like I have just committed myself to go to the theatre several times during this season, having to spend € 13,50 every time.

**Q4 – Group 7 – Membership and Subscription)** Imagine you just bought a membership card for € 50. With it you will be able to attend as many play performances as you want at the local theatre during the 2017-2018 season, for just € 13,30 each. Which statement more accurately captures your feelings about this purchase, when you compare it to buying a subscription ticket for € 185?

- I feel exactly the same as I would feel if I had just spent € 50 on a night out.
- I feel like I have just made a € 50 investment on myself, the return of which I will gradually get during this theatre season.
- I feel like I have just saved money on future theatre entrances, in case I later decide to attend several play performances during this season.
- I feel like I have just wasted money on future theatre entrances, in case I later decide to attend few play performances during this season.
- I feel like I have just committed myself to go to the theatre several times during this season and having to spend € 13,30 every time.
- I feel like I have just committed myself to go to the theatre several times during this season, but without having to spend €185 upfront.

**Q5 –Group 7 – Subscription)** Imagine you are now attending the performance of a play at your local theatre, having used a 10-play subscription ticket you bought for € 185 to get your entrance ticket. What do you feel is the value of the money you are spending to watch this play? (Remember that a single ticket entrance costs € 36 without a membership card, and €13,50 with a membership card)

- It feels like I'm spending € 18,50.

- It feels like I am not spending anything, because I paid the subscription back at the start of the season.
- It feels like I am spending € 185, even though I paid the subscription back at the start of the season.
- It feels like I am saving € 17,50, compared to buying a single ticket for it without a membership card
- It feels like I am paying less than people that bought a single ticket for it.
- It feels like I am saving € 36, compared to buying a single ticket for it without a membership card.
- It feels like I am saving €5, compared to buying a single ticket for it with membership card.
- It feels like I am spending less than people that bought a single ticket for it with a membership card.
- It feels like I am saving €13,50, compared to buying a single ticket with a membership card.

**Q5 –Group 7- Membership)** Imagine you are now attending the performance of a play at your local theatre, having used a membership card you bought for € 50 to buy your entrance for € 13,50. What do you feel is the value of the money you are spending to watch the play? (Remember that a single ticket entrance costs € 36 without a membership card, and nothing with a subscription ticket)

- It feels like I'm spending 13,50 €.
- It feels like I'm spending 13,50€, plus some share of the € 50 I paid back at the start of the season for the membership card.
- It feels like I'm spending 63,50€, even though I paid the membership card back at the start of the season.
- It feels like I am paying € 22,50 less than people that bought a single ticket for it.
- It feels like I am saving € 22,50.
- It feels like I am saving € 36.
- It feels like I am saving € 22,50, minus some share of the € 50 I paid back at the start of the season for membership card.
- It feels like I am spending € 13,50 more than people who bought a subscription ticket.
- It feels like I am spending the same money than people that bought a subscription ticket for it.

**Q6 )** Please indicate your level of agreement with the following statements:

	Strongly disagree (1)	Somewhat disagree (2)	Neither disagree nor agree (3)	Somewhat agree (4)	Strongly agree (5)
On the topic of art and culture, I have more knowledge than others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'm continuously searching for information about cultural events and activities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I'm interested in art and culture.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I participate in the cultural life of my town.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q7)** How many times did you attend a theatre play in 2016?

- More than 10 times (4)
- 4-10 times (3)
- 1-3 times (2)
- Never (1)

**Display This Question:**

If How many times did you attend a theatre play in 2016? Never Is Selected

Q7-1 Why you never attended a theatre play in 2016?

- I'm not interested in theatre
- I did not have the occasion
- It is too expensive
- I don't have a theatre nearby
- Other \_\_\_\_\_

**Q8)** Overall, how much did you spend on entrances for theatre plays during 2016? Please include all types of entrances purchased - single tickets, season/subscription passes and membership/loyalty cards- in your estimate of this value.

- 0-30 € (1)

- 30-60€ (2)
- 60-90€ (3)
- 90-120€ (4)
- 120-150€ (5)
- 150-180€ (6)
- 180-210€ (7)
- 210-240€ (8)
- 240-270€ (9)
- 270-300€ (10)
- 300-330€ (11)
- 330-360€ (12)

**Q9 )** Have you ever bought a subscription ticket/season pass for the theatre?

- Yes
- No

Display This Question:

If Have you ever bought a subscription ticket/season pass for the theatre? Yes Is Selected

Q9-1 How often did you buy a subscription ticket/season pass for the theatre in the past?

- Several times (4)
- Sometimes (3)
- Rarely (2)
- Never (1)

Display This Question:

If Have you ever bought a subscription ticket/season pass for the theatre? Yes Is Selected

Q9-2 Do you currently own a subscription ticket/season pass for the theatre?

- Yes
- No

Display This Question:

If Have you ever bought a subscription ticket/season pass for the theatre? Yes Is Selected

Q9-3 How much did you pay last time you bought a subscription ticket/season pass for the theatre?

\_\_\_\_\_ €

**Q10)** Have you ever bought a membership/loyalty card for the theatre?

- Yes
- No

Display This Question:

If Have you ever bought a membership/loyalty card for the theatre? Yes Is Selected

Q10-1 How often did you buy a membership/loyalty card for the theatre in the past?

- Several times (4)
- Sometimes (3)
- Rarely (2)
- Never (1)

Display This Question:

If Have you ever bought a membership/loyalty card for the theatre? Yes Is Selected

Q10-2 Do you currently own a membership/loyalty card for the theatre?

- Yes
- No

Display This Question:

If Have you ever bought a membership/loyalty card for the theatre? Yes Is Selected

Q10-3 How much did you pay last time you bought a membership/loyalty card for the theatre?

\_\_\_\_\_ €

**Q11)** How likely is that you buy the following types of theatre entrances in 2017/2018?

	Extremely unlikely (1)	Somewhat unlikely (2)	Neither unlikely nor likely (3)	Somewhat likely (4)	Extremely likely (5)
Single ticket	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Subscription ticket	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Membership card	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Q12) You are**

- Male
- Female

**Q13) Your age is:**

**Q14) The country you are currently living in is:**

**Q15) Your education level is:**

- Less than high school
- High school graduate
- Bachelor degree
- Master degree
- Professional degree
- Doctorate

**Q16) Your current occupation is:**

- Employed
- Unemployed
- Retired
- Student
- Other. Which? \_\_\_\_\_

**Q17) How high is your total household income per month, that is, the sum of all net incomes of all people living in your household?**

- ≤ 1.000 € (1)
- 1.001-2.000 € (2)
- 2.001-3.000 € (3)
- 3.001-4.000 € (4)
- 4.001-5.000 € (5)
- 5.001-10.000 € (6)
- 10.001-15.000 € (7)
- > 15.000 € (8)

### Annex 3: Chi Square Test for socio-demographic variables and treatment groups

Country	Gender	Education	Income	Age Range	Occupation
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<b>Pearson value</b>	0.576	0.689	0.627	0.093	0.349	0.809
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**Annex 4:** Chi Square test for theatre consumption variables and treatment groups

	<b>Theatre attendance</b>	<b>Theatre expenditure</b>	<b>Past Sub. Purchase</b>	<b>Freq. Past Sub. Purchase</b>	<b>Current Sub. Own</b>	<b>Past Memb. Purchase</b>	<b>Freq. Past Memb. Purchase</b>	<b>Current Memb. Own</b>
<b>Pearson value</b>	0.174	0.772	0.057	0.493	0.476	0.082	0.628	0.478

**Annex 5:** ANOVA model results with subscription and membership expense variables - treatment groups as independent variables

	<b>Average Subscription Expense</b>	<b>Average Membership Expense</b>
<b>F test</b>	2.108	0.666
<b>Sig.</b>	0.069	0.678

**Annex 6:** Chi Square test for theatre consumption variables and demographic variables

	<b>Theatre attendance</b>	<b>Theatre expenditure</b>	<b>Past Sub. Purchase</b>	<b>Freq. Past Sub. Purchase</b>	<b>Current Sub. Own</b>	<b>Past Memb. Purchase</b>	<b>Freq. Past Memb. Purchase</b>	<b>Current Memb. Own</b>
<b>Gender</b>	0.805	0.109	<b>0.044</b>	0.064	<b>0.024</b>	0.487	0.320	0.821
<b>Residence</b>	<b>0.001</b>	0.872	<b>0.023</b>	0.110	0.465	0.430	0.118	0.233
<b>Education</b>	0.235	0.334	0.212	0.688	0.289	0.148	0.846	0.294
<b>Occupation</b>	0.277	0.707	0.648	0.061	0.063	0.389	0.420	0.311
<b>Income</b>	0.086	<b>0.050</b>	0.135	0.436	0.244	0.473	0.105	<b>0.036</b>
<b>Age Range</b>	0.395	0.059	<b>0.008</b>	<b>0.007</b>	0.700	<b>0.003</b>	0.339	0.561

\* Please notice that figures refer to Pearson Chi Square value

**Annex 7:** Pearson Correlation Test results for Future Purchase Intentions and culture orientation factor

		<b>Future Purchase intentions</b>		
		<b>Single ticket</b>	<b>Subscription</b>	<b>Membership</b>
<b>Culture Orientation Factor</b>	Pearson Coeff.	<b>0.121*</b>	<b>0.317**</b>	<b>0.283**</b>
	Sig.	<b>0.047</b>	<b>0.000</b>	<b>0.000</b>

**Annex 8:** Pearson Correlation Test for Future Purchase Intentions

		<b>Future Purchase intentions</b>		
		<b>Single ticket</b>	<b>Subscription</b>	<b>Membership</b>
<b>Single ticket</b>	Pearson Coeff.	1	-0.106	<b>-0.134*</b>
	Sig.		0.082	<b>0.028</b>
<b>Subscription</b>	Pearson Coeff.	-0.106	1	<b>0.470**</b>
	Sig.	0.082		<b>0.000</b>
<b>Membership</b>	Pearson Coeff.	<b>-0.134*</b>	<b>0.470**</b>	1
	Sig.	<b>0.028</b>	<b>0.000</b>	

\* Correlation is significant at the 0.05 level (2-tailed)

\*\*Correlation is significant at the 0.01 level (2-tailed)

**Annex 9:** ANOVA model results with likelihood to buy - culture orientation factor as independent variable

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
<b>F test</b>	0.614	2.178	0.629	1.507	0.766	1.595	1.485
<b>Sig.</b>	0.843	0.235	0.842	0.321	0.722	0.236	0.276

**Annex 10:** ANOVA model results with likelihood to buy - theatre consumption as independent variables

	Group1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7		
						<b>Sub</b>	<b>Memb</b>	<b>Sub</b>	<b>Memb</b>
<b>Theatre Attendance</b>	0.590	0.562	0.103	<b>0.006</b>	0.360	<b>0.010</b>	0.058	0.790	0.507
<b>Theatre Expenditure</b>	0.091	<b>0.012</b>	<b>0.040</b>	<b>0.002</b>	0.652	<b>0.011</b>	0.060	0.439	0.049
<b>Past Subscription Purchase</b>	0.186	0.205	0.282	<b>0.001</b>	0.085	0.824	0.825	0.877	0.034
<b>Freq Past Sub Purchase</b>	0.744	0.931	-	0.330	0.491	<b>0.044</b>	0.979	0.290	0.323
<b>Current Subscription Own</b>	0.568	0.340	-	0.307	0.655	0.251	0.680	0.470	0.909
<b>Past Membership Purchase</b>	0.422	<b>0.035</b>	0.594	0.160	0.773	0.308	0.412	0.843	<b>0.010</b>
<b>Freq Past Memb Purchase</b>	-	0.797	-	0.773	0.789	-	-	0.207	0.349
<b>Current Membership Own</b>		0.421	-	0.729	0.635	-	.	0.800	0.414

\* Please notice that figures refer to Sig. of F test.

**Annex 11:** ANOVA model results with participation intentions - socio demographics as independent variables

	Group1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7		
						<b>Sub</b>	<b>Memb</b>	<b>Sub</b>	<b>Memb</b>
<b>Gender</b>	0.069	0.137	<b>0.044</b>	0.474	0.083	0.995	0.800	0.337	0.657
<b>Education</b>	0.467	0.536	0.091	0.609	<b>0.018</b>	0.697	0.967	0.789	0.086
<b>Occupation</b>	0.821	0.082	<b>0.025</b>	0.127	0.545	0.429	0.586	0.822	0.983
<b>Income</b>	0.416	0.552	0.174	0.747	0.698	0.072	0.198	0.946	0.472
<b>Age Range</b>	0.881	0.320	0.119	0.942	0.448	0.378	0.216	0.560	0.537

**Annex 12:** ANOVA model with participation intentions - theatre consumption as independent variables

	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
<b>F test</b>	0.912	2.259	0.966	0.332	0.440	0.872	1.082
<b>Sig.</b>	0.608	0.223	0.561	0.980	0.953	0.635	0.480

**Annex 13:** ANOVA model with participation intentions - theatre consumption as independent variables

	Group1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7		
						<b>Sub</b>	<b>Memb</b>	<b>Sub</b>	<b>Memb</b>
<b>Theatre Attendance</b>	<b>0.016</b>	0.429	<b>0.014</b>	0.128	0.554	0.791	<b>0.011</b>	0.098	0.139
<b>Theatre Expenditure</b>	0.176	<b>0.041</b>	0.819	0.402	0.926	0.241	<b>0.001</b>	0.452	<b>0.036</b>
<b>Previous subscription purchase</b>	0.056	0.019	0.982	0.077	<b>0.050</b>	0.770	0.800	0.238	<b>0.006</b>
<b>Freq Past Sub purchase</b>	0.812	0.600	-	0.056	<b>0.042</b>	0.460	0.650	0.957	0.760
<b>Current Sub Own</b>	0.663	0.613	-	0.101	0.227	0.369	0.811	<b>0.047</b>	0.964
<b>Freq Past Memb purchase</b>	-	0.746	-	0.551	0.536	-	-	0.667	<b>0.004</b>
<b>Past Memb Purchase</b>	0.957	<b>0.018</b>	0.361	0.972	0.566	<b>0.018</b>	0.992	0.739	<b>0.000</b>

**Annex 14: Factor Analyses on Overall Satisfaction Items**

<b>GROUP</b>	<b>Fixed number of factor</b>	<b># of items</b>	<b>KMO</b>	<b>Bartlett's Test</b>	<b>% Variance</b>	<b>Cronbach's Alpha</b>
<b>Group1</b>	1	3	.458	.000	55.251	.545
<b>Group2</b>	1	3	.576	.001	57.290	.597
<b>Group3</b>	1	3	.614	.001	58.516	.637
<b>Group4</b>	1	3	.516	.000	70.533	.784
<b>Group 5</b>	1	3	.471	.000	64.442	.711
<b>Group 6</b>	1	3	.630	.001	60.542	.666
<b>Group 7</b>	1	3	.594	.000	65.618	.731

**Annex 15: Pearson Correlation test results for Overall Satisfaction factors and Likelihood to buy**

<b>Overall Satisfaction Factors</b>									
	<b>Factor 1 * WTP1</b>	<b>Factor 2 * WTP2</b>	<b>Factor 3 * WTP3</b>	<b>Factor 4 * WTP4</b>	<b>Factor 5 * WTP5</b>	<b>Factor 6 * WTP6</b>		<b>Factor 7 * WTP7</b>	
						<b>Sub</b>	<b>Memb</b>	<b>Sub</b>	<b>Memb</b>
Pearson Coeff.	0.190	0.126	0.91	<b>0.409*</b>	<b>0.505**</b>	0.313	<b>0.324*</b>	<b>0.373*</b>	<b>0.432*</b>
Sig.	0.239	0.299	0.573	<b>0.011</b>	<b>0.001</b>	0.056	<b>0.048</b>	<b>0.036</b>	<b>0.013</b>

\* Correlation is significant at the 0.05 level (2-tailed)

**Annex 16: Pearson Correlation test results for Participation intentions and Overall Satisfaction Factor**

<b>Overall Satisfaction Factors</b>									
	<b>Factor 1 * PI1</b>	<b>Factor 2 * PI2</b>	<b>Factor 3 * PI3</b>	<b>Factor 4 * PI4</b>	<b>Factor 5 * PI5</b>	<b>Factor 6 * PI6</b>		<b>Factor 7 * PI7</b>	
						<b>Sub</b>	<b>Memb</b>	<b>Sub</b>	<b>Memb</b>
Pearson Coeff.	0.152	0.208	<b>0.352*</b>	0.235	0.263	0.095	0.234	0.228	0.210
Sig.	0.349	0.180	<b>0.024</b>	0.155	0.111	0.571	0.158	0.210	0.248

\*Correlation is significant at a 0.05 level

\*\*Correlation is significant at the 0.01 level (2-tailed)

