

**FACTORS INFLUENCING OPERA COMPANY TICKETING AND
PROGRAMMATIC STRUCTURES**

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ABSTRACT

Due to declines in arts subscribership and overall attendance, especially in the field of opera, the question of how to best maintain and attract audiences has come up (Iyengar 2012a). The seasonal programmatic structure, whether a traditional season, rotating programmatic structure, or a festival model is used, can affect attendance for opera companies. Phone interviews were conducted with marketing leaders from nine Opera America member companies from across the United States, with budgets between \$3,000,000 and \$15,000,000. These interviews gathered information on programmatic structure and audience development to determine which factors contribute to financial, reputational, and attendance success.

INTRODUCTION

The purpose of this research is to discover the influences on opera companies that make certain ticketing and seasonal programmatic structures more advantageous to individual organizations. I have researched what makes a festival, rotating program structure, or a traditional season more successful for opera companies. By analyzing available data, I have investigated which factors influence the decision for an opera company to switch into festival or rotating program structure. By comparing geographic and demographic information, I can see which environment might make these models the most cost effective or produce the most ticket sales. My examination should aid in informing decisions of major opera companies to switch to one of these programmatic models. Depending on their background and demographics, one model may be more cost-efficient for an organization.

LITERARY REVIEW

Climate for Attendance in the Arts and Opera

Opera is a centuries-old tradition in music. It is an evolving art form and existing works are constantly being updated and adapted to new settings. However, some opera

houses are struggling to sell enough tickets and relying heavily on donations to support operational costs. Opera attendance appears to be declining or unsteady in recent years and opera houses are at least perceived to be struggling to maintain patrons (Iyengar 2015a). In addition to continuing efforts to attract new patrons, the best option for improvement may be to deepen relationships with current audience members and convince them to continue returning, hopefully at a higher frequency. This could be accomplished in a myriad of ways. Research into which programmatic model is more economically efficient, dependent on demographic factors, could help opera houses to optimize their attendance and revenue.

According to the 2012 National Endowment for the Arts (NEA) “How the United States Funds the Arts” report, for performing arts non-profits, approximately 40.7% of revenue is earned, 44.9% is contributed, and 14.4% comes from interest and endowment funds (Iyengar 2015b). A 2014 study by the William Penn Foundation and TDC shows that attendance for performing arts organizations increased by 2.8% from 2007 to 2011 (Market-Based Strategy and the Use of Audience Research and Data in Philadelphia 2016). The National Endowment of the Arts Survey for Public Participation in the Arts report from 2015 surveyed Americans on their participation in arts and cultural activities. It shows that 51% of American adults attended a live visual or performing arts event in 2012. However, between 2002 and 2012 the percent of U.S. adults attending opera decreased from 3.2 to 2.1. Each attendee only came to two performances on average, and the number of people going to the opera decreased from 13.3 to 10 million within the same timeframe. Of all the genres included in the SPPA report, opera has the lowest attendance, by far. In 2012, opera had 18.8 million fewer attendees than the music genre

with the second lowest number of audience members (Iyengar 2015a). In a separate study conducted by the Princeton Performing Arts Research Coalition (PARC) in 2002, Opera had an attendance rate of 7-14% across ten urban communities. The PARC study shows much higher attendance for opera than the national survey data from the same year, as well as ten years later. The communities surveyed for the PARC were larger and selective, unlike the SPPA. It could be important to note, that regardless of similar conditions, audience reactions and participation varied greatly (7%). The difference in attendance rates is possibly due to the SPPA surveying individuals from across the country, whereas the PARC survey focused on urban areas where there is a higher concentration people and typically larger opera companies (“Center for Arts and Cultural Policy Studies”).

There has also been a good amount of data collected from opera companies regarding attendance. The Opera America Annual Field Report analyses data from 90 member organizations who were surveyed, including financial information for each of the institutions from 2011-2015. Ninety organizations, representing "62% of Opera America's Professional Company Membership and \$554 million" in total operating budgets are included with this report (Opera America Annual Field Report 2016). Organizations were separated in three different categories by budget so that the data from each could be compared, and I have provided my breakdowns of the information.

Opera America’s Budget 1 consists of nine opera companies with operating budgets of over \$15 million. Average paid attendance for 2015 was the highest it has been since 2012, with these organizations averaging more than 90,000 attendees. At the same time, these opera companies decreased the number of performances and

productions from the previous year. This reduction in available tickets, “however, resulted in companies selling 85% of available seats, the highest level of capacity utilization since 2012.” The range of ticket prices also narrowed slightly from the previous year, with lower top prices and higher bottom pricing. Total revenue also decreased slightly despite the uptick in attendance. The sample group had a mean of 5.9 productions and 40.1 performances between 2011 and 2015. From 2012 to 2014, paid attendance dropped 17% and these opera houses reduced the number of performances produced. These organizations were also able to increase operating revenue by 13.9%, while operating expenses increased 13.5% between 2011 and 2015 (Opera America Annual Field Report 2016).

The Budget 2 group from the Opera America Annual Field Report of 2015 is made up of seventeen member organizations, with budgets ranging from \$3,000,000 to \$15,000,000. Paid attendance for this group increased from 2014 to 2015, but still remains lower than attendance from 2011 and 2012. In 2015 the number of productions decreased slightly, but the number of performances increased. Since there were more seats to be sold, capacity filled decreased “from 71% in 2014 to 70% in 2015.” Similar to the Budget 1 group, ticket prices became slightly narrower, with top ticket prices decreasing and the lowest ticket price increasing. Between 2011 and 2015 average operating revenue started at \$5,852,578, rose in 2012, declined in 2013, and then increased slightly again until 2015 and reached \$6,552,538. Net operating income was negative every year except 2013. The average income started at -\$195,832 in 2011, and followed a parabolic arc until 2015. In 2013, net income reached \$50,338, but declined

into the negatives again to -\$305,621 in 2015 (Opera America Annual Field Report 2016).

There were only six opera companies with data reported in the Budget 3 group of Opera America Members with annual budgets between \$1,000,000 and \$3,000,000. Of these six institutions, four had budget surpluses in 2015. In 2015, number of performances and productions presented by this group was at its lowest point in five years. Despite reducing productivity, capacity sold also decreased from 52% to 49%. However, average paid attendance rose from 5,815 in 2014 to 6,023 in 2015. The increase in paid attendances, despite lower percentage of sold capacity and available performances, could be due to an increase in available seats (from 11,276 to 12,286). Having an increase of available seats while decreasing number of performances indicates “that some companies are offering performances in alternative venues of different sizes, making it more challenging to make year-to-year comparisons.” Between 2011 and 2015 average revenue varied by a little less than \$200,000, going from \$1,740,510 in 2011 to \$1,857,602 in 2015. Average net operating income was negative for this group in 2011, 2012, and 2014 (-\$72,855, -\$48,391, and -\$31,765) (Opera America Annual Field Report 2016).

Based on national opera surveys, it seems that there was a significant decrease in attendance between 2002 and 2012. Although there was some increase in average capacity sold by opera houses between 2011 and 2015, the decline in total performances and productions could make that change insignificant. With fewer seats to be sold, the number of actual seats sold could have remained the same or decreased. There are always numerous factors that go into the successes and failures of opera. In 2006, a case study

was done on Michigan Opera Theatre. The research showed that, even when the Michigan Opera Theatre's ticket sales are exceeding their goals, situational factors can cause deficits. Lower donations, fewer rentals, and other factors can play into an organization having a budget deficit. It is important to consider the balance of all income and expenses. One area not returning results as expected could be offset by another receiving better outcomes (Stryker 2006).

Audience Reasoning

When trying to increase sales, it is important to consider the barriers and attractions consumers have for your product. TDC, in conjunction with the William Penn Foundation, conducted interviews with Philadelphia arts and cultural organizations, as well as national experts in marketing and audience development for their report on market-based strategy and audience research. The report stated that patrons are not buying or donating as much as they formerly had. Audiences seem to want a change in the way arts and culture are presented to them and the way that they consume them.

The market for arts and cultural organizations is undergoing three major transitions. Nationwide, there is a “climate” change in audience behavior. Audiences are shifting their fundamental buying patterns. Long-term patrons are aging and leaving organizations. The occasional attendees and single ticket buyers who are replacing them are more transactional – they generally consume fewer events, exhibit lower retention rates, and donate less (if at all) (Market-Based Strategy and the Use of Audience Research and Data in Philadelphia 2016).

In general, patrons are gravitating toward scheduling and pricing that caters itself to them. Technology and digital capabilities are making it possible for consumers to watch

any form of entertainment available from the comfort of their home. At the same time that they are able to fast-forward through and switch between entertainment online, live performance art still takes the same amount of time it always has. You can take out an aria or two in an opera, but you are not going to be able to cut the total performance time by much. Cost for gas, parking, public transportation, as well as tickets has continued to increase.

There are many reasons why people would or would not attend the opera, and it is important to keep this in mind when dealing with the subject of audience development and attempting to increase attendance. The 2012 General Social Survey (GSS) conducted by the National Opinion Research Center (NORC) at The University of Chicago included questions for the reasons people did or did not attend arts events. The survey asked participants about activities from the previous twelve months. "Over half of U.S. adults (53.6 percent, or 126 million) attended at least one art exhibit or live music, theater, or dance performance within the past 12 months." A separate group of "13.3 percent of U.S. adults (or 31 million)" expressed interest in attending at least one arts event, but did not end up doing so. By far, socializing is the most important reason for many to attend performances. Seventy-six percent of attendees listed socialization as reason that they went to performances. Learning new things was given as a reason for attendance by 88 percent of exhibit-goers. While 68 percent of exhibit-goers gave socialization as an incentive, and 37 percent were accompanied by at least one friend (Iyengar 2015b).

Reasons for attending vary just as much as reasons for not attending. Potential reasons people may not attend include, but are not limited to, perception of opera,

difficulty getting to the performance venue, cost, run time for performances, and the notion that opera is only for the bourgeoisie.

People having a lack of time were the most-reported reasons of not attending arts events. Close to one-third of non-attendees who expressed interest in attending an art event stated that a lack of time was the most important reason they did not end up going. “Nearly 60 percent of parents with children under age six” cited lack of time as the most important factor in not attending arts events. Another one-third of interested non-attendees said that cost was the number one barrier preventing them from attending arts events. Other significant barriers to attendance included finding the exhibit or performance venue too difficult to get to (37 percent), and not having anyone to go with (22 percent),” which relates back to social motives (Iyengar 2015b).

Programming

After finding the barriers to attendance, an organization can focus on the programming it will use to attract customers. Programming can be one of the first pieces of information received by an audience that can attract or deter them from attending. Marketing materials often prominently display the upcoming shows for an organization. If consumers are familiar with an institution, they may ask “what’s playing.” If the first impression of a production does not pique the interest of a (potential) patron, they may not inquire any further. There are plenty of options when it comes to deciding the artistic and marketing direction of an opera house. “The classics” like *Madama Butterfly*, *The*

Magic Flute, and *Carmen* are commonly relied on as popular operas that will fill seats. However, with the right marketing approach, new operas can be sold as exciting and unique experiences. It is really up to the individual opera houses to decide which approach they take when deciding on their programming. Often, an organization's mission can inform which audiences will be targeted and the type of opera that will be produced. It is important to let the mission guide decisions. Trying to understand and market toward current audiences can also prove useful for broadening or deepening relationships and gaining repeat patrons. Pricing is an important factor for consumers when deciding where and how to spend their time. To gain repeat business, pricing must be well thought-out.

Pricing

Pricing, as shown through data from audience surveys like the 2012 General Social Survey, is an important factor for consumers in deciding whether to attend an arts event. Increasing price reduces the frequency of purchase, and can be a barrier to those who may want to attend. Cost should be consciously chosen. It determines the types of people an organization may attract or deter. Of course, the audience an opera house is trying to reach should be included in or inferred from the mission. Overall ticket pricing can be determined by production cost, estimated audience, and estimations of what patrons may decide is their own value of the performance. Setting the cost for a performance too low can create the sense that it is low in value, while raising the cost too

high prevents potential patrons from purchasing and can create a perception of elitism about an organization. There is a balance between discounting all tickets and pricing tickets to earn the most from those able to pay. A scaled or tiered pricing of tickets, with a range of amounts, can allow for a wider diversity of audiences.

Pricing for subscriptions and memberships influences the frequency that patrons buy tickets, “which dictates the level of congestion” or percentage capacity in a venue. “Congestion correlates with the customers' perceived value for the service, and that determines the amount of revenue" that can be generated (Cachon 2011). People can tend to place a higher value on things they perceive as limited or popular. Subscriptions are also meant to serve the customer and reward them for their continued patronage. Businesses must remember their audiences when adjusting their services and pricing. If decisions are made in benefit of the company without thought of the consumer, the business may turn away dedicated customers. In addition, it may make sense to offer a subscription or package model as an addition, regardless of the type of programmatic structure. Many people may be tempted into buying in bulk to save money per ticket (Currin et. al. 1981).

In addition, costs for productions and tickets continue to increase while audience size and individual donations remain mostly constant. Arts organizations struggle with the decision of whether or not to increase ticket prices. Increasing ticket prices could drive away new and current ticket-buyers and negate any potential positive affect in revenue (Scheff 1999).

Demographic Factors

Like pricing, opera company location strongly affects attendance. There are definitely barriers and advantages for opera attendance based on location of potential audience members and opera companies. According to the 2002 study conducted by Princeton's Performing Arts Research Coalition, "people living in areas where a high proportion of the population is rural were found to be much less likely to attend performing arts events than were people living in areas where a high proportion of the population was urban or suburban" ("Center for Arts and Cultural Policy Studies). Likelihood of attendance in rural areas could be correlated with accessibility including not having any opera companies nearby, a high cost for attendance, or negative perceptions of opera (as boring or bourgeoisie).

In America, opera's audience is primarily white and educated. The NEA's 2015 Survey of Public Participation in the Arts shows the percentage of each audience demographic for the different art forms in 2012. Opera's audience is 78.0% white and 93.4% of attendees have a minimum of a college degree. The largest age demographic represented is between 55-64, at 20.8% of attendees. Operagoers are 58.7% female, and the least represented income bracket is less than \$20,000 (7.4% of attendees). Of the total of performing arts attendees, people were more likely to attend opera the higher their income. Only 0.9% of all arts audiences with incomes under \$20,000 went to the opera. In comparison, 5.8% of arts audiences with an income over \$150,000 saw an opera (Iyengar 2015a).

Audience preferences differ across the country. What people in Hawaii are going to spend money and/or time to experience is different than that of people in Washington, New York, Arkansas, or Florida. A change in location means a change in primary political leaning, a shift in racial majorities, median household incomes, and many other factors, which can all be seen in the United States, as well as in other countries, census data. A New York Times article from last year shows correlations between geographic location, television show preference, and which presidential candidate a person voted for. Their data maps show that those who ‘like’ on Facebook programs such as ‘Modern Family,’ a progressive comedy, also reside more heavily in urban areas and those same areas voted for presidential candidate Hilary Clinton. Conversely, those who ‘like’ shows including and similar to ‘Duck Dynasty’ populate rural areas, which correspond to Donald Trump’s voter turnout. These correlations between chosen media consumption and political candidate were more similar than comparing previous election cycle data (Katz 2016).

Shows most common in **rural areas**:

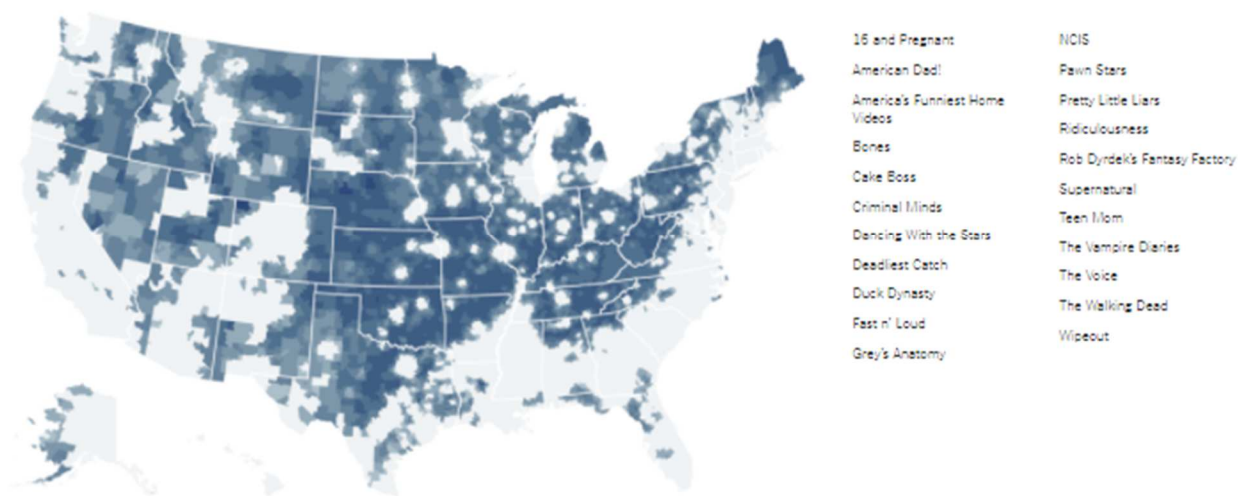


Figure 1. Map showing the concentration of preference for certain television shows in rural areas. (Katz 2016).

Shows most common in **urban areas**:

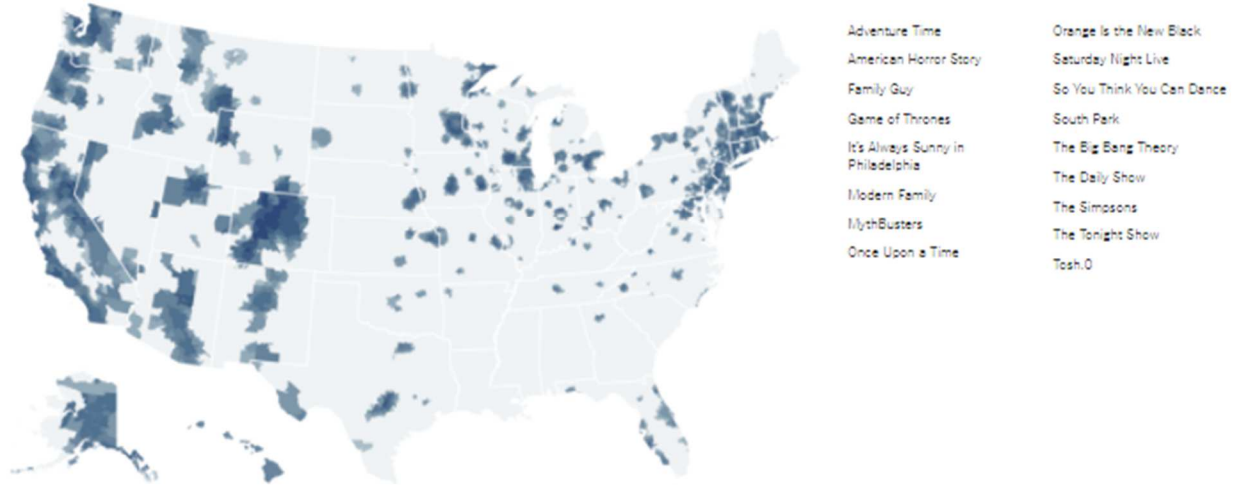


Figure 2. Map showing the concentration of preference for certain television shows in urban areas. (Katz 2016).

Programmatic structures

There are three main programmatic structures, which are affected by audience demographics, which will be debated in this research. The first is a traditional season. A traditional season typically contains about five, but it could range between three and seven, different productions within a given year. The season may begin in one calendar year and end in the next, but it has a clear beginning and end date. Each production usually has multiple performances, with each production closing before the following one can begin.

A festival structure is the shortest, and possibly simplest of the three studied. It contains all performances for the organization's fiscal year into a period between one day and two weeks. There can be one or more productions within the given festival length. The run time for the production or productions is intentionally condensed for cost efficiency. There is less time between performances, a smaller commitment made with performers and venues, and a potential for audiences to have the most time-efficient experience. If a patron attends a festival, they can attend multiple performance over the series of a couple of days, as opposed to their experiences being spread out among several weeks or months.

The most complicated programmatic structure is a rotating model. Like a traditional seasonal structure, it may begin in one calendar year and end in the next, but it has a clear beginning and end date. It also has multiple productions with at least one performance of each. In this structure, the performances dates of at least two productions will overlap. A rotating structure is different from a festival because it is longer and can span around the same amount of time as a traditional season. Festival productions also do not necessarily have overlapping performance dates, although it is common.

For all three structures, subscriptions or a form of membership could be applied. A subscription would typically give an up-front discount for a particular set of performances packaged together, most often seen with a traditional seasonal structure. Similarly, a membership would give patrons a discount for buying into certain performances, making a donation for specific perks, or purchasing a certain number of tickets for performances (like a bulk discount).

Keep in mind that change of seasonal structure cannot make up for the monotony of programming or disengagement with audiences. Moving to a festival or rotational structure will not automatically increase attendance. First, an organization must make sure that a large-scale shift in programming is one that could be supported by audiences and donors. While supporters may want to "save" the classical form of opera, like any business, opera needs updates, evolution, and change. Audiences want something new (Herold 2017).

Revenue Makeup

It is critical to remember that attendance does not make up the entirety of an organization's revenue. Program revenue alone will not sustain an organization. Opera houses, as well as non-profit arts organizations in general, must keep their own balance of revenue sources in mind. On average, non-profit performing arts groups and museums in the U.S. earn 40.7% of their income, receive 44.9% of their income as contributions, and the other 14.4% comes from investments and endowments (Woronkowitz et al. 2012).

According to Opera America's annual findings, contributions are making up a larger percent of opera revenue across the board. Overall, contributions increased between 2011 and 2015. It also appears that as the size of an organization decreases, the percentage of total income that contributions make up increases. In 2015, average contributed income for large opera institutions with budgets over \$15,000,000, was \$12,343,748 (33.1% of total revenue) and greater than the amount brought in by program

services. Medium organizations had an average of \$3,001,606 in contributed revenue, which is 45.8% of the average total operating budget for that organization size and roughly twice the amount that they earned from program services, on average. Small opera organizations with budgets between \$1 million and \$5 million averaged \$1,231,027 in unrestricted contributed income, which was nearly three times their earned income (\$411,864) and 66.3% of their average total operating budget (Opera America Annual Field Report 2016).

Arts Giving Overview

For the roughly 24,000 arts and culture organizations who filed tax returns in 2000, there was a reported sum of \$23 billion in revenue. Approximately \$9.4 billion, or about 40%, came from private and individual contributions, and greater than \$2.6 billion (11%) was from government funding. Government funding is dependent on the rise and fall of local and state economies, though. Contributing the largest amount, individuals gave half of private gifts, while foundations were calculated at about 33% (\$3.1 billion in 2000), and corporate contributions equaled nearly 17% (\$1.6 billion). In general, private contributions have been fairly steady as a source of income for arts and culture non-profits. Grants to the arts sector have slightly decreased over the years, though. Between 13 and 15 percent of all foundation giving was allocated to the arts in the 1980s, but it declined to around 12% by 2000 (Renz).

As mentioned above, contributions and grants make up a large percentage of revenue for the performing arts. “Every year, approximately 11 percent of foundation giving – about \$2.3 billion in 2009 – is awarded to nonprofit arts and cultural institutions.” The majority of institutions given funding are large organizations that have budgets over \$5 million and those that continue the Western European art traditions. The audiences served by these types of institutions are primarily “white and upper income.” In fact, “only 10 percent of grant dollars” given to arts and culture institutions are directed to serve “lower-income populations, communities of color and other disadvantaged groups” (Sidford 2011). These funding patterns also show that upper-income white patrons may be receiving the most benefit from grants. There might be some backing to the claim that many arts organizations are for the bourgeoisie.

Research Design

I have selected institutions from within Opera America’s members with annual budgets between \$3,000,000 and \$15,000,000, based on the fiscal year 2015 Annual Report. Of this budget size, there are seventeen opera companies within Opera America’s members and constant sample group reported on in fiscal year 2015. This budget range was chosen because medium sized organizations are more likely to be flexible in their programming and growth than smaller or larger companies. Smaller companies are less likely to have enough capital to make larger programming changes, and larger

organizations are more set in their ways because it becomes more expensive to change on a larger scale. Mid-sized organizations are also often advancing and restructuring, so they are the opera houses most likely to be considering or making a transition into a new or festival model. Larger organizations, on the other hand, are stable in their structure most of the time and less likely to be changing. Smaller companies also have a lot less data available and it might be difficult to make comparisons. This medium-sized group has a lot of information available through case studies, GuideStar, Charity Navigator, their own typically well-developed websites, as well as the news and other means to research an organization.

PRIMARY DATA COLLECTION

Methods

First, I looked into the research and data available through trustworthy and scholarly sources. For the literature review, I searched through JSTOR, Google Scholar, and the Drexel Library system to find and read reputable research papers, journal articles, and books. I also searched the websites of The William Penn Foundation, The NEA, Pew Charitable Trusts, and opera houses for relevant research and case studies. I have seen what other research has been conducted on the programmatic structure of opera houses and see how it relates to my hypothesis. Through Opera America, I read current opera case studies to check for relevance to my thesis, I compared data of member opera houses, and I saw whether their reports pertain to my own study. Opera America's

membership and reports containing data from the top opera houses all over the United States are vital in my comparisons. Through GuideStar and individual opera house websites, I gathered financial information and programmatic structure, to analyze the data for each. For the cities housing the opera houses I am studying, I gathered census demographic information to better compare the organizations.

I prioritized the order in which I contacted opera companies based on their current programmatic structure. I needed responses from a few organizations who are transitioning into or who are currently operating with a festival or rotating model. Ensuring interviews with those organizations happened was important to my research. I aimed to interview a comparable number of institutions of each programmatic structure.

Of the seventeen Opera America member organizations initially contacted with an interview request, I spoke with staff members in the marketing or audience development departments of nine separate opera companies. The organizations interviewed are: Opera Carolina, Cincinnati Opera, Glimmerglass Opera Festival, Hawaii Opera Theatre, Minnesota Opera, Opera Philadelphia, Pittsburgh Opera, Sarasota Opera, and Opera Theatre Saint Louis. All interviews were transcribed, and I coded the data for each. Data was coded into twenty-five different categories, based on recurring themes and topics that I noticed were mentioned in multiple interviews.

Primary data was collected from nine Opera America Tier 2 member organizations through short interviews, opening with asking for a general overview and followed by specific questions:

Hello, this is Brooke. Thank you for taking the time to speak with me today. For a little background on my project: The purpose of this research is to discover the influences on opera houses that make certain ticketing and seasonal programmatic structures more advantageous to individual organizations. I want to research what may make a festival, rotating program structure, or a traditional season more profitable for individual opera houses.

Could you give me a little snapshot of the current state of your organization and any of the big triumphs and challenges you are facing?

1. Have you considered changing your programmatic structure and why?
2. Which programmatic structures have you looked into so far?
3. If you are planning to change, or are in the process of changing your programmatic structure, why and which new structure did you choose?
4. What do you like and dislike about your current programming strategy?
5. What have you learned from your peers and organizations you find inspiring?
Who are those organizations?
6. What audience development research have you been conducting in the last 10 years?
7. What do you typically do for strategic planning or research to guide decision making in audience development?
8. How do you decide your ticketing tiers and pricing?

9. How did you decide on your current revenue structure; what are the organization's strengths in funding?

Limitations

Unfortunately, with time constraints on my research, I cannot study every opera house in the world or even every opera house in America. I will only be conducting primary research on mid-sized organizations. I also cannot complete my own data-based survey for a large enough percentage of opera houses for it to be statistically relevant or representative of the whole of either American or global opera houses. I am not studying small opera organizations individually because there is not as much data available for them and many do not have complete GuideStar profiles or informative websites, so my sample is further narrowed. To get a complete picture, or even a fuller idea of how demographics impact which type of programmatic structure an opera house should use, more opera houses, smaller opera houses, and even all opera houses can be compared and have their data analyzed. I am limited in time to complete my research, as well, and will complete my report by December 2017. Future research could even include audience surveys into which structure opera audiences, especially major donors, prefer.

DISCUSSION

Hypothesis

Due to my research on the topic, I hypothesize that because opera is a form of art that people travel to watch and participate in, opera companies are much more likely to be successful in larger cities. Opera is also a sort of niche art. As seen in the SPPA data, opera's audience is overwhelmingly white (78%) and educated. Ninety-three and four-tenths percent of all opera-goers have at least some college experience. Seventy percent of patrons have a college and/or graduate degree. Only 7.4% of opera attendees make under \$20,000 a year, and 42.5% make over \$100,000 in a year.

If an opera house is in a tourist city (like New York and Vienna), or a specifically music tourism-heavy city (Vienna in particular), a traditional seasonal structure would not be the best method for them to use to sell tickets. Some world famous and successful opera houses, such as the Vienna State Opera House, run on a rotating programmatic schedule, with different operas showing each day of the week. This structure could be the most profitable option to switch into for opera houses with declining ticket sales. I believe many of the large opera houses have an international audience and donor base. If their audiences, as well as donors, are primarily from places other than where the opera house is based, a rotating or festival programmatic structure would be the most advantageous. If people are travelling to see opera, or seeing opera when they travel, they are likely to want to "make the most" out of their trip by seeing multiple different

productions within the week or weekend. The major downfall of altering an entire programmatic structure for opera houses could be fiscal feasibility for the organization; however, the donor base may be coerced help if the change is beneficial enough for them. It is also possible that donors will help keep opera houses open regardless of declining attendance, as long as their performance needs are met.

Research Questions

While coding my data, several questions arose. How does location and audience base influence programming structure? Though I was not able to research this in depth, I gained some insight from census data and responses from the opera companies I interviewed. Interviewees spoke about their programming related to their audience composition and where they are located. Are new entertainment habits funneling us into festivals? I had several responses that mentioned a decrease in subscribers over the last few years, and some talked about a shift toward expecting the same convenience of Netflix in their entertainment consumption. What role do new works play in programming structure and audience development? The people I interviewed spoke about programming balance or an emphasis on new works, most of the time.

Results

In my primary data collection, I found that five of the nine institutions I contacted currently use a festival programming structure. Festivals range from short, two week engagements to two months of shows running. They also include productions that run one show at a time and those that have overlapping performance dates, as well as festivals plus additional programming throughout the year. Trying to figure out the best fit for themselves, eight companies have considered changing their programming structure, whether by slight alteration such as an additional production during their season or a complete overhaul to adapt their programming model to a new one. Seven respondents have actually altered their seasons, already, four of which are mid-transition or have made the leap for this current 2017-2018 season.

Opera Philadelphia is one of those four organizations. Opera Philadelphia is a notable organization that has just undergone a large scale shift in their model. Before, Opera Philadelphia produced a traditional season with each show opening and closing without overlapping any other's performance run. However, with this being the inaugural season, they have begun producing an opera festival called "O Festival." For twelve days, five operas ran simultaneously in five separate venues across Philadelphia, with one recital, a masterclass, and a free projection of *Marriage of Figaro*. Included in the festival program were three world premiere operas and one Philadelphia premiere. In addition to this entirely new fall festival, they have maintained their spring productions and plan to continue forward with both, merging the two in their production model but keeping their image and marketing to the audience distinctly separate. Half of their year is dedicated to

the new, and half to what their audience is used to. Two other companies I interviewed added a single opera production to their line up, which is much easier in terms of marketing, producing, and budgeting. This move was also made through significant foundation and donor support, as visible in their O 17 program (Opera Philadelphia 2017). Based on positive audience feedback after performances and on Facebook that I personally witnessed, as well as seeing multiple performances (including the entire run of one opera) sold out, I would say that this introductory year for the O Festival was successful.

When asking who each of the interviewees considered a peer organization or an organization that was an inspiration, there was a good deal of overlap among responses. The three mentioned most often were Santa Fe Opera with six counts, Opera Philadelphia with five, and Opera Theatre Saint with four. They emerged as the three that everyone seems to be looking to as an example.

Though, the three cities that hold them are rather different. Santa Fe is the smallest but has the highest medium income at \$50,737 with approximately 83,875 residents. In between the other two in terms of population, St. Louis has about 311,404 people residing in it and a median income of \$35,599. The largest of the three, Philadelphia has a population of roughly 1,567,872 and median income of \$38,253. All fall below the 2015 national median income of \$56,516 (Luhby 2016). Also, when looking back to the location related to television consumption preferences data referenced earlier, all three cities are in areas with a higher concentration of viewership for Modern Family and similarly progressive shows (Katz 2016). Though I do not have the time or resources to do data analysis on population demographics for each interviewed opera

company's city and audience, as well as its relationship to their ticket sales, this could be an avenue for future research. I do believe that their location is a contributing factor to their widespread success. ("Quick Facts" 2016)

7. Modern Family

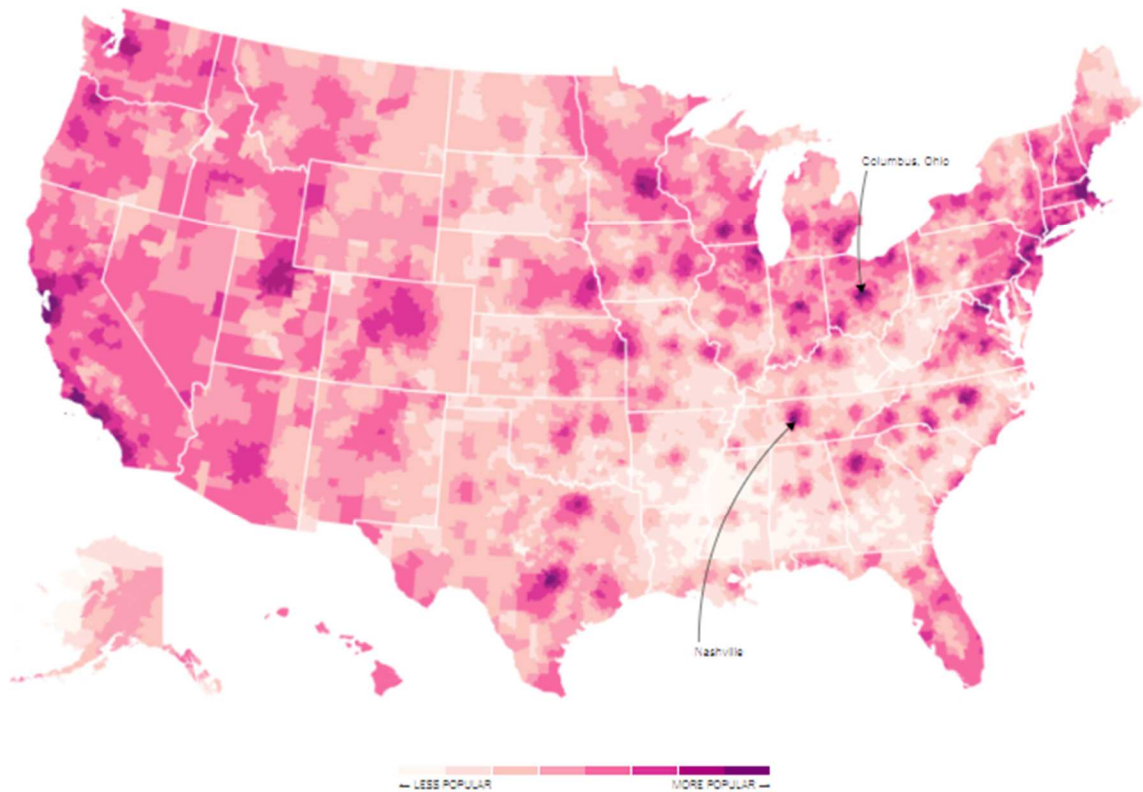


Figure 3. Map showing the concentration of preference for the television show Modern Family. This map shows that Modern Family is more popular in the cities housing the three most-mentioned opera companies from my interviews. (Katz 2016).

However, when comparing the population per square mile, all three are well above their state's overall, Philadelphia has about forty times the population per square mile that Pennsylvania as a whole has. St. Louis's population per square mile is roughly

fifty-nine times that of Missouri, and Santa Fe has about eighty-seven times the New Mexico population per square foot. They are each larger cities within their state and have plenty of other cities within a four hour travel time radius. All three each have festival models where audiences can see multiple operas within a week and are getting widespread national attention from press and other opera companies. (Quick Facts” 2016)

The top two mentioned that I interviewed had multiple similarities in their responses, as well. Opera Philadelphia and Opera Theatre Saint Louis both have had a recent decline in subscriptions, but they are emphasizing new works and programming balance to attract and maintain their audiences. In more concentrated efforts to attract younger audience members, they each have a young patrons program in place to create a long lasting and engaging relationship with this group through special programming and incentives, such as discounts. Both have conducted audience development research through grant funding and/or with a consulting company, have done the same specifically for ticketing tiers and pricing, and have, like the rest of the interviewees, been surveying their audiences. Both also have multiple venues that they utilize for their regular programming.

All except for one opera company out of the nine I interviewed mentioned additional programming. Additional programming included, concerts, pop-up performances, food-related performance events, as well as a variety of other types of performances and programs. The organizations with additional programming spoke of it as a way to engage with their community and welcome them into the art form in a way that is more accessible than a full performance of an opera, which could be three hours long and have strict dress and behavior codes within the venue. Two of those eight

respondents also want to increase the diversity of their audience. Opera Theatre of Saint Louis specifically mentioned wanting to increase access and have their audience reflect the demographics of their community.

Location of an opera company, as well as its audience pool, appears to influence which programming structure may work better for an individual organization. Hawaii Opera Theatre (HOT), roughly eight years ago, made the move from having a festival to a traditional season, after declining subscription sales. With its location in Honolulu, Hawaii Opera Theatre has a much smaller pool of about 1,428,557 residents from all of Hawaii to attempt to bring into their shows (“Census” 2017). They were not pulling in the numbers they needed to continue running a six to eight week festival beginning in February, every year. Not being close in proximity to the rest of the United States, Hawaii Opera Theatre does not have a large urban area and surrounding cities with millions of potential patrons to attract like San Francisco or New York does. In five of the nine interviews I held, organizations mentioned that audience members travelled to their performances. Unlike Hawaii Opera Theatre, Sarasota Opera has a population of “snow birds,” or older patrons, who travel to Florida for the winter months. That winter influx has determined the time of year in which their festival falls. Opera Philadelphia and Opera Theatre Saint Louis also spoke of having national and international audiences, as well as national press coverage. Opera Theatre Saint Louis cited their festival model as a reason that they are able to attract national coverage, large news outlets would use their time and travel budgets efficiently. They would rather send someone to cover several new and interesting productions than just one. These companies who have patrons who travel

to their performances said that their audience pull makes a festival model, especially with world premieres and new works, a better fit for them.

Even spacing out their three operas and adding a concert opera in their traditional season, HOT is seeing fewer subscribers every year, and they have “been in a place similar to other organizations, adapting to the changing clientele” (Walter 2017). During their annual renewals calls every year, they get responses of patrons declining to renew because of conflicting schedules and old age. While they have been trying to adapt and attract new and younger audiences, like many arts organizations, they have difficulty getting them to subscribe. Young audiences do not want to commit to an entire season. As shown in audience surveys, such as the GSS, audiences want their entertainment catered to them. People are turning to Netflix, which has just shy of 99 million subscribers worldwide, Hulu, Amazon Prime Video, and other sources of instant entertainment gratification (Fiegerman 2017). HOT has also seen the focus of marketing and sales go from subscriptions to single ticket sales.

All of the opera companies I spoke with have been making efforts to study their audiences and hear them out. Every one of the nine organizations I interviewed has been conducting audience surveys. Surveys range from pre and post-show opinion surveys to focus groups. Sarasota opera has been surveying their audience and potential patrons on what barriers may be inhibiting them from attending operas. Going further in depth, Pittsburgh Opera has been interviewing patrons, infrequent ticket buyers, and even those unfamiliar with their work to create different audience profiles, and improve their audience development tactics. Seven companies brought up larger research projects that

were funded by outside parties and/or conducted by external parties that specialize in data and research.

Additionally, five respondents, four of which overlapping with those using consultation and/or outside funding to coordinate research, brought in consultants specifically for development and revamping of their ticketing tiers and pricing. Dynamic pricing is popular with these organizations, five are currently utilizing the practice in addition to their tiered pricing. As shows are selling well or not, prices are raised or lowered to match demand, and raising the price the closer a performance date gets. For example, Sarasota Opera has attempted to train their audience not to wait to buy tickets at the last minute by using dynamic pricing. They also do not discount tickets (although they do provide a student rush deal and complementary tickets). Buying tickets in advance for Sarasota Opera performances is cheaper than buying them on the day of the show.

Although some do use advantageous pricing strategies, five companies were notable in offering accessible pricing options. With an incredibly low children's ticket price at \$10, Glimmerglass Opera Festival's adult tickets start at just \$26 and they offer multiple discounts. Hawaii Opera Theatre also mentions a \$20 base ticket price. Similarly, Minnesota Opera's single tickets are offered at \$25 and up, and Sarasota's tickets start at \$19. I also thought it was worth noting that Opera Theatre Saint Louis ensures that they always have \$25 tickets available for those who need them, even if that requires lowering the cost of other seats.

A theme that came up in interviews was that people, particularly subscribers, show up for the things that are familiar. Hawaii Opera Theatre's core audience comes out

for the top ten hits of opera like *Madama Butterfly*, but not much else. Four of the nine opera companies interviewed mentioned having a programming balance to satisfy their subscribers with popular works, while also bringing in single ticket buyers with productions of new works.

Seven of the nine opera companies stressed the importance of including new works in their programming. The new programming is used as a draw for new audiences, single ticket buyers, and younger audiences. Of the nine respondents, six have young patrons programs specifically built to attract younger audiences, and, of those six, five are in organizations that overlap with an emphasis on new works.

While talking about whether they had or would consider changing their programming structure, some of the interviewees for this project described different factors limiting them from expanding or altering their programming. Of the four organizations that brought up timing as a limiting factor, three pointed to the climate of their location as a barrier. Glimmerglass' festival stays within a couple of summer months year-to-year because they need their audience to have time to travel to them, without school schedules or bad weather impeding them. Because of their harsh winters, Minnesota Opera plans their performances so that they do not compete with the scarce warmer weather their patrons enjoy in the summer. As mentioned before, Sarasota Opera's audience is full of snowbirds who are only in the area during the winter. Unlike the others, who also felt there were time restrictions on their seasons, Opera Theatre Saint Louis is limited by the orchestra that plays during their operas. Saint Louis is unable to add on to their festival season without taking touring time from the orchestra. As well as time limitations, organizations noted staffing and space constraints. They described

“skeleton staffs” during the majority of the year, seasonal staff, working long hours around performances, and inability to fit more productions, with props and sets, in their available space. With each, there were four respondents, some overlapping in two or all three season impediment categories, who shared those concerns. I think it is also worth noting that there were several responses that warned against all opera companies shifting to festival models because it would create too much competition nationally.

Financially, the organizations utilizing festival models are doing better. Only one of the five opera companies interviewed using a festival model was in the red according to their most recent 990 tax form available, as opposed to two of the four running a traditional season program. The total revenue of those with traditional seasons was generally lower than the festivals, as well. Minnesota Opera was the only traditional season opera company to surpass the lowest total revenue of the festival model companies. Of all of the organizations, the two with the highest revenue minus expenses were both companies with festival models, and they were the only two to break \$1,000,000 in that area. Opera Philadelphia and Opera Theatre St. Louis are the financial standouts, with their programs pulling international audiences. Both organizations came from deficits the previous year. Opera Philadelphia has actually grown significantly enough, possibly due to their programmatic restructuring, in the last couple of years to no longer be within the Opera America Budget 2 category. As for significant differences across program or contributed income, both traditional season and festival organizations varied; although, Opera Philadelphia’s contributions are the highest by around \$8 million and their program revenue was on the lower end.

Overall, contributed income is make-or-break for all of the opera companies I spoke with during my interviews. At least for medium opera organizations with budgets between \$3,000,000 and \$15,000,000, contributed revenue is higher than earned. While each of these companies are dedicated to their mission and to attracting audience members to see their shows, they do not rely heavily on their ticket sales to maintain operations. This is important because wealthy donors could influence programming positively or negatively. They could use their financial contributions as financial leverage to produce the shows in which they are interested. Ideally, as an organization, you want to attract donors and board members with the same that want to fulfill your mission and vision. The attraction of audience members and donors begins with getting them to come to their first performance and then progresses to enticing them to create a deeper bond with the organization. It makes sense for opera companies to keep donors, as well as all other audiences, in mind when altering programming. Opera Philadelphia, for example, listed multiple high-level donors and board members as contributing “significant” and “additional” support for their new festival, and three individuals are listed as having contributed \$1,000,000 or more (Opera Philadelphia 2017). The organizations I spoke with do not appear to be limited in terms of programming, but I would not be able to make a fair assessment based solely on my data. Future research could investigate whether donors are influencing opera programming and, if so, how.

CONCLUSIONS

Based on my research and data collection, I believe that location and audience demographics stand out as the most influential factors on an opera company's programming structure. As we saw with the top three mentioned peers and inspirational opera companies, the number of people in a place or their median income may not contribute to the success of certain opera houses as much as the geographic location, accessibility of the opera from nearby suburbs and cities, and the actual people who reside there.

For opera companies in general, creating a long-lasting relationship with audiences and listening to their wants and needs is vital. Every opera company interviewed for this research depends most heavily on their contributed streams of revenue, rather than earned. Being most reliant on contributed income, it is important to get patrons back in the door to both see productions and give. This message is seen in the unanimous use of audience surveys in the organizations interviewed for this research. Relationship cultivation appears as a theme with six relationship development programs specifically targeting young audiences, eight organizations producing additional programming to engage their communities, seven companies emphasizing new works to bring in new patrons, and four attempting to maintain the old audience while bringing in fresh eyes through programming balance.

For programming structures, it appears that larger, established organizations with a large enough local or national pull have more perceived success as well as financial

success with longer festival models. Of the five opera companies I interviewed who run a festival program, all five also emphasized the necessity of an audience who will travel to them. Two, Opera Philadelphia and Opera Theatre of Saint Louis, also noted their national, as well as some international, press coverage and audience, and they had the largest budgets and surpluses according to their most recent 990 tax forms. Four of those five festival model organizations also emphasized producing new works and said that they hold performances in multiple venues. Both of those traits are costly factors to consider, as each requires more resources than renting or owning a single venue or creating the backbones of a production from scratch.

Rotating models are found in outlier organizations, such as the Metropolitan Opera and Vienna State Opera House. I did not find any rotating program models in the companies I interviewed. A rotating season model requires a higher number of productions and/or performance dates to ensure that audiences can come to see multiple operas in a single trip. This model perhaps requires the setting of an urban city with other tourist draws.

Finally, traditional seasons and short festivals (one to two days of performances) are more feasible for organizations with a smaller, local base of patrons. None of the four opera companies interviewed with traditional seasons mentioned audiences travelling from any distance to attend their shows. All four have considered changing their programming structure in some capacity. Hawaii Opera Theatre made the switch from a festival structure to a traditional season due to having a smaller audience pool to pull from because of their location. Minnesota Opera and Pittsburgh Opera both added another opera to their season, recently, as well. Based on their responses, these

organizations do not seem eager to uproot their yearly programming and introduce festivals anytime soon.

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