

LEAGUE OF CHICAGO THEATRES

RESEARCH FINDINGS

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CONTEXT/BACKGROUND

Context

Chicago, the state of Illinois and the country are tense in ways we have not previously seen, affecting the environment in which we do our work. The theatre industry in Chicago is experiencing new pressures. We want to explore the extent of those pressures and ways in which they are being or can be eased.

Background

Many of us, either through our conversations with colleagues or in our own theatres are hearing how various issues, such as ticket sales, audience engagement and individual giving, are affecting our own theatres or others negatively. At an executive committee meeting of the board, we discussed these issues and looked at different ways we might study the issue. We thought industry focus groups might be the answer because we want to dig deeper than a survey and we want to give participants a chance to hear from each other which might spur deeper engagement in the issues.



METHODOLOGY

- Four focus groups were conducted on November 1 and 3, 2017 as follows:
 - Two groups among Executive Directors
 - One mixed group (EDs, Development and Marketing)
 - One group among Marketing Directors
- A wide range of theaters were represented in size and programming.
 - At the larger end, Goodman, Steppenwolf, Lyric Opera, and Auditorium Theater
 - At the smaller end, Lifeline, Steep, Windy City Playhouse (among others)
- Participants were asked for their perspectives on:
 - The state of Chicago theater as a whole
 - Factors impacting the industry
 - Ticket sales
 - Audience Engagement
 - Individual Giving
 - What the League could do/provide on behalf of the theater community

STATE OF CHICAGO THEATER TODAY

- Participants were asked to choose an image that best reflects how they feel about Chicago Theater today. Their choices reflect a few key themes at both a macro (national) and micro (Chicago-specific) level and capture both the sense of rich community that Chicago Theater provides as well as some of the challenges associated with the multitude of theaters in the area, the demands on patrons' time/attention and recent press about diversity and inclusion.
- The community and collaborative spirit of Chicago Theater is thought to be unique, not found in any other large city.



People here are willing to extend their knowledge. Chicago is unique in that way – everyone feels invested. I never feel like we're competing – think it opens patrons up to other theater.



The theater community is a huge gem and asset for Chicago, a huge strength for the city. In NY, it's an industry...in Chicago, it's a community and collaboration.



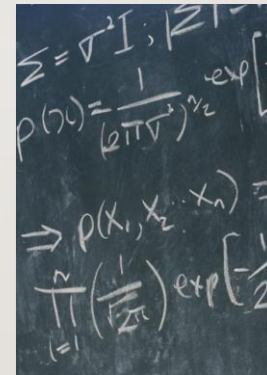
Chicago theater is a special, rare thing. There's a collaboration that happens between theaters that isn't found in NY or LA. The quality of the work is the best in the country. And there's something about this city: blue collar, humble, no attitude, grit.

STATE OF CHICAGO THEATER TODAY (CONT.)

- The challenges at a macro level reflect how difficult it is to compete with all the forms of entertainment facing audiences today, the difficulty in marketing to audiences in such a fragmented media landscape and the role of social media for good (spreading positive word-of-mouth about a show) and not so good (exacerbating a difficult situation as with EDI).
- All the changes facing the industry result in a lot of uncertainty about how to market and raise money – old assumptions and models don't necessarily work anymore.



What is the show, who is the audience for the show, how do partners fit? It's not a cookie cutter approach anymore, it's a very different time.



Everyone is trying to figure out the formula for sustainability and success. No one knows what the formula is. You get a great review, you should sell out but you don't. I'd like to know where to spend my money and put my energy.



The challenge is Sisyphean. The models are flawed with how to sell tickets and how funding works. There are larger political issues and local community issues. Everything is stacked up against us but we're strong and mighty. Ants make a great army.

STATE OF CHICAGO THEATER TODAY (CONT.)

- The summer's controversy with Hedy Weiss and ChiTac did lead some participants to believe that Chicago theater is at a crossroads: on the one hand, there is a desire to come together as a theater community but there are voices and opinions that need to be heard and issues to be addressed. The local issues are exacerbated by divisive politics at a national level.
- As a result of the issues around diversity, some are wondering whether Chicago Theater can speak with one voice, whether there can be one overarching positioning for the industry as a whole.



We are fractured now – every hot topic you can pick, we are suffering from. We are divided at the moment by race, gender and politics.



We are at a precipice – have to make a choice about what voice we want to have. Historically, we all worked together but now there are distinct needs which can't all be served. It's hard to find one voice for all the theaters. It's a powder keg now which gets in the way of elevating the entire sector.



Chicago theater is precious and fragile and needs to be nurtured. There's a lot of work that needs to be done if we want the institution to reflect the city. Non-white and women's voices are becoming louder which is good but it also causes disruption.

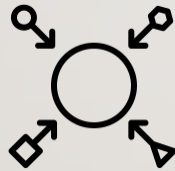
CHICAGO THEATER IN AN IDEAL WORLD

- Many participants feel strongly that they want Chicago theater to define the city more than it is now – seems under-utilized as an asset.
 - *“I want people to step off an airplane and see all the theater options available to them. We are a theater city second to none and one of the best cities for artists to live and work. Arts are not being promoted as part of Chicago’s marketing.”*
- The large number of theaters causes some to wonder whether all can, and should, survive.
 - *“How many theaters can one town support? It’s good for the audience to have lots of options but hard for theaters to differentiate and find an audience.”*



Calling Card for the City

--Would like to see theater elevated in terms of civic and cultural awareness, as prominent as sports and the dining scene
--Want to be known as having a world-class, best theater scene, second to none



Inclusive, Fair

--Everyone feels included and welcomed, from an artistic, administrative and audience perspective
--Provide access to a wide range of different populations



Inspiring

--Want to be inspired as theater administrators, believing in the mission and the art
--Want patrons to be inspired by what they see, feel changed in some way



Stable

--Financially stable
--Safe to take risks without repercussion
--Trying to do more with fewer resources

FACTORS IMPACTING THE THEATER INDUSTRY

HUGE NUMBER OF ENTERTAINMENT OPTIONS

- Beyond just theater to include sports, dining out and quality TV found on Netflix, Amazon, and Hulu

BROADWAY, PARTICULARLY HAMILTON

- Mixed reaction to whether a hot show like Hamilton has a positive or negative impact on regional theater (arguments made for both sides)

INFORMATION OVERLOAD

- People are getting information from so many sources, decentralization drives lack of marketing efficiency

POLITICS

- Impacts both content (people may want to go to theater to escape reality) and funding (some giving has been shifting to other causes)

RELIANCE ON REVIEWS

- Influence of one dominant reviewer, Chris Jones, can dictate success or lack thereof
- Although some think that reviews lack the impact they once had given media fragmentation

LACK OF PLANNING

- Wide number of options, ease of buying online and availability of tickets, often discounted, means theater decisions often made at the last minute



This is a Democratic town – people are still reeling from the Clinton loss. The collective psyche has been hit very hard – people want to escape versus sitting through dysfunctional family dramas.

From a sales perspective, may be hard to sell tough shows. Either lean in or escape, hard to be in the middle. Integration is more important than ever – you want to make a difference in the world but you still have to sell tickets.

There is so much coming at people all the time. Even your core people forget – requires a level of punching through to get their attention.

As a marketer, you have to market in so many places, both traditional and digital media. Harder to get coverage and have an impact. Even though digital rules, you still need to do some traditional ads, like in the Trib.

No one else matters besides Chris Jones. There is a direct relationship between getting 4 stars and an increase in new subscriptions. We try to sell as many tickets before the reviews come out.



TICKET SALES TRENDS

SINGLE TICKET VERSUS SUBSCRIPTION

- Patrons, especially Millennials, don't want to be pinned down to a subscription, want the flexibility
- For the theater, more effort and \$ expended to get those ticket sales

NEED FOR FLEX PASS

- Have to be able to design their own theater experience on their own terms, has to be easy to purchase and change

SHOW-DEPENDENT VS. LOYALTY TO THEATER

- It's all about the specific show, less loyalty to the theater (less true for subscribers)

LAST-MINUTE TICKET PURCHASES

- Large percent of tickets selling week of show which puts huge stress on the organization

WEEKDAY VS. WEEKEND

- Shift partly due to incentives
- Friday is a tough theater night – patrons too tired
- Saturday is about being social – can't be social during the play

DISCOUNTING

- Concerns about training patrons to pay at a discounted rate

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People want to be able to build their own subscriptions so Flex Passes have been successful. They only want to see what they want to see.

There is no institutional loyalty anymore. Decisions are being made on a show-by-show basis, other than for the loyal core group.

50-60% of stock is sold through Gold Star for smaller theaters which is out of hand. We are training the audience not to pay full price.

If a Millennial can't do everything in 2 clicks, they won't subscribe or give.

Tickets are bought closer and closer to the show. They don't have to plan – with technology, they can get tickets immediately which gives them a lot more flexibility.

People look at all the shows if they're buying a subscription. If 1 out of 3 shows doesn't work, they won't subscribe and just buy individual tickets.

Subscriptions are inching down so we rely on single ticket sales which are harder to get and more reliant on word of mouth and reviews.

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AUDIENCE ENGAGEMENT

- The perception is that audiences are more engaged with theater these days because they are seeking experiences which bring people together and want a sense of community at a time when everything is so divisive and social media precludes in-person interactions/connections.
- Some theater is also being used to protest the political landscape e.g. Fun Home.
- Attendance at post-show discussion is higher...people don't seem to want to leave, especially when the topic of the show begs for further discussion.
- Theaters are looking for more ways to engage patrons with each other and with artistic staff.

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With our new theater [Shakespeare], people do seem to unplug and focus on being present. We have pre-amblés and pub crawls with the cast to increase engagement. We want to provide a welcoming experience.

Post election, people want a connection with others in their community. Theater is in the empathy business which is what we need to be addressing now. Theater provides a chance to get other perspectives.

The experience of going to the theater is more important than ever. And that includes dinner, drinks, talking afterward. Since people go out so rarely, they need time to be social before and after the production. Broaden the experience beyond the show.

Going to the theater as a protest is happening in a way that's never been before. For example, going to see Fun Home to support the 'right' side.

People in the audience want to engage more than ever – we hold as many post-show discussions as we can. They want to stick around after the show, almost a catharsis. It's a safe space to talk about they're feeling. People yearn for face-to-face interaction in a world of social media.”

This desire for community, connection and dialogue in our current environment may be a way to market Chicago theater and separate the theater experience from the other forms of entertainment the audience is considering – they will not get the same impact from going to a restaurant or watching Stranger Things on Netflix!

INDIVIDUAL GIVING

- Individual giving is being impacted by the same factors which are impacting the industry and ticket sales.

REDUCTIONS IN SUBSCRIPTION

- Fewer subscriptions leads to less giving at the lower levels (e.g. <\$1,000)
- Greater reliance on board and big money donors

POLITICS

- Some theaters are seeing an increase in giving in response to the current administration's position on the arts
- Others are seeing a decrease as giving shifts to other organizations which are in greater jeopardy e.g. ACLU, LGBT organizations, disaster relief

AGING DONOR BASE

- Those who have given the most historically are the same across many arts organizations and are aging

YOUNGER DONORS WANT TO SEE ROI

- Younger donors want to know the exact impact their donation will have
- Harder to see tangible benefit in the arts – education efforts often used as way to bring in money



With our eroding subscription base, there is less giving at the under \$1K level which translates to more of a patronage system. The strength is at the top of the giving pyramid.

The new generation of givers have a lot of money but they want to identify a discrete project and see the transformative effect of their money. Not sure it's ego or that they want to understand specifically what their money is going to, like with disaster relief.

Giving is the same at the top – it's the middle-tier giving that's changed, like at the \$250-500 level. There are fewer subscribers so there's less allegiance.

In this climate, people are giving to humanitarian efforts where they can have more of an immediate impact, like the ACLU and the Southern Poverty Law Center.

Education is a soft spot – it's a gateway to bring in money, humanizes what we're doing. Art is not valued the same way as education – it's not thought of as a necessity.

Individual giving went up after the election because we articulated why art is important. We put a lot of thought into those targeted letters and had them personally signed by board and ensemble members.



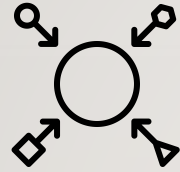
OPPORTUNITIES FOR THE LEAGUE

- Most research participants see the League as having the clout that an individual theater could not related to the issues facing many Chicago theaters as well as conducting research on topics that could be shared across the theater community.



Greater Clout

- Bigger seat at the table to build an appetite for theater in the city
- Create more awareness of all the theater that exists beyond the big players e.g. with Choose Chicago
- Speaking engagements at places like the Metropolitan Club, Executive Club, Loop Alliance
- Do economic studies to uncover impact of theaters in different neighborhoods, the Loop



Equity & Equality Issues

- Play a role in creating a dialogue around EDI issues
- Identify paths to bring more diversity to theater administration e.g. paid internships
- Aggregation of what's being done with accessibility across the city and leverage for funding



Effective Marketing

- Conduct research or share learning about which advertising vehicles are most effective
- Conduct research on the best way to market new plays, best ways to market to underserved communities, new audience development
- Assist individual theaters in creating video content e.g. discounts for video equipment



Reviews

- Give theater goers more of a voice in how they review shows e.g. Yelp for theater
- Centralized resource for those reviews versus needing to go to individual theater websites
- May help reduce the impact of reviewers like Chris Jones if more voices are being heard



Discounting

- Conduct research on the impact of discounting – how best to use it to avoid training patrons to wait for the discount yet wanting to offer reduced prices to increase accessibility
- Tension between needing to discount and brand erosion/devaluing the experience