

8-2011

Museum Membership Programs: Innovation in a Troubled Economy

Julie N. Rega
Seton Hall University

Follow this and additional works at: <https://scholarship.shu.edu/theses>

Recommended Citation

Rega, Julie N., "Museum Membership Programs: Innovation in a Troubled Economy" (2011). *Theses*. 208.
<https://scholarship.shu.edu/theses/208>

MUSEUM MEMBERSHIP PROGRAMS: INOVATION IN A TROUBLED ECONOMY

by

Julie Rega

A thesis submitted in partial fulfillment of the requirements
for the degree of

Master of Arts Degree

Seton Hall University

2011

Approved by _____
Dr. Petra Chu, Thesis Advisor

Program Authorized
to Offer Degree MA Program in Museum Professions

Date _____

ABSTRACT

The economic impact of the current recession has caused museums to think and operate differently. Among the operational aspects of the museums that have been and are still being rethought are membership programs. In an effort to retain current members and to reach potential new ones, membership departments of many museums developed creative initiatives. Museum membership departments are changing how they interact with members, using technology to reach new audiences, fusing approaches with marketing principles, and optimizing on blockbuster exhibitions to increase memberships.

This thesis is aimed at examining the opportunities and challenges of new membership initiatives during the recession and will focus on: 1. How changes in budget have contributed to, or stifled, innovation and agendas; 2. The use of exhibitions to drive memberships and how this has affected acquisition and retention rates during the recession; 3. The roles marketing and research have played in developing and advertising these initiatives.

The thesis will concentrate on four institutions—MoMA, the Whitney, LACMA, and PMA—and their changes in approach to marketing, acquisitions and renewals, and program development. Specifically, I will discuss the Whitney's use of membership research to develop its Biennial Membership and Curate Your Own Membership programs. I will explore how museums, such as the Whitney and LACMA have used Groupon to increase numbers and the effect discounting will have on retention rates. I will look at the LACMA's Project Membership initiative, which used an aggressive marketing approach to try to gain 10,000 members in 10 weeks. Other initiatives to be discussed will include the membership drive accompanying MoMA's Tim Burton exhibition, which brought in members from an atypical audience base, presenting the museum with the challenge of retaining these members in the aftermath of the show. Additionally, I will also examine the success PMA has had in growing membership numbers during its Cézanne exhibition and the museum's efforts to retain these members. Lastly, based upon the research and evaluation of the program changes at the four institutions, I will suggest best practices for museums looking to alter their procedures.

TABLE OF CONTENTS

- I. Introduction
 - Overview and Intent of Research
 - Methodology
 - Limitations and Significance of Study
- II. Pre-Recession Membership Programs
 - Membership: Its Purpose and Its Perks
 - General Approaches to Acquisition and Renewal
 - Approaches of Case Study Museums
- III. Effects of the Recession on Membership Numbers
 - Declining Memberships: LACMA and Whitney
 - Growing Numbers: MoMA and PMA
 - Adverse and Contributing Factors: Exhibition Schedule and Budget
- IV. Research Inspired Transformations at the Whitney
 - Biennial Memberships: Leveraging Assets into Memberships
 - The Innovative Curate Your Own Membership Program: Personalization and Choice Boosts Numbers
- V. Aggressive Membership Campaigns and Severe Discounts
 - LACMA Project Membership: Grand Goals in a Shaky Economy
 - Groupon: Discounts, New Audiences, Marketing and Retention
- VI. Conclusion and Best Practices
 - Best Practices: Innovation and Prudence
 - Innovation Continues: Suggestions for Further Research
- VII. Bibliography
- VIII. Appendix
 - Completed Questionnaires and Transcribed Interviews

INTRODUCTION

Brief Overview

The intent of my research was to understand how museum membership departments have altered or changed their *modus operandi* since the recession began in 2008. Initially, I focused on changes in marketing approaches, effects of budget cuts on exhibitions and direct mail campaigns, use of discounts, and adjustments to membership levels and benefits. As my research developed, it became apparent that not all changes made by membership departments since 2008 could be directly attributed to the recession, but it certainly had an effect on the successes and failures of museum membership innovations. For the most part, I have concentrated on four medium-to-large-size institutions with highly developed memberships, the Museum of Modern Art, the Whitney Museum of American Art, the Philadelphia Museum of Art, and the Los Angeles County Museum of Art, in an effort to analyze the challenges their membership programs have faced in the last four years and the innovations they have made as a result.

Methodology

Because of the contemporary nature of the topic, my research has been largely dependent on interviews with membership staff, recent news articles, and questionnaires. Interviews and questionnaires were completed by the membership department staff at the Museum of Modern Art, the Whitney Museum of American Art, the Los Angeles County Museum of Art, and the Philadelphia Museum of Art, hereafter referred to as MoMA, Whitney, LACMA, and PMA respectively. Before questionnaires and interviews were prepared, I performed background research on each institution so as to have targeted questions. LACMA, for example, was asked

about its Project Membership campaign and the Whitney was asked about its Curate Your Own Membership (CYOM) initiative. The exact details of these interviews and questionnaires can be found in the Appendix portion of this thesis.

This targeted, primary research was complemented by readings of published research found in journal articles and books related to such topics as the membership-marketing connection and standard/past approaches to membership programs. Additionally, to gain a broader, contextual understanding of certain new initiatives, like the use of Groupon, research on other museums, like the Brooklyn Museum and the Art Institute of Chicago, was brought in. All in all, this thesis is based on various forms of research to explore the innovations occurring in museum membership programs during the recession.

Limitations and Significance of Study

In highlighting only four institutions, this thesis cannot claim to provide an overview or survey of museum membership programs nationwide. Additionally, it is focused on mid-to-large-size institutions and does not investigate the recession's effects on smaller institutions and their membership programs. Though not an all-encompassing survey, this thesis provides insight into how several institutions with marketing and research budgets have responded to the recession with innovative initiatives. Considering that the recession is likely to continue for the next few years, it is relevant to museums today. This research can provide a foundation for future investigations of museum membership programs and it can also serve as a reference guide to smaller institutions with limited means and personnel capacity. Indeed, while innovation often yields great results, it can also come at a cost. Some of the hesitations expressed by the

participating case study institutions are noteworthy for their suggestion of factors that should be taken into consideration before embarking on new initiatives.

PRE-RECESSION MEMBERSHIP PROGRAMS

Membership: Its Purpose and its Perks

In order to understand how the membership programs of MoMA, Whitney, LACMA and PMA have changed during the recession, it is important to first examine the traditional purpose and perks of membership programs at museums. The two most significant purposes behind creating a membership program at a museum are to bring in unrestricted revenue for the institution and to have a core group of supporters that attend and promote the museum's programs, events, exhibitions, etc.

In "Non-Profit Organization and Membership Motivation: An Exploration in the Museum Industry," Audhesh K. Paswan and Lisa C. Troy describe both the purpose and structure of museum membership programs:

An interesting component of many non-profit organizations is the use of memberships to generate revenues or other forms of assistance. In these situations, a range of membership levels is typically offered with increasing benefits or recognition accruing to higher levels of participation—membership levels may even be named (e.g., "diamond," "gold," "silver")... However, the cost of membership is typically greater than the value of any tangible benefit received, and the gap between the value of the benefit and the cost of membership widens dramatically at higher levels of participation. As a result non-profit membership is typically considered a form of charitable donation. Indeed, all or part of the membership amount is considered a tax-deductible donation in most cases.¹

As Paswan and Troy suggest, the philanthropic nature of membership explains in part why individuals join and renew; however, the benefits of membership also play a significant part in gaining new members and keeping current members, especially at the lower membership levels. According to Kate Johnson, former Manager of Member Benefits and Relations at the Whitney, "Few at the base levels give for philanthropic reasons. They're thinking, 'What's in it for me?'"²

¹ Audhesh K. Paswan and Lisa C. Troy, "Non-profit Organization and Membership Motivation: An Exploration in the Museum Industry," *Journal of Marketing Theory and Practice* 12, no. 2 (Spring 2004): 1-2.

² Kate Johnson, Whitney Museum of American Art Membership Questionnaire, June 17, 2011.

In museum membership programs, benefits vary and increase as giving levels increase, but membership programs at the base levels typically include such benefits as free admission to the museum, exhibition preview days, tickets to shows and events, discounts on museum shop purchases or program tickets. As the level of membership increases, the exclusivity of the benefits tends to be more pronounced. For example, higher level memberships may include private tours with head curators, breakfasts with the director, or opportunities to use the museum for private events. Despite the fact that benefits are unique depending upon the individual museum, what is true for all museums is that member benefits play a part in both retaining and acquiring members.

Generally speaking, institutions see membership benefits as a way to introduce people to the organization and to make the idea of giving on a consistent and annual basis attractive for personal reasons. James M. Greenfield explains membership programs more simply in *Fundraising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers*, when he states:

The effort to acquire and retain donors who will give again this year, next year, and the year after that, takes some creativity and requires personal attention to these individuals. Why not invite them to become part of the organization? Treat them like members of the family so that they are more likely to remain close to the organization.³

Besides explaining the reasoning behind developing a membership program, this quote also reveals two of the most important principles of membership programs: 1. acquisition, and, 2. retention, both of which will be analyzed in the subsequent section.

General Approaches to Acquisition and Renewal

³ James M. Greenfield, *Fundraising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers*, New York, NY: John Wiley & Sons, Inc. 2002, p. 161.

In the following section, I will discuss how each of the four museums selected as case studies approached acquisitions and renewals before the recession. Before doing so, I shall briefly introduce the most common techniques museums have used to help make their acquisition and renewal campaigns successful.

Most museums have their own unique plan for acquiring and retaining members, but typically they rely on a combination of the following techniques: targeted direct mail campaigns for acquisitions, monthly renewal mailings or emails, renewal phone calls, website presence, paid advertising, and onsite presence in the forms of frontline admission staff solicitations, signage or brochures. Whether museums tie their reasons for joining or continuing as members to the exhibitions and benefits they offer or to the philanthropic character of the support, they will use some of the aforementioned methods to help grow their numbers. Either way, the hope is that “when exciting and valuable activities are in full operation, new candidates will come forward and current members will want to continue their association.”⁴ Generally, museums will use the aforementioned techniques as part of an organized plan for acquisitions and renewals.

Although acquisition and renewal campaigns often use some of the same techniques, it is important to note the distinction between the two endeavors. (This distinction will become especially relevant in the subsequent discussion of Groupon and the concern it has created with renewal rates.) Acquisition campaigns rely on highlighting benefits and reasons for joining and making the opportunity seem exciting, whereas renewal campaigns involve continued communication with donors in a way that helps them take advantage of their membership and feel a sense of belonging during the year. Greenfield’s explanation for renewals helps highlight the campaigns distinctiveness:

⁴ Ibid, p.178.

Renewal should never be taken for granted. Successful retention of members requires a well-prepared plan for continued communication with new and prior donors after their gifts are made. Invitations to public and benefit events, newsletters, and opportunities for voluntary participation should be sent during the year, perhaps on an every-other-month basis.⁵

The successful renewal program should help weld individual members to the organization by encouraging them to take advantage of their memberships, giving them ways to participate and feel a part of the organization.

Another important distinction between renewals and acquisitions is the cost difference between acquiring new members and renewing members. In “When Customers Are Members: Customer Retention in Paid Membership Contexts,” C.B. Bhattacharya maintains that retention is a major challenge that must be met by membership managers because “renewal is less costly than acquisition” and “some studies show that, on average, retaining existing customers is 6 times less expensive than acquiring new ones.”⁶ Therefore, while acquisitions and renewals both have a role to play in membership campaigns and are supported by some of the same techniques, i.e. direct mail, telemarketing phone calls, etc., the two campaigns are distinct and are often handled much differently within the institution. The following examination of the case study museums helps explain how acquisition and renewal campaigns were handled before the recession.

Approaches of Case Study Museums

Unsurprisingly, all membership staff at the four case study institutions felt that their department played and continues to play an integral role in the institution. The membership staff of the case study museums highlighted a variety of reasons why their department was important

⁵ Ibid, 179.

⁶ C.B. Bhattacharya, “When Customers Are Members: Customer Retention in Paid Membership Contexts.” *Academy of Marketing Science* 26, no. 1 (Winter 1998): 32.

to the overall health of the institution. Megan Siebert McNeely, Manager of Young Friends and Member Programs at the PMA, provided financial reasons when she asserted that “The Museum is very supportive of our membership marketing efforts and recognizes its importance. We generate over \$6.5 million in earned income annually, which is about 12% of the Museum’s operating budget.”⁷ The MoMA membership department pointed out that the membership program is not only profitable in itself, but that it also provides a gateway to higher levels of support and involvement within the institution. Moreover, MoMA asserts that the importance of membership has seeped into all revenue generating areas of the institution, with retail and visitor services departments working hard to convert customers into members. Ellen Castruccio at LACMA argued that “Membership has always been viewed as an important department—it provides unrestricted revenue for the museum. Members are also our best evangelists.”⁸ The Whitney’s growth in membership staff from 3 to 6 in less than 10 years reflects the museum’s opinion that the membership department was a worthwhile investment. Evidently, the membership departments at the four case study museums seem to be in agreement that membership programs are an integral part of their institutions, whether it be for revenue, cultivation, or marketing reasons.

While the four museums seem to be in agreement about the importance of membership programs, the pre-recession membership numbers and programs of the institutions differ greatly and will be examined individually on the basis of their pre-recession size, revenue, acquisition techniques, renewal campaign, and overall marketing approach.

In terms of revenue, the PMA membership program brought and continues to bring in over \$6.5 million in revenue annually, \$1 million of which is generated by frontline staff,

⁷ Megan Siebert McNeely, Philadelphia Museum of Art Questionnaire, June 23, 2011.,

⁸ Ellen Castruccio Los Angeles County Museum of Art Membership Questionnaire, June 23, 2011.

meaning those present in the lobby and at the admission sales desks. In terms of the size of its membership program, PMA averages about 58,000 member households. According to Megan Siebert McNeely, the marketing approach was to “position membership as a way to support the Museum’s work, but also as a great value for visitors” and it was marketed “through all communications possible.”⁹ Specifically, for acquisitions, PMA had a “strong presence on the museum website” and throughout the museum, in the form of signage, brochures, ticket stubs and frontline staff sales pitches.¹⁰ Additionally, PMA sent around 4-5 acquisition mailings a year totaling 1 to 1.5 million “direct mail acquisition pieces to targeted prospects annually.”¹¹ PMA had and continues to have a similarly persistent renewal campaign. McNeely asserts that at PMA “we did and still do have aggressive acquisition and renewal programs.”¹² For renewals, PMA had a “7-letter renewal series” which began “two months before expiration.” These renewal efforts were further reinforced by emails, telemarketing, and voice messaging.¹³ While the acquisition and renewal campaign at PMA were equally aggressive, McNeely does discern an important difference in marketing between the two:

Acquisition marketing has been primarily exhibition-focused. Members receive free tickets, and so membership is a great value especially in years when we have popular or numerous ticketed special exhibitions. Mission is also weaved into the pitch, but is a smaller portion of the solicitation than exhibitions in acquisition efforts. Renewals on the other hand do highlight the exhibitions and the value of membership, but we highlight supporting the museum’s mission and programs more.¹⁴

Despite the differences in marketing between acquisitions and renewals, the membership program at PMA before the recession can be described as an aggressive and targeted campaign that leveraged onsite opportunities and exhibition schedule.

⁹ Megan Siebert McNeely, Philadelphia Museum of Art Questionnaire, June 23, 2011.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

Similarly to PMA, the Whitney also had an aggressive direct mail campaign for acquisitions and renewals. Unlike PMA, however, the Whitney only had around 13,000 members before the recession. According to Kate Johnson, the former Manager of Membership Benefits and Relations at the Whitney, before the recession the museum had a “very strong and ambitious direct mail program that we were very proud of.”¹⁵ The direct mail program included 2 to 3 acquisition mailings annually, reaching around 150,000 mailboxes each mailing. The technique for these acquisitions was to send both a control package that “featured an institutional message” and an exhibition-based package that performed “better or worse than the control depending upon the exhibition.”¹⁶ The Whitney membership department, though proud of its ambitious direct mail campaign before the recession, was not as impressed by the marketing and substance of its membership program in general. According to Johnson, the Whitney “had a very standard membership program” that “offered identical benefits” to many other institutions in the area, i.e. Guggenheim and MoMA. As a result, the membership department was not forced to “market creatively” because memberships “sold themselves.”¹⁷ In sum, before the recession the Whitney’s membership program could be characterized as ambitious yet conventional—ambitious in the scope of its direct mail campaign, but conventional in the use of philanthropic message and exhibition schedule.

LACMA’s techniques for acquisitions and renewals were likewise conventional. The museum relied on a combination of onsite initiatives, direct mail, telemarketing and email. Castruccio reports that the LACMA membership department, “always used tactics that were more conventional—direct mail, telemarketing, email, onsite;” however, she did emphasize that even before the recession, the membership department “would always be thinking about doing

¹⁵ Kate Johnson Whitney Museum of American Art Membership Questionnaire, June 17, 2011

¹⁶ Ibid.

¹⁷ Ibid.

new things as well.”¹⁸ Interestingly, when asked “How did LACMA handle acquisitions and renewals before the recession? Was there an aggressive approach in terms of direct mail or marketing and did this approach focus more on the exhibition schedule or the museum’s overall mission?” Castruccio listed the conventional techniques used, but highlighted that “From time to time, we also did advertising in various media—newspapers, magazines and online. Because we had limited budgets, we would focus on the exhibitions that we knew would bring in the most members.”¹⁹ Although it is unsurprising that exhibitions play a role in renewal and acquisition campaigns, it is interesting that LACMA was the only case study museum to mention that the department limited paid membership advertising initiatives to blockbuster exhibitions. This, combined with Castruccio’s response to a question about pre-recession membership numbers, reveals how closely membership at LACMA was tied to the exhibition schedule. When asked “Before the recession, what were the numbers like and when did you start seeing them begin to drop (if they did drop)?” Castruccio replied with “Before the recession, we had the King Tut Exhibition in 2005... Our numbers peaked then around 80 or 90,000... from then, they decreased each year.”²⁰ Evidently, before the recession LACMA leveraged exhibitions to drive up membership numbers, but unfortunately the long-term consequences of that method were seen in the renewals.

MoMA, having started its membership program at the museum’s inception in 1929, has developed from an endeavor that “grew organically” on its own to one of the more aggressive museum membership approaches.²¹ According to membership personnel, the museum has a highly developed direct mail campaign that began intensifying efforts in the spring of 2004, right

¹⁸ Ellen Castruccio Los Angeles County Museum of Art Membership Questionnaire, June 23, 2011.

¹⁹ *Ibid.*

²⁰ *Ibid.*

²¹ Anonymous Museum of Modern Art Membership Personnel, interview by Julie Rega, tape recording, 19 May, 2011, Museum of Modern Art, New York, NY.

before the museum moved back from Queens and reopened in its current Manhattan location. The MoMA membership department asserts that it wanted to take advantage of all the press coverage it was about to receive for the reopening of its much larger and sleekly designed building. For the membership department, the time seemed right to “ramp up” its efforts and grow its numbers.²² The first test mailings were sent out in the spring of 2004 and response rates were so high that the department decided to continue investing in the acquisition campaign and capitalizing on all the press coverage. For the membership department, 2004 was a watershed moment and from that point on the museum continued to mail at an aggressive rate, eventually reaching a point where it was sending out over two million printed membership acquisition and renewal pieces a year. With the renewal campaign, the member could receive up to seven mailed renewal pieces from MoMA and the subjects of these letters had traditionally been more exhibition focused.

Moreover, rather than being campaign based like most other museums—meaning having a separate fall and spring acquisition mailing—MoMA mailed continuously throughout the year. Additionally, before 2004, membership specific advertising was limited to onsite pamphlets and signage, but after the watershed moment, MoMA began investing in offsite advertising as well. While these print and online advertising initiatives have had mixed success, paid advertising, now trending more to the cheaper online world, has continued to be a tool in MoMA’s membership acquisition campaigns. As a result of these efforts museum membership spiked to over 100,000 member households by 2005, only a year after the reopening. Though, changes and alterations have been made to the program since the recession, and these will be discussed in a subsequent section entitled “Growing Numbers: MoMA and PMA,” the assertive and continuous approach towards mailings has remained.

²² Ibid.

EFFECTS OF THE RECESSION ON MEMBERSHIP NUMBERS

Declining Membership Bases: LACMA and Whitney

In a December 2009 *Art Newspaper* article entitled “Museum Attendance Rises as the Economy Tumbles,” Andrew Goldstein revealed that two-thirds of twenty major museums surveyed saw “an increase in visitor numbers over the past three years.”²³ Goldstein identifies blockbuster exhibitions, the relative “bargain” of a museum ticket, growth in “staycations,” increased interest in contemporary art, and a “rainy summer” as possible reasons why some museums were noticing dramatic increases in their admission sales.²⁴ Although Goldstein mentioned such increases in admission sales at two-thirds of the museums, he only made reference to two institutions that saw growth in membership numbers—New York’s MoMA and Atlanta’s High Museum of Art.

In most of the case study museums, a rise in admission sales similarly failed to result in a corresponding increase in membership. For example, in the article Barbara Pflaumer from LACMA was “thrilled” to see attendance numbers rise.²⁵ However, this rise in attendance did not lead to an increase in membership acquisitions. As mentioned previously, membership at LACMA had been decreasing since the 2005 exhibition *Tutankhamun and the Golden Age of the Pharaohs*. According to Castruccio, LACMA had around 80,000 or 90,000 members in 2005, but that number steadily decreased before the recession and then continued to decrease after 2008, bringing the museum to around 60,000 members. In her November 2008 article, “Tight Economy Puts Squeeze on Arts Organizations,” Diane Haithman notes that even the popularity

²³ Andrew Goldstein, “Museum Attendance Rises as The Economy Tumbles,” *The Art Newspaper*, December 9, 2009, <http://www.theartnewspaper.com/articles/Museum-attendance-rises-as-the-economy-tumbles/19840>.

²⁴ *Ibid.*

²⁵ *Ibid.*

of the 2008 exhibition, *Vanity Fair Portraits: Photographs 1913-2008*, did not prevent the LACMA membership department from falling almost six percent short of its fiscal goal:

The Los Angeles County Museum of Art, which operates on an annual budget of about \$60 million from public and private sources, enacted a hiring freeze about three weeks ago. Attendance is up, thanks in part to a popular exhibition of photographic portraits from *Vanity Fair* magazine. But revenue from membership fees has fallen about \$500,000 short of the \$8.6 million goal for the current fiscal year.²⁶

Therefore, even though attendance numbers grew and visitors gathered to see *Vanity Fair Portraits*, LACMA's membership department did not convert enough visitors to members to reach its \$8.6 million goal.

The Whitney also saw its membership base decrease drastically after the onset of the recession. According to Johnson, the Whitney had around 13,000 members before the recession, and only 10,000 by the beginning of 2010. The Whitney and LACMA shared another trend in their membership numbers: both institutions cited that losses in membership were not seen at the higher levels of support. Johnson notes that before fall 2010, the museum had retained 100% of its Sponsor members, who give \$5,000 and "are longtime philanthropic members requiring little stewardship" and the other higher level members Friend, Patron, Circle, and Fellow "dipped, but not drastically during the recession."²⁷ Likewise, Castruccio notes that for LACMA's membership base "drops were across the board, but more in general membership than in higher levels... people at the higher/highest levels were not as affected by the recession."²⁸ Across the board, both LACMA and the Whitney observed drastic losses in their membership program during the recession; however, losses were detected in the lower/general levels of membership

²⁶ Diane Haithman, "Tight Economy Puts Squeeze on Arts Organizations: Closures, Layoffs and Downsizing Are the Order of the Day As the Downturn Affects Orchestras, Museums and Theater Companies." *Los Angeles Times*, November 7, 2008

²⁷ Kate Johnson, Whitney Museum of American Art Membership Questionnaire, June 17, 2011.

²⁸ Ellen Castruccio, Los Angeles County Museum of Art Membership Questionnaire, June 23, 2011.

and in LACMA's case, memberships had been in continual decline since the King Tut exhibition ended.

Growing Numbers: MoMA and PMA

Unlike LACMA and the Whitney, MoMA and PMA experienced unsurpassed growth in membership numbers during the recession. MoMA grew to a record of over 120,000 members in 2009 and PMA hit its highest membership total at 65,500 in June of 2009. MoMA experienced growth in both admission sales and membership numbers. Indeed the museum hit unparalleled highs in both areas in 2009, causing Goldstein to state that MoMA "one of the nation's most expensive museums at \$20 per ticket, had the best year in its 80-year history, bringing in 2.8 million visitors between 2008 and 2009. The size of its membership rose to a record 120,000."²⁹ Similar to MoMA, PMA achieved record membership numbers in 2009; however, its membership figures fluctuated and the museum experienced drops as well. According to Megan Seibert McNeely, PMA saw a "small dip in the fall of 2008 around the time the recession began."³⁰ Despite this setback, PMA was able to hit an "all time high membership count" of over 65,500 members in June of 2009 and McNeely attributes the accomplishment "largely to the success of the *Cézanne and Beyond* exhibition."³¹ MoMA and PMA reached these figures despite reduced spending on marketing and minor cutbacks in direct mail. Examining each institution's membership program separately will help explain how exhibitions and the decisions made as a consequence prior internal battles prepared MoMA and PMA to achieve success despite the weak economic outlook.

²⁹ Andrew Goldstein, "Museum Attendance Rises as The Economy Tumbles," *The Art Newspaper*, December 9, 2009, <http://www.theartnewspaper.com/articles/Museum-attendance-rises-as-the-economy-tumbles/19840>.

³⁰ Megan Seibert McNeely Philadelphia Museum of Art Questionnaire, June 23, 2011.

³¹ *Ibid.*

According to MoMA's membership department, the museum dealt with many important challenges before the recession. As mentioned previously, MoMA's watershed moment was in 2004 when it moved back from Queens and reopened on West 53rd street. The first major alteration to the program involved its direct mail campaign. Largely due to tremendous press coverage for the forthcoming reopening, the MoMA membership department began seeing very profitable results from its direct mail acquisition efforts. As a result, the department decided to replace its old campaign based—meaning fall or spring mailings—acquisition program with a much more aggressive and continuous direct mail effort. Indeed, MoMA membership department decided in spring of 2004 (just before its fall reopening) that it was time to just “mail and mail and mail and mail” and by 2005 it had reached over 100,000 member households.³²

Other factors besides directly mail campaign and press coverage must have played a role in the increase. For example, with the reopening of the museum, admission costs rose to \$20 a ticket, which helped make membership, with its free year-long admission, seem more attractive. Additionally, exhibition schedule and increased display space for the permanent collection may have also played a role in growing membership numbers. The stronger state of the economy in the early 2000s might have also helped with response rates. Though there were other factors that contributed to growth in numbers from 2004-2005, it would seem that the benefits and occasion to join would not have been so clear and appealing without the membership department's continuous direct mail and onsite “ask.”

Just as there were other factors during 2004 that likely contributed to growth in membership numbers, there were probably other reasons besides the aggressive acquisition campaign that contributed to the success of MoMA's membership program during the recession. For example, the museum had a very popular exhibition, *Tim Burton*, which expanded the

³² Ibid.

museum's audience base. The membership department notes that it was able to leverage the exhibition in its strategy to acquire new members and renew its current membership base. Already existing benefits, such as being able to preview the exhibition or skip the line, were great incentives to join during *Tim Burton* because visitors were lining up to see the exhibition. Additionally, since the recession began, MoMA membership staff has worked diligently to enhance the "value proposition of membership" by adding new benefits like early morning viewing hours and afterhours Modern Members nights, as well as increasing the frequency of already existing benefits, like daytime talks for members only.

While the department recognizes that the Tim Burton exhibition and these other factors played a role in bringing in new audiences and retaining already existing members, it largely attributes its success in growing numbers during the recession to its aggressive approach towards acquisition mailings. The membership department explained the recession circumstances as follows: Since many other cultural institutions, especially those in New York, were required to drastically decrease their direct mail solicitations, the competition for new members decreased dramatically. Essentially, MoMA was eager and prepared to fill the space that other institutions had left when they abandoned much of their direct mail acquisition campaigns.

This, however, raises an interesting question. How was MoMA able to keep such an aggressive direct mail approach while other museums were compelled to cut back? This was partly due to the fact that, as mentioned previously, MoMA did not experience any drastic budget cuts. Though the membership department was required to give back small percentages of its budget, MoMA staff admits that it was "luckier" than other organizations.³³ MoMA's membership department largely attributes its ability to continue its aggressive program to the fact that it had proved its importance to the institution and fought many of its internal battles in the

³³ Ibid.

past. For example, according to the MoMA membership staff, in the 90s there was a lot of internal competition between the retail, visitor services, and membership departments, but the membership department fought to prove the long-term importance of converting visitors and shoppers into members:

We did a lot of educating in senior staff and management to make people understand the value of converting someone from a visitor to a member or a retail shopper to a member. All those conversations were well in the past by the time we got to difficult times, so membership has sort of seeped into the fabric of this institution and everyone seems to be on board, at least the revenue generating areas are all on board. So we work very well with our retail department, they convert members for us, we work really well with our visitor services department, their staff is incentivized to convert people to members and so it's sort of part of our culture. So that's not a battle we had to fight when the economy got rough.³⁴

Additionally, the membership department fought another internal battle when it reopened in 2004. Before 2004 the museum had elderly volunteers staffing the membership desk and this continued when the building reopened, but as foot traffic in the new building increased substantially, serious problems began to develop. Volunteers had issues adjusting to operational changes and using computers, which resulted in extremely long lines at the desk and impatient screaming patrons. Moreover, volunteers were not as aggressive with their membership "sell," often conveying to potential new members that membership was not worth it if they were not intending to visit repeatedly. Shortly after the reopening, the membership manager decided that having paid staff at the member services desk was absolutely necessary and communicated this to higher level staff, stating that it was either "me or the desk."³⁵ Currently, the membership department has a lobby manager, a lobby coordinator, and five paid professional staff members selling memberships at the desk. The MoMA membership department believes that having so

³⁴ Ibid.

³⁵ Ibid.

many paid staff, hired for customer service skills and trained on how to sell and up-sell, has really contributed to their success in converting onsite visitors to members.

Evidently, the membership department has made a strong case for itself within the institution, allowing membership staff and total memberships to grow, aggressive mailings to continue, and membership benefits to increase. Moreover, because the aggressive acquisition and renewal mailings have been able to continue, the membership department has in recent years been able to use testing to further hone its acquisition and renewal programs. Testing different formats, different letters, etc. against a control package has become a great asset to the MoMA membership department since the recession. Though this approach was not recession driven, the membership department asserted that it helped them be “nimble” in difficult times.³⁶ For example, knowing that the *Tim Burton* crowd was a more exhibition-driven crowd that would be somewhat of a challenge to renew, the membership department could look to past tests of exhibition-driven members and employ techniques that worked in those instances. Although one would imagine that *Tim Burton* might bring in an atypical membership crowd for MoMA, over a year has passed and MoMA has not seen any huge fluctuation in its first-year renewals. In other words, many of those members who joined during the exhibition span of *Tim Burton* have chosen to continue their membership with MoMA even though the museum exhibition schedule has not recently included nor is the museum intending to plan an exhibition similar to *Tim Burton*. Though MoMA has not gathered data on why all these new members renewed, it is possible to speculate that they continued their membership for some of the conventional reasons: taking advantage of the membership benefits, experiencing the exhibitions and programs, and supporting an important cultural institution. Considering the renewal rate and the museum’s ability to maintain its membership figures since the exhibition, the case grows stronger for the

³⁶ Ibid.

membership department's idea that numbers grew during the recession because the department had proved its importance to the institution as a whole, both as a profit generating branch and as a donor cultivation initiative.

Although the membership programs at MoMA and PMA have their differences, the two institutions, as mentioned previously, both reached their highest membership totals during the recession. Additionally, both museums consider their acquisition and renewal programs to be “aggressive” and neither museum diminished its level of assertiveness during the recession. While MoMA only partially attributed its record membership numbers to *Tim Burton*, Megan Seibert McNeely at PMA willingly admits that the unparalleled membership figures during the recession were due chiefly to *Cézanne and Beyond*. Indeed, McNeely explains the numbers during the recession as follows:

We saw a small dip in the fall of 2008 around the time the recession began, but we've fluctuated and always do in relation to the exhibition programming. We hit our all time high membership count (65,500+) in June of 2009 largely due to the success of the *Cézanne and Beyond* exhibition.³⁷

Cézanne and Beyond brought large numbers into PMA, and the front-line, meaning those in the lobby and at the admissions desks, was prepared to convert these visitors to members. Besides being able to include the Cézanne exhibition tickets as part of the sell, the front-line could also pitch that members would receive free tickets to the forthcoming Picasso show, an enticing benefit that further enhanced the “value proposition” of membership.³⁸ Moreover, PMA has another valuable technique for converting visitors to members—its “member solution ticket.” Essentially this strategy includes holding tickets to the upcoming popular ticketed exhibitions for new members joining onsite at the admissions desk. McNeely asserts that this proved quite

³⁷ Megan Siebert McNeely, Philadelphia Museum of Art Questionnaire, June 23, 2011.,

³⁸ Megan Seibert McNeely Philadelphia Museum of Art Follow-up Questions, July 12, 2011.

successful because as the show sells-out visitors have the opportunity of “joining and going right into the exhibition.”³⁹

McNeely is acutely aware of the fact that the impulse buy factor of blockbuster exhibitions, like Cézanne, can produce challenges during the renewal process. She admits that renewal rates for new members are lower than multi-year members and frontline joiners always renew at a lower rate than other acquisition channels. Knowing this, PMA membership staff “launched a number of retention strategies, such as sending various “thank you” messages, and offers to encourage more visits.”⁴⁰ According to McNeely, PMA started to use these techniques because the membership department believes that “the more a member visits in a year, the more likely they are to renew” and it is especially important to make sure they see more than just the exhibition they had joined for.⁴¹

Although PMA has altered its membership program over the past few years, McNeely asserts that “We had a price increase right before the recession (September 2008) and rolled out the new program in October 2010, but these were not related to the recession.”⁴² The 2008 price increase was enacted before the recession and the new 2010 program was not recession driven; however, this does not necessarily indicate that these changes did not affect membership numbers during the recession. For example, the “small dip” in membership totals in fall of 2008 could have been due more to the price increase than it was to the recession.

Though the 2010 changes to the membership program at PMA were not recession driven, it is interesting to examine why the department decided to make the changes and how it might affect the future of the program. The PMA membership department decided to alter its program

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Megan Siebert McNeely, Philadelphia Museum of Art Questionnaire, June 23, 2011.

in 2010 because it had been “years since the program changed.”⁴³ The department thought it was important to “ask our members what they wanted.”⁴⁴ Additionally, the membership team hoped that “by shifting benefits and prices in a certain way, we could upgrade more of our lower levels into mid levels,” which would bring a “large increase in revenue since about 75% of the membership was an Individual, Dual or Household.”⁴⁵ According to McNeely, the three major changes to the program were as follows:

1. We combined the \$100 Dual and \$110 Household into a new \$115 Dual Plus category. The research showed that the traditional family constructs are much less prevalent and members choose categories based on how they visit, not their household. With that change, we loosened the restrictions on the people you could bring with a membership. Before, Dual was 2 adults in the same household. Household added 4 children in the household, presumably the children of the two adults. Now, with Dual Plus the primary membership holder can bring any other adult with them or even opt for a “Guest Card” and up to 4 children, grandchildren, nieces/nephews, whomever.
2. We moved the 4 exhibition ticket benefits down to the new \$185 Friends and Family category (formerly at \$300 Sustainer), and the reciprocity (free admission at 50 partner museums) benefit up to the \$225 Ambassador (formerly \$175 Supporter) category. The research showed that the 2 extra tickets were a bigger driver for upgrades, and those that wanted the reciprocity were willing to pay more. We chose the Friends and Family name to communicate “bring more people.” We chose the “Ambassador” name to communicate “travel.”
3. We branded the 3 highest levels (before our \$2,000 Associates program) as the Museum Circle and raised the prices for Sustainer (was \$300, now \$400) and Sponsor (was \$600, now \$750). Patron remained at \$1,000. We learned that at these levels, members were more interested in social programs and supporting the museum rather than specific benefits and their values. We now communicate much differently to this group, and have added a number of special programs for them.⁴⁶

Since this program just launched in October 2010, more time will be needed to truly understand the effects of these programmatic changes. Moreover, though the primary purpose of the new program was to encourage lower-level members to upgrade to higher levels of support, it is interesting to see how all the changes were fused with marketing principles and geared towards understanding and communicating better with members. This shift towards understanding

⁴³ Ibid.

⁴⁴ Megan Seibert McNeely Philadelphia Museum of Art Follow-up Questions, July 12, 2011.

⁴⁵ Ibid.

⁴⁶ Ibid.

members better is also seen in the Whitney's new membership program, Curate Your Own Membership, which will be discussed in a later section of this paper. For the purposes of this thesis, it is interesting to identify that as membership departments begin shifting their outlook towards members, it might result in a trend towards greater personalization in membership programs.

Adverse and Contributing Factors: Exhibition Schedule and Budget

While the recession and the resulting loss of jobs had a direct impact on many museum members and visitors' spending habits—potentially discouraging them to renew or join, other indirect factors also affected acquisition and renewal campaigns at the four case study museums. One of the major contributing factors is the exhibition schedule. Since many visitors are converted to members onsite (PMA, for example, raises over \$1 million annually in membership revenue from onsite conversions), the exhibition schedule plays a large role in helping bring potential new members through the doors.

While large, “blockbuster” or as MoMA refers “anchor,” exhibitions can elicit considerable crowds, they can sometimes give those newly joined members false expectations about the exhibition schedule, ultimately disappointing them and lowering the chance of renewal.

As Andy Leon Harney explains in *Museum Management*:

In looking for earned income options, some museums have gone after the El Dorado of the ‘blockbuster’ show. On paper this can seem like a great way to improve the bottom line, reach new audiences and increase membership all in one blow. But to even attempt this kind of show requires tremendous resources of people and money. And the net effect is not always what one expects. Museum directors seem in agreement that the blockbuster show presents an unusual set of challenges. One problem is the large numbers of new members who join with the false expectation that the museum is regularly going to sponsor similar events. Retaining those new members has been a problem for many museums. ‘I think a blockbuster has to be treated as frosting on the cakes,’ says Harry S. Parker III, director of the Fine Arts Museums of San Francisco.

‘Blockbusters are not predictable. They can’t be relied upon. ... The financial risk is very great. They must be exploited for maximum gain.’ Parker cautions that ‘renewal rates are much lower on blockbuster membership gains because the commitment by many of those new members is less sincere.’⁴⁷

Evidently, blockbuster shows can create problems for museum membership departments hoping to cultivate long-term members. As mentioned previously, one of the case study museums, LACMA, reached a record of around 90,000 members during its 2005 *Tutankhamun and the Golden Age of the Pharaohs* exhibition, but has seen continuous decreases in its membership numbers since then, losing an astonishing almost 30,000 members. Providing a chance to quickly boost numbers again, the *Tim Burton* exhibition currently on display at LACMA will be in the galleries until October. *Tim Burton* brought in substantial crowds when it was at MoMA November 2009-April 2010 and it seems like the trend is being repeated at LACMA. From its May 29th opening to July 1st, the *Tim Burton* exhibition had already brought in over 71,000 visitors, averaged around 2,386 visitors a day, and had complete sell-outs every weekend since it opened.⁴⁸ Though it is too early to tell for certain what immediate and long-term results *Tim Burton* will have on membership numbers at LACMA, it is possible to say that the free exhibition tickets (at \$20 each for non-members) will be an incentive for *Tim Burton* enthusiasts to join. The free tickets to *Tim Burton* are playing a large part in LACMA’s current “sell” for membership. Indeed, the website markets the benefit as such, “Membership offers year-round benefits, but the most exciting benefit right now is free tickets to the *Tim Burton* exhibition!”⁴⁹

Additionally, LACMA just announced its \$150 Limited Edition *Tim Burton* Membership.

Castruccio asserts that the membership is “is way for us to increase revenue around this

⁴⁷ Andy Leon Harney, “Money Changers in the Temple? Museums and the Financial Mission,” In *Museum Management*, edited by Kevin Moore, New York, NY: Routledge, 1994, 134.

⁴⁸ Culture Monster, “MoCA’s ‘Art in the Streets’ and LACMA’s ‘Tim Burton’ Deliver Big Crowds,” *Los Angeles Times* July 1, 2011 <http://latimesblogs.latimes.com/culturemonster/2011/07/mocas-art-in-the-streets-and-lacmas-tim-burton-deliver-on-promise-of-big-crowds.html>.

⁴⁹ Los Angeles County Museum of Art, “Welcome to LACMA Membership,” <http://www.lacma.org/levels> (accessed July 1, 2011).

exhibition. We created a higher price point membership with a few extra benefits for the real Tim Burton fan. We've sold over 1,400...a great success."⁵⁰ Besides the typical benefits of membership, the Tim Burton Membership includes extra benefits like four tickets to *Tim Burton* and a limited-edition membership card with a Tim Burton design. Though by doing this LACMA is leveraging its exhibition schedule to grow membership numbers, there is a concern that the museum ties memberships to a blockbuster show, especially one that draws in an atypical crowd. Doing so seems to increase the likelihood that these Tim Burton members purchase the membership as an impulse buy. Furthermore, when asked "Given the different audience that Tim Burton is likely to bring into LACMA, is there any concern that the members joining now for Tim Burton might be difficult to retain long-term?" Castruccio expressed that she was concerned. Her alarm is not surprising considering the issues the LACMA had with renewing King Tut members. While it is too early to assess the impact that *Tim Burton* and its accompanying limited edition membership will have on LACMA membership as a whole, it can be said that blockbuster exhibitions at LACMA, like Tim Burton and King Tut, have helped the museum expand its audience base and pool of potential new members. Whether the new Tim Burton members will be as slow as the King Tut members to renew is unknown and will be a matter of future research.

As mentioned in the previous section, "Growing Numbers: MoMA and PMA," blockbuster exhibitions at MoMA and PMA had an immediate positive effect for their membership numbers, helping both institutions reach record highs in membership. The dependable favorite Biennial exhibition at the Whitney in 2010 was also successfully leveraged to increase membership numbers, as will be discussed further in "Biennial Memberships: Leveraging Assets into Memberships." Since most of the case study museums managed to have

⁵⁰ Ellen Castruccio, Los Angeles County Museum of Art Follow-up Questions, July 19, 2011.

a blockbuster exhibition during the recession and did not see huge cuts in exhibition budgets, it is not possible to provide primary research analysis in this thesis about how museums with cuts in their exhibition budgets have fared without blockbusters. This would, however, be another interesting topic for further research.

While the case study museums did not see large budget cuts for exhibitions, they were required to cut back in certain areas and in some circumstances these new financial restrictions did have negative impacts on membership programs. For example, when asked “Did the museum undergo restraining budget cuts, and if so, do you feel like this affected the membership in any way?,” Castruccio at LACMA responded with “Our budgets have been cut every year since the recession, and yes, we are not able to do as much as we’d like.”⁵¹ More specifically, she references curtailing some membership benefits, like decreasing the number of new member parties, ending the tote bag giveaway to Patron level members, and stopping onsite membership discounts. Castruccio also mentions that cut backs in the membership marketing budget stifled the potential for Project Membership campaign’s success. Project Membership will be discussed in further detail in the section “LACMA Project Membership: Grand Goals in a Shaky Economy,” but for purposes of this section it is important to note that Project Membership was LACMA’s acquisition initiative to gain 10,000 members in 10 weeks. The campaign resulted in only 1,000 members and Castruccio attributes this largely to the fact that the museum could not put enough money behind the project to market it effectively.

Though PMA was still able to grow membership numbers during the recession, the museum was required to decrease its spending on membership marketing initiatives. Besides marketing cutbacks, the case study museums also had to deal with staff layoffs and hiring freezes. For example, Johnson notes that at the Whitney budget cuts may not have directly

⁵¹ Ellen Castruccio, Los Angeles County Museum of Art Membership Questionnaire, June 23, 2011.

impacted the membership program, but staff layoffs “negatively impacted morale.”⁵² At MoMA there were no layoffs or substantial budget cuts, but the museum did have a two year hiring freeze that hurt the membership program in an indirect way. One of MoMA’s member services desk personnel left the museum right after the hiring freeze was enacted and created a “painful” experience for the remaining membership desk staff.⁵³ Additionally, though budget cuts were not strictly imposed, MoMA’s membership department did receive a lot of pressure to cut back on its spending. For example, since the recession, the MoMA membership department has had to fight strong requests to stop mailing its member calendar and move to an online only format because of the high mailing costs. While the membership department did create an online format and encourages members to choose that option, the membership staff has continued to refuse to eliminate the mailing principally because it has a large older demographic that it does not want to alienate.

Evidently, the recession and resulting budget cuts did adversely affect the four case study museums’ membership programs, causing them to feel constrained by reduced marketing and mailing budgets and decreased staff resources. It is important to note; however, that while all four case study museums noted the stresses of cutting back, only LACMA directly attributed the failure to grow membership numbers with cutbacks in budget.

⁵² Kate Johnson, Whitney Museum of American Art Membership Questionnaire, June 17, 2011

⁵³ Anonymous Museum of Modern Art Membership Personnel, interview by Julie Rega, tape recording, 19 May, 2011, Museum of Modern Art, New York, NY.

RESEARCH INSPIRED TRANSFORMATIONS AT THE WHITNEY

Biennial Memberships: Leveraging Assets into Memberships

Research propelled the membership department of the Whitney Museum of American Art to rethink its membership program and implement significant changes. The research showed that one of the museum's largest problems was retaining members after the first year of membership, especially if their membership renewal was due during a year without the Biennial. The Whitney Biennial has become a signature of the museum and a staple in the New York art world. The exhibition is held every two years and features the works of emerging artists who best exemplify the circumstances, techniques, and ideas of contemporary art in America.

In hoping to solve the retention problem, the Whitney membership department launched its Biennial Membership in 2010. As its name suggests, the Biennial Membership is a two year membership sold exclusively during the span of the Biennial exhibition. In addition to enjoying the general benefits of membership for two years, Biennial Members are also offered two invitations to the closing party of 2010, two invitations to the opening cocktail reception of the 2012 Whitney Biennial, a limited-edition Biennial Member card, and a 20% discount at the museum café (as opposed to the typical 10% member discount).⁵⁴ Kate Johnson, former Manager of Member Benefits and Relations, succinctly explains the reasoning behind the development of this Biennial Membership:

We saw a lot of members dropping their membership in the year between Biennials, and then rejoining the next year for the exhibition. This [the Biennial Membership] was a way to keep them for the two years, and renew them again in time for the next Biennial. And yes, first year members only renew at 33%, where two- and three-year members renew at ~70%. If we can turn them into multi-year members, they are much more likely to renew.⁵⁵

⁵⁴ Whitney Museum of American Art, "Biennial Membership: See 2010, Support 2012," <http://whitney.org/Membership/Benefits/2010Biennial> (accessed July 1, 2011).

⁵⁵ Kate Johnson Whitney Museum of American Art Follow-up Questions, June 17, 2011.

In a way, the Biennial exhibition disrupted the typical membership renewal process. Instead of renewing on a yearly basis, many Whitney members would join during a Biennial year, subsequently allowing their membership to lapse for a year, and then rejoin the following year. The Biennial Membership, therefore, is the Whitney's attempt to use the Biennial exhibition to its advantage rather than allowing the exhibition schedule to shape and potentially harm the renewal process.

Since Biennial Members will not be scheduled to renew until 2012, it is not possible to determine whether the Biennial Membership has helped solve the problem of retaining members beyond the first renewal. Additionally, specifics will need to be gathered in 2012 to conclude whether offering the Biennial Membership at a discounted 2 year rate of \$200 (\$40 savings) was a smart financial decision, especially because Biennial Members also receive invitations, increased discounts, and a specially printed membership card. For example, if the renewal rate for Biennial Members equals or is lower than the renewal rate of a one year Individual Member after the first year of membership, then in factoring the discount, the Biennial Membership program could have a negative financial effect. In other words, the renewal rate for Biennial Members must be higher in order to offset the loss of revenue accorded by the discount. This circumstance, however, assumes that if the Biennial Membership did not exist, the same number of people would have purchased memberships at the Individual level. This assumption may be incorrect, especially considering that people may join to be directly associated with the Biennial, the Whitney's widely popular and news attracting exhibition. In the end, the financial and programmatic success of the Biennial Membership will not be fully revealed until the next Biennial in 2012.

Though it is impossible to state the long-term economic success of the Biennial Membership, it is possible to assert that the Whitney handled its renewal challenge in a creative and prudent manner. The membership department based the Biennial Membership initiative on research, which clearly showed a problem within its renewal program. It did not assume to know the data about its renewal program but researched the numbers and based decisions on the results. Moreover the Whitney was simultaneously prudent and creative in associating the two-year membership with the Biennial. Though it seems like a natural connection to have a two-year membership tied to an exhibition that recurs every two years, the Whitney Biennial has existed for over 8 decades without an accompanying Biennial Membership.

While the Biennial Membership was launched during the recession, it was, as Johnson states, something the museum “had hoped to do for many years.”⁵⁶ According to Johnson, it “had nothing to do with the recession; it had to do with a growth in staff over the years... we eventually grew to be a staff of six with a dedicated person to focus on new benefits and cultivation initiatives.”⁵⁷ Therefore, though the program cannot be considered recession driven, it can be considered both innovative and cautious. The membership department was prudent in developing the Whitney Biennial because it monopolized on an aspect of the museum that has and is likely to continue to be hugely popular—just as these Biennial enthusiasts’ memberships are about to expire, they will be enticed to rejoin by the next Biennial. The tagline, “See 2010, Support 2012”⁵⁸ already has the Biennial Members geared towards thinking about the future exhibition. Moreover, by including an invitation for two to the opening cocktail reception of the 2012 Biennial as part of the 2010 Biennial Membership, the Whitney has given itself the future

⁵⁶ Kate Johnson Whitney Museum of American Art Membership Questionnaire, June 17, 2011.

⁵⁷ Ibid.

⁵⁸ Whitney Museum of American Art, “Biennial Membership: See 2010, Support 2012,” <http://whitney.org/Membership/Benefits/2010Biennial> (accessed July 1, 2011).

opportunity to have these members physically in the building with the exhibition driven incentive to rejoin. In sum, the membership department did not simply receive the research results and develop a typical two-year membership program, like many other museums have done; instead it took a step back and came forward with a creative approach that leveraged one of its most recognized assets.

The Innovative Curate Your Own Membership Program: Personalization and Choice Boosts Numbers

In September 2010, the Whitney launched its new Curate Your Own Membership (CYOM) program. The program invites potential new members to “custom design” their membership and tailor it to their expectations.⁵⁹ Essentially, the new program provides the core benefits, but allows individuals to tack on one of the five series: social, insider, learning, family, and philanthropy. The website markets the new program as follows:

For the first time, the Whitney is teaming up with a new membership curator—you! You are invited to custom design your membership, choosing from 5 amazing series with exclusive member privileges only available at the Whitney. Customize your experience and maximize your benefits with our all-new Curate Your Own Membership program.⁶⁰

The way the program is marketed sends clear messages about a few things. First, the Whitney is making sure individuals understand that the program is new and exclusive to its organization. Indeed, the message is only three sentences long, but expresses the newness in three different ways, i.e. “for the first time,” “all-new,” and “new membership curator.” Likewise, the exclusive aspect is also highlighted multiple times, i.e. “The Whitney is teaming up,” “only available at the Whitney,” and “our all new Curate Your Own Membership Program.” The second message that it sends is that the individual will get more of what he/she wants out of the personal experience.

⁵⁹ Whitney Museum of American Art, “Curate Your Own Membership,” <http://whitney.org/Membership/CYOM> (accessed July 1, 2011).

⁶⁰ Ibid.

As in the first message, this is also reinforced several times by the choice of words: “custom design,” “choosing,” “customize your experience,” “maximize your benefits,” and the repetition of you/your.

The Whitney wanted to transform its membership program because it realized that its generic and traditional membership program was not making it stand out in the competitive museum market or helping the museum regain the over 3,000 members it lost during the recession. Kate Johnson, former Manager of Member Benefits and Relations and project manager of the CYOM program, remarks that before the recession:

The Whitney had a very standard membership program. We realized that you could take the logos off a number of organizations’ brochures (Guggenheim, MoMA, etc.), switch the brochures around, and you’d have no idea which brochure belonged to which institution. We offered identical benefits, and museum membership departments weren’t forced to market creatively. Memberships sold themselves.⁶¹

In having this standard program based on demographics (Senior, Individual, Couple, Family, etc.), the Whitney did nothing to set its membership program apart from the many other museum membership programs in New York City. At the same time, it was not able to learn much about its members, other than the categories they belonged to.

The Whitney embarked on a research initiative for two main reasons: 1. To help the membership department regain the approximately 3,000 members it lost during the recession and “steal share”⁶² from its competitors, and 2. To help “better understand the drivers of prospects’ and members’ behaviors” and fulfill the “unmet needs in their museum experience.”⁶³ The research initiative included a qualitative aspect—“eight member and prospect focus groups”—and a quantitative feature—“survey sent to thousands of members.”⁶⁴ The research focused on

⁶¹ Kate Johnson, Whitney Museum of American Art Membership Questionnaire, June 17, 2011.

⁶² Ibid.

⁶³ Kristen Denner, Whitney Museum of American Art Email Communication, June 22, 2011.

⁶⁴ Kate Johnson, Whitney Museum of American Art Membership Questionnaire, June 17, 2011.

the needs and interest of museum members and prospects and revealed a “pretty distinctive segmentation” of desires for the museum experience.⁶⁵ For example, some participants wanted a more social experience while others wanted insider access. It was from these results that the Whitney developed the five series—social, insider, learning, family, and philanthropy.

The CYOM program allows individual to customize their experience, choosing one or more of the five series. The titles of the five series explain to large degree what is involved in each one, but to give a better sense of the program and the experience offered it is important to look at them individually. The social series includes the following: four passes to a summer opening cocktail reception, invitation for two to an annual champagne reception, invitations to New York City cultural events, and two guest passes to the museum. The insider series provides an invitation for two to a behind-the-scenes tour of the Whitney, curatorial staff presentations, and recommendations from curators and art insiders about must-see New York City cultural activities. The learning series is comprised of invitations to lectures and gallery talks, educational packets for Whitney exhibitions, and advanced notice and preferred registration to public programs. The family series incorporates a Whitney Kids Passport, free admission to family programs, discounts on stroller tours, family guides to exhibitions, guest passes for caregivers, and advance notice of family programs. The fifth series, philanthropy, does not include additional benefits as it is intended to allow more membership revenue to go towards supporting the Whitney.

The concept for CYOM was extremely innovative and the planning required a “huge, staff-wide undertaking,” including, besides the membership department, the Whitney’s graphic design team, press department, legal officer, marketing team, curatorial department, and

⁶⁵ Kristen Denner, Whitney Museum of American Art Email Communication, June 22, 2011.

education department.⁶⁶ In addition, the museum involved external consultants. Luckily, the institution as a whole was receptive to transforming the museum's membership program, but Johnson states that in order to "ensure buy-in" the department held a lot of "early stakeholder meetings" and "hosted an all staff meeting" to introduce the program and "build excitement" for the launch.⁶⁷ When asked "Did the institutional culture marked by innovation play a factor in the development of the program?" Johnson responded with:

The Whitney's focus on innovation helped because the staff is fairly comfortable thinking outside the box. The Whitney's staff prides itself in working for an edgy, "scrappy" museum. We had an energetic, creative staff that was game for a new challenge. Many bigger, stuffier institutions would have had a difficult time pushing forward a radical program like Curate Your Own because people get comfortable with the status quo. Sticking with the status quo was not a luxury the Whitney had in a recession—we had to fight for dollars during a time when members made tough decisions about which institutions they would continue to support.

Johnson's comment raises an interesting point as to whether a program like CYOM could successfully exist at a larger institution. It will be interesting to see if any larger institutions attempt to develop a similarly segmented membership program, especially considering how McNeely from PMA responded to my question about future membership initiatives. McNeely stated, "I also wonder if there will be more shifts towards à la carte memberships like the Whitney's curate your own membership program."⁶⁸

The Whitney's CYOM program is exceptionally innovative and it has managed to garner many new members for the museum—in the first three months CYOM attracted 1,600 new members, 755 of which joined through Groupon (a website providing deal-of-day type offers that will be discussed later in this thesis). Currently, less than a year after the program launched, CYOM has over 4,000 members, some of which transitioned from the pre-CYOM

⁶⁶ Kate Johnson, Whitney Museum of American Art Membership Questionnaire, June 17, 2011.

⁶⁷ Ibid.

⁶⁸ Megan Seibert McNeely, Philadelphia Museum of Art Questionnaire, June 23, 2011.

Individual/Dual categories, and the museum has surpassed its pre-recession numbers. Although the program has seen success in growing membership numbers, it will be interesting to see if any negatives develop out of having a segmented membership program. For example, it would be interesting to do a study to examine whether the segmentation alienates certain groups or discourages individuals from joining by compelling them to choose what type of member they want to be for an entire year. In raising this point, it is also important to mention here that while the Whitney developed the innovative CYOM program, it did not abandon its previous membership program—potential new members can still purchase general memberships like Individual or Dual.

While CYOM was the most innovative program that the Whitney embarked on during the recession, it also engaged in other initiatives, even before the launch of CYOM, that helped it to regain memberships. According to Johnson, cultivation initiatives like Member Saturday Night, the expanded Uptown/Downtown Neighborhood Discount program, March Member appreciation Month, and welcome/check-in cultivation emails for new members were developed as “retention measures during the recession” and helped the Whitney “get closer to pre-recession member counts.”⁶⁹ In general, it seems that the Whitney was able to overcome the losses in membership numbers during the recession by expanding member benefits and using research to inspire the creative and innovative CYOM program.

⁶⁹ Kate Johnson, Whitney Museum of American Art Membership Questionnaire, June 17, 2011.

AGGRESSIVE MEMBERSHIP CAMPAIGNS AND SEVERE DISCOUNTS

LACMA Project Membership: Grand Goals in a Shaky Economy

As mentioned previously, LACMA struggled with its membership since the 2005 King Tut Exhibition—its last major blockbuster show. With the recession in 2008, membership numbers have continued to drop and in the fall of 2008 the department was around \$500,000 short of its fiscal year goal. In 2010, with the last surge in membership numbers five years in the past, LACMA membership department started to enact significant changes within its membership program and marketing approach.

In May 2010, LACMA launched both its Indie Membership and its Project Membership plan. As stated on the LACMA website, the \$50 Indie Membership is a “green membership for one person,” which means that all communication will be handled through email.⁷⁰ Although there has been a considerable ‘buzz’ around green marketing in the last few years, the reasoning behind the Indie Membership encompasses much more than appealing to environmentalists or being cost effective by going green. The LACMA membership department developed the Indie Membership as a result of the recession and the desire to be more affordable to its general level members. Indeed, while LACMA saw drops in all membership levels, the most significant losses were seen among the museum’s general members. According to Ellen Castruccio, LACMA’s Director of Membership Marketing, the museum noticed that the drops were “more in general memberships than in higher levels” and that the museum’s higher and highest level members were “not as affected by the recession.”⁷¹

⁷⁰ Los Angeles County Museum of Art, “Welcome to LACMA Membership,” <http://www.lacma.org/levels> (accessed July 1, 2011).

⁷¹ Ellen Castruccio Los Angeles County Museum of Art Membership Questionnaire, June 23, 2011.

Before the launch of the Indie Membership, the lowest priced membership at LACMA was the Active level, a \$90 basic membership for two people. Considering that all three other case study museums' lowest priced memberships were in the \$40-\$50 range, LACMA's basic membership price was quite high. When asked whether the decision to offer a lower cost membership was driven by the recession, Castruccio responded with, "Yes—we wanted to offer a lower level membership at \$50 because people were having trouble paying the \$90."⁷² The launch of the Indie Membership, therefore, was a recession-driven initiative prompted by LACMA's detection of high losses in its Active Member group.

LACMA was in a good position to create this recession-friendly membership. Since the museum's most basic membership had included benefits for two, the museum could develop a more affordable individual membership without having to devalue its existing membership program. As a result, the museum could market the new membership as a low cost and affordable way to enjoy the museum. According to the LACMA website, the Indie Membership is promoted as follows:

For a limited time, we are offering a LACMA membership—for one—for the low cost of \$50. You'll receive all your communication from LACMA via email only—including up-to-the minute news.⁷³

Evidently the museum, tried to sell the new "low cost" membership program by creating a sense of urgency (by using the words "for a limited time"). The marketing approach makes the Indie Membership seem like a limited-time discount opportunity, when in actuality the membership is half the benefits of Active Membership, but is sold at more than half the cost.

Besides marketing the membership as "low cost" on its membership page, LACMA launched a membership drive campaign called Project Membership to both introduce the new

⁷² Ibid.

⁷³ Los Angeles County Museum of Art. "Indie Membership." <http://www.lacma.org/membership/join/levels/indie> (accessed July 1, 2011).

level and increase overall membership numbers. In May 2010 when it launched, LACMA's Project Membership was a "campaign to get 10,000 new members in the next ten weeks."⁷⁴ The goal was quite large for a few reasons: 1. LACMA had less than 60,000 members at the time and so 10,000 more was a considerable feat 2. The recession was still in progress and affecting how and why people spent their money 3. Ten weeks is a small time frame, especially considering that LACMA's membership program had existed for much longer 4. The LACMA membership department had to attempt to achieve this goal with diminished marketing resources and budget. Castruccio succinctly explains both the intentions and shortfalls of Project Membership when she states:

We wanted to try something new. We wanted to get our numbers up and introduce the Indie. We wanted to create a sense of city pride. Unfortunately at the time, we didn't have enough time or money to do everything we wanted and the project resulted in only about 1,000 new members. We built a website but it didn't have all the bells and whistles that we needed to make the project go viral in a way that we had hoped it would. We supported the campaign with a small direct mail campaign, email, as well as onsite materials.⁷⁵

Castruccio helped try to create the sense of "city pride" that she mentions by having LACMA's current members, some of which were famous LA residents, answer questions about how art affected their lives. Answers were then posted on both the Project Membership website page and LACMA's blog, *Unframed*, in a section titled, "Learning More about You." According to Castruccio's blog post:

This week we launched Project Membership, a campaign to get 10,000 new members in the next ten weeks. As part of the project, we asked some of our members to let us know how art affects their lives, and to tell us a little bit about their favorite works of art (at LACMA or anywhere else), among other questions. It's been really fun to get to know a

⁷⁴ Ellen Castruccio, "Learning More About You." *Unframed the LACMA Blog*, <http://lacma.wordpress.com/2010/05/10/learning-more-about-you/#comments> (accessed July 1, 2011).

⁷⁵ Ellen Castruccio, Los Angeles County Museum of Art Membership Questionnaire, June 23, 2011.

few of our members better—they're insightful and have enabled me to think about art in different ways.⁷⁶

This “Learning More about You” is an interesting component of the Project Membership campaign because it allowed the LACMA membership department to discover more about its current members while simultaneously having members reinforce the importance of the arts in general and the museum specifically. This facet of Project Membership transformed members into advocates for the arts their LA community. For example, when asked “How does art affect your life?” Mike Miley and Amelia Chen Miley responded as follows:

Mike: I want to spend all my time immersed in art. Art is what gives my life joy and meaning. I am always awed and humbled by other people sharing their points of view with me and getting me to see the world in a new way. Art is where we learn the most about ourselves and our potential. It makes us more appreciative, compassionate, and enriched. I can't imagine living one day of life without art in it. Amelia: Artistry in the natural landscape and in architecture is something I've learned to appreciate as I've gotten older. Driving around Los Angeles, you can get a little of that every day.⁷⁷

Mike and Amelia's comments, combined with the others listed on the website, helped make a case for the arts in Los Angeles. Fundraisers understand that for any campaign, whether it be annual fund, capital campaign, or membership drive, it is always important to make a case for the institution that promotes its philanthropic purpose. As a result, by having this “Learning More about You,” LACMA made its case for membership support in a creative way—it allowed its members to tell the story.

While LACMA's Project Membership campaign only gained 1,000 new members, clearly falling far short of its 10,000-members-in-10-weeks goal, the campaign was still an innovative way to market its new Indie Membership and to make a case for the arts in Los Angeles. The problem with Project Membership was not that the idea or the methods were

⁷⁶ Castruccio, Ellen, “Learning More About You.” Unframed the LACMA Blog, <http://lacma.wordpress.com/2010/05/10/learning-more-about-you/#comments> (accessed July 1, 2011).

⁷⁷ Ibid.

flawed—creating a sense of city pride and using members as advocates are both sound techniques—but rather that the museum did not have sufficient tools or resources to carry out a plan that could beat the recession fraught economy. In a way, Project Membership sent the message that, while new ideas and new methods are important, it is equally important to make sure that the institution has the proper tools to make the ideas come to fruition.

After Project Membership had proved unsuccessful in dramatically increasing membership numbers, LACMA turned to Groupon and Living Social, which helped the institution almost reach the 10,000 new members goal. These websites and their ability to result in an upsurge of members will be discussed in further detail in the following section, “Groupon: Discounts, New Audiences, Marketing, and Retention.” It is important to mention here that LACMA has continued to try new techniques to augment its membership base and to seek innovative ways to market itself to the LA community.

Groupon: Discounts, New Audiences, Marketing, and Retention

Beginning with its huge success in growing membership numbers at the Art Institute of Chicago, Groupon is increasingly used by museums as a tool to expand their audience base and boost membership numbers, admission and event ticket sales, etc. On its website, Groupon describes its success and its technique in these simple terms:

Groupon negotiates huge discounts—usually 50-90% off—with popular businesses. We send the deals to thousands of subscribers in our free daily email, and we send the businesses a ton of new customers. That's the Groupon magic.⁷⁸

While referring to its business tactics as “magic” is a marketing embellishment, it is impossible to deny the rapid growth and financial success that Groupon has had over the past few years. In *Forbes Magazine*, writer Christopher Steiner explains that the company is “the fastest-growing

⁷⁸ Groupon, “How It Works,” <http://www.groupon.com/learn> (accessed July 1, 2011).

company in Web history” and it “represents what the dot-com boom was supposed to be all about: huge sales, easy profits and solid connection between bricks-and-mortar retailers and online consumers.”⁷⁹ Steiner not only highlights the success the company has garnered for itself and its CEO, he also shows the benefits in marketing and audience development that Groupon has brought to businesses:

What’s in it for the vendor—which might be a museum, a yoga studio or an ice cream shop? Exposure. Since the resulting revenue is not only discounted but shared (typically, 50/50) with Groupon, the vendor may scarcely break even on the incremental sales. But it now has customers who might never have thought of patronizing the business. Groupon gets its offers in front of eyeballs by buying ad space through Google and Facebook and via the word of mouth of its 13 million subscribers.⁸⁰

Steiner identifies “exposure” as Groupon’s largest benefit to businesses. Groupon itself uses phrases like “Get your business on Groupon: Groupon can bring hundreds—even thousands—of new customers to your door” and “Like new customers? Then you’ll love Groupon. Learn how a one-day feature on Groupon can bring your business thousands of new customers.” The message of exposure to “thousands” is further reinforced in the website’s simple explanatory videos and user testimonials. In these, Groupon highlights that there is no upfront marketing cost and therefore little risk in trying it. For example, in the success stories featured on the Groupon Works for Businesses portion of the website, Karla Law, the Spa Director of Melt Salon & Spa in Boston, states that the Spa tried various advertising methods, but “Nothing has been as successful as Groupon” and, according to Law, it was even more valuable because “there was no out of pocket expense for us, so it worked out very well that we didn’t have to spend on advertising costs.”⁸¹ Another success story testifier, Dana Thayer, the SVP of Marketing & Sponsorship at Chelsea Piers in New York, states, “We really had no idea what was going to

⁷⁹ Christopher Steiner, “Meet the Fastest Growing Company Ever.” *Forbes Magazine*, August 30, 2010. <http://www.forbes.com/forbes/2010/0830/entrepreneurs-groupon-facebook-twitter-next-web-phenom.html>.

⁸⁰ *Ibid.*

⁸¹ Groupon, “Groupon Works for Businesses,” <http://www.grouponworks.com/> (accessed July 1, 2011).

happen,” but “We saw this as risk free.” Moreover, Thayer also praises Groupon for its ability to track customers when she states, “that’s a very powerful advertising vehicle where you see something that you can know how many people received it, how many people opened it, how many people bought it, how many people came into your facility, and now we’re starting to track members.”⁸²

Philip Greenspun, a helicopter instructor for the flight school East Coast Aero Club, is so confident about Groupon’s business model that he told *Forbes Magazine*, “We look at this as incredibly effective advertising... Landing a Groupon deal, even at a loss can put a small business on the map.”⁸³ Therefore, though businesses need to severely discount their merchandise and then share around 50% of the proceeds with Groupon, Groupon still makes the offer appealing to many by asserting its successes in marketing and audience development.

Groupon has acquired large audiences for museums, whether for yearlong memberships or ticket sales to an exhibition or event. According to Raymund Flandez’s article, “Groupon Garners New Members and Cash for Museums” in the *Chronicle of Philanthropy*, the Carnegie Museums of Pittsburg had hoped to gain 500 new members in September 2010 by offering “\$40 one-year individual memberships to all Carnegie-owned museums in Pittsburg with other special features worth \$102.”⁸⁴ The Groupon deal greatly exceeded the Carnegie Museums’ expectations by selling over 1,300 memberships during the three-day buying period and more than doubled the number of people with individual memberships to the museums. Other museums have also been successful in inflating membership numbers with Groupon deals. In

⁸² Ibid.

⁸³ Christopher Steiner, “Meet the Fastest Growing Company Ever,” *Forbes Magazine*, August 30, 2010. <http://www.forbes.com/forbes/2010/0830/entrepreneurs-groupon-facebook-twitter-next-web-phenom.html>.

⁸⁴ Raymund Flandez, “Groupon Garners New Members and Cash for Museums,” *The Chronicle of Philanthropy*, February 25, 2011, <http://philanthropy.com/blogs/prospecting/groupon-garners-new-members-and-cash-for-museums/28848>.

October 2009, the Brooklyn Museum of Art sold 857 memberships by offering a membership for two plus exhibition preview and Blondie concert tickets all for just \$35. In September 2010, the Whitney gained 755 new members when it launched its new Curate Your Own Membership program with a Groupon discount of 60%. One of the most staggering instances is the Art Institute of Chicago, which sold over 4,500 new and renewed memberships in July 2009 by offering the membership for \$40. In most of these cases, nearly all the memberships were bought by first-time members.

Moreover, many of these museums, like the Brooklyn Museum of Art and the Art Institute of Chicago, understood Groupon's audience. They included benefits that would appeal to the younger tech-savvy generation and they used their social media platforms to promote the Groupon deal to interested fans and followers that had yet to become part of the museum's membership base. For example, the Art Institute of Chicago included a Membership to Evening Associates, a \$30 value, to its one-year membership deal on Groupon. The Art Institute of Chicago markets its Evening Associates program as a "young professionals" program. According to the Art Institute of Chicago's website:

The Evening Associates are a group of Art Institute members, mainly young professionals, who gather about once a month to enjoy a lively mix of art and entertainment. Evening Associates enjoy exclusive museum gatherings, gallery walks, black-tie affairs, and other "after-five" events throughout Chicago, reveling in the city's vibrant art and social scene.⁸⁵

Similarly, the Brooklyn Museum also included additional benefits that would appeal to the young professional crowd and it used its expansive social media network to market the Groupon deal. The Blondie concert tickets, for example, is something that would appeal to a young professional audience, and the Brooklyn's use of social media sites, like Facebook and Twitter,

⁸⁵ The Art Institute of Chicago, "Evening Associates," http://www.artic.edu/aic/members_donors/art_interest/EveningAssociates/index.php (Accessed July 1, 2011).

provided the appropriate channels to reach this Groupon audience. In “Get Your Group On,” Will Cary, the former Membership Manager of the Brooklyn Museum, claims that the museum’s pre-existing social media presence was “an essential tool for spreading the word” about the Groupon offer.⁸⁶ Cary asserts, “The key for us here was the groundwork that the museum had laid online... We’re fortunate enough to have a large following on Twitter and Facebook, so that when the day came along we... just reached this cascade.”⁸⁷

Not all museums have felt this “cascade,” and this is likely due to their lack of young audience appeal and social media presence. For example, according to “Get Your Group On” by American Association of Museum writer Joelle Seligson, the Jewish Museum in Manhattan only sold 44 family memberships through Groupon. Marcia Miller, Director of Membership at the museum, reasoned that the results were small because the Jewish Museum generally appeals to a “more senior population” and Groupon is geared towards the tech-savvy generation.⁸⁸ Miller also posited that the low results were due to the fact that the Jewish Museum did not have a developed audience base in social media. The museum could promote the deal on Twitter and Facebook, but since it had not invested the time in developing these social networks, the news would not reach very many Twitter or Facebook fans. Generally speaking, however, Groupon has proven useful in delivering large membership numbers and reaching new audiences, but is often more successful in providing results for those museums that have developed social media presence and can appeal to younger tech-savvy audiences.

Despite its advertising appeal and its proven ability to bring companies large numbers of customers quickly, an important question to consider is whether these customers will remain

⁸⁶ Joelle Seligson, “Get Your Group On,” AAM Museum Magazine, July-August, 2010, <http://www.aam-us.org/pubs/upload/Chronicle-J-A.pdf>.

⁸⁷ Ibid.

⁸⁸ Ibid.

loyal to the business after the Groupon deal is over. This question is acutely important to membership programs because museums intend for new memberships to be one of the first steps towards cultivating long-term and higher-level donors.

All four of the case study museums were concerned with retaining Groupon members and the long-term effects Groupon would have on membership programs; however, LACMA and the Whitney nevertheless decided to proceed with offering discounted memberships through Groupon. In the first three months of the Whitney's CYOM campaign, the museum gained 1,600 new members, but out of that number 755 joined through Groupon. Kate Johnson, the former Manager of Member Benefits and Relations, believed that it was successful because CYOM needed to be launched and marketed as a new product. When asked, "What went into the decision to use Groupon for membership acquisitions? Was it considered more of a marketing tool for CYOM than an acquisition tool?" Johnson responded with:

Yes, we knew we would lose money or break even with Groupon. But we also knew that through Groupon, we would market our new program to over 150k prospects that we would not be able to reach otherwise. It brought in a new audience for the museum, and spread the word better than any other channel could have. We would not have partnered with Groupon ordinarily; the partnership only made sense for a product launch.⁸⁹

When asked, "Do you feel like it [Groupon] diminished the philanthropic character of membership support?" Johnson responded with "No. The Groupon audience is social and value-oriented – perfect for Curate Your Own, which is really about access and good value. Few at the base levels give for philanthropic reasons. They're thinking, 'What's in it for me?'"

Similarly, LACMA used Groupon for the "product launch" of its new Indie Membership in 2010. By discounting the \$50 membership to \$25 on Groupon, LACMA successfully acquired 5,074 Indie Members in November 2010. The promotion highlighted the fact that with the membership, the individual would receive a free ticket to *Tim Burton* in the following spring.

⁸⁹ Kate Johnson Whitney Museum of American Art Membership Questionnaire, June 17, 2011.

LACMA also turned to Living Social, a website similar to Groupon, and sold 3,809 memberships. The Living Social promotion, just like Groupon, promoted the free ticket to *Tim Burton* benefit of membership. It is interesting to note here that special timed tickets to *Tim Burton* started selling this spring at \$20 each, only \$5 less than the combined membership and *Tim Burton* ticket offer on Groupon, making the offer an interesting financial decision for LACMA. Unlike the Groupon promotion, the Living Social campaign included the choice to purchase the Indie Membership or the Indie Membership plus Muse. According to LACMA's website, Muse is the "premier membership group for art enthusiasts in the 20s, 30s, and 40s" which helps "support the arts through a dynamic series of more than twenty-five social, educational, and philanthropic activities within LACMA and throughout Los Angeles a year."⁹⁰ Like the Art Institute of Chicago, LACMA understood Groupon and Living Social's audiences and sought to appeal to the younger tech-savvy crowd that would be ideal as a Muse member and be enthusiastic about *Tim Burton*.

The membership department of LACMA used Groupon only after it had fallen very short of its goal in the Project Membership campaign to acquire 10,000 members in 10 weeks. The museum did not have the tools or resources to make Project Membership "go viral" as they had hoped on social media sites and the internet. Living Social and Groupon had the tools and the subscribers to make the Indie Membership reach new internet-savvy audiences and as a result the campaigns delivered 3 times and 5 times, respectively, as the museum had in its first push. The downside of using these sites is of course the devaluation of the membership. Castruccio explains the merit and disadvantages of the Groupon initiative:

It is a great new member acquisition tool, and yes, it is also a marketing tool. It is a zero cost tool... If you do a P&L [profit and loss statement] comparing a direct mail campaign

⁹⁰ Los Angeles County Museum of Art, "LACMA Muse," <http://www.lacma.org/membership/join/muse/muse-intro> (Accessed July 1, 2011).

and Groupon, you'll most likely make more money (and more members) with Groupon. The trouble is the devaluation of the product, so we have to be careful about that. We are using these services sparingly until we know how it will really affect our program.⁹¹

Evidently, the Groupon initiatives for the Whitney and LACMA were tied to a new membership product launch and in both cases the initiative yielded extraordinary acquisition figures.

Unlike LACMA and the Whitney, MoMA and PMA have refrained from using Groupon for membership acquisitions. When asked if PMA would ever use Groupon for an acquisition campaign, McNeely responded with "We would not consider offering one for membership since the discount is so deep and since the company takes such a large commission."⁹² Similar to PMA, the MoMA membership department also opposes the use of Groupon because of the extreme discounts. According to the MoMA membership department, the museum never offers discounts on its memberships because it sends the message that "the museum is on sale" and the department always seeks to approach members and prospects from a "position of strength."⁹³ In other words, MoMA membership does not want to appear as desperate for support; instead the department wants the individual to feel it is important to support the institution.

Though the Brooklyn Museum is not one of the four case study museums, it is interesting to point out that initially, like MoMA, it was strongly against discounting its membership program. Indeed, in the museum's blog post entitled, "Groupon and Discounting Membership," Will Carey, former Membership Manager at the museum, states:

Though many Museums discount membership (whether because of the economy, or to entice people to join through the mail or in-person), I have heretofore been completely against the idea of discounting the price of membership here at the Brooklyn Museum. The biggest reason discounting doesn't appeal to me is because we work hard to make our membership levels affordable and are constantly reviewing the value of benefits at various levels. Additionally, I think when you offer membership for a lower price you

⁹¹ Ellen Castruccio Los Angeles County Museum of Art Membership Questionnaire, June 23, 2011.

⁹² Megan Seibert McNeely Philadelphia Museum of Art Questionnaire, June 23, 2011.

⁹³ Anonymous Museum of Modern Art Membership Personnel, interview by Julie Rega, tape recording, 19 May, 2011, Museum of Modern Art, New York, NY.

essentially admit that you think the membership is worth less than what you were charging before. Lastly, I think it undermines the Museum's current base of generous supporters when they pay the full amount and you let others—first time members, for example—pay less.⁹⁴

Despite this compelling argument against discounting membership, Carey ultimately concluded that Groupon would be a positive opportunity for the museum. He explains the reason behind the decision and his change of heart as follows:

I came to see the partnership with Groupon as a good thing both for the Museum and for members because of its potential to reach new audiences. We're always looking for ways to make Brooklyn Museum membership appeal to all sorts of folks, and Groupon's commitment to providing good deals to people who like to get out and support their local communities is something that we agree with... It's also important to keep in mind that we are not spending money on this promotion: we share the revenue with Groupon, but we don't spend thousands of dollars on printing, mailing, etc. as we do with our direct mail acquisition campaigns. Fundamentally, Groupon started "in order to make it easier for people to enjoy the great things in their community." As someone who works at an institution whose mission is to become as accessible as possible for our all segments of our community, that philosophy makes sense to me.⁹⁵

Whether PMA and MoMA will also change their minds about Groupon and its deep discounts is yet to be determined, but at least presently, both museums, neither of which suffered great losses in membership numbers during the recession, seem content to refrain from the endeavor.

For MoMA, issues with Groupon go beyond the loss of profits or the concept that discounts send the wrong message. Indeed, for the MoMA membership department, the clientele is also a concern because they are likely to be extremely discount and value driven. The MoMA membership department views the program more holistically; it is not just about keeping membership numbers up, but also about having members that are going to upgrade and provide financial support to the annual fund and other areas of the museum. The MoMA membership department understands that because of Groupon new audiences would be reached, but the

⁹⁴ Will Carey, "Groupon and Discounting Membership," Brooklyn Museum Blog <http://www.brooklynmuseum.org/community/blogosphere/2009/10/20/groupon-and-discounting-membership/> (accessed July 1, 2011).

⁹⁵ Ibid.

museum questions whether these audiences will be supporters of the institution or just bargain shoppers that are looking more at what they will get than what they will give. It is for these three reasons—the profit loss, the wrong message, and the discount driven clientele—that the MoMA membership department has been turning Groupon away since 2009.

Additionally, both PMA and MoMA are concerned with the ability to retain these new members after having acquired them at such great discounts. When asked, “How do you think these institutions can retain these members at the standard price-point after they were acquired at a severely discounted rate?” McNeely at PMA replied with “I think this is a huge challenge and why we have chosen not to participate.”⁹⁶ Likewise, members of the MoMA membership department also expressed their concern with renewal rates, explaining that if you get people on a discount, they are going to be looking for a discount the following year.

Although the Whitney and LACMA chose to use Groupon as an acquisition tool, they were equally concerned with the renewal rates of these first-time members. When asked how they hoped to retain these Groupon members, both institutions thought they would need to offer them discounts on their renewal. When asked: Given that the discount Group-on membership brought in new audiences, how is the Whitney planning to retain these members at the standard price point? Will they be offered a discount upon their renewal? Johnson replied with:

Yes, deep discounts will be necessary for the first and even second renewal years. We don't know what to expect regarding retention, but we had low expectations. Normally first-year members renew at a 33% response rate. I would venture that Groupon-ers will be below 20%, even with discounted dues.⁹⁷

Castruccio also expressed concern about the ability to renew the Groupon members when she stated:

⁹⁶ Megan Seibert McNeely Philadelphia Museum of Art Questionnaire, June 23, 2011.

⁹⁷ Kate Johnson Whitney Museum of American Art Membership Questionnaire, June 17, 2011

Yes—Will be difficult to retain them... but we are planning to offer them discounts if they renew... and hope we can hang on to them for another year and then try to renew them at full price for a third year.⁹⁸

Though the exact discount has not been determined at this point for LACMA, the institution is hoping to renew the Groupon members at a higher rate than they joined, but lower than the actual membership price. Indeed, Castruccio explains, “It hasn’t been set yet, but I would imagine we would try to get them back for \$35 or \$40 instead of the full \$50. Keep in mind they only paid \$25 to come on board.”⁹⁹

The retention concern expressed by all four case study museums is reinforced in the “Membership and Membership Associations” section of Greenfield’s *Fundraising*

Fundamentals:

Richard Trenbeth has pointed out: “A major problem all membership groups have in common is a normal but sometimes shockingly high drop-off rate of first-year members. This is especially true of persons who enroll in response to a premium or free gift offer. The chief reason is the new member’s failure to take advantage of the benefits that would weld him or her to the organization.”¹⁰⁰

This quote helps explain two key points: 1. First-year members are likely to renew at a much lower rate than second, third, fourth, etc. year members, especially if they are receiving a discount on or a gift with their membership 2. It is; however, possible to retain these first-year members that responded to the discount/gift offer if the institution creates an environment that will help “weld” the new member to the organization. If this reasoning is applied to the Groupon circumstances, then it appears that Groupon members, with their discounted memberships and gifts of tickets, are less likely to renew after the first year than non-Groupon members.

⁹⁸ Ellen Castruccio Los Angeles County Museum of Art Membership Questionnaire, June 23, 2011.

⁹⁹ Ellen Castruccio, Los Angeles County Museum of Art Follow-up Questions, July 19, 2011.

¹⁰⁰ James M. Greenfield, *Fundraising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers*, New York, NY: John Wiley & Sons, Inc. 2002, p.179

Continuing the reasoning, the Groupon members are more likely to renew if they take advantage of their membership benefits.

As the quote describes, benefits are key in helping museum membership departments keep members connected to the institution, but just having benefits is not enough. Museums need to work to ensure that members take advantage of their benefits. As Greenfield also mentions, “Successful retention of members requires a well-prepared plan for continued communication... Invitations to public and benefit events, newsletters, and opportunities for voluntary participation should be sent during the year, perhaps on an every-other-month basis.”¹⁰¹ The two museums in the case study that used Groupon, LACMA and the Whitney, both have well developed membership programs. They send out mailings and emails about events, member calendars, etc. on a regular basis, but perhaps constant communication is not enough to retain these severely discounted members and “weld” them to the museum. This does not mean; however, that the task is impossible. Perhaps museums will see higher retention rates if they include add-ons with the Groupon membership, like LACMA’s aforementioned Muse program. Although LACMA’s Groupon members are not up for renewal yet, it will be interesting to investigate whether having social activities for young professionals will increase the likelihood that these members will renew. It is conceivable that this added social context—being part of a small, more intimate group—could compel Groupon-ers to continue their membership. But this social context can only be created if the Groupon member actually participates in the Muse events and programs. Therefore, though social groups for young professionals can help weld the individual to the organization, the museum still faces the challenge of inducing members to take advantage of their benefits.

¹⁰¹ Ibid.

As the MoMA membership department mentioned, the jury is still out on using Groupon for membership acquisitions and renewals because there has not been enough years of tracking to see what happens to those members. Lapsed members can renew at a variety of stages in the process, and some choose to renew years after their expiration dates. This is why, for example, mailings to lapsed members have higher rates than direct mail acquisition campaigns to never before members. It will be interesting to investigate a few years in the future what happened to these Groupon members and how they benefited the museum in the immediate and long-term.

Given the hesitations and concerns of the four case study museums, it becomes apparent that using Groupon for membership acquisitions will never be completely positive or even largely positive. Concerns that Groupon will lower renewal rates considerably, devalue memberships, and inundate membership departments with only value/discount driven customers, are legitimate. Considering that at present, not enough years of tracking are available, museum membership departments will have to decide whether the two chief positives for using Groupon—audience development and the benefit of no out-of-pocket marketing or direct mail campaign costs—outweigh the aforementioned concerns.

CONCLUSION AND BEST PRACTICES

Best Practices: Innovation and Prudence

Though this thesis only provided in-depth analysis of the membership recruitment and retention practices of four case study museums during the recession, it may still be helpful in suggesting best practices to museums looking to make substantial changes in their marketing approaches, program structure, and renewal/acquisition campaigns.

With regard to changing marketing approaches, museums should be very hesitant to use Groupon for audience development and number augmentation. As all four museums expressed, it is always difficult to renew first-year members and it will be even more difficult to renew members who have been lured to join by the extreme discount offered through Groupon. Moreover, as MoMA mentioned, Groupon sends the message that the “museum is on sale” and it attracts a value-driven rather than philanthropic crowd, which can hurt the fundraising initiatives of the annual fund and dilute the museum’s case for support. If the museum is truly having trouble reaching new audiences and has tried other traditional venues, or if it simply does not have the budget to try other audience development methods, or if it is hoping to launch a new membership level, the museum should proceed with caution and research the experiences of other institutions that have used Groupon. The museum must also understand that the Groupon audience is largely a younger, tech-savvy group and it should offer benefits that will appeal to this audience in order to increase their chances of renewal.

In looking to make substantive changes to the membership program structure, along the lines of Whitney’s CYOM and Biennial Memberships or with PMA’s 2010 new membership program, it is pertinent that museums base these changes on solid research rather than a gut understanding of their programs. Although many smaller museums likely do not have the budget

to perform in-depth membership studies, they can find inexpensive ways, like online surveys, to do the research necessary to support changes in their membership programs. Additionally, in endeavoring to make significant changes to membership programs, museums should seek to leverage their assets just as the Whitney leveraged its Biennial exhibition and PMA leveraged its tickets to blockbuster shows and its reciprocal program.

With regard to altering the acquisition and renewal program, museums should, like MoMA, consider testing its successes or shortfalls in all areas, i.e. frontline sales, direct mail campaigns, and marketing. Bearing in mind the success of MoMA and PMA's aggressive mailing approaches, if the budget allows, the museum should analyze how a continuous rather than fall/spring campaign-based program might affect their membership numbers. Evidently, analyzing the approaches of the four case study museums has helped provide some best practices for museums seeking to alter their approaches towards membership marketing, program structure, and acquisition/renewals. Considering the limitations of the case study approach and the contemporary nature of the topic, much more research must be executed before a more permanent and holistic set of best practices, useful for different types of museums, is developed.

Innovation Continues: Suggestions for Further Research

More research will also be necessary to evaluate some newly introduced practices, the precise results of which are yet unknown. One of these is Groupon. Many museums have only just begun using Groupon to boost membership sales and grow numbers. As a result not enough time has passed to truly understand what happens to these Groupon members. Research should be done to better understand their renewal cycle and the methods that museums have employed to potentially increase the Groupon-er renewal rate, i.e. offering discounts for renewals. It will

also be instructive to evaluate what, if anything, besides the great value drove these Groupon members to join. Lastly, it will be interesting to see whether museums will re-use Groupon or whether they will come see it as devaluing and hurtful to the membership program long-term.

Another area that must be further studied is the result of LACMA's current membership campaign involving *Tim Burton*. It will be especially interesting to compare LACMA and MoMA's membership statistics as a result of this show as the two institutions used different techniques and approaches in their leveraging of the exhibition to grow numbers. Additionally, the outcomes of LACMA's decision to create a Limited Edition Tim Burton Membership should be evaluated, especially considering the issues the museum has had in the past with retaining blockbuster driven new members, i.e. with King Tut.

It also will be interesting to continue research on the Whitney's Biennial Membership and CYOM programs. As to the first, it will be important to examine if the new program will have helped in increasing the renewal rate for members up for their first renewal and whether the increased renewal rate offset the discount provided for purchasing the two-year Biennial Membership. With regard to CYOM it will be interesting to investigate the program's renewal rates and the effect it will have on the Whitney's membership program as a whole, i.e. will CYOM encourage or stifle higher levels of giving. It will also be intriguing to explore whether CYOM will become a model for other institutions, whether small or large, looking to personalize their membership programs.

Lastly, these research suggestions are focused on topics and case studies specific to this thesis. Further research should explore how the recession affected museum membership programs of different sizes and geographic locations and whether institutional culture and resources stifled or encouraged membership innovation. As soon as the aforementioned research

is done, a more balanced set of best practices can be established for museums seeking to alter the membership program's marketing, structure, and acquisition/renewal campaigns.

BIBLIOGRAPHY

- Anonymous Museum of Modern Art Membership Personnel, interview by Julie Rega, tape recording, 19 May, 2011, Museum of Modern Art, New York, NY.
- Bhattacharya, C.B. "When Customers Are Members: Customer Retention in Paid Membership Contexts." *Academy of Marketing Science* 26, no. 1 (Winter 1998): 31-44.
- Cary, Will. "Groupon and Discounting Membership." Brooklyn Museum Blog <http://www.brooklynmuseum.org/community/blogosphere/2009/10/20/groupon-and-discounting-membership/> (accessed July 1, 2011).
- Castruccio, Ellen "Learning More About You." Unframed the LACMA Blog <http://lacma.wordpress.com/2010/05/10/learning-more-about-you/#comments> (accessed July 1, 2011).
- Castruccio, Ellen. Los Angeles County Museum of Art Membership Questionnaire, June 23, 2011.
- Castruccio, Ellen. Los Angeles County Museum of Art Follow-up Questions, July 19, 2011.
- Culture Monster. "MoCA's 'Art in the Streets' and LACMA's 'Tim Burton' Deliver Big Crowds." *Los Angeles Times* July 1, 2011 <http://latimesblogs.latimes.com/culturemonster/2011/07/mocas-art-in-the-streets-and-lacmas-tim-burton-deliver-on-promise-of-big-crowds.html>.
- Denner, Kristen. Whitney Museum of American Art Email Communication, June 22, 2011.
- Flandez, Raymund. "Groupon Garners New Members and Cash for Museums." *The Chronicle of Philanthropy*, February 25, 2011. <http://philanthropy.com/blogs/prospecting/groupon-garners-new-members-and-cash-for-museums/28848>.
- Goldstein, Andrew. "Museum Attendance Rises as The Economy Tumbles." *The Art Newspaper*, December 9, 2009. <http://www.theartnewspaper.com/articles/Museum-attendance-rises-as-the-economy-tumbles/19840>.
- Greenfield, James M. *Fundraising Fundamentals: A Guide to Annual Giving for Professionals and Volunteers*. New York, NY: John Wiley & Sons, Inc. 2002.
- Groupon. "Groupon Works for Businesses." <http://www.grouponworks.com/> (accessed July 1, 2011).
- Groupon. "How It Works." <http://www.groupon.com/learn> (accessed July 1, 2011).
- Haithman, Diane. "Tight Economy Puts Squeeze on Arts Organizations: Closures, Layoffs and Downsizing Are the Order of the Day As the Downturn Affects Orchestras, Museums

and Theater Companies.” *Los Angeles Times*, November 7, 2008.
<http://www.latimes.com/entertainment/news/arts/la-et-artswoes7-2008nov07,0,1431692.story>.

Harney, Andy Leon. “Money Changers in the Temple? Museums and The Financial Mission.” In *Museum Management*, edited by Kevin Moore, 133-145. New York, NY: Routledge, 1994.

Johnson, Kate. Whitney Museum of American Art Membership Questionnaire, June 17, 2011.

Johnson, Kate. Whitney Museum of American Art Follow-up Questions, June 17, 2011.

Los Angeles County Museum of Art. “Indie Membership.”
<http://www.lacma.org/membership/join/levels/indie> (accessed July 1, 2011).

Los Angeles County Museum of Art. “LACMA Muse.”
<http://www.lacma.org/membership/join/muse/muse-intro> (Accessed July 1, 2011).

Los Angeles County Museum of Art. “Welcome to LACMA Membership.”
<http://www.lacma.org/levels> (accessed July 1, 2011).

McNeely, Megan Seibert. Philadelphia Museum of Art Questionnaire, June 23, 2011.

McNeely, Megan Seibert. Philadelphia Museum of Art Follow-up Questions, July 12, 2011.

Paswan, Audhesh K. and Lisa C. Troy. “Non-profit Organization and Membership Motivation: An Exploration in the Museum Industry.” *Journal of Marketing Theory and Practice* 12, no. 2 (Spring 2004): 1-15.

Seligson, Joelle. “Get Your Group On.” *AAM Museum Magazine*, July-August, 2010.
<http://www.aam-us.org/pubs/upload/Chronicle-J-A.pdf>.

Steiner, Christopher. “Meet the Fastest Growing Company Ever.” *Forbes Magazine*, August 30, 2010. <http://www.forbes.com/forbes/2010/0830/entrepreneurs-groupon-facebook-twitter-next-web-phenom.html>.

The Art Institute of Chicago. “Evening Associates.”
http://www.artic.edu/aic/members_donors/art_interest/EveningAssociates/index.php
 (Accessed July 1, 2011).

Whitney Museum of American Art. “Curate Your Own Membership.”
<http://whitney.org/Membership/CYOM> (accessed July 1, 2011).

Whitney Museum of American Art. “Biennial Membership: See 2010, Support 2012.”
<http://whitney.org/Membership/Benefits/2010Biennial> (accessed July 1, 2011).

APPENDIX

Completed Questionnaires and Transcribed Interviews

LACMA Questionnaire Responses for Thesis

Pre-recession questions:

1. Before the recession, what was your approach towards membership in general? How did you market it, how was it viewed by your institution, etc.?

a. Comparatively, were membership benefits, direct mail, and marketing initiatives constantly changing and innovative or were they more established and permanent?

BOTH... WE ALWAYS USED TACTICS THAT WERE MORE CONVENTIONAL—DIRECT MAIL, TELEMARKETING, EMAIL, ONSITE...BUT WOULD ALWAYS BE THINKING ABOUT DIONG NEW THINGS AS WELL. MEMBERSHIP HAS ALWAYS BEEN VIEWED AS AN IMPORTANT DEPARTMENT—IT PROVIDES UNRESTRICTED REVENUE FOR THE MUSEUM. MEMBERS ARE ALSO OUR BEST EVANGELISTS.

2. How did LACMA handle acquisitions and renewals before the recession? Was there an aggressive approach in terms of direct mail or marketing and did this approach focus more on the exhibition schedule or the museum's overall mission?

WE USED DIRECT MAIL, TELEMARKETING, EMAIL, AND ONSITE INITIATIVES. FROM TIME TO TIME, WE ALSO DID ADVERTISING IN VARIOUS MEDIA—NEWSPAPERS, MAGAZINES, AND ONLINE. BECAUSE WE HAD LIMITED BUDGETS, WE WOULD FOCUS ON THE EXHIBITIONS THAT WE KNEW WOULD BRING IN THE MOST MEMBERS.

3. Before the recession, what were the numbers like and when did you start seeing them begin to drop (if they did drop)? And if membership numbers did drop, was it across the board or more common in higher membership levels?

BEFORE THE RECESSION, WE HAD THE KING TUT EXHIBITION...IN 2005. OUR NUMBERS PEAKED THEN AROUND 80 OR 90,000. FROM THEN, THEY DECREASED EACH YEAR. THE RECESSION STARTED IN 2008...AND WE CONTINUED TO SEE A DECREASE. NOW WE ARE AT AROUND 60,000. BUT WE HAD BEEN AROUND 60,000 AT VARIOUS POINTS BEFORE KING TUT AS WELL... DROPS WERE ACROSS THE BOARD...BUT MORE IN GENERAL MEMBERSHIP THAN IN HIGHER LEVELS. PEOPLE AT THE HIGHER/HIGHEST LEVELS WERE NOT AS AFFECTED BY THE RECESSION.

During the Recession questions:

1. Did the recession prompt any major changes in membership levels or benefits?

a. For example, according to the LACMA website, the Indie Membership is being offered for “a limited time” and “for the low cost of \$50.” Was the decision to launch a lower cost membership driven largely by the recession? (Also, if you could explain when the membership began being offered, the pros and cons of having the lower cost membership, and the number of members enrolled at that level, that would be great!)

YES – WE WANTED TO OFFER A LOWER LEVEL MEMBERSHIP AT \$50 BECAUSE PEOPLE WERE HAVING TROUBLE PAYING THE \$90. Also THE \$90 WAS FOR TWO PEOPLE AND WE DID NOT HAVE AN INDIVIDUAL MEMBERSHIP. WE BEGAN THIS LEVEL IN MAY 2010. WE PROMOTED IT LATER IN 2010 AND IN EARLY 2011 THROUGH TWO SOCIAL MEDIA SITES—GROUPON AND LIVING SOCIAL—AND NOW HAVE AROUND 8 OR 9,000 INDIE MEMBERS.

2. When did LACMA launch its reciprocal program and what was the reasoning behind starting it?

a. Was this something that came into effect during the recession or was it already in place beforehand?

IT HAS BEEN IN PLACE FOR A VERY LONG TIME...NOT SURE WHEN IT WAS STARTED...

3. Did you collaborate with any other cultural institutions in an attempt to acquire new members?

a. For example, the Whitney and Guggenheim partnered together to offer discounts to each other memberships if they joined the other museum. Did LACMA collaborate with other museums in this way or was collaboration limited to the reciprocal program?

WE HAVEN'T COLLABORATED WITH OTHER MUSEUMS ON MEMBERSHIP. SOME OF THEM DON'T HAVE MEMBERSHIP PROGRAMS, AND MANY ARE MUCH SMALLER THAN OURS, SO IT NEVER REALLY MADE SENSE FOR US. BUT IT IS A NICE IDEA IN THEORY, AND I THINK IT WORTHWHILE TO CONSIDER.

4. LACMA's Project Membership was launched in May 2010 and had the goal of gaining 10,000 members in 10 weeks. Can you write a little bit about the project, the reasoning behind it, the recession's role in encouraging an innovative acquisition project, its success, the marketing that surrounded the program, etc.

WE WANTED TO TRY SOMETHING NEW. WE WANTED TO GET OUR NUMBERS UP AND INTRODUCE THE INDIE. WE WANTED TO CREATE A SENSE OF CITY PRIDE. UNFORTUNATELY AT THE TIME, WE DIDN'T HAVE ENOUGH TIME OR MONEY TO DO EVERYTHING WE WANTED AND THE PROJECT ONLY RESULTED IN ABOUT 1,000 NEW MEMBERS. WE BUILT A WEBSITE BUT IT DIDN'T HAVE ALL THE BELLS AND WHISTLES THAT WE NEEDED TO MAKE THE PROJECT GO VIRAL IN A WAY THAT WE HAD HOPED IT WOULD. WE SUPPORTED THE CAMPIAGN WITH A SMALL DIRECT MAIL CAMPAIGN, EMAIL, AS WELL AND ONSITE MATERIALS. HOWEVER,

AS MENTIONED ABOVE, WE WERE ABLE TO ALMOST REACH OUR GOAL BY USING GROUPON AND LIVING SOCIAL WITH THIS MEMBERSHIP LEVEL.

5. Did the museum undergo restraining budget cuts, and if so, do you feel like this affected the membership in any way? (I'm thinking in terms of marketing budget and budgets for 'blockbuster' exhibitions)

OUR BUDGETS HAVE BEEN CUT EVERY YEAR SINCE THE RECESSION, AND YES, WE ARE NOT ABLE TO DO AS MUCH AS WE'D LIKE.

6. Are there any other changes in membership benefits/levels or initiatives regarding marketing, direct mail, renewals, etc. that can be attributed partially, if not wholly, to the recession?

WE'VE HAD TO CUT BACK ON BENEFITS. WE GOT RID OF A TOTE BAG AT THE PATRON (\$200) LEVEL. WE HAD TO CUT BACK FROM TWO TO ONE NEW MEMBER PARTY FOR A COUPLE OF YEARS...NOW BACK TO TWO. WE HAD TO CUT OUT OUR ONSITE PREMIUMS FOR A WHILE.

7. Overall, do you feel like the institutional culture contributed to or stifled museum membership innovation?

CONTRIBUTED.

Questions for Now/Future:

1. With the current Tim Burton exhibition, has the museum seen a jump in membership numbers?

THINGS SEEM TO BE GOING WELL...ALTHOUGH WE ARE ALSO IN THE MIDDLE OF A CONVERSION TO RAISERS EDGE AND OUR NUMBERS ARE ON HOLD RIGHT NOW.

a. The push to join on the museum's website seems to surround the Tim Burton exhibition. Given the different audience that Tim Burton is likely to bring into LACMA, is there any concern that the members joining now for Tim Burton might be difficult to retain long-term?

YES.

2. Would you ever/have you ever considered using "Group-on" for a membership campaign? (Some institutions value it not just as an acquisition technique but also as serving marketing purpose; do you see it that way?)

a. How do you think these institutions can retain these members at the standard price-point after they were acquired at a severely discounted rate?

AS MENTIONED ABOVE WE DID WORK WITH GROUPON, AND GOT 5,000 NEW MEMBERS. WE ALSO DID A DEAL WITH LIVING SOCIAL. YES – WILL BE DIFFICULT

TO RETAIN THEM ...BUT WE ARE PLANNING TO OFFER THEM DISCOUNTS IF THEY RENEW...AND HOPE WE CAN HANG ON TO THEM FOR ANOTHER YEAR AND THEN TRY TO RENEW THEM AT FULL PRICE FOR A THIRD YEAR.

IT IS A GREAT NEW MEMBER ACQUISITION TOOL, AND YES, IT IS ALSO A MARKETING TOOL. IT IS A ZERO COST TOOL...IF YOU DO A P&L COMPARING A DIRECT MAIL CAMPAIGN AND Groupon, YOU'LL MOST LIKELY MAKE MORE MONEY(AND MORE MEMBERS) WITH Groupon. THE TROUBLE IS THE DEVALUATION OF THE PRODUCT. SO WE HAVE TO BE CAREFUL ABOUT THAT. WE ARE USING THESE SERVICES SPARINGLY UNTIL WE KNOW HOW IT WILL REALLY AFFECT OUR PROGRAM.

LACMA Follow-up Questions

1. Ellen, what is your exact job title?

Director, Membership Marketing

2. I know you mentioned that membership totals before the recession had decreased every year since the King Tut exhibit, but once the recession hit did the numbers decrease more dramatically or did they decrease at a steady rate?

Decrease at a steady rate...just based on the timing of King Tut....it was such a big hit, that membership dropped off afterwards, and then the recession hit...so there were lots of factors...

3. Can you describe the reasoning behind including the “Learning More about You” aspect of Project Membership? Was this a unique way of demonstrating city pride and making a case for the arts, specifically LACMA, in LA? Also, do you feel like the exhibitions on view during Project Membership helped or hurt the effort?

I’m not totally sure where you are seeing the “Learning More about You” verbiage...can you let me know? That may have been the title of the blog post we did one day, which was just a small part of the campaign. But let me know where you are seeing that—thanks. I think the exhibitions on view at the time were a help to the campaign.

4. It has been over a year since you launched the Indie Membership, how have these new members been renewing? Is the rate higher/lower than expected and have many chosen to upgrade to Active (benefits for 2 with less than doubling the price)?

I would have to look this up for you and I just don’t have time right now...sorry!

5. You mentioned that LACMA is anticipating giving a discount to those members who joined via Groupon/Living Social, would you mind sharing what that discount might be?

It hasn't been set yet, but I would imagine we would try to get them back for \$35 or \$40 instead of the full \$50. Keep in mind they only paid \$25 to come on board. 6. I just noticed that you launched a Limited Edition Tim Burton Membership, can you explain what went behind that decision and how well you expect it to sell? It is a special offer for people who are real Tim Burton fans. It is way for us to increase revenue around this exhibition. We created a higher price point membership with a few extra benefits for the real Tim Burton fan. We've sold over 1,400...a great success.

Whitney Museum of American Art Questionnaire Responses for Thesis

Pre-recession questions:

1. Before the recession, what was your approach towards membership in general? How did you market it, how was it viewed by your institution, etc.?
 - a. For example, the Whitney has always considered itself to be innovative (website states, "innovation has been a hallmark of the Whitney since its beginnings"), was this reflected in membership before the recession?

The Whitney had a very standard membership program. We realized that you could take the logos off a number of organizations' brochures (Guggenheim, MoMA, etc.), switch the brochures around, and you'd have no idea which brochure belonged to which institution. We offered identical benefits, and museum membership departments weren't forced to market creatively. Memberships sold themselves.

The only aspect that set us apart was that the Whitney had a very strong and ambitious direct mail program that we were very proud of. Over time, we became less dependent on direct mail and more dependent on web- and lobby-based campaigns. This was due to a management shift and divide in expertise; it was not a strategic shift. However, it's unclear whether or not our direct mail program would have continued to succeed in the recession. During the recession, we borrowed from the for-profit world's page, and saw success during a very difficult period for fundraisers. More on that in a second!

2. How did the Whitney handle acquisitions and renewals before the recession? Was there an aggressive approach in terms of direct mail or marketing and did this approach focus more on the exhibition schedule or the museum's overall mission?

Like I mentioned above, we had a very successful direct mail program, which included two to three large acquisition mailings each other year, hitting approx. 150k mailboxes with each mailing. We had a control package that featured an institutional message, and we tested different exhibition-based packages that would perform better or worse than the control depending on the exhibition.

It is not known whether these acquisition mailings would have continued to succeed, as our direct mail-savvy director left and was replaced by a director who did not support direct mail –

and the latter started the day Lehman Brothers fell. My theory is that our creative programming allowed us to be successful amidst the recession, not our move from DM.

3. Before the recession, what were the numbers like and when did you start seeing them begin to drop?

We had almost 13k members before the recession and 10k by the beginning of 2010.

During the Recession questions:

1. What decisions and research went behind the development of the exceptionally innovative Curate Your Own Membership program?

Our director realized that we did not know very much about our members. With the recession causing many members to opt not to renew with us, we realized that we needed to respond with an innovative program that would steal share from our competitors in a marketplace saturated with first-rate museums. The qualitative (eight member and prospect focus groups) and quantitative (survey sent to thousands of members) research that followed was an effort to find out more about our members' unmet needs and to restructure a membership program that would address these interests and desires.

A huge number of internal staff and external consultants made Curate Your Own Membership possible. I was the project manager, and I worked with Lucid Marketing—an outside consulting firm—that delivered the initial concept, Linked by Air—an outside web programming firm—to create the website, the Whitney's graphic design team to create all of the supporting collateral, press department to distribute the press release, legal officer to register the trademark, marketing team for the expansive web marketing and social networking campaigns, outside web designers for flash web advertisements for NYMag.com and NYTimes.com, curatorial and education departments to develop the events and benefits, and so forth. A huge, staff-wide undertaking!

a. Was it just the recession that served as the impetus for the big change or were there other reasons behind launching the new tailored membership experience?

Yes, the recession and the resulting dip in our membership count prompted the research behind the Curate Your Own Membership program.

b. How was the idea for Curate Your Own Membership first received by the institution? Did the institutional culture for being "innovative" play a factor in the development of the program?

The institution was very receptive to the idea. However, we held a lot of early stakeholder meetings (in a group and one-on-one) to ensure buy in. With launch, we also hosted an all staff meeting where we introduced the program and handed out free t-shirts and info packets to the entire staff, which helped build excitement for the program.

The Whitney's focus on innovation helped because the staff is fairly comfortable thinking outside the box. The Whitney's staff prides itself in working for an edgy, "scrappy" museum. We had an energetic, creative staff that was game for a new challenge. Many bigger, stuffier institutions would have had a difficult time pushing forward a radical program like Curate Your Own because people get comfortable with the status quo. Sticking with the status quo was not a luxury the Whitney had in a recession – we had to fight for dollars during a time when members made tough decisions about which institutions they would continue to support.

c. Was there any concern internally that making drastic changes to the membership program could backfire and if so what helped the institution overcome these concerns?

We felt confident that we had a strong program in the works; the kind of innovative program that other museums would copy. So we were very secretive about our project, as we feared that another museum with a bigger budget or staff would get word of our idea and launch it before we did (the program took about a year to develop and launch). We never feared about it backfiring.

2. If I remember correctly, the Whitney collaborated with the Guggenheim on some membership acquisition initiatives, offering discounts to Guggenheim members if they joined the Whitney. Was this something that was done before the recession as well and if not, what prompted this collaboration?

a. Has the Whitney continued to work with the Guggenheim or other museums/cultural institutions to acquire members?

I'm not sure if the museum has continued to partner with the Guggenheim or other cultural organizations since I left, but I imagine so. We heard often in the focus groups that members didn't picture the Whitney as separate from MoMA or the New Museum, or any other NYC-based cultural organization. They saw us as together representing art in NY city, one big museum with many branches. Not true at all of course, but interesting that this was a common perception.

We realized that we could embrace our sister institutions and partner with them instead of competing against them, and the result would be win-win. People that join one museum or much more likely to join another. We want members to feel that by supporting the Whitney, they aren't just helping one museum, they are supporting art and culture in New York City.

3. What thinking went into the decision to use Group-on for membership acquisitions?

a. Was it considered as more of a marketing tool for CYOM than an acquisition tool?

Yes, we knew we would lose money or breakeven with Groupon. But we also knew that through Groupon, we would market our new program to over 150k prospects that we would not be able to reach otherwise. It brought in a new audience for the museum, and spread the word better than any other channel could have. We would not have partnered with Groupon ordinarily; the partnership only made sense for a product launch.

b. Do you feel like it diminished the philanthropic character of membership support?

No. The Groupon audience is social and value-oriented – perfect for Curate Your Own, which is really about access and good value. Few at the base levels give for philanthropic reasons. They're thinking, "What's in it for me?"

4. Are there any other changes in membership benefits that can be attributed partially, if not wholly, to the recession?
 - a. Reciprocal membership program? Biennial Memberships?

Both the reciprocal membership program and Biennial memberships were initiatives that we had hoped to do for many years, and both launched during the recession. This actually had nothing to do with the recession; it had to do with a growth in staff over the years. When I started, we were a staff of three and were stretched very thin. With the support of our Development Director, we eventually grew to be a staff of six with a dedicated person to focus on new benefits and cultivation initiatives (me!).

However, I launched Member Saturday Night, the expanded Uptown/Downtown Neighborhood Discount program, March Member Appreciation Month, and our welcome/check-in cultivation emails for new members as retention measures during the recession. These cultivation initiatives, even before Curate Your Own Membership's launch, helped us get closer to our pre-recession member counts.

5. Did the museum undergo restraining budget cuts, and if so, do you feel like this affected the membership in any way? (I'm thinking in terms of marketing budget and budgets for 'blockbuster' exhibitions)

No, fortunately not. Although there were layoffs, which negatively impacted morale.

6. Overall, do you feel like the institutional culture contributed to or stifled museum membership innovation?

Contributed. The staff was very open to the change and did not complain when we needed their help. It meant a lot of extra work for a lot of people, and for the most part, people were willing and excited to help.

Questions for Now/Future:

1. Given that the discount Group-on membership brought in new audiences, how is the Whitney planning to retain these members at the standard price point? Will they be offered a discount upon their renewal?

Yes, deep discounts will be necessary for the first and even second renewal years. We don't know what to expect regarding retention, but we had low expectations. Normally first-year members renew at a 33% response rate. I would venture that Groupon-ers will be below 20%, even with discounted dues.

2. Has the membership program reached its pre-recession numbers yet and if so, what would you attribute this to?

Yes, we were at just below 12k before Curate Your Own Membership's launch thanks the cultivation initiatives I mentioned above. In the first three months of Curate Your Own, we had attracted 1,600 new members (755 from Groupon). I recently checked in with my former colleagues, and they now have over 4,000 Curate Your Own members (many of which are former Individual/Dual members that have transitioned to Curate Your Own)!

3. Have CYOM and the recession affected higher membership levels, i.e. friend, patron, circle, fellow, sponsor?

Yes, those levels have dropped. We had maintained 100% retention for our Sponsors, who are longtime, philanthropic members requiring little stewardship. The other levels dipped, but not drastically during the recession.

Since leaving 6 months ago, I've learned that these levels have lost a lot of members. I like to think this has to do with my departure! I spent a lot of time forming personal relationships with these members, so it may be that they are not receiving the same amount of attention now.

4. Though the Whitney's membership program underwent some major changes, what remained consistent during the recession? (renewals, mailings, etc.)

Our 8-part renewal series became a 6-part series (due to the management shift), we continued to aggressively solicit for the Annual Fund, personalized Enewsletters and other special emails continued to be sent, and our events calendar grew, but remained focused on access to artists and taking members behind the scenes of the museum.

5. In what other ways has the Whitney been innovative with regards to its membership program during the recession?

See #4 under "During the Recession" – Member Saturday Night, March Member Appreciation Month, etc.

Whitney Museum of American Art Follow-up Questions:

1. Quick questions about the Biennial membership-- it was something that began because your research showed the biggest drop in renewals was between year one and year 2 of the membership, right? Also, was the biennial membership value discounted at all and what was the amount? Lastly, i know you can't speak of its success because the biennial members aren't up for renewal until 2012, but how do you think the biennial membership was received during its first year?

Yes, exactly -- we saw a lot of members dropping their membership in the year between Biennials, and then rejoining the next year for the exhibition. This was a way to keep them for the two years, and renew them again in time for the next Biennial. And yes, first year members

only renew at 33%, where two- and three- year members renew at ~70%. If we can turn them into multi-year members, they are much more likely to renew.

And yes, the price was discounted. Dual membership costs \$120, but the two-year Biennial membership only cost \$200 (\$40 savings). They also received invitations to the opening (usually reserved for \$250 members), a new Biennial Closing Party, and a special limited-edition membership card.

Philadelphia Museum of Art Questionnaire Responses for Thesis

Pre-recession questions:

1. Before the recession, what was your approach towards membership in general? How did you market it, how was it viewed by your institution, etc.?

We position membership as a way to support the Museum's work, but also a great value for visitors.

We market membership through all communications possible. We have a strong presence on the Museum's website, visitors see membership messages throughout the Museum (signage, brochures, ticket stubs), and our frontline staff pitch to all non-members buying tickets. We also send 1-1.5 million direct mail acquisition pieces to targeted prospects annually.

The Museum is very supportive of our membership marketing efforts and recognizes its importance. We generate over \$6.5 million in earned income annually, which is about 12% of the Museum's operating budget and average about 58,000 member households.

a. Comparatively, were membership benefits, direct mail, and marketing initiatives constantly changing and innovative or were they more established and permanent?

I'd say both. We have our core initiatives, such as frontline communications and sales, direct mail, and monthly renewal efforts, but we are always testing new ideas and innovative strategies to layer onto our core initiatives. We did unveil a new membership program in October 2010, where we modified our benefits and pricing.

2. How did PMA handle acquisitions and renewals before the recession? Was there an aggressive approach in terms of direct mail or marketing and did this approach focus more on the exhibition schedule or the museum's overall mission?

As mentioned above, we did and still do have aggressive acquisition and renewal programs. Our frontline staffs' efforts generate over \$1 million annually. Our direct mail acquisition campaigns generally include 4-5 mailings a year that total 1-1.5 million pieces. We have a 7-letter renewal series where we begin soliciting members for renewal two months before expiration. We reinforce our mail campaigns with e-mails, telemarketing, and voice messaging as well.

Acquisition marketing has been primarily exhibition focused. Members receive free tickets, and so membership is a great value especially in year where we have popular or numerous ticketed

special exhibitions. Mission is also weaved into the pitch, but is a smaller portion of the solicitation than exhibitions in acquisition efforts.

Renewals on the other hand do highlight the exhibitions and the value of membership, but we highlight supporting the Museum's mission and programs more.

a. Given the big names and high-quality exhibitions offered on a frequent basis, was the exhibition schedule a large marketing component for membership acquisitions?

Yes, when the more prominent exhibitions are open or coming soon, membership acquisitions are much higher.

3. Before the recession, what were the numbers like and when did you start seeing them begin to drop (if they did drop)?

a. If membership numbers did drop, was it across the board or more common in higher membership levels?

We saw a small dip in the fall of 2008 around the time the recession began, but we've fluctuated and always do in relation to the exhibition programming. We hit our all time high membership count (65,500+) in June of 2009 largely due to the success of the Cézanne and Beyond exhibition.

During the Recession questions:

1. Did the recession prompt any major changes in membership levels or benefits?

We had a price increase right before the recession (September 2008) and rolled out the new program in October 2010, but these were not related to the recession.

2. When did PMA launch its reciprocal program and what was the reasoning behind starting it? Was this something that came into effect during the recession or was it already in place beforehand?

We've had the reciprocal program for a number of years (not exactly sure how many).

a. If the reciprocal program pre-dated the recession, was it a benefit that was expressed more after the recession?

Id's say slightly more since we've starting weaving the "staycation" idea in solicitations.

3. Did you collaborate with any other cultural institutions in an attempt to acquire new members?

a. For example, the Whitney and Guggenheim partnered together to offer discounts to each others' members if they joined the other museum. Did PMA collaborate with other museums in this way or was collaboration limited to the reciprocal program?

No, sometimes we'll cross promote discounts to programs (for example we offered Opera supporters a discount on Capucci tickets, and they in turn offered our members a discount to one of their Romeo and Juliet production), but not the idea that you get a discount for joining both of the organizations.

4. Did the museum undergo restraining budget cuts, and if so, do you feel like this affected the membership in any way? (I'm thinking in terms of marketing budget and budgets for 'blockbuster' exhibitions and their effect on membership)

Yes, since the recession budgets have been tighter than in the past for exhibitions and membership marketing.

5. Are there any other changes/innovations in membership benefits/levels or initiatives regarding marketing, direct mail, renewals, etc. that can be attributed partially, if not wholly, to the recession?

No

6. Overall, do you feel like the institutional culture contributed to or stifled museum membership innovation?

Contributed to

Questions for Now/Future:

1. Would you ever/have you ever considered using "Group-on" for a membership campaign? (Some institutions value it not just as an acquisition technique but also as serving marketing purpose; do you see it that way?)

We did one for a 4-pack of general admission tickets. We sold 137. We also did a Philly dealyo (a local version run by the Philadelphia Inquirer) for Late Renoir tickets. I believe we sold about 50 that time. We would not consider offering one for membership since the discount is so deep and since the company takes such a large commission.

a. How do you think these institutions can retain these members at the standard price-point after they were acquired at a severely discounted rate?

I think this is a huge challenge and why we have chosen not to participate.

2. Has the membership program reached its pre-recession numbers yet and if so, what would you attribute this to?

As mentioned above, our household count has always fluctuated due to the exhibition program and we hit our all-time high in June 2009.

3. Though certain aspects of membership changed during the recession/as a result of the recession, what remained constant throughout?

I'd say the core product – free admission, free tickets, and supporting the Museum.

4. Are there any other initiatives with regard to membership that will occur in the near future/have not been mentioned elsewhere in this questionnaire?

I wonder how smart phones will become a part of our business. Will we begin sending text blasts or have apps? I also wonder if there will be more shifts towards a la carte membership like the Whitney's curate your own membership program.

Philadelphia Museum of Art Follow-up Questions

1. When budgets grew tighter, many museums greatly decreased their direct mail efforts. As you mentioned, PMA was still able to continue its direct mail program with only minor changes. Do you feel like decreased direct mail competition played any role in helping PMA reach record numbers?

That's an interesting question. We actually have not considered decreased competition in relation to our success. I believe it could have been a factor, especially if arts patrons were cutting back on the number of memberships they purchased a year and we were one of the organizations still mailing aggressively.

2. You mentioned that membership numbers reached a record high in 2009 largely due to the success of the Cezanne exhibition; did the onsite conversion rate increase during this time frame?

Yes, we reached 4.24% when average is about 2.5%. When an exhibition is popular, the membership pitch on the frontlines becomes more success because if the visitor is coming to see the show, joining to see free makes sense. Plus, we were able to announce the Picasso exhibition that was planned for that winter/spring. Members joining to see Cezanne free, would also get free Picasso tickets, a great value proposition. Additionally, we have a "member solution ticket" strategy for busy exhibition times when we hold a number of tickets for members joining on the frontlines. If a show is sold out into the afternoon or all day, the offer of joining and going right in is very successful. Also, how did those renewals do in 2010 for those who had joined during Cezanne, did they renew at a typical rate or was it higher/lower than average? Our renewal rates for new members is always lower than multi-years or rejoins. Also, renewal rates for frontline joiners is always lower than other channels (the impulse factor). Knowing this we launched a number of retention strategies, such as sending various "thank you" messages, and offers to encourage more visits (we know the more a member visits in a year, the more likely they are to renew, and if they only see the special exhibition they joined for the likelihood of renewal is very low).

3. I know you mentioned that the new 2010 membership program was not developed because of the recession, but can you comment on why it was developed? (reasoning behind the changes, what changes were made, etc.)

It had been a number of years since the program was changed, with small price increases periodically. We felt it was time to evaluate the program and ask our members what they wanted. We also postulated that by shifting benefits and prices in a certain way, we could upgrade more of our lower levels into mid levels, and that would bring a large increase in revenue since about 75% of the membership was either an Individual, Dual, or Household. The biggest changes we made were: 1) We combine the \$100 Dual and \$110 Household into a new \$115 Dual Plus category. The research showed that the traditional family constructs are much less prevalent and members choose categories based on how they visit, not their household. With that change, we loosened the restrictions on the people you could bring with a membership. Before, Dual was 2 adults in the same household. Household added 4 children in the household, presumably the children of the two adults. Now, with Dual Plus the primary membership holder can bring any other adult with them or even opt for a “Guest Card” and up to 4 children, grandchildren, nieces/nephews, whomever. 2) We moved the 4 exhibition ticket benefits down to the new \$185 Friends and Family category (formerly at \$300 Sustainer), and the reciprocity (free admission at 50 partner museums) benefit up to the \$225 Ambassador (formerly \$175 Supporter) category. The research showed that the 2 extra tickets were a bigger driver for upgrades, and those that wanted the reciprocity were willing to pay more. We choose the Friends and Family name to communicate “bring more people”. We choose the “Ambassador” name to communicate “travel” 3) We branded the 3 highest levels (before our \$2,000 Associates program) as the Museum Circle and raised the prices for Sustainer (was \$300, now \$400) and Sponsor (was \$600, now \$750). Patron remained at \$1,000. We learned that at these levels, members were more interested in social programs and supporting the museum rather than specific benefits and their values. We now communicate much differently to this group, and have added a number of special programs for them.

4. Membership numbers obviously grew to record totals, but were memberships purchased across the board (at all levels) or were increases seen mostly in the lower level categories? Lower levels since we had so many new members join for the exhibition, and new members tend to come in at the lower levels, then we work to upgrade as they renew. Did membership revenue and total number of memberships grow at a corresponding rate?

Yes. Even though membership totals increased, did you see drops in higher level members during the recession? Yes, and we’re still seeing that.

MoMA Interview Transcription

JULIE: Thank you so much for agreeing to meet with me... To start off, I’ll give you a brief overview of what my thesis is... basically I want to look at with the troubled economy, innovation in membership programs whether it be just different types of marketing, changes in benefits—how everyone shifted once the economy went downhill. That’s kind of like a very broad sense of what I’m researching

MOMA MEMBERSHIP 1: Well that’s a very popular topic right now

JULIE: No one at my school has ever done their thesis on membership before since the program started so my thesis advisor was pretty excited, so I’m hoping I can deliver.

MOMA MEMBERSHIP 1: Well, even if you were to look at Amazon or online, there's a lot of fundraising books out there, but nothing specifically on membership... I keep saying I'm going to write one

MOMA MEMBERSHIP 2: You should! Meagan could write a book, absolutely.

MOMA MEMBERSHIP 1: (Laughing) New York Times Best Seller...

JULIE: Well if you're the only one that does it, it's going to have to be used as a reference. So, I kind of broke up my questions into pre-recession, during the recession, and kind of like now and the future of what you guys are doing.

MOMA MEMBERSHIP 1: Alright, shoot.

JULIE: In general, what was the approach to membership before the recession—how did you market it, how was it viewed within the institution, and things like that...

MOMA MEMBERSHIP 1: Well, I would say that, for us, the watershed moment was not really pre-recession/post-recession. The watershed moment was our reopening in 2004 and that is when we really started changing the way that we did membership. I don't know if you know this, but MoMA has had a membership program since the museum was started in 1929—they opened with one, which is very thoughtful and very unusual at the time. And it kind of... it didn't have permanent staff at the beginning, it was just something that was on the side and it grew organically on its own until the 1960s when they had somewhere around 30,000 members. And it would spike up and down depending upon whether or not they had a blockbuster, or as we call them here anchor shows... we don't call them blockbusters. But when we knew that we had gone out to Queens and we knew we were going to come back here to this big building, lots of editorial coverage, and lots of kind of the press and coverage that you can't buy. We knew it was going to be the right time to strike, so we really ramped up... I think what you'll find when you talk to other programs is that most museum membership programs have a traditional direct mail program—sort of a large mailing, depending upon the institution of around 100,000 and 300,000 pieces in the fall and then they'll do another campaign in the spring—all very campaign based. We just decided that we were just going to mail and mail and mail and mail. Our first test mailings went out in the spring time of 2004. We were going dark that summer and we were going to be reopening in the fall. We were just shooting out these mailings and the response rates were just amazing and everything was coming back making a profit and so we just invested and invested and invested at that moment and tried to capitalize on all that coverage. So that's really what built our spike. That got us to a point where a year after the reopening we were at about 100,000 households. So that's when we really started to do everything a little bit differently and I think learning at that time to do everything a little bit differently ended up serving us well during a difficult economy because we are... some people don't like the word aggressive, but when it comes to direct response we're pretty aggressive here, especially compared to other arts and cultural institutions. We mail on a scale that maybe social organizations are used to doing or you know... larger cultural heritage organizations are used to doing, but arts and cultural... most

of them are not mailing like we're mailing. I mean... a rough figure, how many pieces are we doing a year, including renewals?

MOMA MEMBERSHIP 2: I think, with renewals, we're doing close to 2 million pieces a year.

JULIE: Wow.

MOMA MEMBERSHIP 1: So then when the economy got difficult we scaled back to the extent that we were doing less upgrade mailing and less sort of aggressive pitching and trying to massage people upwards, but we didn't really cut back on the quantity of our mail. We were still asking. I think what came of that is that we were in the space while other people were backing out of it. We had a tremendous year. We had a great exhibition that year, so that helped... we had a very popular film exhibition, the Tim Burton exhibition and we were mailing at a time when no one else was mailing and everyone else was seeing their count going down and we were seeing our count going up.

JULIE: That's great! I know that Tim Burton probably brought in a different type of audience that maybe was typical... is that affecting renewals at all, like having that new audience?

MOMA MEMBERSHIP 1: We always have that affect after the exhibition. We'll have the exhibition driven people that will lapse out of the program. It really happens with any exhibition, but we also approach things a little differently, and I'll let L talk about it, but we don't really go out with strong exhibition messages in our direct response. You know there's always people who come to the museum to see the exhibition and they join onsite and they may not renew the following year... L, do you want to talk about our direct response approach?

MOMA MEMBERSHIP 2: Yeah... traditionally with the program the exhibition may have been featured, but now we really talk about the museum as a whole as well as the membership program as a whole. So we're not focusing on how you'll get into this exhibition, but we're talking about all your benefits and the value behind that. We also talk about, in every mailing, that membership support goes above and beyond your benefits, you know you're helping out the museum, you're helping out educational programs. We really try to touch on those three areas. We try to feature something to get someone's interest potentially, but we also find if we test a special exhibition package vs. a more general approach, they usually perform about the same, if not the general approach is performing a little better. It's better not to alienate an audience maybe by an exhibition, especially something like Tim Burton because it was a younger crowd that we got. Are more traditional targeted crowd may not have been as interested, so we really try to cover those three main areas.

MOMA MEMBERSHIP 1: We send a very institutional message.

JULIE: Was Tim Burton just a year ago this spring?

MOMA MEMBERSHIP 1: Yea, it closed in April.

JULIE: So they're all up for renewal right about now?

MOMA MEMBERSHIP 1: Yeah, the exhibition was November through April, so we're most of the way through most of those people's expiration cycle.

JULIE: Do you feel like you got most of them back?

MOMA MEMBERSHIP 1: Most of, maybe not, but what we expected.

MOMA MEMBERSHIP 2: We didn't bomb out on any of them. I also think that they're slowing coming back into the pool, maybe because they're waiting for something that they're more interested in. It is a more exhibition focused crowd, so that's a little different than our normal membership base.

MOMA MEMBERSHIP 1: We lose people every year. With a program this size, and any membership program, we call it the leaky bucket—you're putting water in the bucket and its holding most of it, but there's always water coming out the bottom.

JULIE: Is it about 75%, your renewal rate?

MOMA MEMBERSHIP 1: No, it's about 70% overall, it's good and it's certainly profitable.

JULIE: I thought I had read somewhere that MoMA was one of the first institutions to market membership in ads and things like that, rather than just having exhibition driven ads, they also had like "join today" or "skip the line" campaigns, is that true?

MOMA MEMBERSHIP 1: I don't really know what other organizations have been doing, but I do know that we've been doing membership specific advertising for a while now.

JULIE: Since 2004ish?

MOMA MEMBERSHIP 1: Yea, I would say really since the reopening. We've always had onsite advertising specifically for membership, but in the outside world... of course the digital age has made that much easier, much more affordable. Print advertising is just outrageously expensive and we've benefited from being at an institution that does a lot of paid advertising, so we've been able to piggyback on those things and just combine our messages, but membership specific advertising is usually digital for us. We've done a couple of print efforts, but I don't even think that it's necessarily that effective.

MOMA MEMBERSHIP 2: I think we're trying to move more and more where the trends are going into the online world and it's a constant figuring out how to really advertise a membership with a higher ask. We're finding some successful areas and some that aren't.

MOMA MEMBERSHIP 1: I mean, we calculate our lifetime value of our members and that's basically looking at all their donations that come in through all channels of the museum, retail spend and benefit ticket purchases and things like that. We group that all together and then we figure out sort of what their lifetime value is. It's really long-term value, it's like a 5 year calculation and so for example we know that is, I'm using a fake number because it changes, but

let's say it is \$290. Well, we know that when we're going to go out and spend money to acquire new members we don't want to spend more than \$290 because we want to be able to make a profit on that person for the long-term. So, print advertising just doesn't always have that kind of guarantee because it's expensive.

MOMA MEMBERSHIP 2: It is expensive and we have other ways of getting people.

MOMA MEMBERSHIP 1: And I think too, and probably any institution would tell you this, it's a big ask for a cold ask, like a street post or a newspaper ad—we always say you're asking them to marry you before you take them out on a date. We do much better with converting people onsite and direct response that's on someone's screen or in someone's hand, which is a much more personal experience.

JULIE: Did you start seeing your numbers drop at any point, like dramatically, as the recession began to take hold?

MOMA MEMBERSHIP 1: No we never went down.

JULIE: Good for you guys! That's great!

MOMA MEMBERSHIP 1: Yeah, it was partly exhibition driven and partly we just didn't... I think we were luckier than some organizations, we never had a budget reduction—we had minor budget reductions where we were asked to give back small percentages of our budget at that time, but we never went down.

JULIE: That's great.

MOMA MEMBERSHIP 1: The only experience I could relate it to was when we moved to Queens and our count did go down, but we were expecting that.

JULIE: Did you change membership benefits at all as a result, or have they pretty much been constant?

MOMA MEMBERSHIP 1: I think we've tried to enhance the value proposition of membership. We have added a few new benefits.

MOMA MEMBERSHIP 2: We've added an early viewing hour 9:30-10:30 every day before the museum opens so that they can come in and see a specific exhibition—whatever we have scheduled

MOMA MEMBERSHIP 1: That's been well received.

JULIE: And that started?

MOMA MEMBERSHIP 2: Oh, I guess that was almost a year ago—started with Matisse—July/August of last year

MOMA MEMBERSHIP 1: Wait was it 2009?

MOMA MEMBERSHIP 2: No, it was 2010 right?

MOMA MEMBERSHIP 1: Well, only feels like longer... look it up on the website, it definitely started with Matisse and obviously that was a very large show and it was very well received for that show. It doesn't cost the museum much money, but it's something that just enhances that membership value.

MOMA MEMBERSHIP 2: Exclusive access. And our events coordinator—she'll do what she calls a Modern Members night where she invites a group of members to come to the museum open after hours. There's kind of a sprinkling of benefits that we're adding just as a thank you and to keep people.

JULIE: To help with retention?

MOMA MEMBERSHIP 1: Yea and we do daytime talks to for member's only, just guided tours that meet at the member services desk and we used to have them once a month and now we're doing them once every two weeks. Again, these are things that don't cost the museum much and just make the person feel like there's more value and when they get their e-news there's more offerings there so it enhances the perception.

JULIE: Did you collaborate with any other cultural institutions in an attempt to acquire new members? I know the Whitney and the Guggenheim worked together recently to try to do something in terms of that. I didn't think you guys did, but I figured let me at least just ask.

MOMA MEMBERSHIP 1: No, but for our mailings we'll exchange lists with other organizations.

MOMA MEMBERSHIP 2: Yea, we do that.

MOMA MEMBERSHIP 1: But beyond that, no. And we don't have any reciprocal arrangements with any institutions—we stand alone. Haha

MOMA MEMBERSHIP 2: Haha, we love all those institutions, but we don't do any cross-partnerships.

MOMA MEMBERSHIP 1: We talk to them a lot because we share a lot of the same concerns and back office processing type issues of large programs.

JULIE: I kind of wanted to see, how did you feel the institutional culture of the museum affected how you continued your program as the economy was getting worse?

MOMA MEMBERSHIP 1: Once again, we were lucky because at one time we were probably much like any other institution in that there was (it was never really bad here, but it is in some

institutions), this internal competition between admission sales and membership sales... that were poaching off each other and one is in conflict with the other. We fought that battle a long time ago in like the 90s... I've been here for over 14 years... we did a lot of educating in senior staff and management to make people understand the value of converting someone from a visitor to a member or a retail shopper to a member. All those conversations were well in the past by the time we got to difficult times, so membership has sort of seeped into the fabric of this institution and everyone seems to be on board, at least the revenue generating areas are all on board. So we work very well with our retail department, they convert members for us, we work really well with our visitor services department, their staff is incentivized to convert people to members and so it's sort of part of our culture. So that's not a battle we had to fight when the economy got rough.

JULIE: So no internal tensions, that's good to know... So, was there any type of new approach to your renewal process that you began at all after the recession started?

MOMA MEMBERSHIP 2: Yea, I can talk quickly about that. We have a very aggressive renewal process—we're mailing the member potentially up to 7 times with our renewal program. We found that it's actually very profitable for each mailing—people like to renew and different cycles in their renewal. It's very aggressive in that sense, but because we're mailing so much and because the quantity that we're mailing, we have a nice liberty of testing a lot of things—testing different letters, testing different formats, testing different carriers. So in that sense we have been able to fine tune the program as we move along and really find out what's working best and kind of change things as exhibitions change, as benefits grow—we're able to kind of capitalize on tests. That has been a great asset to us, just the great quantity that we have the ability to test.

MOMA MEMBERSHIP 1: Again, I don't know if that was recession motivated, but again in difficult times that comes in handy especially when you have a culture of having control packages and testing against them. It enables you to be a little bit more nimble because you know what you're doing, you know how to do that. If we had package A and we were mailing package A every month and then all of a sudden package A wasn't working because the economy was so bad, then you're kind of in alert. We have months where we have up to 24 different segments going out, so we're always testing different things and I think that works well in kind of a weird economy.

JULIE: Have you always pretty much been doing the 7 mailings, I mean how has it been spread out?

MOMA MEMBERSHIP 1: When I started, again we're going back over 14 years, we already had 5 mailings, so we've just added those additional two pieces over the course of that time. You know, this is sort of a given membership thing, it's sort of if your third ones making money, do a fourth, if your fourth ones making money do a fifth, keep going until you find one that's not making money and then don't do that one. You know, if you're making money on a fifth and then you try a sixth and it's not making money then don't keep doing the sixth, but keep doing the fifth, so that's what we've done over the years and of course with the new ways of doing things and the new paradigms, there are emails incorporated into that series as well.

JULIE: Good. And was there anything new that you tried internet based, considering maybe trying to cut back on the cost of mailing? Did you increase your internet touches?

MOMA MEMBERSHIP 2: We've increased our e-renewals program certainly, we're adding layers to that, and again we're testing again in that program. We've actually seen a big increase in the revenue, just in renewals, which is great because that saves us money on our mailings. Another thing we're encouraging in our mailings is to rather than mailing back their renewal, going online because there's cost savings for us there as well on the processing side. So we've certainly been seeing a lot of activity there. Everything is trending towards the online world in general, but we're certainly calling awareness to our members and letting them know of their options. So that is definitely helping with costs. But the mail program is still important, we're not cutting back necessarily on the mail program in any way, but we're kind of trying to push it to drive more activity online.

MOMA MEMBERSHIP 1: We've had a lot of pressure on us over the last few years to cut back on the cost of mailing our paper member calendar, which is sort of just a monthly calendar of events and programs and we've really dug our heels in and resisted that. We do have an online option now, a sort of flip-able online magazine that people can go through, but while we presented that opportunity to people, we have not forced anyone. We have not said that from now on we'll be emailing you with a link to this calendar. We're letting people make that decision on their own because we, like many arts and culture organizations, have an older, somewhat older demographic and we just don't feel like it's the right thing to do just in terms of our own self-interest to force people into doing that who are not comfortable with it, but the pressure is there.

JULIE: I think that it would be, that's why I was asking haha. Were there any other ideas thrown around in terms of increasing memberships or was it pretty much just the standard? I know LACMA did the 10,000 members in 10 weeks, and then people were using Groupon.

MOMA MEMBERSHIP 1: I'd like to find out how that went at LACMA

JULIE: I didn't go well from what I've heard

MOMA MEMBERSHIP 1: They didn't get their 10,000?

JULIE: No, it didn't go well, they didn't get their 10,000 and then the campaign just shut down. I'm looking into it; it's going to be part of the thesis.

MOMA MEMBERSHIP 1: Even at the time when we found out about it, I said, you're really nailing yourself to the wall. It's a big number. It's very aggressive and if it doesn't work you really have to admit that it didn't work.

JULIE: I think they put a lot of money into it to try to drive it with their new internet site...

MOMA MEMBERSHIP 2: I feel bad for them that it didn't work.

MOMA MEMBERSHIP 1: We've been approached by Groupon for years. We were approached by them right at the time when they were putting it together for the Art Institute of Chicago, which I believe was the first art museum to do it. Actually it's funny because I was actually at the Art Institute for like a mini-conference that week while they were getting it organized and they were all excited. We wanted to wait and see what would happen, because my gut feeling, which I learned not to trust, which is why we test everything... but my gut feeling was that it was going to be a lot of people that we really discount driven and really value driven and that's not necessarily who we're looking for as an institution. We're looking for someone who we can develop and who will upgrade and give to the annual fund and give to other things. That's what we're always thinking about. That didn't seem like the right approach for us, so we wanted to wait and see. I was also afraid that everyone would want to use it for a renewal and then you're just giving a discount on renewals. I think their feeling was that those two things did happen and I've since spoken to colleagues at other institutions who've tried it and their feeling is that the jury is still out because they don't have enough years of tracking to kind of see what happened to those people, but I don't think anyone's come out of it think that it's the best thing we ever did.

JULIE: Exactly, I mean I had for my next question, how do you think these institutions can retain these members at a standard price-point after they've been severely discounted.

MOMA MEMBERSHIP 1: I don't think you can. You know, people say you keep them how you get them. If you get people on a premium they're going to be looking for a premium the next year. If you get them on a discount, they're going to keep looking for a discount. We don't do discounts.

JULIE: Do you do discounts at all for early renewals?

MOMA MEMBERSHIP 1: No.

JULIE: Not even a small discount or something for renewing early?

MOMA MEMBERSHIP 1: Sometimes, we'll do one month or two months free, or something like that. We'll add on time, but we won't discount the prices.

JULIE: And what is the thinking behind that?

MOMA MEMBERSHIP 1: I just don't think it sends the right message to people. It sends the message that you're on sale. We always like to fundraise from a position of strength, not that we're desperate for your support but that we want you to feel like it's important to give your support. And again, that's just not the kind of person who you're going to have a nice high retention rate or have the security that they're going to stay with you and give to other things. I think those are people who should probably be buying tickets.

MOMA MEMBERSHIP 2: And by doing the months extension, you're kind of giving that person a little longer to enjoy their membership, so the thinking behind that is so they understand the value a little bit more and they understand what membership gives them.

MOMA MEMBERSHIP 1: I think the right kind of person that we want is motivated by that extra time and much more so than just wanting to have 8 dollars back or something like that.

MOMA MEMBERSHIP 2: Right.

JULIE: Okay, I've heard that some institutions don't like giving the extra two months because they want to get them into the feel of giving on a continual basis and if they give them two months or an extra three months it kind of takes them out of the reminder to keep giving.

MOMA MEMBERSHIP 1: That's not what our data indicates.

MOMA MEMBERSHIP 2: No, definitely not.

JULIE: That's good to know. I think you've already answered this question, but I was going to ask, have you ever considered using a reciprocal program to kind of bump members up into a higher category? I think you're individual level is \$75

MOMA MEMBERSHIP 1: Yea it is.

JULIE: Usual for the reciprocal program it has to be \$100 or something.

MOMA MEMBERSHIP 1: We've never done it. We have about 30,000 members nationally, outside of the tri-state area and then we have about 10-11,000 members internationally. I personally have never had anyone give me a good reasonable argument if we gave reciprocity why would someone in London join MoMA instead of joining the Tate. You know, we have people who are in other cities and other countries—we have tons of people in Chicago, LA, San Francisco, Dallas, Miami, D.C.—I just don't see why if they can join their local institution and get into MoMA, why would they join MoMA. And I know there are other motivations for joining MoMA, but I just don't see how it benefits us. I don't think it's enough of an incentive for people here in New York to join... I think it erodes us as an international and national institution and I don't want to top-heavy with local members and lose all of our international and national members. That's my feeling. I've never been convinced out of it so far. I've listened to arguments, but I've never been convinced.

JULIE: Okay, that's good to know. Oh, this is the one important question that I left out. Was there any type of research you guys went into, besides the testing, which is obviously very strong point, was there any other research that went into making any changes to your membership programs in the last few years?

MOMA MEMBERSHIP 2: Yea, we'll do surveys at least once or twice a year with current members and sometimes we reach out to lapsed members just to get a feel for if you lapsed, why did you lapse—was there something about the program you didn't like, was it monetary related,

etc. Current members we sort of ask the same questions so we can keep a pulse on what people are thinking and if we see anything drastic, we would definitely take it into consideration. To be honest, a lot of the feedback we get is very good.

MOMA MEMBERSHIP 1: Very positive.

MOMA MEMBERSHIP 2: They're very happy with the benefits.

MOMA MEMBERSHIP 1: I love reading those open comments.

MOMA MEMBERSHIP 2: They think the benefits justify the cost—they think their membership is very valuable. So we certainly rely on research to keep us up to date.

JULIE: So it's mostly just in house?

MOMA MEMBERSHIP 1: Every couple of years we'll contract with an outside research to do something really comprehensive, like a demographic, just so that we can keep a good finger on the pulse on who our members are and where they're from and the income and this and that, just to have benchmark information and that sponsors and people who work with the museum are really interested in that kind of information, like exhibition sponsors. So that, I think is important to do every couple of years, to spend a little bit of money and do that. But for smaller things—our graphics team redesigned our member calendar slightly. They redesigned the cover and we just did a little survey monkey to like 10-12,000 people to get a sense of how people were liking it. Just to make sure that we didn't do anything wrong, we'll do a lot more of those sort of mini-type of things throughout the year and that costs nothing or next to nothing.

JULIE: So pretty much, all in all, things didn't really change drastically because you guys had already kind of prepared in 2004 and fought a lot of the battles already?

MOMA MEMBERSHIP 1: Yea I think we were lucky that way.

MOMA MEMBERSHIP 2: Yea, definitely. It certainly helped that we had a great range of membership categories and give people an option still if they wanted to downgrade and still be a part of the museum, so there's a nice option for them.

MOMA MEMBERSHIP 1: We did see downgrades.

JULIE: I was going to say, did you see downgrades?

MOMA MEMBERSHIP 1: We do telemarketing, for renewals, and we'd do calls and there'd be people that would say to the caller, I just can't do it right now because I've lost my job. So the instructions for our telemarketer were to let us know who those people were and we just did complimentary extensions for a lot of those people for a year because our feeling was that these are people who have been there for us and we wanted to be there for them. And we didn't do it to generate good will we did it because it was right, but it did generate a lot of good will. We felt that happening to our members in a way that any institution would.

JULIE: So did you see that more for the higher level members or was it across the board?

MOMA MEMBERSHIP 1: We don't do telemarketing for our higher level members, but people who are sort of higher end donors assigned to major gifts officers and stuff, I know they helped people on a case by case basis. And we had people who couldn't do there \$10,000 gifts, but you do what you think is right, help them along, and then they come back the following year. Maybe you don't comp a \$10,000 member, but you invite them and make sure they come see a few exhibitions and have them come in and walk around an exhibition with you. They remember that and they come back the next year, and a lot of people do come back.

JULIE: That's good, I didn't even think about that as something that was going on. Is there anything else you guys feel like I should ask other museums when I'm interviewing them. You are my first one so thanks guys!

MOMA MEMBERSHIP 1: Please know that after the fact, you can contact me and ask questions that maybe you got from interviews with other people etc. But yea, I think ask the same questions and get a feel for how other institutions handled it. It will be more interesting in a way to talk to people whose budgets were more affected. I know some of our colleagues had to do layoffs and some people did furloughs and some people had different parts of their staff cut. We were kind of insulated from that, but it's not to say it could never happen. We would definitely like to read your thesis, find out how other people dealt with those issues. While we didn't layoff staff we did have a hiring freeze, which meant that any positions were vacated for retirement or whatever the case may be, we did not refill them for almost 2 years and there were some key positions. Like one of our member services desk left right after the hiring freeze and that position was vacant for almost two years and that was painful, very painful for the other people that worked there.

JULIE: And so your membership staff, if you don't mind me asking, how many people are on board?

MOMA MEMBERSHIP 1: There are 6 of us upstairs, including myself. We have 2 for marketing, 2 for programming and events, and then myself and my assistant. Then we have a lobby manager and a lobby coordinator, then five paid professional staff that sell memberships at the desk. So actually the bulk of the department is downstairs.

JULIE: So then you split it about half and half.

MOMA MEMBERSHIP 1: Yes, and they do come upstairs and help us with customer service stuff, answer emails for us and things like that.

JULIE: Do you feel like it's a large benefit to have so much paid staff downstairs? Because I know a lot of smaller institutions will have that as a volunteer position.

MOMA MEMBERSHIP 1: Before the reopening of the old building, which was here in the new building, in the old times, we did have volunteers, and they were great for the foot traffic that we

had at that time. But I don't know if you've ever been here on a rainy day—we reopened with volunteers, but I just got to the point where I was tearing my hair out. I finally went into my boss's office and said, it's me or the desk. You have to make a decision, because we cannot continue doing this to them, because they had people yelling at them. They were in their 70s and they had people yelling and screaming at them. There's people 15 deep at the desk, some of them didn't even know how to work a mouse. The system and the volume was just so different that we really had no choice. We think it's been a huge part of our success. We hire for customer service skills, we train them, there's ongoing training, and I think they really know how to sell and they really know how to up-sell much more so. I mean, back in the days I'd go down there to refill the supplies and I'd hear someone saying, "well you know if you don't really think you're going to use it again, you should just buy a ticket. If you don't think you're going to come here all the time, then this doesn't make sense for you." I'd be like AHHHH are you kidding!

JULIE: Yea, got to give them a reason to come back!

MOMA MEMBERSHIP 1: Suffice it to say, our staff now does not do that.

JULIE: Do you personally train them?

MOMA MEMBERSHIP 1: Yea.

JULIE: That's good, that's great. Were there any other specific institutions that you think would be interesting to look at besides Art Institute of Chicago, LACMA, Whitney?

MOMA MEMBERSHIP 1: You know, I think if you could get a chance to talk to the MET that would certainly be interesting. They do have volunteers at their desk so having that same conversation with them would probably be very different. A lot of our gift processing, you know our processing of checks is done out of house, I think they're still doing a lot of that in house. So their program is just a little bit different from ours. It might be interesting to talk to them. I can give you some contact info for the right person to email if you'd like.

JULIE: That would be wonderful, thank you so much! I think that's about it, but I really appreciate it you guys! If anything else comes to mind, I'll reach out.

MOMA MEMBERSHIP 1: Certainly, we're here.

JULIE: That is great and I really appreciate it. Thank you for being my test round!