The League of Chicago Theatres

# Dimensions of Online Ticket Purchase

April 30, 2009

Audience research and planning for the mission-driven world.

**The Searle Funds at The Chicago Community Trust**

4147 North Ravenswood Ave. #302
Chicago, Illinois 60613
773.348.9200 main
773.348.9209 fax
hello@sloverlinett.com
**www.sloverlinett.com**

# Table of Contents

# Project Overview

Objectives

Methodology

# Objectives

- The League of Chicago Theatres (LOCT) seeks to build the audiences of its member theaters and strengthen its brand through increasing online ticket purchase
- In support of this goal, Slover Linett conducted focus groups (reported in January 2009) and completed surveys of in-theater respondents and members of the League's online database
- The goals of this phase of research include answering the following:
  - How do patrons secure theater information?  How would they like to?
  - How do patrons purchase their tickets?
  - How do patrons feel about the current online options for information and ticketing?
  - What potential online capabilities would they like to see?

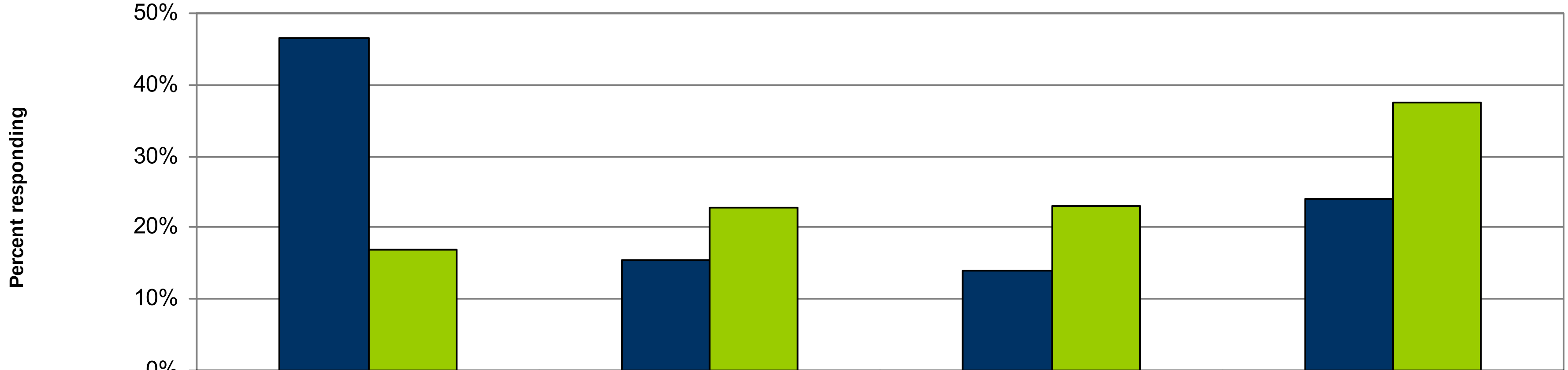
# Methodology

- We used two methods to get feedback from theater patrons:  a self-administered survey at performances, and an online census of the League's email database
- **In-theater respondents:** The self-administered survey was completed by 420 patrons at six theaters between March 12 and April 16
  - Our goal was to include a mix of small, medium, large, and commercial theaters
  - Through the help and support of the theater staffs, we secured the following completed questionnaires:
    - → Steppenwolf Theatre Co. (large), 144 completed surveys
    - → Writers' Theatre (medium), 66
    - → TimeLine Theatre Co. (medium), 60
    - → Broadway in Chicago (commercial), 51
    - → Strawdog Theatre Co. (small), 45
    - → Lifeline Theatre (small), 37
    - → Lookingglass Theatre Co. (large), 17
- **Hot Tix online database:** The online census was completed between March 23 and April 3 by 1,719 of the 24,008 online database members who received the invitation (668 additional emails bounced back as undeliverable)
  - The response rate of 7% is typical for web surveys of arts and culture databases

# **Key Findings:** Buying Habits

## Buying habits: More than half of theater-goers buy <u>some</u> tickets online; about one-third buy <u>all</u> tickets that way

***Percentage of performances bought online in the past year***



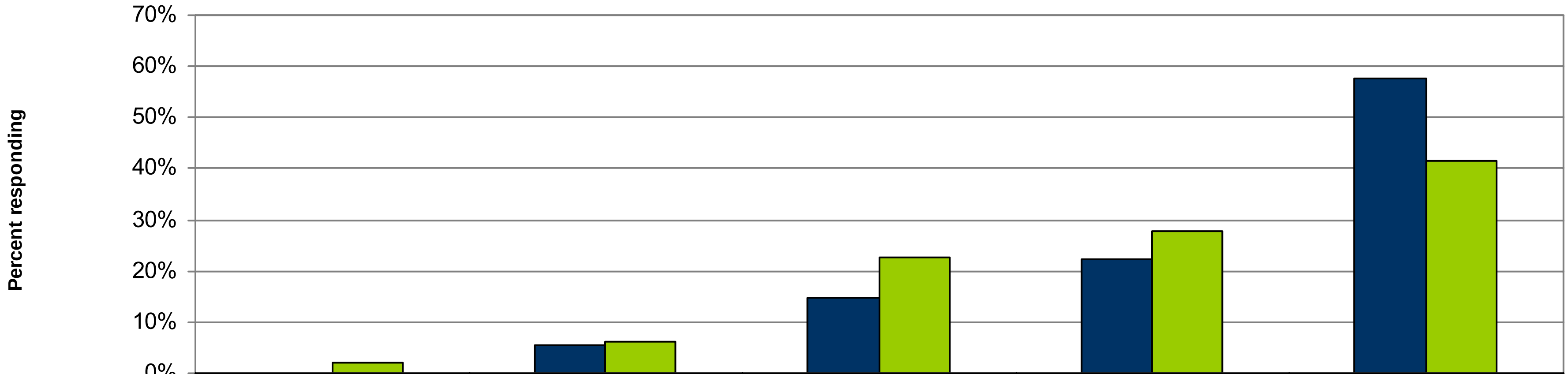

| | None | Less than half | More than half | All |
|---|---|---|---|---|
| In-theater Respondents | 47% | 16% | 14% | 24% |
| Hot Tix Online Database | 17% | 23% | 23% | 37% |

- Online ticket purchasing has penetrated 83% of the Hot Tix online database population and 53% of the in-theater respondents
  - 17% of online database members have never bought online, and another 23% buy less than half their tickets online
- <u>Implication</u>: In-theater patrons are a priority audience for efforts to increase online purchases, but reaching them will require cooperation and coordination with individual theaters
- <u>Implication</u>: The Hot Tix online database, because of its size and ease of LOCT access, offers a large target audience for efforts to increase online purchases

*In-theater Respondent n= 413*
*Hot Tix Online Database n= 1,673*

## **Buying habits:** Theater attendance is high among both in-theater and online respondents

***In the past year, about how many live theater performances have you been to?***




| | None in the Past Year* | (Just This) One Performance | 2-3 Performances | 4-6 Performances | 7 or More Performances |
|---|---|---|---|---|---|
| In-theater Respondents | -- | 6% | 15% | 22% | 58% |
| Hot Tix Online Database | 2% | 6% | 23% | 28% | 41% |

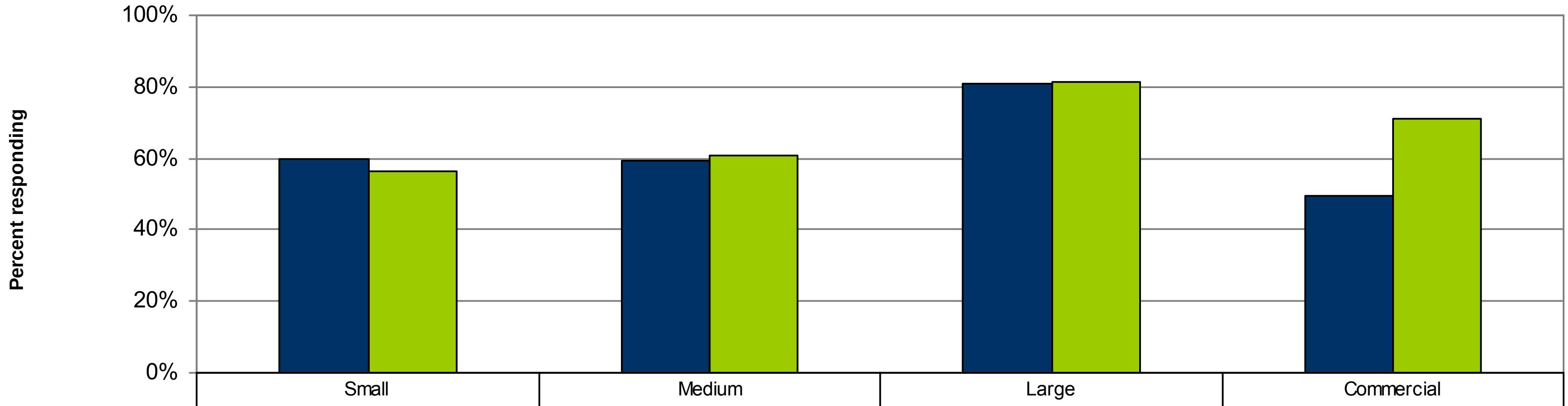
- Overall, more than two-thirds of respondents attend 4 or more performances per year
  - In part, this high level of theater patronage may be because those who took the time to respond to our survey are more interested in the Chicago theater scene
  - However, any high-engagement bias does not weaken the analysis; these more enthusiastic theater goers are in fact the "low hanging fruit" for increasing online ticket sales
- One of the few ways in-theater respondents differ from online database members is in their frequency of attendance
  - More than half of the in-theater patrons attend 7 or more performances per year, while the median for Hot Tix online database members is 4 to 6 performances (itself a very high number)
- Implication: Theater database membership is associated with higher online ticketing, as we saw in the previous slide; recruiting in-theater patrons to Hot Tix or sites where full price tickets are sold would increase online sales

*In-theater Respondent n= 419*
*Hot Tix Online Database n= 1,716*

*The In-theater survey did not include this response option.

# **Buying habits:** Respondents report a mix of attendance at sizes and types of theater

***What types of theater have you attended in the past year?***



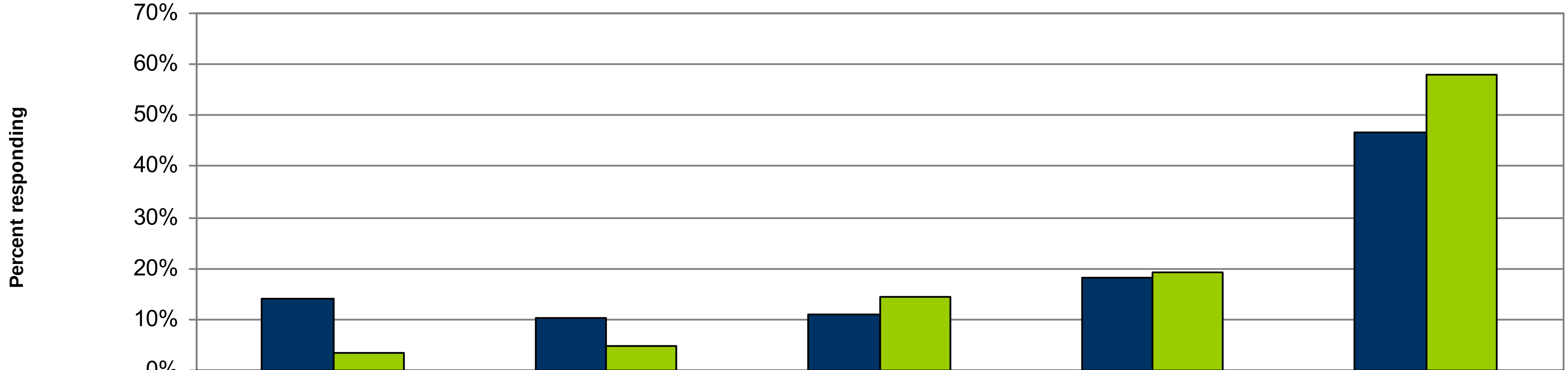

| | Small | Medium | Large | Commercial |
|---|---|---|---|---|
| In-theater Respondents | 60% | 59% | 81% | 49% |
| Hot Tix Online Database | 56% | 61% | 81% | 71% |

- The profile of theater attendance looks identical for patrons and online database members – except for commercial theaters like Broadway in Chicago
  - In-theater respondents were much less likely than Hot Tix database members to have attended commercial theater in the past year
  - This may result from the fact that many Hot Tix offerings are for commercial theaters, or that some patrons with a taste for "serious" theater might not like commercial theater
- There is sizable attendance crossover at theaters of different types/sizes
  - 29% of respondents report attending all four categories in the past year
  - 83% report attending two or more categories
  - Large and commercial theaters have the highest proportion of people who go only to that type (about 6% each)

*In-theater Respondent n= 381*
*Hot Tix Online Database n= 1,553*

# Buying habits: More than half of patrons have at least some misgivings about online purchase

***How comfortable are you with purchasing theater tickets online?***
Scale of 1 "Not at all comfortable" to 5 "Completely Comfortable"



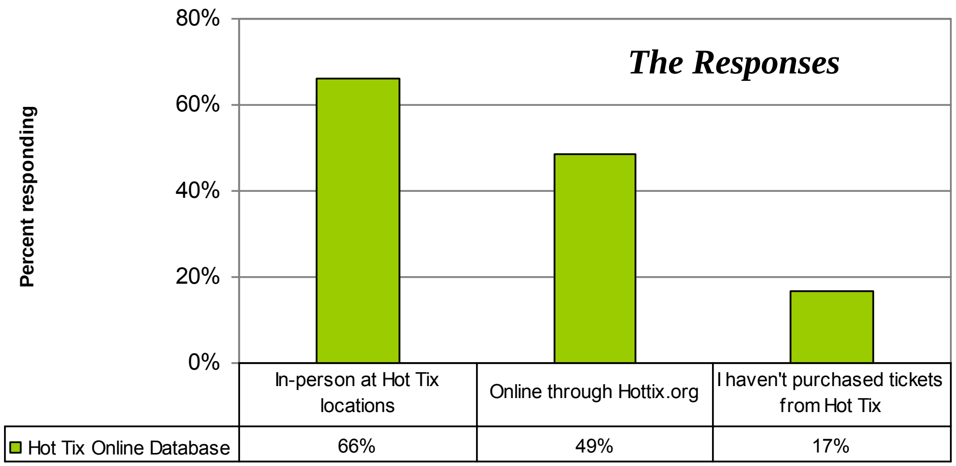

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| In-theater Respondents | 14% | 10% | 11% | 18% | 47% |
| Hot Tix Online Database | 4% | 5% | 15% | 19% | 58% |

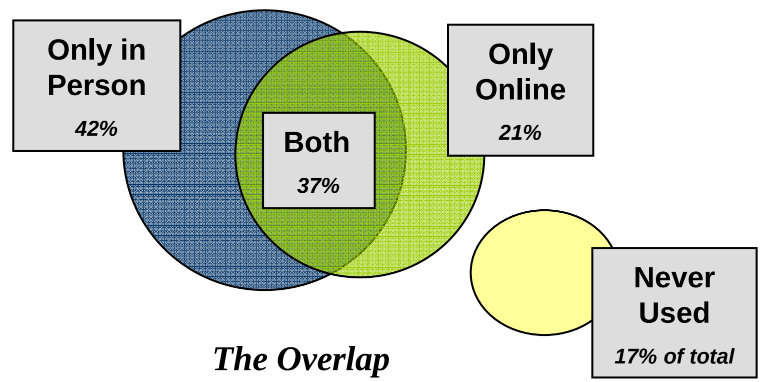
- A service like online ticketing, easy to opt out of, cannot be satisfied with anything less than the highest ratings; a 4 or below indicates service problems
- Later slides will explore the nature of respondent misgivings, which are dominated by strong feelings about Ticketmaster
  - Ticketmaster is the Achilles Heel of online purchasing, and LOCT's strategies for off-setting its negative image are central to improved online ticket purchase
- Implication: The more potential purchasers can be provided with an online experience that mirrors the best of the box office experience and offsets Ticketmaster's weaknesses, the greater the willingness to use this resource

*In-theater Respondent n= 396*
*Hot Tix Online Database n= 1,677*

# Buying habits: Among Hot Tix database respondents, online-only purchasers are a minority

***How have you purchased tickets from Hot Tix in the past?***
*(not asked of theater patrons)*

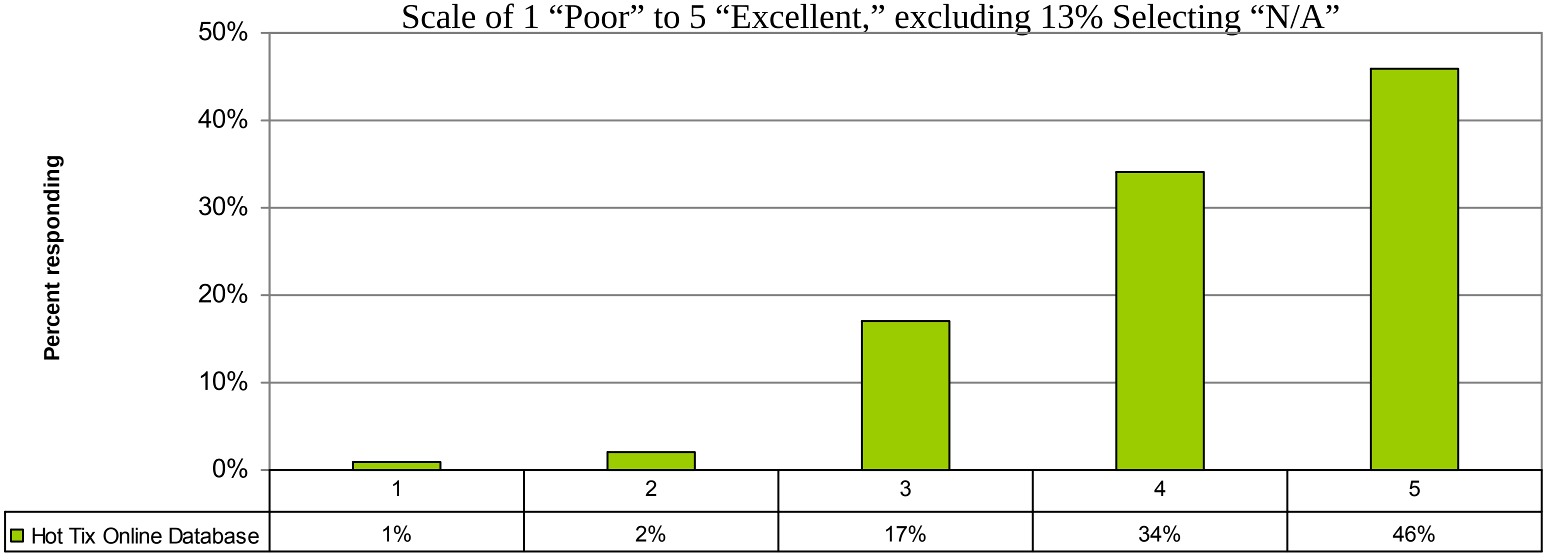



- Of those who have ever purchased through Hot Tix, only 21% used only the online portal
  - 42% have purchased only in person, and 37% have purchased both online and in person
- 17% of Hot Tix online database members report never having purchased tickets through Hot Tix
- Implication: In-person purchase has been a gateway to online purchase, but 42% of subscribers have not yet traversed the gate
- Implication: The online database is fertile territory for promoting online ticketing, both through Hot Tix itself and full price online sources

## Buying habits: Hot Tix enjoys a favorable customer evaluation

***Overall, how would you rate your experience buying discount tickets at Hot Tix?***
***(not asked of theater patrons)***
Scale of 1 "Poor" to 5 "Excellent," excluding 13% Selecting "N/A"




- The largest proportion of respondents selected the highest ranking, a very positive result for the Hot Tix brand
  - The mean was 4.2, an excellent rating; the values grouped tightly around that mean, with a standard deviation of .9
- We asked respondents to comment on their answers, and over 800 did
  - Praised were price, convenience, friendly staff, ease of use, and online purchase capability
  - Criticized were Ticketmaster "highway robbery," the closing of suburban Hot Tix locations, and inventory limitations
  - The full text of these comments can be found in the appendix
- Implication: Hot Tix provides a nicely performing platform on which to build the online consumer base; by carefully addressing the issues detailed in the comments of those rating under 5, that platform would become even stronger

*Hot Tix Online Database n= 1,619*

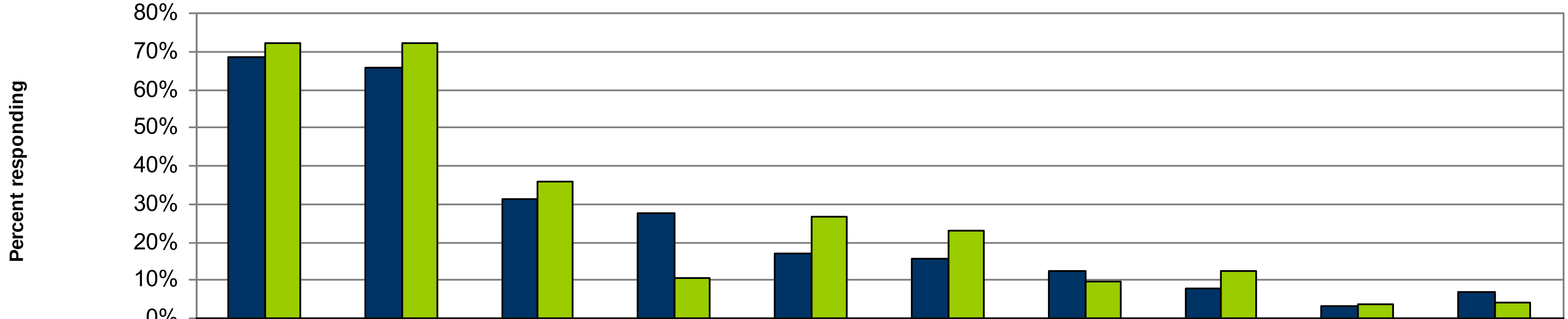
## Buying habits: Drilling down into the Hot Tix experience reveals variation by type of service, age, and location

- We looked at how the evaluation of the Hot Tix experience changed for various subgroups, focusing on the average rating and a measure of spread, the standard deviation
- Online purchasers rated Hot Tix's service slightly higher than in-person purchasers did (4.3 vs. 4.2), with a smaller spread of responses (standard deviation .82 versus .88)
  - This suggests that the online experience is both more uniform and more favorably evaluated than is the Hot Tix in-person experience – a strong foundation to build on for future online ticketing
  - Implication: Although it was lavishly praised in the verbatim comments, the Hot Tix box office experience may need improvement to equal the theater box office experience, which was highly touted in the focus groups
- People ages 55 to 74 gave the Hot Tix experience the highest ratings; people older and younger gave lower ratings with narrower spread
  - There were no gender differences
  - Implication: Younger Hot Tix purchasers may have higher expectations of in-person service and web site functionality, and elders may need a simpler, clearer experience in-person and online
- Geographic location made a difference in evaluation of Hot Tix
  - Respondents from the south and west suburbs rated it highest
  - Respondents from Chicago and the north and northwest suburbs rated it lowest
  - Implication: The closing of the Skokie Hot Tix booth was mentioned as a negative by many in the north suburbs; locations with lower median incomes rated Hot Tix higher, perhaps reflecting a greater appreciation of the availability of discounted tickets

## **Key Findings:**
## Motivators & Detractors to Buying Online

**Motivators of buying online:** Stay-at-home purchase and 24/7 availability are online's primary selling points

***Top benefits of buying tickets online (respondents could check all that apply)***



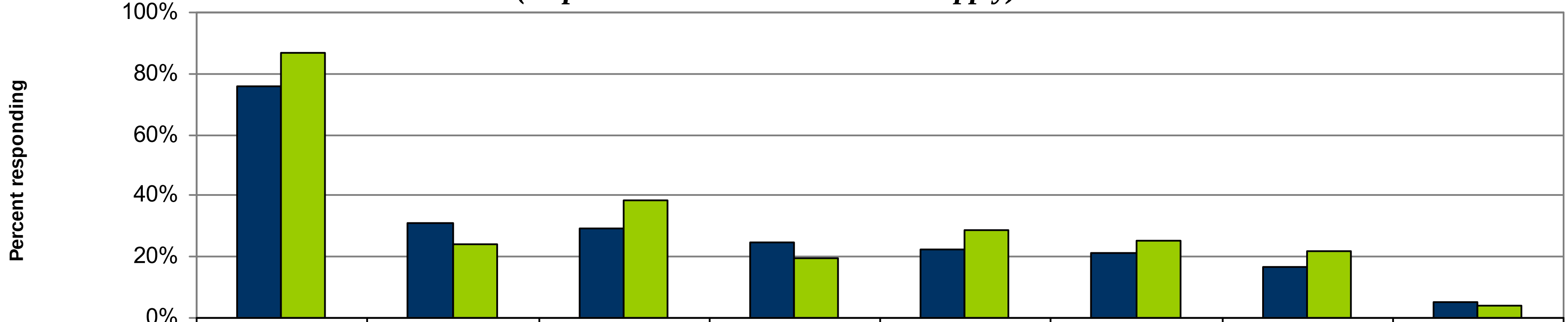

| | Ability to purchase tickets 24/7 | No need to travel to the box office | Image of the view from your seats | Access to tickets nationwide | Greater awareness of offerings | Ability to print tickets at home | Access to info at theater website | Getting last-minute seats | Tickets to "sold-out" performances | Other |
|---|---|---|---|---|---|---|---|---|---|---|
| In-theater Respondents | 69% | 66% | 31% | 28% | 17% | 16% | 13% | 8% | 3% | 7% |
| Hot Tix Online Database | 72% | 72% | 36% | 11% | 27% | 23% | 10% | 12% | 4% | 4% |

- Convenience leads the list of key motivators to online purchase, with access to special information a distant second
  - Only a few may know about accessing desirable seats online through persistence and last-minute shopping (this "inside" information created a buzz in the focus groups)
- The pattern of online motivators is very similar between the two respondent groups
  - Among the "other" benefits given most often were availability of discount tickets, the ability to choose seats, and the ease of comparison shopping
- A higher proportion of online database members than in-theater respondents cite positive reasons for most items
  - A notable exception, nationwide access to tickets, could result from patrons being more enthusiastic and more frequent theater-goers
- Implication: Publicizing the "hidden" advantages of online ticketing can increase its appeal among existing online users, but it will be important to communicate the top two benefits to recruit non-online buyers

*In-theater Respondent n= 372*
*Hot Tix Online Database n= 1,641*

## **Detractors of buying online:** Service fees impair the online experience for many

***What are the main disadvantages of buying tickets online?***
***(respondents could check all that apply)***




| | Service fees | No opportunity to interact with box office staff | Restriction to so-called "best available" seat | Frustration with computer issues | Risk of credit card fraud or identity theft | Seat option may be offered for only a minute or two | Limited seat selection | Other |
|---|---|---|---|---|---|---|---|---|
| In-theater Respondents | 76% | 31% | 29% | 25% | 22% | 22% | 17% | 5% |
| Hot Tix Online Database | 87% | 24% | 38% | 19% | 29% | 25% | 22% | 4% |

- 4 out of 5 respondents are dissatisfied with service fees, far outpacing all other complaints about online ticketing
  - Among the "other" disadvantages given most often were the unavailability of discount information online, inability to determine seating arrangements, handicap access problems, and the need for equipment and internet services that not everyone can access
- As with the advantages of online purchase, the pattern of opinion is similar for in-theater respondents and Hot Tix online database members
  - Online database members report more dissatisfaction, except regarding the lack of interaction with box office staff and computer frustration
- Implication: Ways to soften the effects of fees, though difficult to implement, would greatly increase the satisfaction with online purchasing

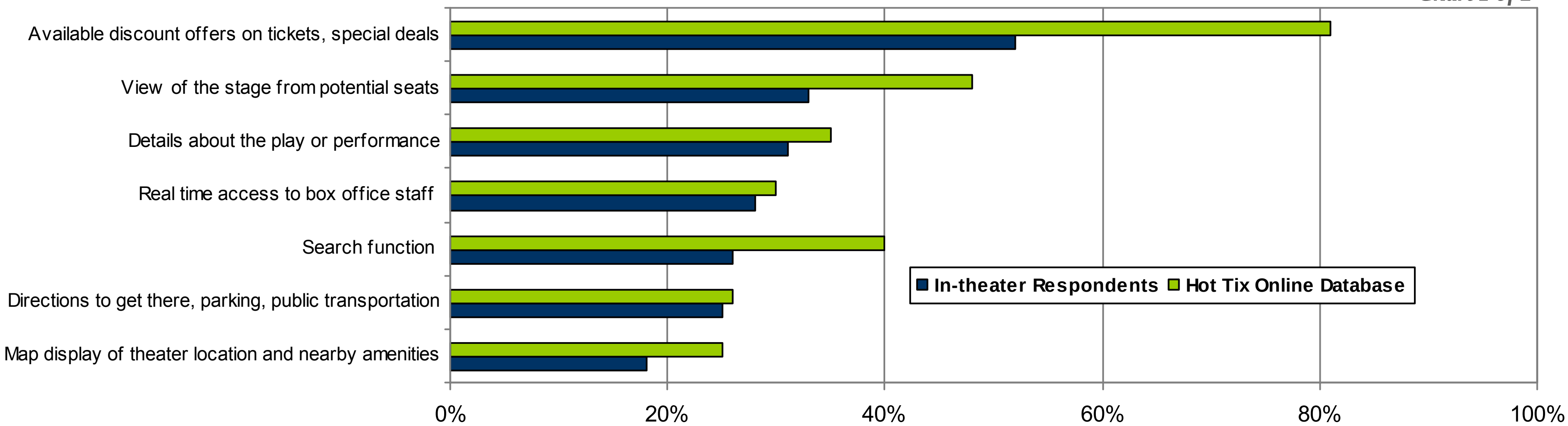
*In-theater Respondent n= 382*
*Hot Tix Online Database n= 1,649*

# Motivators to buying online: Discount offers and special deals are online's strongest lure

***To what degree would each of these potential online features make it more likely you would buy tickets online?***

Percentage checking the top box "Very much"

*Chart 1 of 2*




- The potential for online resources to give information not available anywhere else – real-time updates on deals and discounts, a view of the stage from possible seats, play details, and geographic information – generates the highest reported increase in likelihood to buy online
- The option to chat with box office staff online, an innovation suggested by focus group participants, was strongly supported by the survey results
- The two samples differ in their estimation of a handful of potential features
  - Overall, Hot Tix online database members are more responsive to new features, reflecting their comfort with web usage
  - Database members are also more sensitive to discounts and deals, and to learning the view of their seats and searching for new theater opportunities, suggesting they are seeking new experiences
- Implication: Online database members are more responsive to online enhancements than are patrons, suggesting such enhancements could result in an immediate increase in online purchasing; they are most sensitive to price-related enhancements – after all, that's a key reason they signed up for Hot Tix

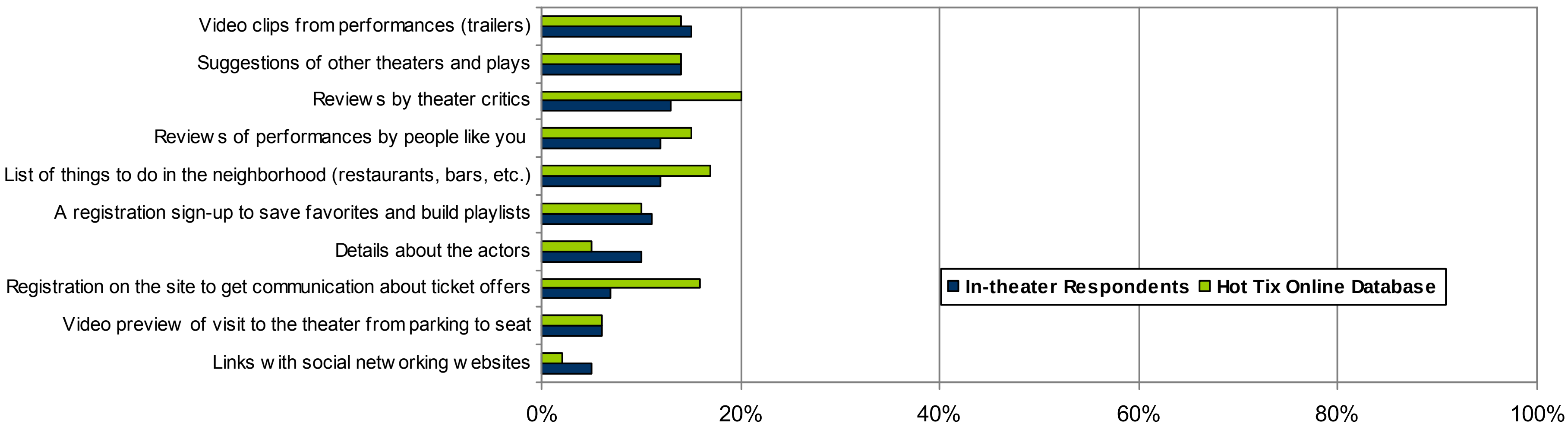
*In-theater Respondent n= 376*
*Hot Tix Online Database n= 1,591*

# Motivators to buying online: Social networking and Tweets are not seen as gateways to increased online purchasing

***To what degree would each of these potential online features make it more likely you would buy tickets online?***

Percentage checking the top box "Very much"

*Chart 2 of 2*




- Lower-rated features appeal to niche audiences: critic and peer reviews, neighborhood attractions, a registration feature, and details about the actors
  - Hot Tix online database members are more receptive to a number of these niche features (especially reviews by critics and peers, referrals to neighborhood activities, and site registration) than are patrons
- Facebook, MySpace, and other social networking sites are not likely to increase this population's online ticket buying, at least at current levels of penetration of this relatively new phenomenon

*In-theater Respondent n= 376*
*Hot Tix Online Database n= 1,591*

## Motivators to buying online: Audience subgroups differ in their support for potential enhancements

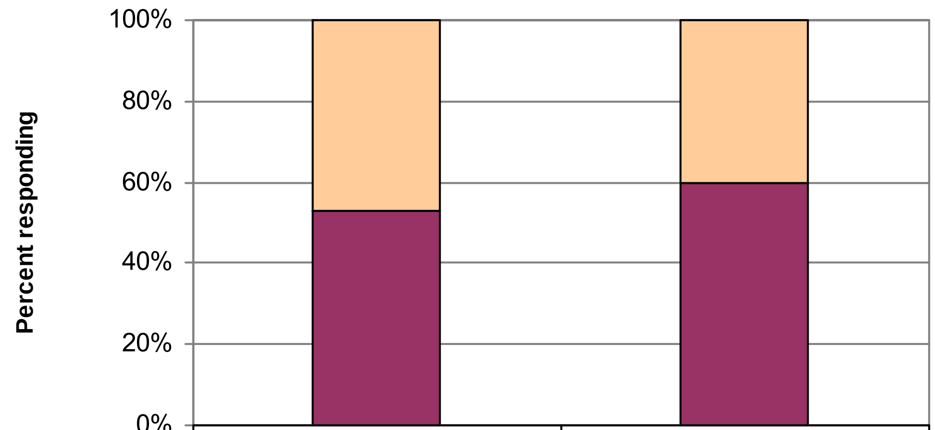
- Since the two samples were different in terms of their rating of potential enhancements, we report separately for each
- In-theater respondents
  - Those with less than the highest online ticketing comfort levels, and those who have never purchased tickets online, show lower support for all enhancements
  - In terms of theater size, patrons who primarily attend small theaters showed a distinct pattern; they more strongly supported:
    - → information on how to get there, where to park, and things to do in the neighborhood
    - → play details
    - → suggestions for theaters and plays similar to ones they already like
    - → website video presentations of information
  - Implication: The small theater patron appears to be a "breed apart:" more eager than other theater-goers to broaden their experience and depth of understanding, and possibly more in need of help because the smaller theaters may not provide as much information directly
- Online database respondents
  - Respondents with lower online ticketing comfort levels, and those who have never purchased tickets online, are more supportive of only two enhancements: real time access to box office staff and a video preview of the entire theater visit
  - Differences by size of theater visited were minimal
  - Implication: The low online purchase/comfort level audience values the extras provided by a box office visit; they look favorably on enhancements that simulate such a visit through video and internet chat

*N's for small (42) and medium (46) theaters are low, so findings are suggestive only. N's for large (106), commercial (100), and all four (502) can more validly support generalization.*

**Key Findings:**
# Information Gathering

# Information gathering: A large minority of respondents passively await information rather than seeking it out

***Do you use websites or other information sources when looking for information about theater events?***



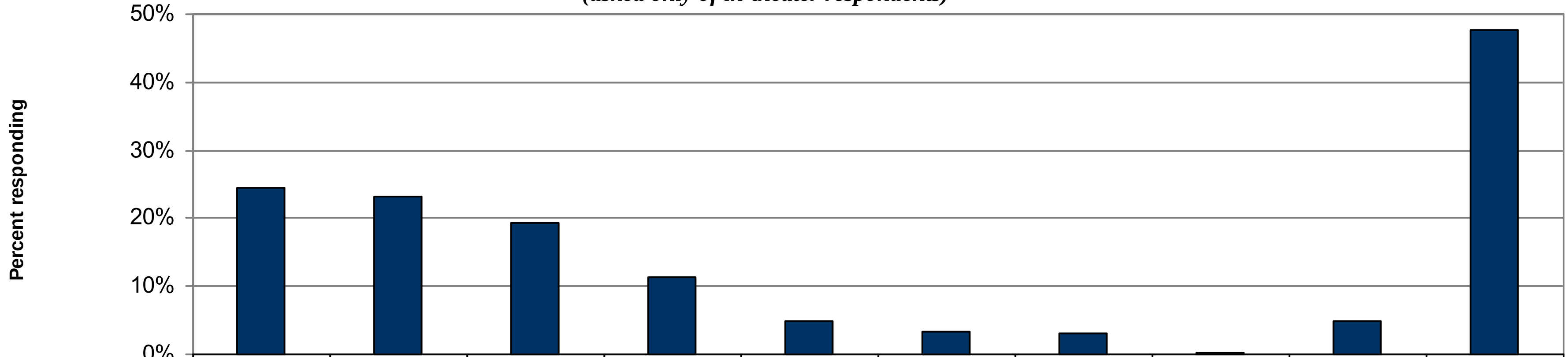

| | In-theater Respondents | Hot Tix Online Database |
|---|---|---|
| No, I let the information come to me | 47% | 40% |
| Yes, I use online sources | 53% | 60% |

- The majority of respondents actively seek information about theater events; however, a large minority simply let information come to them through mailings, media, and word of mouth
  - Hot Tix online database members are a bit more likely to actively search out information, but as many as 40% of them report passivity in that regard
- Implication: The 40-50% of respondents who do not actively search for theater information may need to be taught how to seek information in order to move them online. By making it easier to get timely information on the web, theaters could also help individuals in this area

*In-theater Respondent n= 345*
*Hot Tix Online Database n= 1,511*

# **Information gathering:** Traditional sources still dominate information sources for theater-goers

***Where did you get information about today's performance?***
***(asked only of in-theater respondents)***



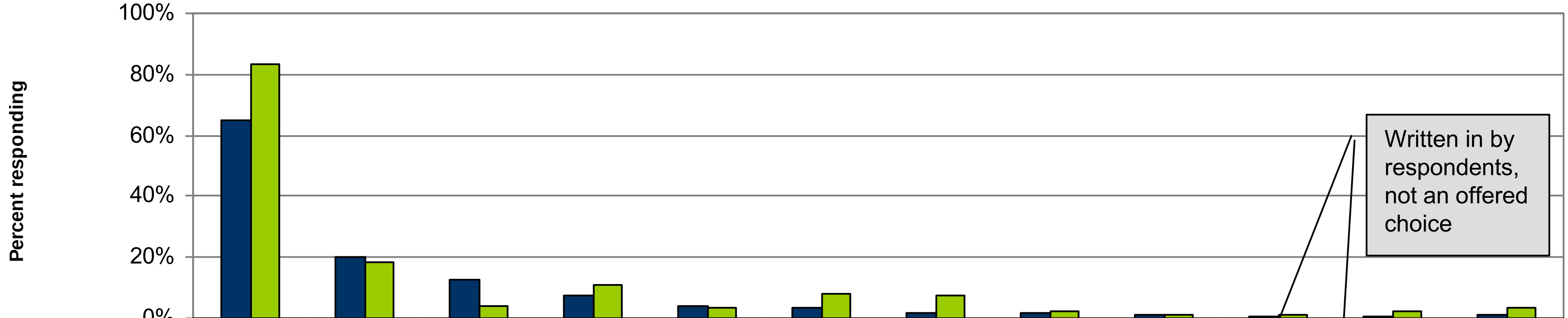

| | Info received in the mail from the theater | A new spaper listing, radio, or television | The theater's w ebsite | An email from the theater | Theater box office | Metromix | Chicagoplays .com | Social netw orking w ebsites | Another w ebsite or online source | Other |
|---|---|---|---|---|---|---|---|---|---|---|
| In-theater Respondents | 25% | 23% | 19% | 11% | 5% | 3% | 3% | 0% | 5% | 48% |

- In spite of online information availability, postal mail and media listings garner the highest number of mentions from among the answers offered respondents
  - Next are other theater-specific sources:  the website, email, or the box office
  - Other web sources lag far behind as information sources for in-theater respondents
- The large number of "other" responses indicates that many people don't rely on information directly from "official" sources, but use informal information curators – the classic two-step flow of communication
  - "Other" verbatims were dominated by "word of mouth" answers – recommendations from spouses, friends, cast members, and so on
  - Subscribers and season ticket holders also populate the "other" category
  - The full text of "other" responses is available in the appendix

*In-theater Respondent n= 388*

## **Information gathering:** Email is the overwhelming preference for theater information

***What's the one best way for a theater to update you about their offerings, discounts, last-minute deals, blocks of seats that become available, and so on?***




| | By email | Posted on the theater's website | By postal mail | Newspaper listing, radio, or TV | Social networking websites | Metromix | Chicago plays.com | Another online source | Twitter, RSS feeds | Goldstar | HotTix.com | Other |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| In-theater Respondents | 65% | 20% | 13% | 8% | 4% | 3% | 2% | 2% | 1% | 1% | 0% | 1% |
| Hot Tix Subscribers | 83% | 18% | 4% | 11% | 3% | 8% | 8% | 2% | 1% | 1% | 2% | 3% |

- Hot Tix online database members, and to a lesser degree in-theater respondents, look to email for the most convenient source of theater information
  - No other source garners more than 20% of the audience
- Implication: To counter the deluge of emails that an individual theater approach might generate, LOCT could seek to become *THE* theater information consolidator – a must-read one-stop shop that stops right in the e-mailbox of theater-goers

*In-theater Respondent n= 378*
*Hot Tix Online Database n= 1,577*

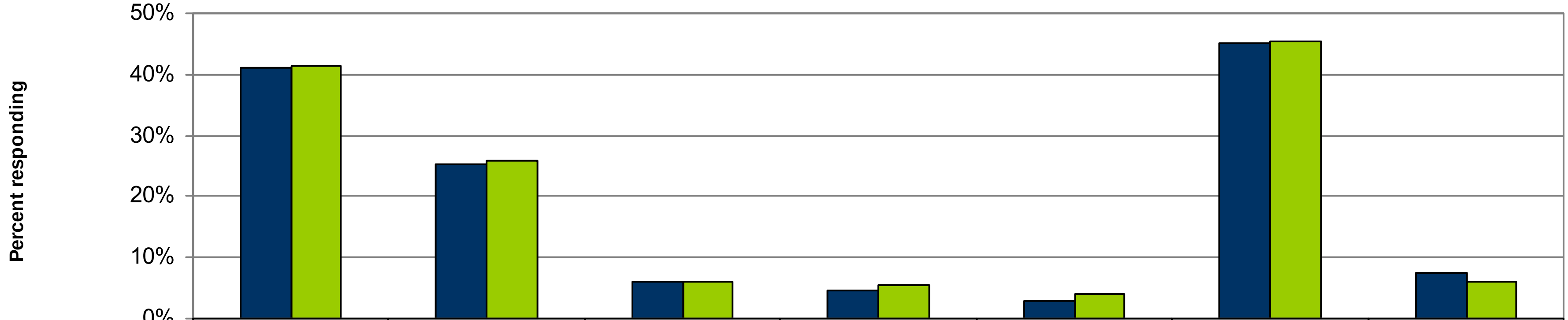
# Information gathering: Within the strong preference for email, nuanced patterns exist

- A strong theater size preference makes a difference in terms of preferred information sources
  - Small theater patrons have a distinctive information profile that suggests active information gathering
    - → Those who go only to small theaters are more likely to check the theater's website for information, and to use Hottix.com, Chicagoplays.com, print and visual media, and social networking sites
    - → They are less likely than others to rely on email and postal mail for information
  - Large and commercial theater-goers show a reliance on passive information sources
    - → Those who go only to commercial theaters strongly prefer receiving theater information by email; patrons of large theaters, even more strongly
    - → Both groups report lowest or low utilization of theater and accumulator websites, postal mail, print and visual media, with commercial distinctively lower than large on most of these
  - Medium size theater-goers are … well … medium in their information habits
    - → They mix the other two patterns, ranking high or highest on postal mail, theater websites, Metromix.com, and social networking sites
- People with lower online buying comfort levels show few differences from those with highest comfort
  - They show higher support for postal mail and media listings, but still greatly favor email
- Implication: To further promote online purchasing, supplement email communication with postal and media efforts to reach people with lower comfort levels and those who specialize in small and medium theaters

*N's for small (42) and medium (46) theaters are low, so findings are suggestive only. N's for large (106), commercial (100), and all four (502) can more validly support generalization.*

## Information gathering: Facebook and YouTube are ripe for co-marketing to younger, more web-savvy theater-goers

***Which of the following online sites are you an active user of? (If none, which are you most likely to join?) (respondents could check all that apply)***



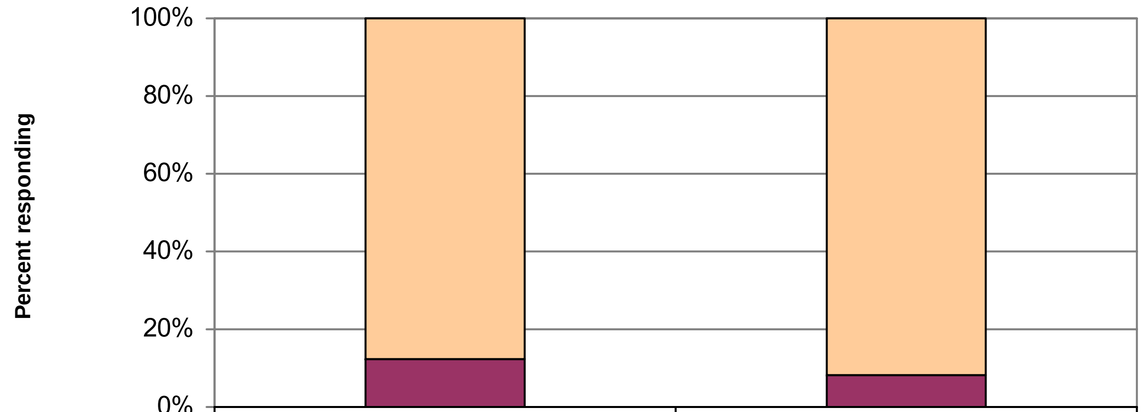

| | Facebook | YouTube | MySpace | Twitter | Flicker | Not a user and am not likely to become one | Other |
|---|---|---|---|---|---|---|---|
| In-theater Respondents | 41% | 25% | 6% | 5% | 3% | 45% | 8% |
| Hot Tix Subscribers | 41% | 26% | 6% | 5% | 4% | 45% | 6% |

- Facebook and other social networking sites have a high penetration in the populations studied
  - Note, however, that respondents do not see links to social networking sites as leading to increased online purchasing (see earlier slide)
- Almost half the respondents indicated they would never use such web sites
  - This group was disproportionately older, more likely to go to 7 or more performances in the past year, and less likely to buy online
- Implication: Facebook and YouTube are the most likely candidates for marketing online ticketing among those using social networking sites, but older individuals cannot be reached that way; at this point, few respondents would think about buying tickets through social networking online resources

*In-theater Respondent n= 358*
*Hot Tix Online Database n= 1,536*

# **Information gathering:** Theater blogs have not yet captured mindshare, but show potential to increase online sales

***Do you view entertainment or theater blogs regularly?***




| | In-theater Respondents | Hot Tix Online Database |
|---|---|---|
| No, I am not a regular viewer | 88% | 92% |
| Yes | 12% | 8% |

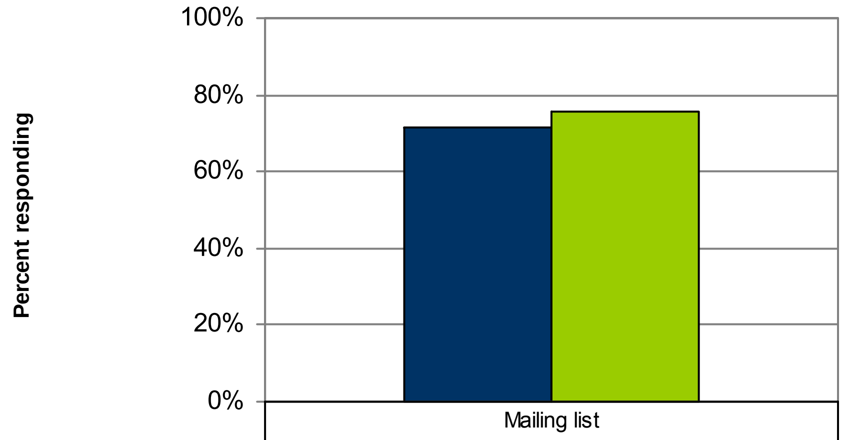
- Only 1 in 10 respondents regularly views entertainment or theater blogs
- When we look at the characteristics of this niche audience, they…
  - are much more likely to actively seek theater information than let it come to them
  - are younger and disproportionately male
  - go to many more performances, especially at small theaters
  - are more likely to purchase online
- Implication: Blog aficionados are theaters' "sweet spot;" strengthening theater blogs and spreading the word about them could introduce more patrons to online purchasing



*In-theater Respondent n= 361*
*Hot Tix Online Database n= 1,548*

## **Information gathering:** Unusually high support for the role of LOCT as a theater information utility is suggested by email sign-up numbers

***Percentage of respondents wanting to be added to the League of Chicago Theatres's mailing list***




| | Mailing list |
|---|---|
| In-theater Respondents | 71% |
| Hot Tix Subscribers | 76% |

- This is a very high proportion, as compared to similar surveys, suggesting wide support for LOCT's mission and interest in the organization's offerings
  - This is also evident in many of the verbatim comments expressing support for the organization's mission and role (see appendix)
- Implication: Respondents expect LOCT to deliver information they can use and are primed for the organization to play the information accumulator/consolidator role implied by the previous slides' findings

*In-theater Respondent n= 422*
*Hot Tix Online Database n=1,719*

## Information gathering: Goldstar also garners strong theater-goer support and is a significant Hot Tix rival

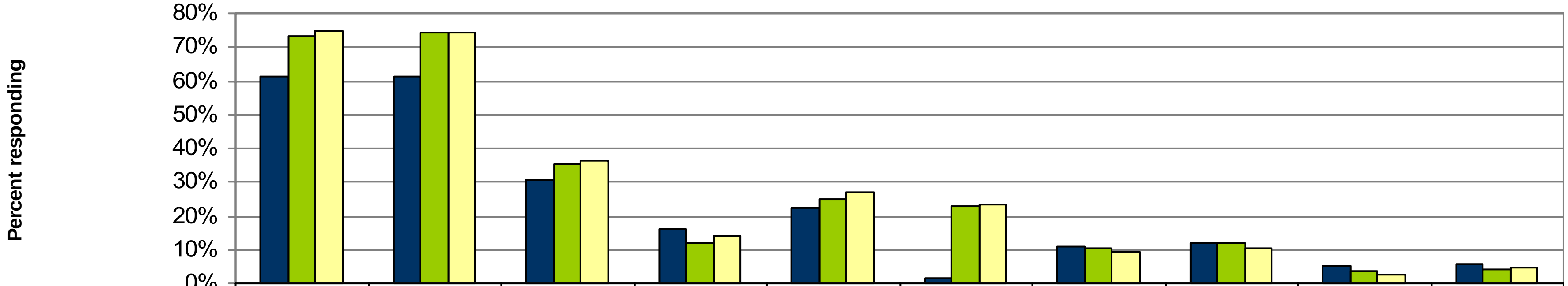
- The survey avoided mentioning the online discount consolidator Goldstar, but a number of respondents cited it as an important source of discount tickets
  - Verbatim answers reveal a high degree of satisfaction with Goldstar (see appendix)
  - As more people become aware of Goldstar, it will continue to make inroads into LOCT's target audience and compete for their discount theater-going purchases
- Although good for the individual theaters that use it, Goldstar poses a clear and present threat to LOCT and Hot Tix
  - Consideration of a strategy to partner with or counter Goldstar is warranted
  - Hot Tix has important advantages compared to Goldstar (including cost, association with LOCT's highly-supported mission, and the option of walk-up, no fee purchase), and should emphasize those edges to patrons and online database members

*In-theater Respondent n= 422*
*Hot Tix Online Database n=1,719*

## **Key Findings:** Characteristics of Online Purchasers

# Characteristics of online purchasers: They are more aware of many of its advantages

***Top benefits of buying tickets online (Hot Tix database members only)***

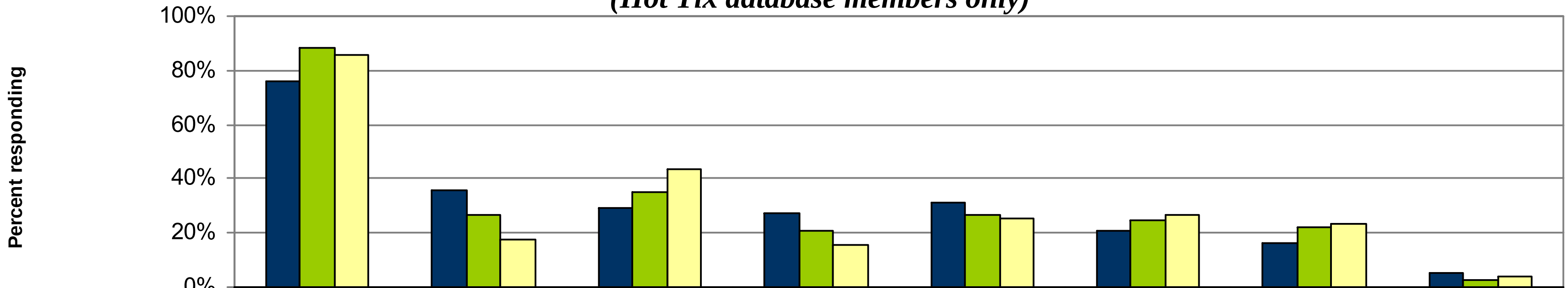



| | No need to travel to the box office | Ability to purchase tickets 24/7 | Image of the view from your seats | Access to tickets nationwide | Greater awareness of offerings | Ability to print tickets at home | Access to info at theater website | Getting last-minute seats | Tickets to "sold-out" performances | Other |
|---|---|---|---|---|---|---|---|---|---|---|
| No online purchase in last yr | 61% | 61% | 31% | 16% | 22% | 2% | 11% | 12% | 5% | 6% |
| Sometimes bought online | 73% | 75% | 35% | 12% | 25% | 23% | 10% | 12% | 4% | 4% |
| Only bought online | 75% | 74% | 36% | 14% | 27% | 24% | 9% | 10% | 3% | 5% |

- People who sometimes buy online are indistinguishable, in terms of their perception of advantages, from those who always buy online
  - Implication: If non-online buyers can be convinced to buy online just once, they may well become regular users of online ticketing
- In many areas, those who do not buy online have diminished appreciation of its advantages, as compared to the other groups
  - They do not value the convenience of printing tickets at home, and appreciate somewhat less strongly being able to buy tickets from home at any hour of any day
  - Using a segmentation lens, these might well be the theater "traditionalists" who will be difficult to mobilize for that crucial first online purchase

## Characteristics of online purchasers: They are more aware of some of online ticketing's disadvantages

***What are the main disadvantages of buying tickets online?***
***(Hot Tix database members only)***




| | Service fees | No opportunity to interact w ith box office staff | Restriction to so-called "best available" seat | Frustration w ith computer issues | Risk of credit card fraud or identity theft | Seat option may be offered for only a minute or | Limited seat selection | Other |
|---|---|---|---|---|---|---|---|---|
| No online purchase in last yr | 76% | 36% | 29% | 28% | 31% | 21% | 16% | 6% |
| Sometimes bought online | 89% | 27% | 35% | 21% | 26% | 24% | 22% | 3% |
| Only bought online | 86% | 18% | 44% | 16% | 26% | 27% | 24% | 4% |

- Perceived disadvantages show a step-like pattern of differences between the three levels of online purchasing experience
  - As we have seen earlier, the greater the exposure to online ticketing, the greater the awareness of some of its shortfalls
  - Service fees remain the primary disadvantage, no doubt contributing to the people who cite them even though they have not bought online in the past year (see verbatim comments from many who say they avoid online purchase solely because of the fees)
- Those who have never bought online are more aware of disadvantages associated with distance from the box office
  - Their awareness of disadvantages is greater in three areas: lack of interaction with box office staff (rated as very important in the focus groups by experienced theater-goers), computer frustration, and perceived risk of credit card problems
- Implication: To attract those who do not buy online, the priority issues include mitigating service fees, duplicating the box-office experience, simplifying the user interface to reduce computer frustrations, and reassuring potential online purchases about the safety of credit card transactions

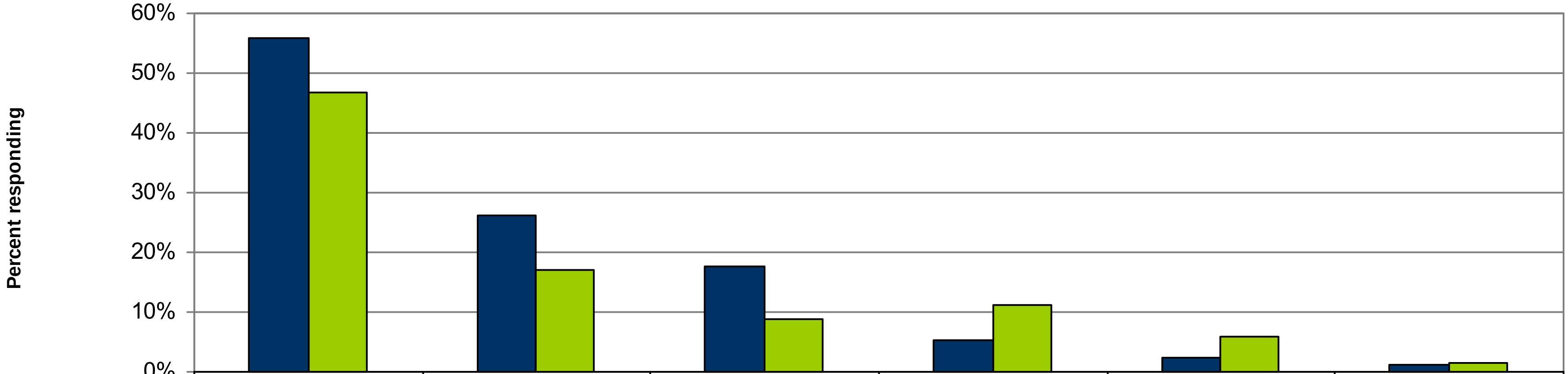
## Characteristics of online purchasers: We can project trends in attitudes as more people buy online

- We looked at online advantages and disadvantages through the lens of comfort with online purchasing
  - This can serve as a proxy for how attitudes are likely to change as people become more comfortable with buying tickets online
- As comfort with online purchasing increases, dissatisfaction created by the practices of middlemen will likely increase and user issues will decrease
  - Disadvantages likely to bother consumers more at the highest level of comfort with online purchasing include service fees, the restriction to "best available seat," and limited seat selection
  - Disadvantages that will be reduced are frustration with computer issues, inability to interact with box office staff, and fear of credit card fraud
- On the other hand, perceived advantages of online purchase may stay the same or actually decrease
  - Advantages that don't differ between high and lower comfort respondents, and thus probably will not change as comfort levels increase, are access to tickets nationwide, to special information at the theater website, and to images of the view from seats purchased; and the ability to print tickets at home
  - Perceived advantages that might be reduced in strength are the ability to get good seats at the last minute and purchase tickets to "sold-out" performances through resellers
  - Advantages likely to increase in strength are limited to the convenience of avoiding travel to the box office and of buying tickets 24/7, and greater awareness of the full range of theater options
- Implication: The transition to increased comfort with online ticketing will have byproducts requiring thought and careful management
  - Cons, especially related to Ticketmaster, will become more prominent
  - Pros will lose some of their power and may need to be supplemented with new advantages

# **Key Findings:**
# Theater Patron Profile

# Theater patron profile: Both theaters and LOCT draw primarily from the city and the north suburbs

*Geographic distribution of respondents*



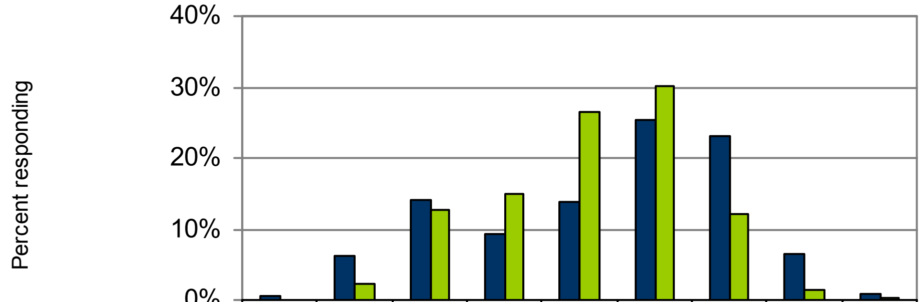

| | Chicago | North Suburbs | West Suburbs | Northw est Suburbs | South Suburbs | Indiana |
|---|---|---|---|---|---|---|
| In-theater Respondents | 56% | 26% | 18% | 5% | 3% | 1% |
| Hot Tix Online Database | 47% | 17% | 9% | 11% | 6% | 1% |

- 82% of in-theater respondents, and 64% of Hot Tix online database members, come from these two areas
  - This suggests that two primary characteristics of the theater-going public are proximity to the offerings (Chicago) and wealth (North Suburbs), a finding supported by other Slover Linett research
- Implication: Online information that can make the theater experience seem closer (by reducing time spent in travel, finding the venue, and parking) and cheaper (by promoting discounts and special deals) will attract online buyers from the underserved geographies

*In-theater Respondent n= 354*
*Hot Tix Online Database n= 1497*

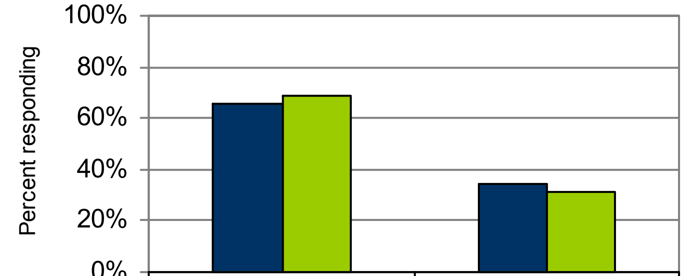
## **Theater patron profile:** Middle-aged women make up the core in-person audience and online database membership

### *Age*




| | Under 18 | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | 65-74 | 75-84 | 85 or older | *Average* |
|---|---|---|---|---|---|---|---|---|---|---|
| In-theater Respondents | 1% | 6% | 14% | 9% | 14% | 25% | 23% | 7% | 1% | 49 |
| Hot Tix Online Database | -- | 2% | 13% | 15% | 27% | 30% | 12% | 1% | 0% | 46 |

### *Gender*




| | Female | Male |
|---|---|---|
| In-theater Respondents | 66% | 35% |
| Hot Tix Online Database | 69% | 31% |

- The in-theater respondent sample is older and slightly more male than Hot Tix online database members
- The largest difference is in the 45 to 54 age range, where in-theater patrons make up 14% of the population but Hot Tix online database members, 27%
  - The reverse is seen for those 65 to 74, where in-theater patrons exceed database members 23% to 12%
- Women outnumber men in both samples, slightly more so in the Hot Tix Online Database

*In-theater Respondent n= 396*
*Hot Tix Online Database n= 1,574*

*Theater patron n= 365*
*Hot Tix Online Database n= 1,566*

## **Key Findings:** Conclusions and Recommendations

## Conclusions and Recommendations: The profile of buying habits reveals opportunities for LOCT to promote online purchase

- Almost half of in-theater patrons do not currently buy tickets online; this large group is a priority audience for efforts to increase online purchases
  - ✓ Aggressively promote Hot Tix and theater website online purchase at member performances
- Since almost 1 in 5 respondents from the Hot Tix online database have never actually used Hot Tix, the database is fertile territory for converts to the service and to online ticketing
  - ✓ Offer special online-only deals for those who have not purchased through Hot Tix or theater websites before
- Although much more likely to buy online, the Hot Tix online audience, because of their numbers and ease of access, still is a large target audience for efforts to increase online purchases
  - ✓ Formulate a campaign strategy to increase online purchasing behavior by database members, especially the 42% of Hot Tix purchasers who do not use the online option
  - ✓ Consider as a campaign element conversion of the in-person booth experience to one where visitors can simulate an online purchase, much as Southwest Airline travelers now check themselves in under the watchful eye of helpful assistants – this will serve as a training program to make the online experience more familiar
- Hot Tix online database members buy a greater proportion of their tickets online than in-theater respondents; recruiting patrons into the Hot Tix online database might increase online ticketing
  - ✓ Aggressively promote Hot Tix online database registration at member performances
  - ✓ Increase the advantages of registration through special discounts, VIP treatment, flair, and other marketing techniques
- Hot Tix enjoys a strong brand identity for discount tickets, but the focus groups indicated that some theater-goers prefer full price tickets, especially to get the best seats
  - ✓ Consider offering a site that focuses on full-price tickets, with prominent links to theater websites for online purchasing

# Conclusions and Recommendations: Online ticketing offers many advantages and one huge disadvantage

- Convenience is the dominant advantage of online ticket buying, which could be strengthened by communicating its strengths and mitigating the factors making online ticketing mildly inconvenient
  - ✓ Aggressively market the ability to purchase tickets 24/7 from home, the degree to which a visit to the theater's website can simulate a visit to the box office itself, and the convenience of printing tickets at home (where available)
  - ✓ Feature the ease of online ticket purchase and credit card security over the web
- Publicizing the "hidden" advantages of online ticketing will increase its appeal to experienced online purchasers
  - ✓ Market how to be a "savvy" online ticket purchaser, such as by scoring last-minute prime seats released by the theater
- Online database members are more responsive to online enhancements than are patrons, suggesting such enhancements could result in an immediate increase in online purchasing
  - ✓ Accelerate the development and roll-out of enhancements most preferred by online database members: increased notification of discounts, view of the stage from potential seats, and a search function
  - ✓ Resist the current fashion of trying to use social networking to lure online buyers; your audience is not yet ready
  - ✓ Work with small theaters to help them meet the distinctive information needs of their more theater-dedicated audiences
- Do not give up all hope for reducing patrons' main complaint about online ticketing: Ticketmaster (see next slide)

## Conclusions and Recommendations: Ticketmaster fees, procedures, and interface rile online purchasers

- The theater community's reluctant but indissoluble partnership with Ticketmaster carries risk, especially as the partner merges with Live Nation, deals with a $1 billion fourth quarter loss, and updates its dated software (or fails to do so)
- Ticketmaster is the primary barrier to increased online ticketing
  - Patrons are frustrated with Ticketmaster, its "predatory" fees, its "best available seating," and its confusing user interface; some purchasers do not distinguish between Ticketmaster and Hot Tix or theater ticketing functions
    - ✓ See the appendix for respondent comments regarding Ticketmaster
    - ✓ To the degree possible, explain to online purchasers the rationale for retention of Ticketmaster so they do not blame LOCT or the theaters
- However, all is not lost in terms of offsetting the negative impact of Ticketmaster
  - Strategies do exist that could reduce the perceived burden of Ticketmaster fees
    - ✓ Offer a full or partial rebate of the Ticketmaster fee, or a discount on future tickets, for those buying online, analogous to the business model of banks that rebate ATM fees
    - ✓ Fold part of the Ticketmaster fee into the cost of the theater ticket so patrons will not be asked to pay $7.50 in fees for a $12.50 "half-price" ticket
    - ✓ Offer discounts for in-theater products that carry their own high margins – such as Goobers and beverages
  - Meanwhile, the theater community should be planning for the day when it can negotiate a better online ticketing environment for its patrons
    - ✓ Develop a contingency plan that can be put into place if opportunities for alternatives to Ticketmaster appear, however unlikely it seems at this point

## Conclusions and Recommendations: Information gathering relies on one basic method: email

- Theater-goers strongly prefer email as their information source
  - ✓ Continue to evaluate and improve the Hot Tix emailing effort, which receives very high reviews in the verbatim comments (see appendix); work with theaters to enhance and dovetail with their emailing programs
- However, a more intense focus by theaters on electronic mail could lead to a counterproductive glut of email communication that would clog the inboxes of theater-goers
  - ✓ LOCT should seek to become *THE* theater information consolidator – a must-read one-stop shop that stops right in the emailbox of theater-goers
- The 40-50% of respondents who do not actively search for theater information may need to be taught how to seek information in order to move them online
  - ✓ Use video, other media, and live demonstrations to describe, model, and teach "savvy" theater information seeking
- Blog aficionados are LOCT's "sweet spot;" strengthening theater blogs and spreading the word about them could bring more people into the online ticket marketplace
  - ✓ Team with the best of the bloggers, offering information resources in return for a LOCT and theater online ticketing placement on their blogs
  - ✓ Use the LOCT "bully pulpit" to advertise theater blogs to online database members
- If non-online purchasers can be convinced to buy online just once, they will probably become regular users of online ticketing thereafter
  - ✓ Offer special email discounts for first time online buyers
- Facebook and YouTube are the most likely candidates for marketing online ticketing among those using social networking sites, but market acceptability for the use of these methods to sell tickets is currently low
  - ✓ Seek funding for a dedicated person to plan for, create, and distribute social networking content to be well positioned for the future

# Appendix

Questionnaires

Open-ended Responses