



**AUDIENCE**  
OUTLOOK MONITOR

**Research Briefing: Loyalty Concept  
Exploration**

**Jan. 25, 2024**

**with special guest Shannon Urie, Marketing  
Director, National Arts Centre**

# Special Guest: Shannon Urie



Shannon Urie has over 25 years of experience in marketing, strategy development, research and leadership. She joined the National Arts Centre in 2011 to help lead the 20+ member marketing team and manage strategic projects such as the NAC re-brand, the major renovation of the 50 year-old building, CRM transition and the overall modernization of Marketing practices.

Prior to the NAC, Shannon worked in the private sector, building brands and marketing teams. She holds a Bachelor of Commerce from Queen's University and an MBA from University of Ottawa, where she occasionally guest lectures.

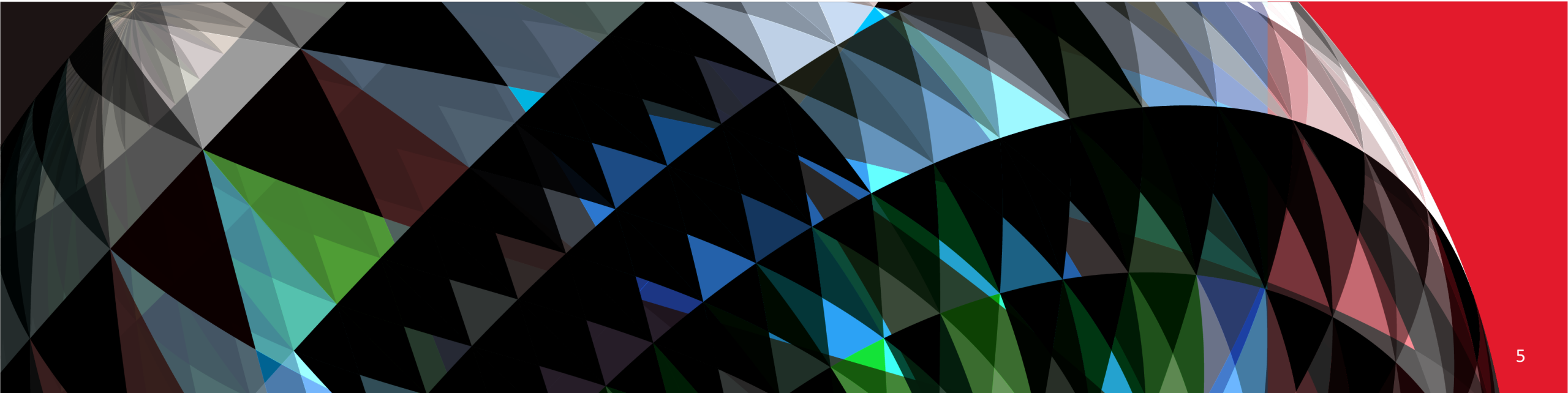
# Interrogating Customer Relationships – Webinar Series available at [audienceoutlookmonitor.com](https://audienceoutlookmonitor.com)

1. Interrogating Marketing Relationships: What Problem Are We Solving? (May 3, 2023)
  - How well does subscription serve us as the primary relationship we offer to the public?
  - What other types of relationships might capture loyalty, affinity, social fulfillment, curiosity and passion, and speak to the lives of current day arts consumers?
2. Reexamining Customer Relationships, Part 2: Exploring Educational Relationships (Aug. 17, 2023)
  - This session examines the idea of relationships built on creating educational value and learning outcomes for adults
3. Reexamining Customer Relationships, Part 3: Exploring Social Value in Customer Relationships (Oct. 19, 2023)
  - This session explores the sociological aspects of arts attendance and considers how arts organizations might lower the social barriers that obstruct attendance (with
4. Research Briefing: Loyalty Concept Exploration (commissioned by National Arts Centre) (Jan. 25, 2024)

# Session Agenda

1. How did this study come about?
2. Overview of research findings
  - Overview of research on loyalty frameworks
  - Overview of analysis of field scan
  - Overview of survey of NAC patrons
3. How should we think differently about loyalty?
4. Discussion: Where do we go from here?

**Shannon, how did this study come about?**



# Background

- Accelerated decline in subscription across the sector
  - Historically subs = 50%+ of our patrons, now less than 20%
- Major shifts in consumer behaviour—post-pandemic, social justice, economics, technology, generationally

*Must challenge long-held assumptions about what loyalty looks like in our sector in the 21st century, resist jumping right to prognosis*

# Goals of this Work

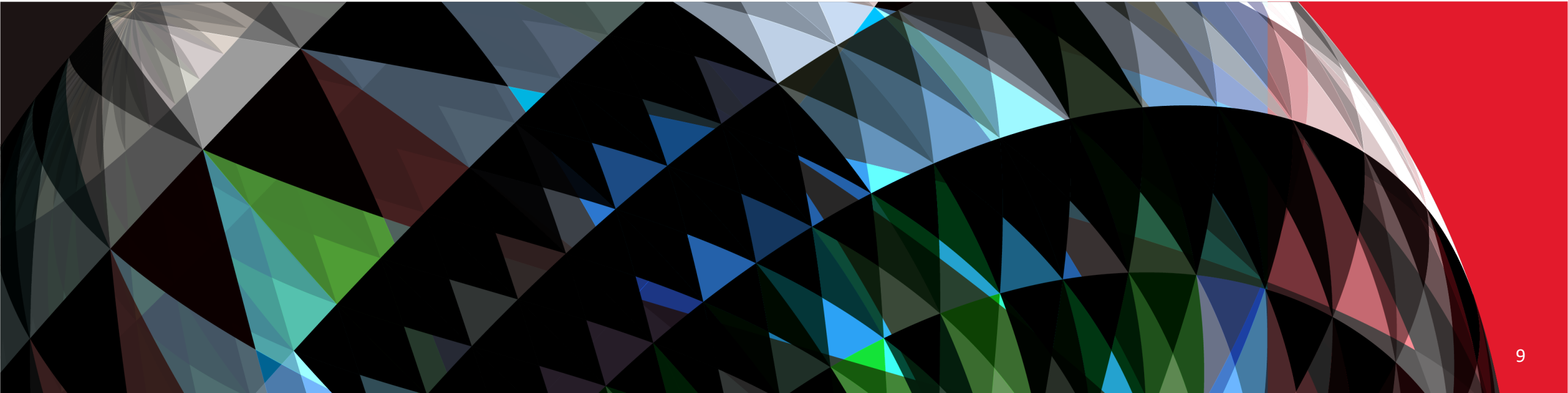
- Understand what constitutes loyalty or affinity in the hearts and minds of current and future visitors
- Understand what inspires or detracts from loyalty
- Understand the differences by segments
- Explore loyalty models to understand best practices (if any)

# Scope of Research

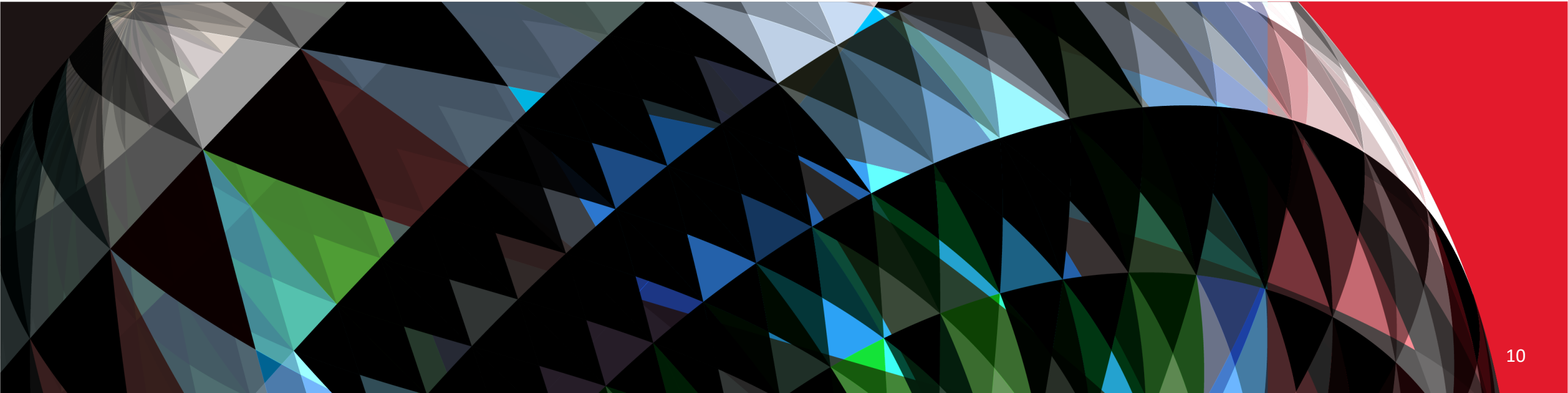
1. Desk research on loyalty frameworks
  - Examining loyalty through a consumer behaviour lens
2. Critical analysis of experiments with customer relationships
  - Environmental scan, to learn from practice
3. Exploratory survey of NAC ticket buyers
  - Identify drivers of loyalty
4. Sense-making with NAC staff



# Research on Loyalty Frameworks (John Carnwath)



# What is Loyalty?



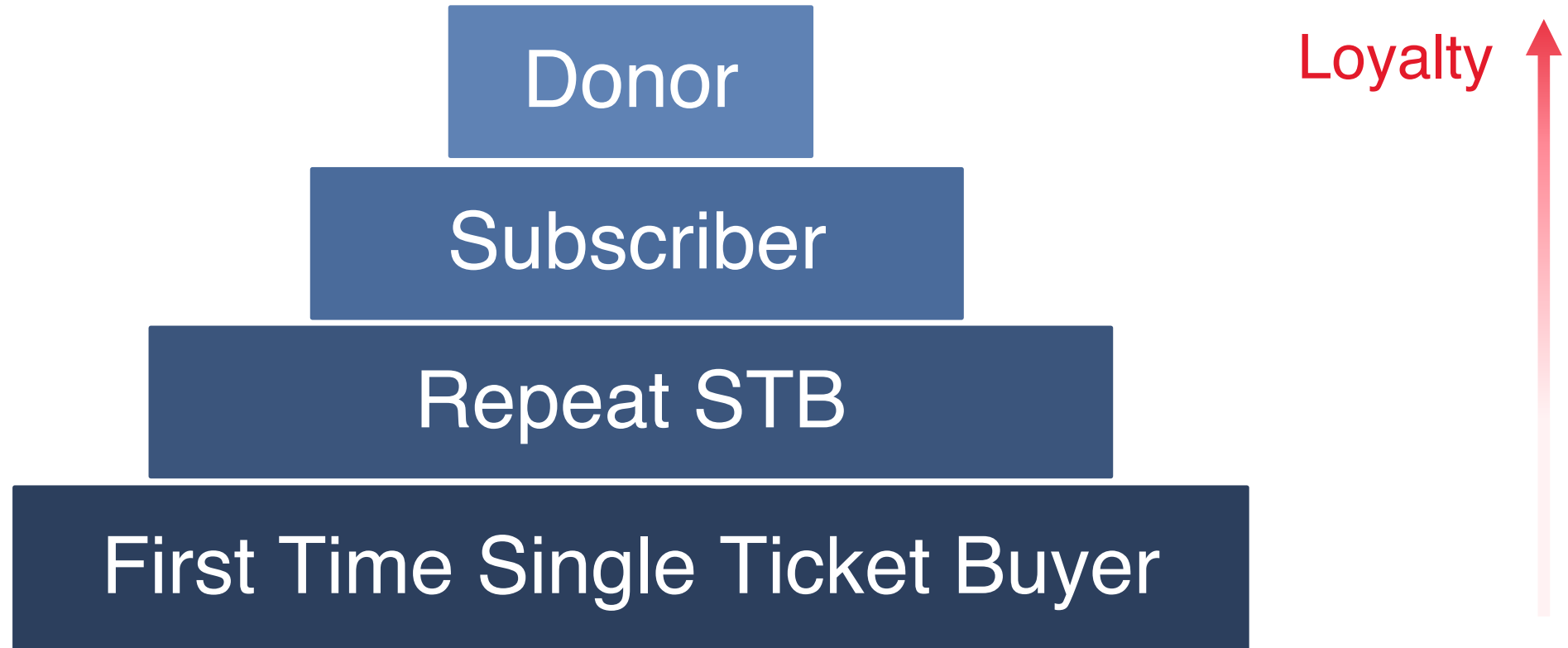
# ”Loyalty” depends on the context.

|                        |  | Airline | Hotel | Restaurant | Retail |
|------------------------|--|---------|-------|------------|--------|
| Loyalty (transactions) | Avg % of customer’s category transactions going to preferred brand | 83%     | 80%   | 37%        | 37%    |
| Loyalty (feeling)      | % of population feeling “loyal” to one or more brands              | 48%     | 51%   | 69%        | 75%    |

Adapted from Medallia, 2022

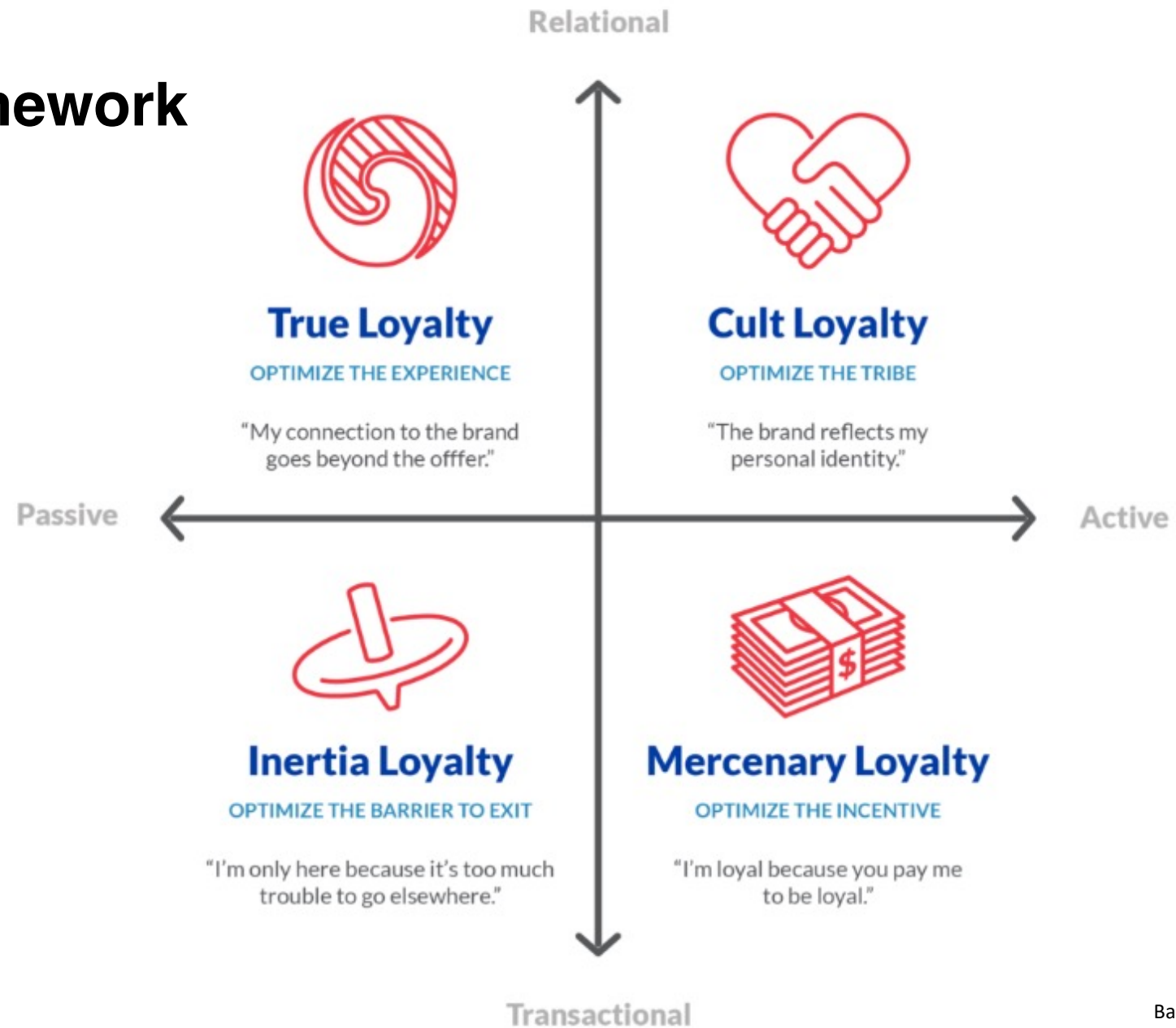
# Loyalty Pyramid

(based on the organization's needs)



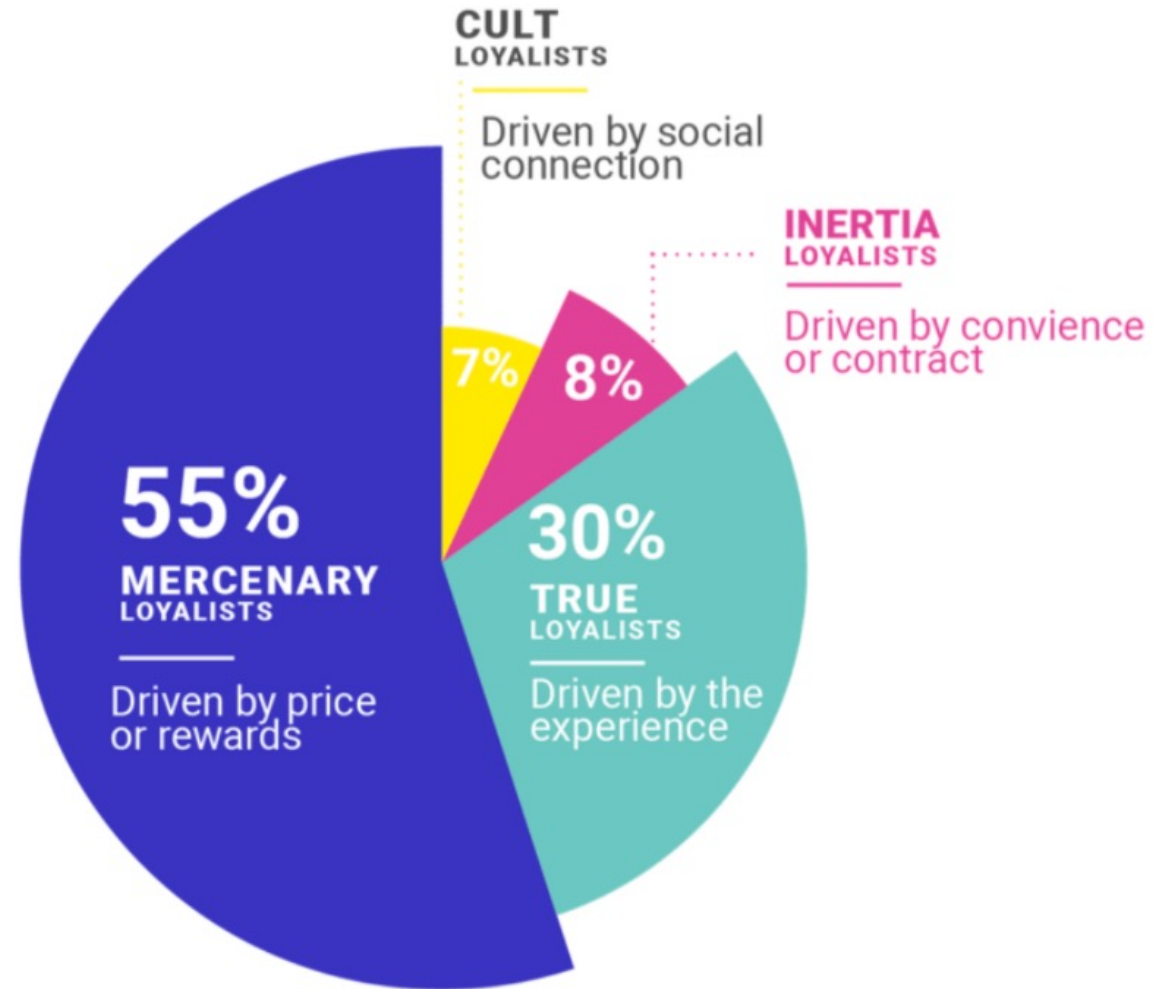
***“Loyalty programs are elitist by design.*** Your program will be most successful if it is focused on a narrow sub-set of customers that represent high current value or high potential value.” (Kirk, 2016)

# 4D Loyalty Framework



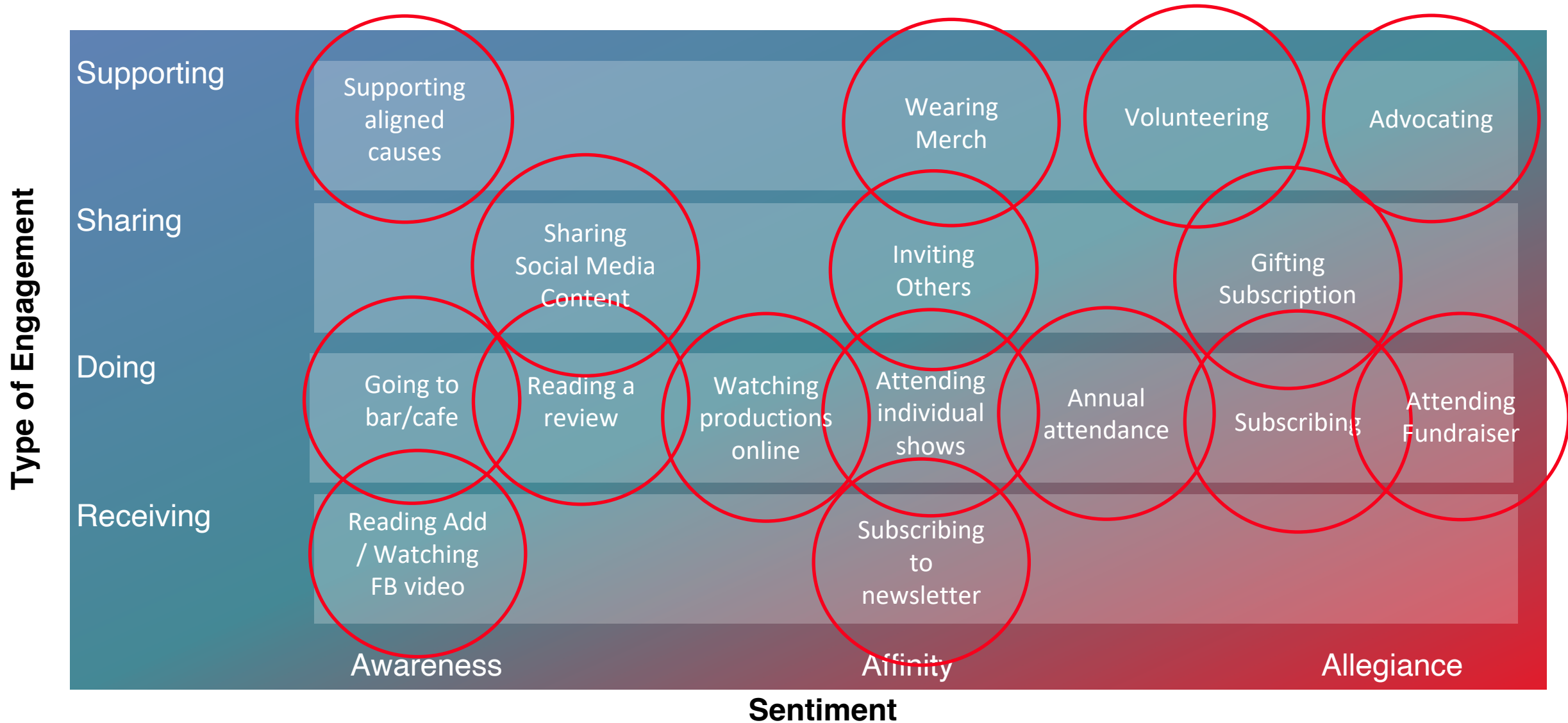
Barry Kirk, 2018.

# Most brand loyalty is still being bought, rather than earned.



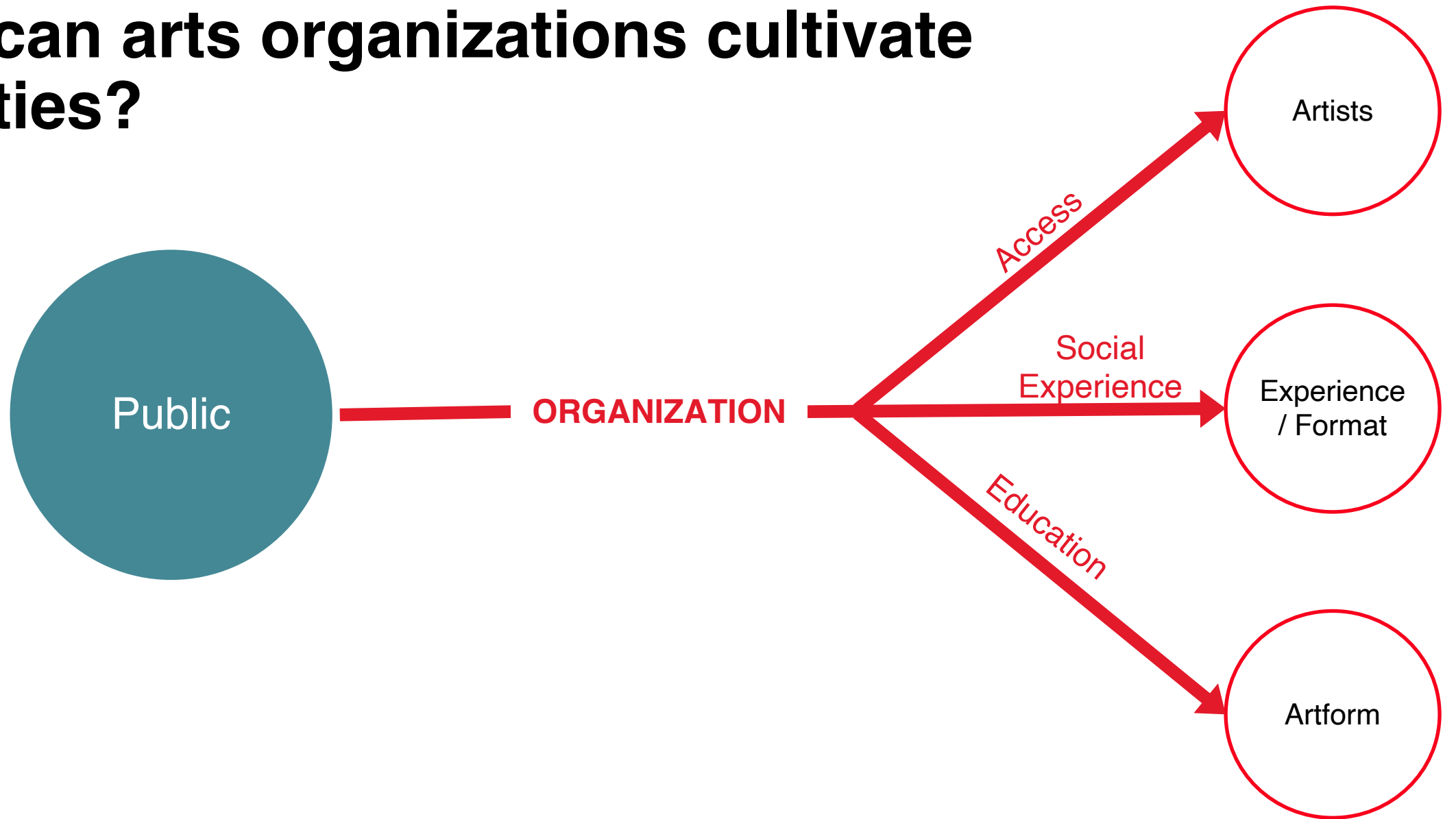
Barry Kirk, 2018.

# Relationship Matrix





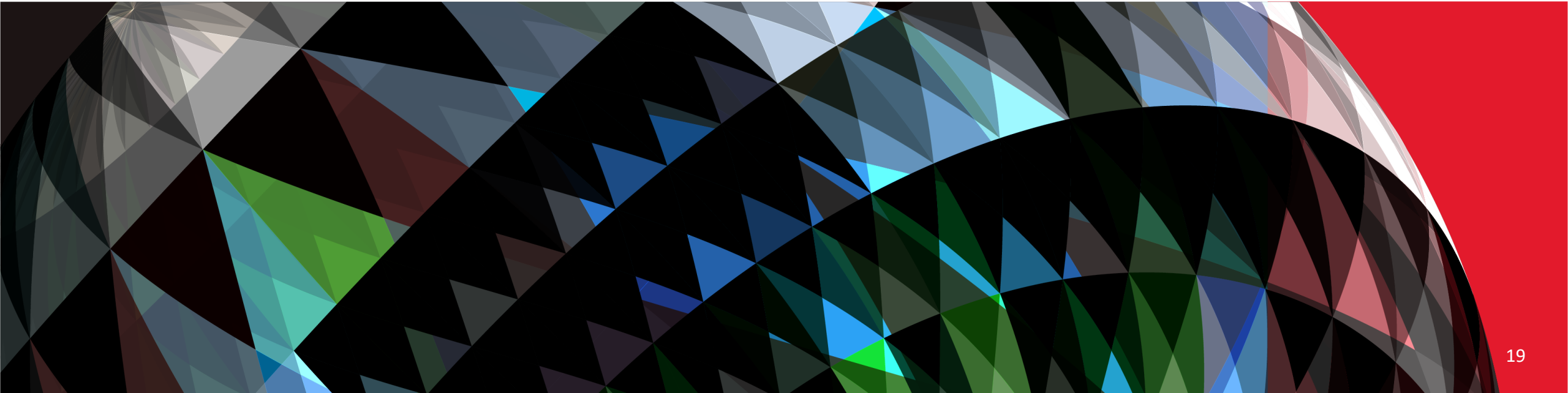
# How can arts organizations cultivate affinities?




# Towards a new definition of “loyalty”...

*Loyalty is the sum of all the bonds and connections that people make with an arts organization and its artists, programs, spaces, and formats.*

# **Critical analysis of experiments with customer relationships (Erin Gold and Alan Brown)**



**You are welcome to  
download a copy of  
the Field Scan report  
(link provided in the  
chat feed)**



**Loyalty Concept  
Exploration, Part 2:  
Analysis of Experiments  
with New Customer  
Relationships**

**Research Commissioned by National  
Arts Centre**

*By Erin Gold and Alan Brown*

*With John Carnwath and Surale Philips*

**(Draft of October 30, 2023)**

Overarching Observations & Analysis II 1

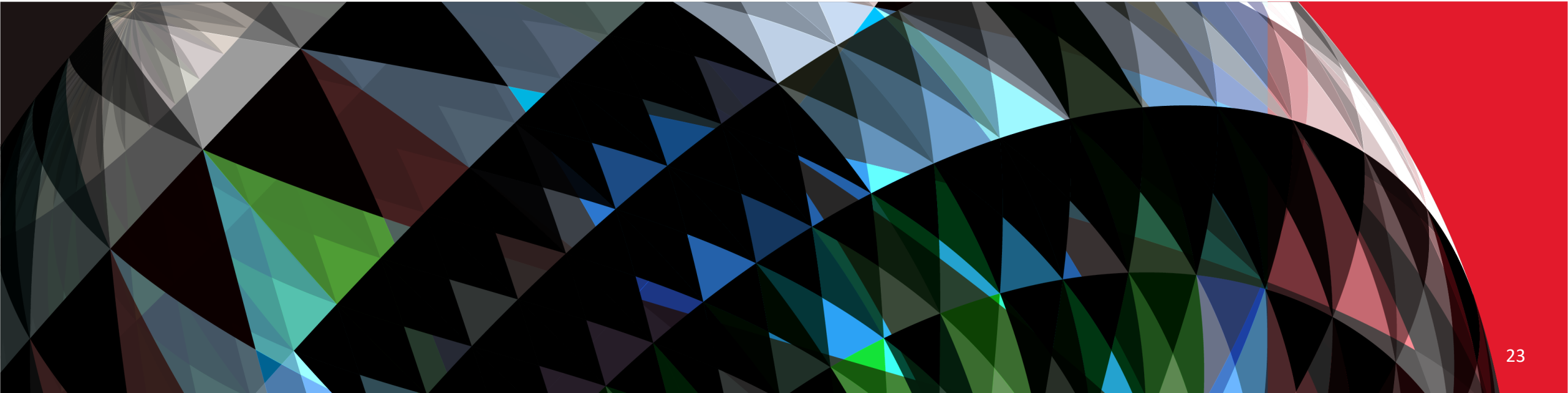
# What's covered in this report

1. Executive summary
2. Inventory of customer relationship models
  - a) Advance commitment ticket bundles
  - b) Affiliation products
  - c) Educational products
  - d) Accessibility and Trial Products
  - e) Social connection platforms
  - f) Digital products
3. Summary of expert interviews

# Overarching themes

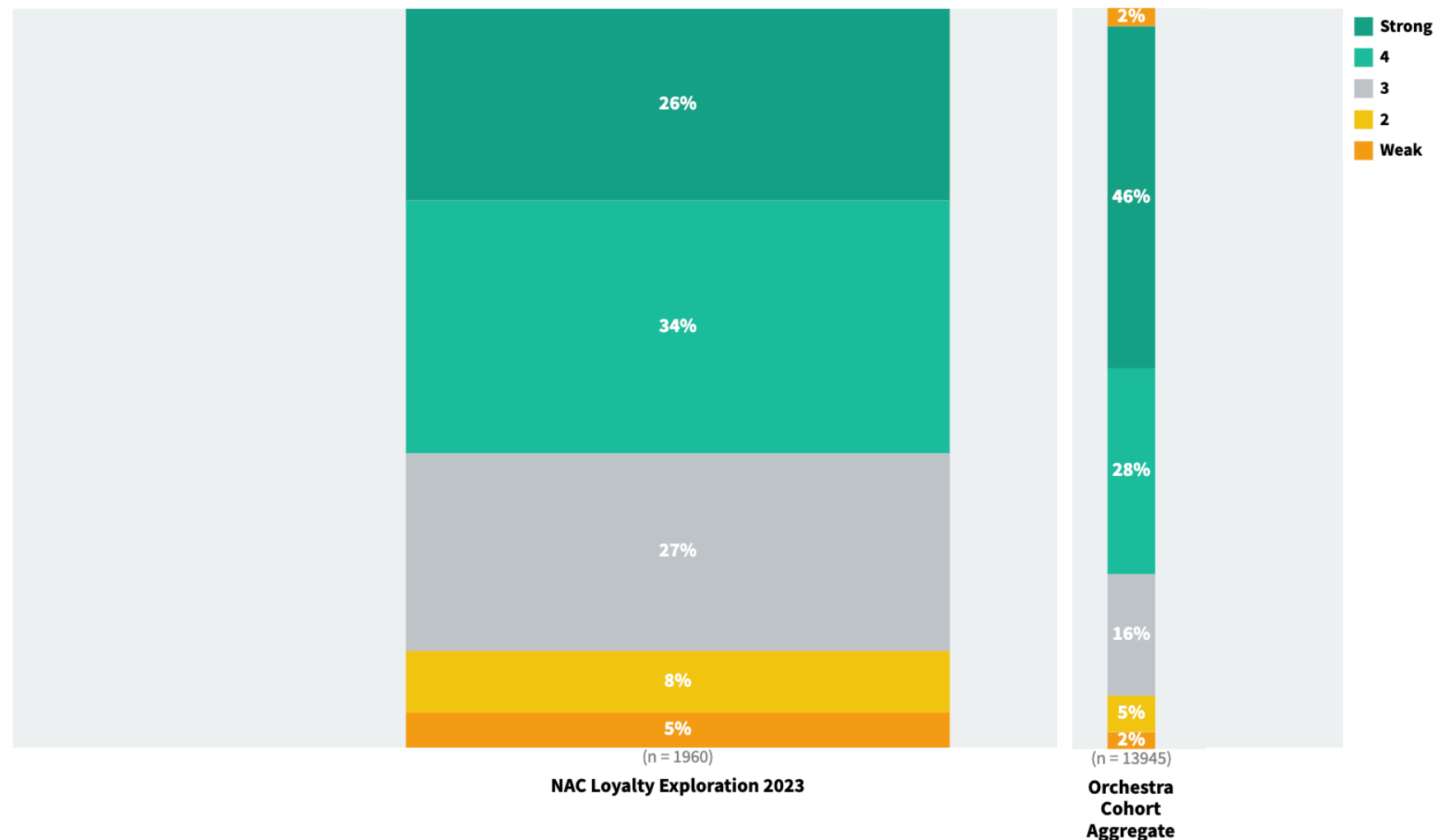
1. A curious condition of stasis
2. Problematic language
3. Universal points of entry
4. Do we even know how to communicate with people when we're not selling?
5. Affinity for the art form necessarily precedes loyalty to the organization
6. Relationships built around learning are almost nonexistent
7. Memberships as a platform for holding taste, affinity and loyalty
8. Leveraging social value
9. Centering customers' needs

# **NAC Survey Highlights (Surale Phillips and Alan Brown)**



# Overall, loyalty to NAC is moderate to strong, and consistent with what we see for other presenters; but significantly lower than what we see for orchestras

Overall, how strong is your bond or feeling of affiliation with the National Arts Centre?



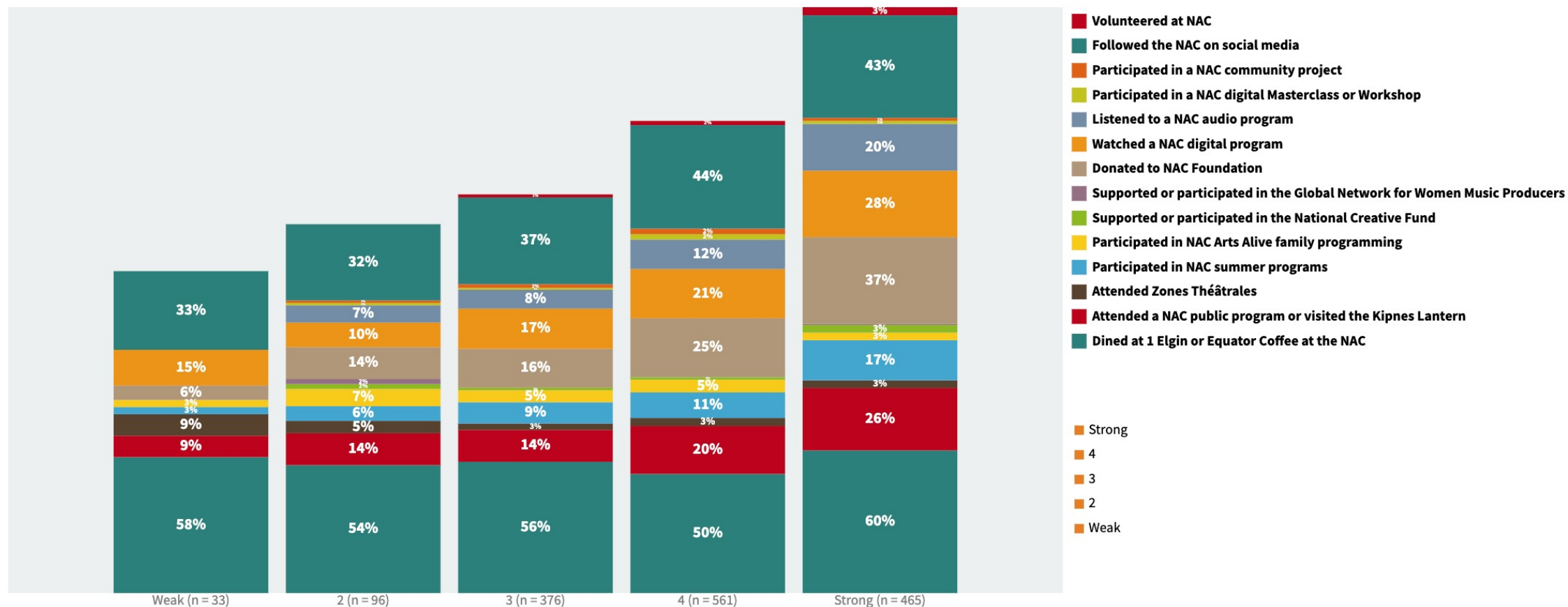


# Multiple points of connection lead to stronger and stronger bonds

Have you engaged with the NAC in any of the following ways in the past 12 months? (select multiple)

Filter: NAC Bond

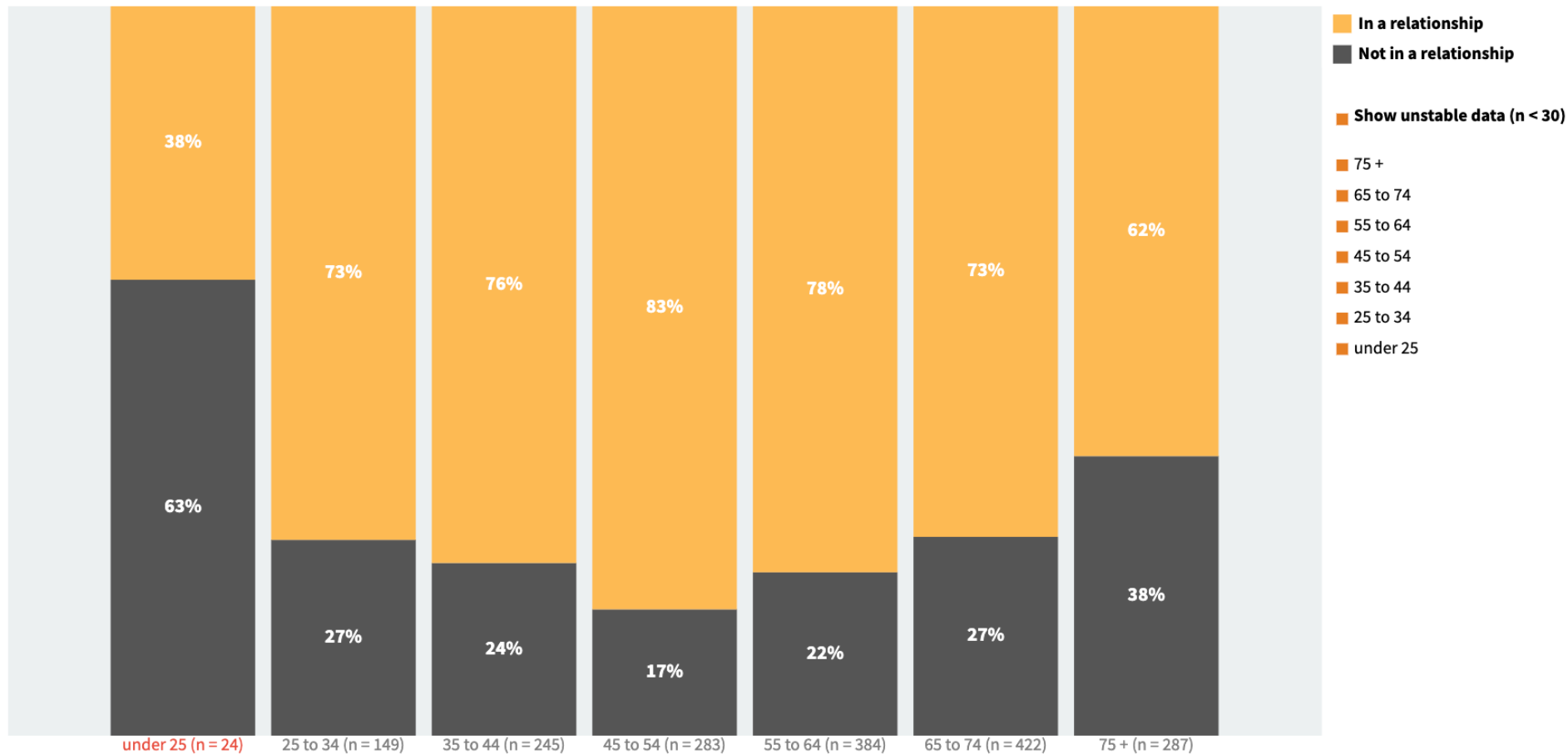
Note: columns on 'select multiple' questions will not total 100%.



# Both younger and older patrons are less likely to be in relationships, and therefore more likely to require social support

What is your relationship status?

Filter: Age (7 cohorts)

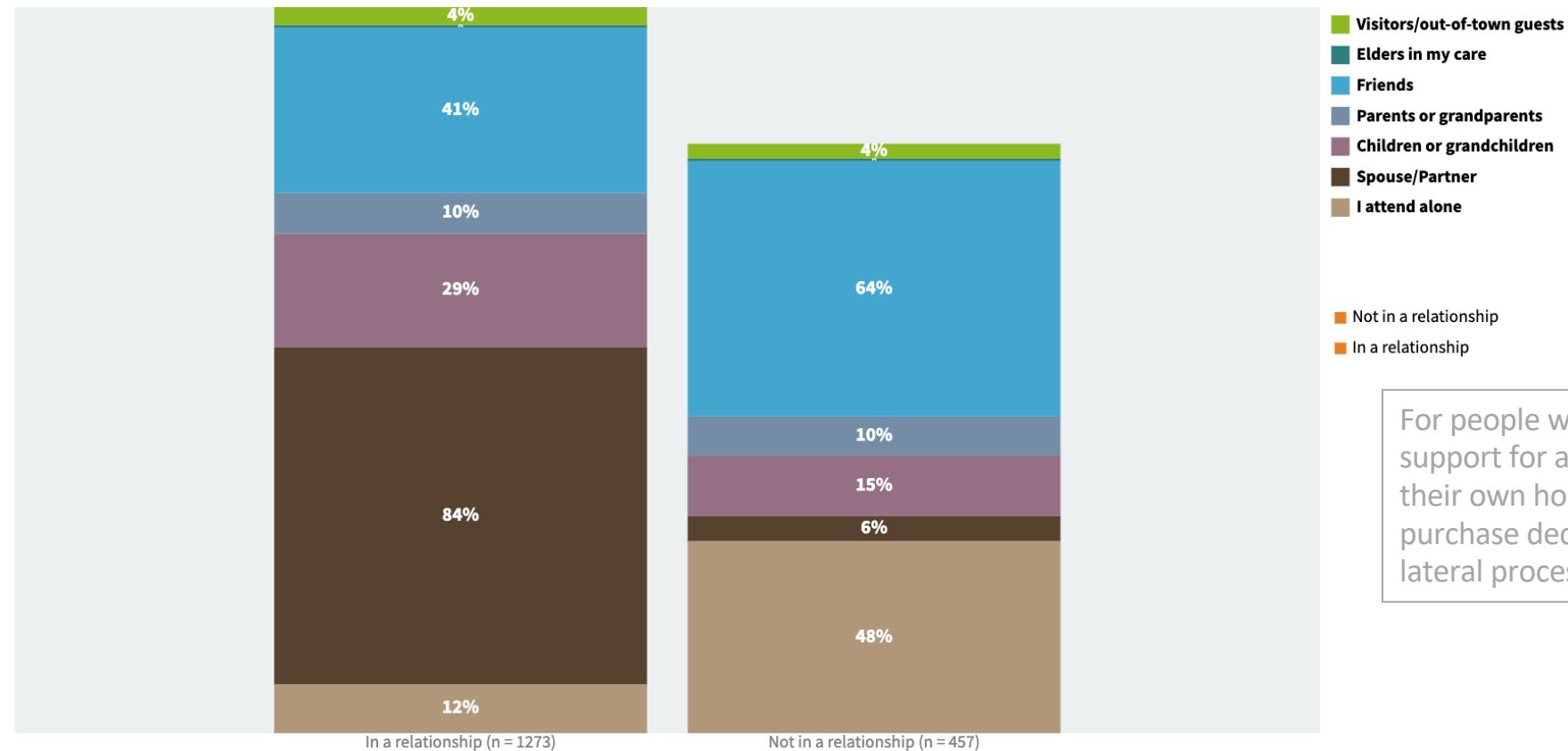


# Social context surrounding attendance is completely different the 24% who aren't in a relationship

Typically, who accompanies you to performances at the NAC? (select multiple)

Filter: Relationship Status

Note: columns on 'select multiple' questions will not total 100%.



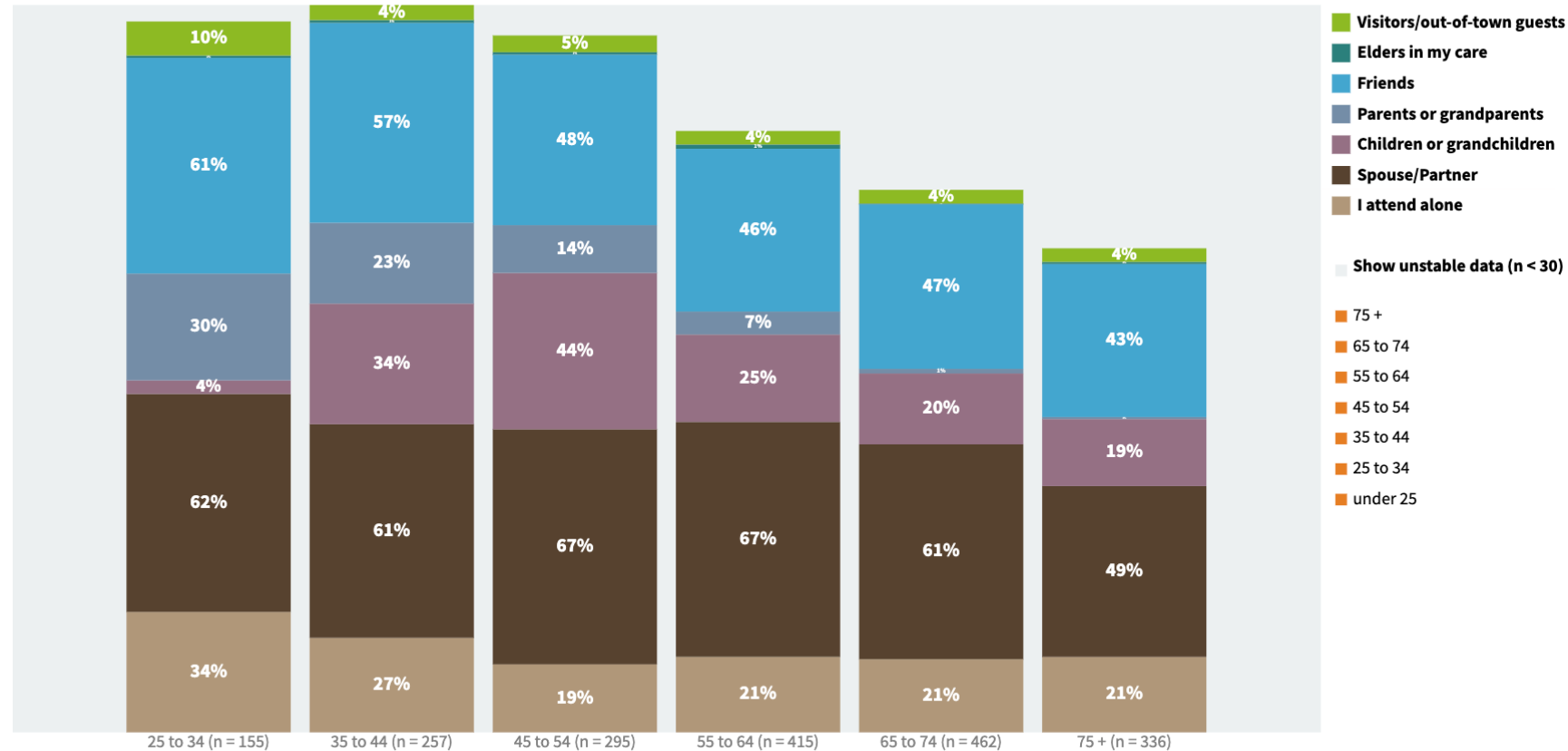
For people who lack social support for attendance within their own household, the purchase decision is a multi-lateral process.

# While attendance with “friends” is higher for younger patrons, its quite prevalent across all age cohorts

Typically, who accompanies you to performances at the NAC? (select multiple)

Filter: Age (7 cohorts)

Note: columns on 'select multiple' questions will not total 100%.

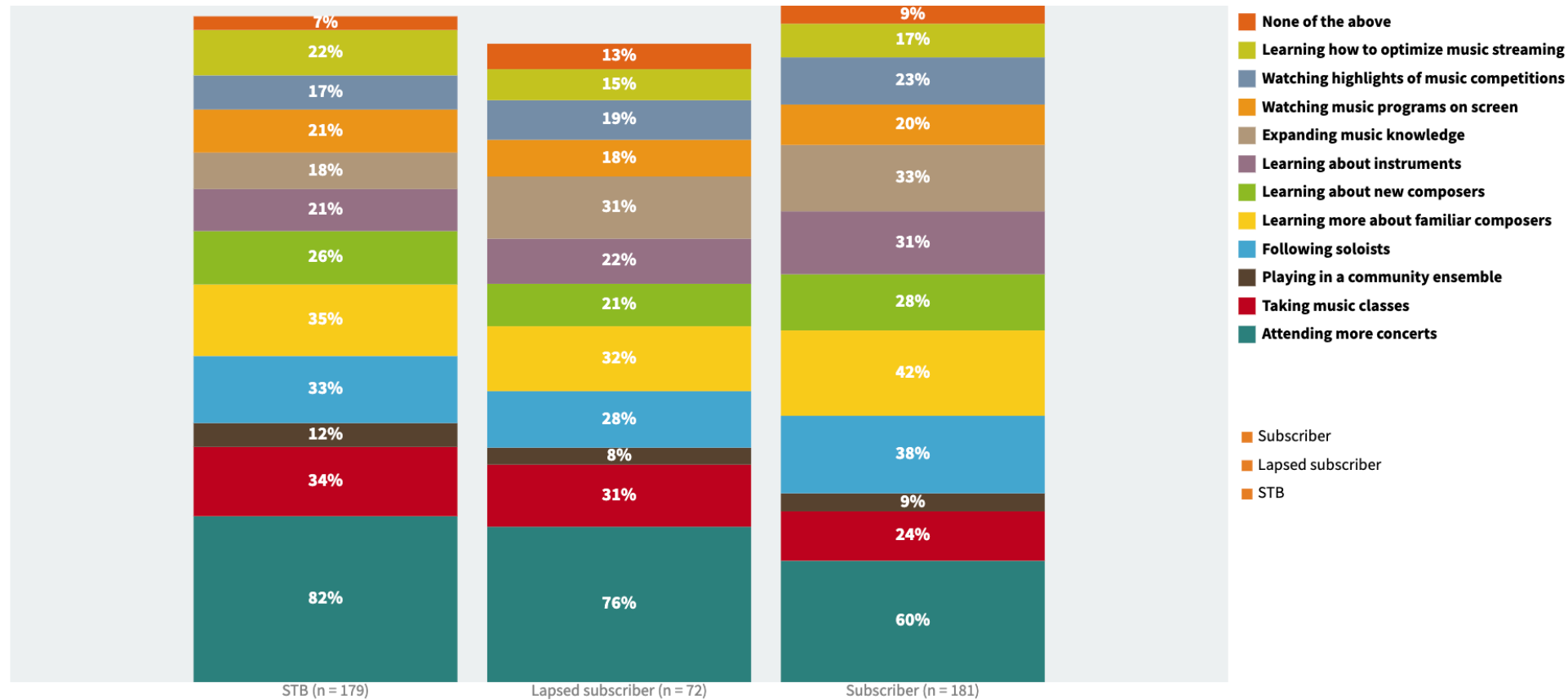


# Single-ticket buyers are just as interested in learning more about the art as subscribers

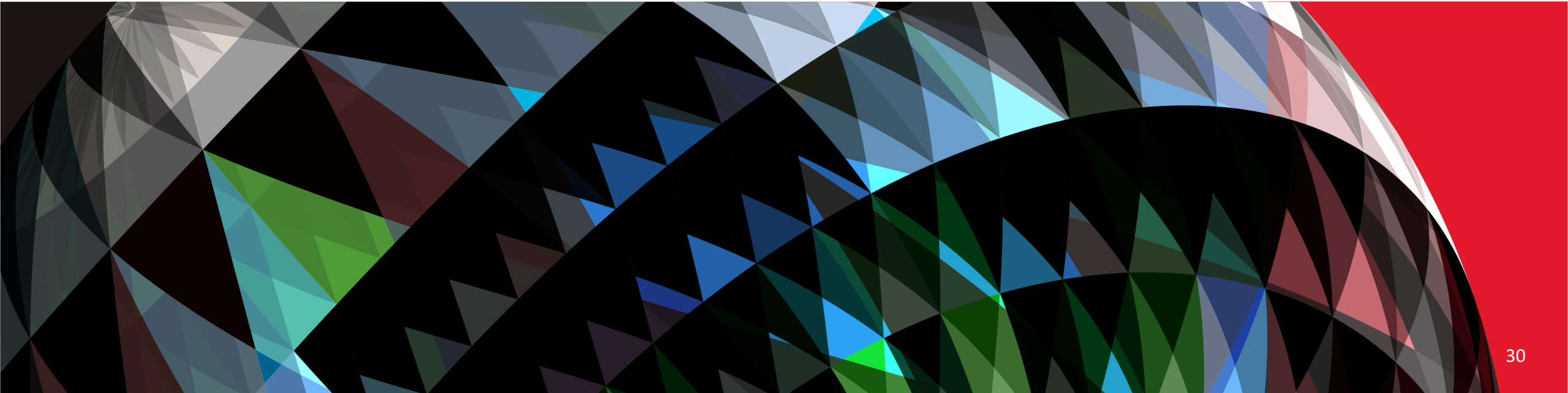
Following is a list of activities that you might do in the future to fulfill your personal interests in classical music. Select those you're very interested in doing. (select multiple)

Filter: Subscriber Status

Note: columns on 'select multiple' questions will not total 100%.



# How should we think about loyalty, moving forwards?



# There are several pathways towards loyalty

- Reward frequency
  - Habitual attendance breeds familiarity, which can lead to feelings of loyalty in different forms, which can be supported by good customer service, good amenities, low friction
  - Starts with transactional drivers, but can transition to relational drivers
- Consistently deliver fulfilling experiences
  - Differentiation through audience engagement, post-attendance f/up, etc.
- Be understood as a trusted guide along a customer's lifelong journey through the arts
  - Deepening appreciation through education, engagement, affinity groups, etc.

In thinking about frameworks for loyalty, our analytical approach was to see where it naturally occurs



# Affinity accrues to genres and styles of music, dance, theatre

e.g., Latin jazz, hip-hop dance, Baroque music

Taste is the foundational asset on which loyalty is built; tastes can be cultivated, and so can loyalty

# Affinity accrues to individual artists and companies

People can develop strong relationships with artists and companies

This is one area where presenters have an advantage, but they don't always use it

Here is where audience engagement can play a role

# Affinity accrues to venues and spaces

Why do people form emotional bonds with spaces? Because of their technical capabilities? Acoustics? Seat comfort? Sightlines? History?

# Affinity accrues to formats, especially if they are effectively branded

The most exciting branding work in the arts sector is happening at the product level (e.g., Pulse, SoundBox, Sensorium)

# Affinity accrues to instruments (e.g., harp, cello, percussion)

Many people have personal experience with instruments, and fascinations with unusual instruments (e.g., organ, harp)

In opera, affinity can grow around voice types (e.g., countertenor)

# Affinity accrues to cultural traditions and diasporas

Irish music, Gamelon, West African dance, etc.

Good branding facilitates the attachment of affinity to an object, and therefore plays a foundational role in any loyalty strategy

The proliferation of branding has allowed for the extreme atomization of affinity (e.g., Sirius XM has 400+ branded channels)

# edc

LAS VEGAS 2023

## FRIDAY

ABOVE & BEYOND · ALISON WONDERLAND · ANABEL ENGLUND · ANDY C · ARMNHMR · ARTBAT  
AZZECCA · BARELY ALIVE · BISCUITS B2B MARTIN IKIN · BLASTOYZ · BLEU CLAIR · BORN DIRTY · CAROLA  
CHAMPAGNE DRIP · CLOVERDALE · COSMIC GATE · DA TWEAKAZ · DAVID GUETTA · DAVID MORALES · DISCO DOM  
DISCO LINES · DJ ANIME · DJ ISAAC · DR PHUNK · DUKE DUMONT · DUSTIN HUSAIN · ELI BROWN · ELIMINATE · EPTIC  
FALLEN B2B RICHTER WITH MC DINO · FERRY CORSTEN · FISHER · FRICTION · FROSTOP · FUNTCASE · GALANTIS  
GRIZ · HANA · HINT OF LAVENDER · HUGEL · JAMES HYPE · JEROME ISMA-AE · KAIVON · KILL SCRIPT · KREAM  
LADY SINCLAIR · LENNY DEE · LIL TEXAS · LOCO DICE B2B FISHER · LOUIE VEGA · LOVEFINGERS & HEIDI LAWDEN  
MAARTEN DE JONG · MALAA B2B WAX MOTIF · MARC V · MARSHMELLO · MATRODA · MATT FAX · MEDUZA · MEMBA  
MIKE DUNN · MISS DRE · NOSTALGIX · ODD MOB · OMAR SANTANA · PATRICK TOPPING · PAUL DENTON  
PAULINE HERR · PRETTY PINK · REAPER · RIOT TEN B2B JESSICA AUDIFFRED · SAID THE SKY · SAN PACHO · SHEI  
SIDEPIECE · SOUND RUSH · SULLIVAN KING B2B KAI WACHI · VINI VICI · WARFACE · YETEP

## SATURDAY

12TH PLANET · ACRAZE · AFROJACK (SUNRISE SET) · AK SPORTS · ALOK · ATDUSK · AUDIOFREQ  
BEN NICKY PRES EMOTIONAL HAVOC · BEN UFO · BILLY GILLIES · BORIS BREJCHA · CAMDEN COX · CHANEY  
CHRIS LAKE · CID B2B SAGE ARMSTRONG · COONE · DANNY DAZE · DARREN STYLES  
DIONYSUS & YOSUF PRESENT: BIGGER, STRONGER, FASTER · DOM DOLLA · DOMBRESKY  
EXCISION B2B DION TIMMER · FALLON · FERRECK DAWN · FURY B2B NIGHTSTALKER  
GARETH EMERY PRESENTS: DECADES · GIUSEPPE OTTAVIANI · HABSTRAKT · HOT SINCE 82 · HVDES · JAMES HYPE  
JAMESJAMESJAMES · JOHN BRYARS · JORZA · JSTJR · KASKADE · KAYTRANADA · KETTAMA · KOROLOVA  
LADY FAITH · LAYLA BENITEZ · MAU P · METRIK B2B GRAFIX · MIANE · MICHAEL BIBI · MOCHAKK · MODAPIT  
MOODY GOOD (THROWBACK SET) · MORTEN · MS. MADA B2B BAKKE · NALA · NETSKY · NOIZU · PACO OSUNA  
RAY VOLPE · REBELION · SALUTE · SHERELLE · SOFTEST HARD · SONNY FODERA · SPACE LACES · SPENCER BROWN  
SUAE · SUB ZERO PROJECT · SUBTRONICS · SULLIVAN KING · SVDDEN DEATH: INTO THE INFERNO  
THE MARTINEZ BROTHERS · TIESTO · TOM & COLLINS · TRIODE · VALENTINO KHAN · VINI VICI  
WARFACE B2B D-STURB · WESTEND · WILL ATKINSON · WOOLI · YOSHÍ & RAZNER  
ZEDD · ZEDS DEAD B2B CHASE & STATUS

## SUNDAY

8KAYS · 999999999 · A HUNDRED DRUMS · ABANA · ACRAZE B2B NOIZU · ADRENALIZE · ANDEN  
ARMIN VAN BUUREN · BAGGI · BEN NICKY PRESENTS XTREME B2B SUB ZERO PROJECT · BENSLEY B2B JUSTIN HAWKES  
BLACK TIGER SEX MACHINE · BLANKE · BOOGIE T · BORGORE B2B LEVEL UP · BRENNAN HEART  
CAPOZZI · CHRIS LORENZO · CID · CODE BLACK · D-STURB · DEADLY GUNS · DEEPER PURPOSE · DENNIS FERRER  
DEORRO · DIMENSION · DIRT MONKEY · DJ MINX · DOMBRESKY · ELLEN ALLIEN · ENAMOUR · EXCISION  
FRAME (DECLAN JAMES & DECODER) · FRANKY WAH · FRED EVERYTHING · GAMMER B2B TWEAKACORE  
GARETH EMERY · GENTLEMENS CLUB · GOODBOYS · GRIZTRONICS · HANNAH WANTS · HOL! · I HATE MODELS  
IMANU · J. WORRA · JADEJ · JAMES HYPE · JEFF MILLS · JOSHUA · KALEENA ZANDERS · KASKADE REDUX  
LANE 8 · LE YOUTH · LEVENKHAN · LOUD LUXURY · MARSHMELLO B2B SVDDEN DEATH · MARTEN HØRGER  
MARTIN GARRIX · MIDNIGHT TYRANNOSAURUS · MROTEK · PEEKABOO · REINIER ZONNEVELD LIVE  
ROB GEE 30 YEARS · SAYMYNAME · SHIP WREK · SLANDER · SLANDER PRESENTS BEFORE DAWN · SONNY FODERA  
SOREN · SPACE MOTION · SULTAN + SHEPARD · TCHAMI B2B AC SLATER · THINGS YOU SAY · TOBEHONEST  
TODD TERRY · TOWNSHIP REBELLION · TSU NAMI · WAX MOTIF · WILL CLARKE · YELLOW CLAW · YOTTO

AND THE MOST IMPORTANT HEADLINER OF ALL

YOU

Affect generalization is a common phenomenon in which affect toward one object spreads to related objects. (Ren et al., 2012)



## RECAP:

*Loyalty is the sum of all the bonds and connections that people make with an arts organization and its programs, spaces, formats, etc.*

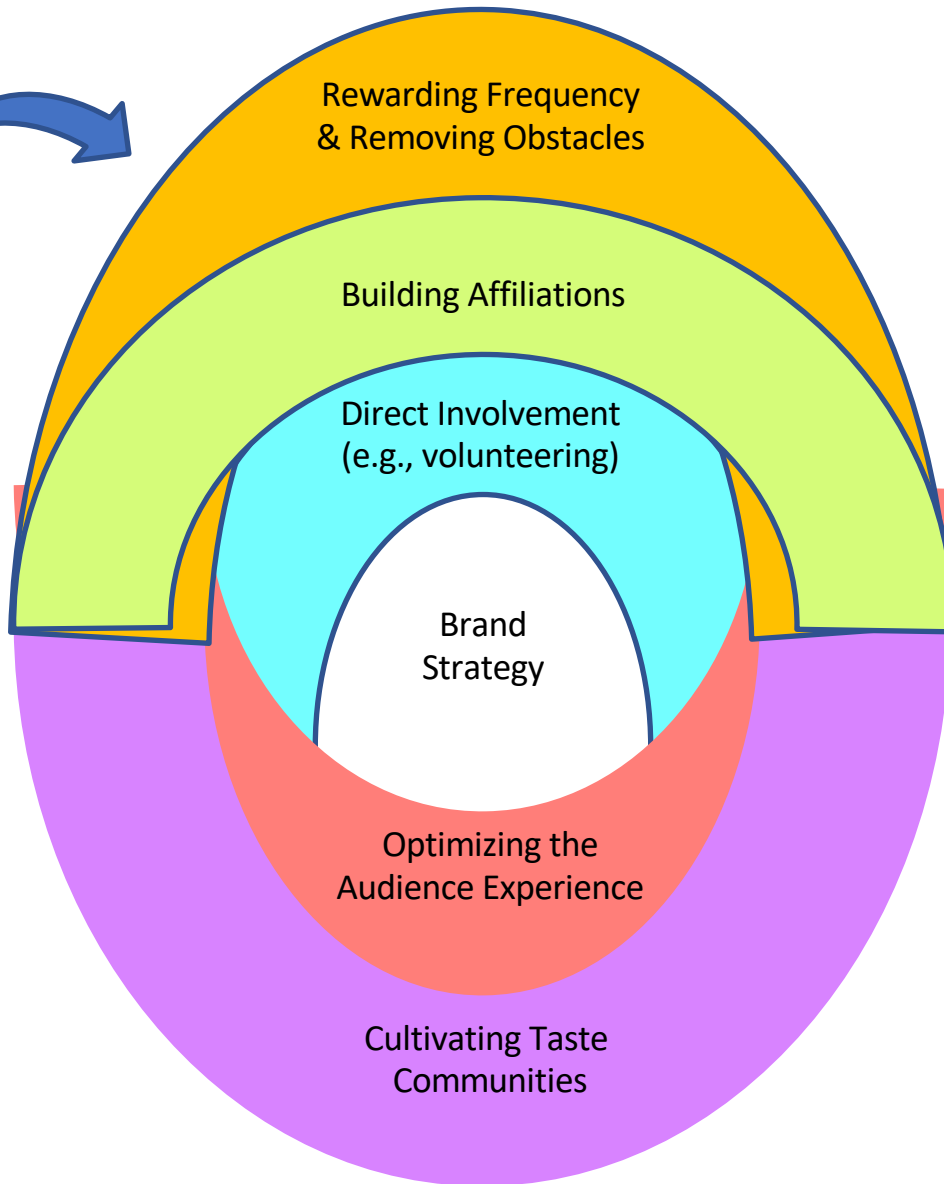
# A Conceptual Framework for Building Loyalty to NAC

Transactional



Relational

Marketing and Programmatic Points of Entry



Types of Loyalty

Inertia and Mercenary Loyalty

Accreted Loyalty

Associational Loyalty

Allegiance or "True Loyalty"

Fandom and Cult Loyalty