

**Using a Centralized Box Office
to Enhance Customer Relationship Management**

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Abstract:

As the leading private arts and media college in the nation, Columbia College Chicago has multiple producing and presenting entities that operate semi-autonomously from the college. These units determine their own programming and business practices while relying on financial support from the college to offset operating deficits. Because these entities operate relatively autonomously, they have inconsistent business practices, resulting in operational disparities that impact customer relationship management and the college's brand image in the greater Chicago community.

One of the most significant operational disparities has been inconsistent management of patron databases. In many circumstances, these databases were managed by students who rotated in and out of departments at the end of each semester. These databases were often left unattended for weeks at a time until inherited by new students in the next academic term. Consequently, units' data were often obsolete and inaccurate. Nonetheless, marketing directors continued to use these corrupted databases to market their events to the public. They did not have the financial or human resources at their disposal to clean or maintain their respective databases. This practice resulted in a substantial volume of returned mail that negatively affected marketing budgets.

Furthermore, these inferior data management practices represented a missed opportunity for the college to identify and target potential donors who patronize Columbia events through the organizations they support with their ticket purchases.

The Columbia Ticket Center was created to address some of these issues and to achieve several objectives:

- 1) to provide a consistent and uniform customer service experience to patrons of Columbia's affiliate organizations;
- 2) to capture core biographical data of patrons who have demonstrated an affinity to the college through their ticket purchases to Columbia-sponsored events, and then use that data to target new donor prospects to the institution;
- 3) to accurately collect and manage patron data, reducing marketing expenses caused by mailing to bad addresses;
- 4) to support affiliate marketing directors by enabling them to market their programming more efficiently and effectively, resulting in reduced marketing expenditures and greater earned revenue.

The Columbia Ticket Center is currently in its inaugural year and has already begun to realize many of its objectives. A recent mailing for The Dance Center at Columbia College had fewer than a dozen pieces of mail returned out of a mailing that went to nearly 3400 households. Furthermore, ticket sales for The Dance Center have increased from 3,594 tickets generating \$53,910 in earned revenue from September through December, 2006, to 5,351 tickets generating \$80,307 in earned revenue during the same period this season.

Introduction of the Organization

Columbia College Chicago is the largest private arts and media college in the nation with an enrollment of more than 12,000 students. Located just south of the Loop and fronting Grant Park, Columbia is at the nexus of Chicago's vibrant arts and cultural community.

The college offers an exceptionally broad educational experience, including academic programs in dance, theater, journalism, arts and media management, television, film and video, music, photography, liberal education, science and mathematics, educational studies, ASL-English interpretation, cultural studies, fiction writing, interdisciplinary arts, liberal education, as well as acoustics, radio, art and design, poetry, and interactive multimedia. Its graduates work as actors and musicians, journalists and photographers, production managers and costumer designers, scriptwriters and producers. They are entertainment marketers and reporters, events managers and sound engineers, graphic designers and set designers.

As part of the learning experience for these students, the college sponsors a number of arts presenting units on campus. Visitors attend dance performances, musical presentations, lectures, film screenings, gallery exhibits, literary readings, installations, and theater performances.

Each year, more than 250,000 people attend more than 700 such presentations.

Statement of the Problem / Initiative

Columbia College Chicago supports multiple affiliate presenting units that are associated with various departments within the institution. These departments, and their affiliate presenting units, not only provide educational services to students, but also produce and present cultural programming to the greater Chicago community. Presenters include, but are not limited to, the Theater Department, Music Department, the Chicago Jazz Ensemble, The Dance Center, and the Office of Institutional Advancement. Each of these units has its own methods for marketing its programming, managing its data, and governing box office operations. Consequently, patrons experience inconsistent levels and quality of customer service. Multiple marketing databases, derived from poorly maintained ticket sales data, were poorly maintained, resulting in inefficient and ineffective marketing campaigns. Valuable patron data was lost that could have been used to target new donor prospects to the college.

Columbia's Office of Marketing and Communications determined that, by centralizing box office operations among the college's affiliate presenting units, the college could achieve several objectives and overcome many of the challenges faced by both the college and by the entities it supports. A centralized box office would establish consistent business practices intended to increase the quality of customer service experienced by patrons. It would clean the legacy databases of Columbia's affiliate organizations by identifying bad and duplicate records, eliminating waste and lowering direct mail expenses. It would capture core biographical data on patrons that could be used to target donor prospects who have a relationship with the college through the events they attend. Finally, the box office would provide marketing directors with a robust customer relationship management (CRM) software solution that could be used to market their programming more efficiently and

effectively, thereby increasing earned revenue from additional ticket sales and requiring less financial support from the college. Further, a singular database of performing arts patrons would encourage cross-marketing across arts platforms.

Design

In fall 2005, Columbia's Office of Marketing and Communications contracted with graduate students enrolled in the college's Arts, Entertainment, and Media Management program to conduct a semester-long comprehensive study. The class instructor teaches box office methods and protocols in the department's graduate sequence. The study was to accomplish four specific objectives:

- 1) to conduct a college-wide needs assessment through interviews and/or surveys of the college's producing and presenting entities detailing box office requirements;
- 2) to identify and evaluate best practice solutions among the college's peer institutions;
- 3) to conduct a high-level product evaluation that include a feature comparison of several competing ticketing and customer-relationship management (CRM) software products that could be used to support box office functionality; and
- 4) to offer recommendations for the college's acquisition, adoption, and conversion to a centralized box office solution.

The study confirmed the disparity of practices among organizations, ranging from The Dance Center, which supported a full-time box office staff and a ticketing software application; to the Theater Department, which used work-study students to take reservations and to sell tickets; to the Chicago Jazz Ensemble, which had no box office staff and no ticketing application. The study recommended that the college secure a sublicense for Tessitura, the leading arts-and-culture CRM software application that was developed by the Metropolitan Opera and used by hundreds of symphonies, opera companies, and theaters around the world. The college accepted the study's recommendation to centralize box office operations and secure a sub-license for the Tessitura software.

Implementation

The implementation process began by identifying the pilot organizations that would be included in a centralized box office. Criteria used to invite affiliate organizations were based on the specific needs of the affiliates and their willingness to embrace a change in their box office operational procedures. The three organizations that were initially identified were the Office of Institutional Advancement, the Chicago Jazz Ensemble, and The Dance Center. The Office of Institutional Advancement annually offers four lectures with leading figures from the cultural and artistic community. The Chicago Jazz Ensemble produces four to eight concerts annually, and the Dance Center presents eight dance concerts with three performances each over the course of a season that runs from September to April.

It was decided that the project should be implemented in two phases, beginning in November 2006 and concluding in August 2007. The key stakeholders during the first phase included The Office of Institutional Advancement and the Chicago Jazz Ensemble. These entities were chosen because they each had just one event remaining in their respective seasons and the data conversion from their legacy systems were the most manageable. Neither organization intended to include transactional data in their conversions. The Dance Center would be included in the second phase of the project. This decision was made because The Dance Center had already begun its season and it was deemed ill-advised to switch ticketing systems in the middle of a season. Project teams of staff members representing key stakeholders were formed and a timeline was created to measure and evaluate the process of implementation.

Phase I: Chicago Jazz Ensemble & the Office of Institutional Advancement

Phase I of the implementation process consisted of achieving three major milestones:

- data clean-up and conversion;
- successful configuration of the application to support the marketing and ticketing needs of the pilot organizations; and
- training users on how to use the application.

The two legacy datasets were radically different.

The original data set from the Chicago Jazz Ensemble consisted of approximately 37,000 records, of which nearly 8,000 were duplicates. After de-duping the dataset, the project team sent the file to an outside vendor who subjected it to a National Change of Address (NCOA) screening. Roughly 25,000 good addresses were returned to the college after the screening. The Office of Institutional Advancement, on the other hand, uses Raisers' Edge as its fundraising database and has detailed and sophisticated data management practices. Decision-makers in that department chose to convert 2,300 records from Raiser's Edge to Tessitura. Raiser's Edge remains the database of record for the college and Office of Institutional Advancement, which uses Tessitura solely as a ticketing and marketing database. Consequently, the dataset from that office was clean and ready for conversion from the beginning.

Setup and configuration of the CRM software application was relatively straight-forward. During this phase, the project team trained box office staff to set up events and sell tickets in Tessitura and prepared marketing directors to set up their "campaigns" and "appeals." After the system had been configured, marketing directors were taught how to build lists, extract data, and create "promotions." Phase I of the project implementation was completed by the end of February 2007, and the college went live with the new "Columbia Ticket Center" on March 1, 2007.

Phase 2: the Dance Center and Website

Phase 2 of project implementation incorporating The Dance Center data into the Tessitura database and implementing its ticket sales using the Ticket Center, began in April 2007. The project team also began work to create a ticketing website that integrated ticket sales with the Tessitura application through a Web API.

The Dance Center had a total of eight different databases, totaling approximately 32,000 records, which it used for marketing and development. It also had an additional database that was part of its legacy ticketing system. The dataset in the eight databases had to be de-duped against itself before it was submitted to an outside vendor for an NCOA screening. The outside vendor returned nearly 24,000 good records. The dataset associated with The Dance Center's ticketing system was relatively clean, and it was decided not to submit it to an NCOA screening.

Instead, it was decided to simply apply the same business rules for data conversion as were applied to the other eight databases and then import both datasets into the application. The combination of both datasets did not substantially increase the total number of records since most of the records from the ticketing application dataset already existed in the dataset from the eight databases. Training of The Dance Center staff occurred simultaneously during the data conversion process. This portion of the implementation process was completed by the end of June, and the Dance Center went live with its ticket sales in July 2007.

The college's Department of Creative Services designed the website for the Columbia Ticket Center. An outside vendor was contracted to integrate the website to the Web API of

the ticketing application. This feature enabled patrons to purchase tickets online. The website went live in early August 2007.

The final phase of web integration included securing an email marketing solution that integrates the ticketing application with e-blasts deployed by marketing directors representing Columbia's presenting entities. This feature enables users to create promotional e-mails that tie directly to the ticketing database. Marketing staff are now able to track patrons' response rate after deployment. The email program is an entirely automated solution: if a patron makes a purchase as a result of the promotion or chooses to unsubscribe, this activity is reflected, in real time, in his or her record.

Initial results are encouraging. The Columbia Events email launch resulted in a 22 percent open-rate after three days, a 4 percent click-through rate, with fewer than 1 percent of 4,893 recipients requesting to "unsubscribe."

Benefits

Even though the Columbia Ticket Center is in the middle of its inaugural season, it has already begun to realize many of its stated objectives. Its staff provides a consistent, professional, high-quality customer service experience to patrons of Columbia's affiliate organizations. The launching of the ticket center's website, coupled with the improved customer service, has increased The Dance Center's single ticket sales rose from 3,594 in fall of 2006 to 5,351 in the fall of 2007. Earned revenue increased from \$53,910 to \$80,307 over the same period.¹

¹ Historical ticketing data is not available for the Chicago Jazz Ensemble or for the Office of Institutional Advancement.

In 2006 – before the introduction of the centralized box office – the college had at least five separate box office operations among its various semi-autonomous presenting units. The estimated subsidy for these separate ticketing programs amounted to \$120,000 annually in salaries, benefits, licensing fees, supply expense, and fulfillment costs.

Over the five-year pro forma for the Columbia Ticket Center, the college's operating subsidy for ticket operations is projected to decline from \$91,000 in the first year to an estimated \$34,000 annually, with \$60,000 in initial capital costs amortized over five years. The decrease in the college's subsidy results from imposing fee-for-service charges on ticket sales (including the realization of new revenue that had previously been lost to online services such as TicketMaster) and a decline in operating expenses, derived from enhanced efficiencies and volume discounts from an external IT service provider.

The Ticket Center's five-year ROI – including fee-for-service revenues as well as anticipated increases in ticket sales revenue derived from enhanced marketing efficacy derived from improved database management – is estimated at 1.74. This figure would be even more favorable except for the Ticket Center's subsidizing a number of unpaid events on campus, including student performances, cultivation events, and other such activities.

Other equally important, but non-financial benefits accrue to the college because of the Ticket Center. Rigorous data management practices have eliminated an enormous amount of waste, thereby enabling marketing directors to reduce their direct mail expenditures. A recent Dance Center direct mail campaign that was sent to nearly 3,400 households had fewer than a dozen pieces returned as undeliverable. Furthermore, procedures have been implemented to identify and target potential new donors to the college through the use of the ticketing application. To date, the Ticket Center has identified nearly 300 patrons who have attended more than one event and have a demonstrated affinity to the college's arts

programming. This information was not previously captured, but is now being added to the college's database of record.

Finally, because the college has followed its best-of-breed policy and acquired a sub-license of Tessitura, the leading ticketing and CRM software application for major arts organizations around the world, it is in a position to offer training in the application to its students who are enrolled in the college's arts management program. The first workshop class was held in January 2008 with 21 students. The class about \$12,000 in gross tuition revenues. In the future, it is expected that the college's arts management program will have a competitive advantage in recruiting students over other arts management programs by offering this course to its students. Columbia is also in negotiation with the software vendor to become the Midwest training center for future Tessitura licensees.

Retrospect

As far as marketing staff at Columbia can determine, no college in the nation has successfully integrated its ticket sales database with its donor database to create a singular institutional customer relationship resource. The challenges of synching data across platforms are significant. Those challenges were underestimated when the college embarked on its box office initiative. So were the procedural differences among presenting units at the college. There were no best practices applied or followed consistently. Creating consensus about business procedures and applying them to box office practices was more challenging than anticipated. The learning curve has plateaued.

All in all, implementation of the centralized box office as a resource for the college has gone remarkably well. "Client" satisfaction among campus users is high, and new users are asking to participate. Financial accounting and sales reconciliations are more streamlined

and accurate than ever before. A user community has been created across campus to share marketing insights and to enhance customer satisfaction. Patrons of events have a higher level of service – at a lower cost to them– than they experienced previously when college units sold tickets through Ticketmaster or via TicketWeb.

From an overall institutional marketing and branding perspective, formerly siloed presentation units have been brought into compliance with institutional brand standards because of the centralized box office services. Marketing data is being shared across units, and economies of scale are being achieved. Ticketing transactions have a uniform level of professionalism that reflects well on the institutional brand.