CULTIVATING VISITOR LOYALTY

Best practice for membership growth and retention

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Introduction

In today's fast moving world, with consumer expectations higher than ever and their behaviors often fickle between brands, loyalty is an increasingly harder objective to achieve. Yet, for the world's top visitor attractions, loyalty is also one of the keys to their growth and success.

The reason for this sits with the recurring nature of visitor relationships across membership, season passes or even simply an email database. From a marketing perspective, there's a higher acquisition cost in just encouraging members of the public to visit every so often - versus the same marketing investment being spread over a member relationship that may last years and include multiple visits and subsequent purchases on top of the member subscription itself. This balance of lifetime value (and the insight it brings into what makes members tick) provides for deeper engagement, exponential growth and a more sustainable business model.

Achieving this requires a symphony of visitor experience across the many pathways that build loyalty over time - understanding what turns a single visit into the desire to return, what converts repeat interest into a desired to subscribe, what monetizes that into a member relationship and potentially, what elevates that into increasingly higher commitments - even as high as the donor level.

For some venues, this can even include experiences from afar - building loyalty to the mission and brand despite the fact some fans may never visit in person.

This playbook gets to the heart of how to tie together visitor experiences for loyalty - onsite and online - including how to strategize, operationalize and innovate with unique insight. Inside this playbook you'll find an overview of loyalty theory, example insights, data tips and growth tactics to further the loyalty agenda in your visitor experience.

Angie Judge
CEO, Dexibit

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Key metrics

Here are the four key metrics that we believe a visitor attraction should be tracking to gauge the success of its membership schemes. Being able to see how these key metrics increase or decrease over time will allow you to put in place strategies to mitigate against downward trends, or encourage upward trends.

AVERAGE REVENUE PER MEMBER (ARPM)

$$\text{ARPM} = \frac{\text{Revenue in time period}}{\text{Number of members in time period}}$$

An estimate of how much revenue any given member has contributed to the organization.

BASIC LIFETIME VALUE

$$\text{BLV} = \text{ARPM} * \text{Average member lifetime}$$

An estimate of the average revenue that a customer will generate throughout their lifespan as a customer

RETENTION RATE

$$\text{Retention rate} = \frac{\text{Members this period}}{\text{Members last period}}$$

Retention rate is the proportion of members an attraction retains over a given period of time.
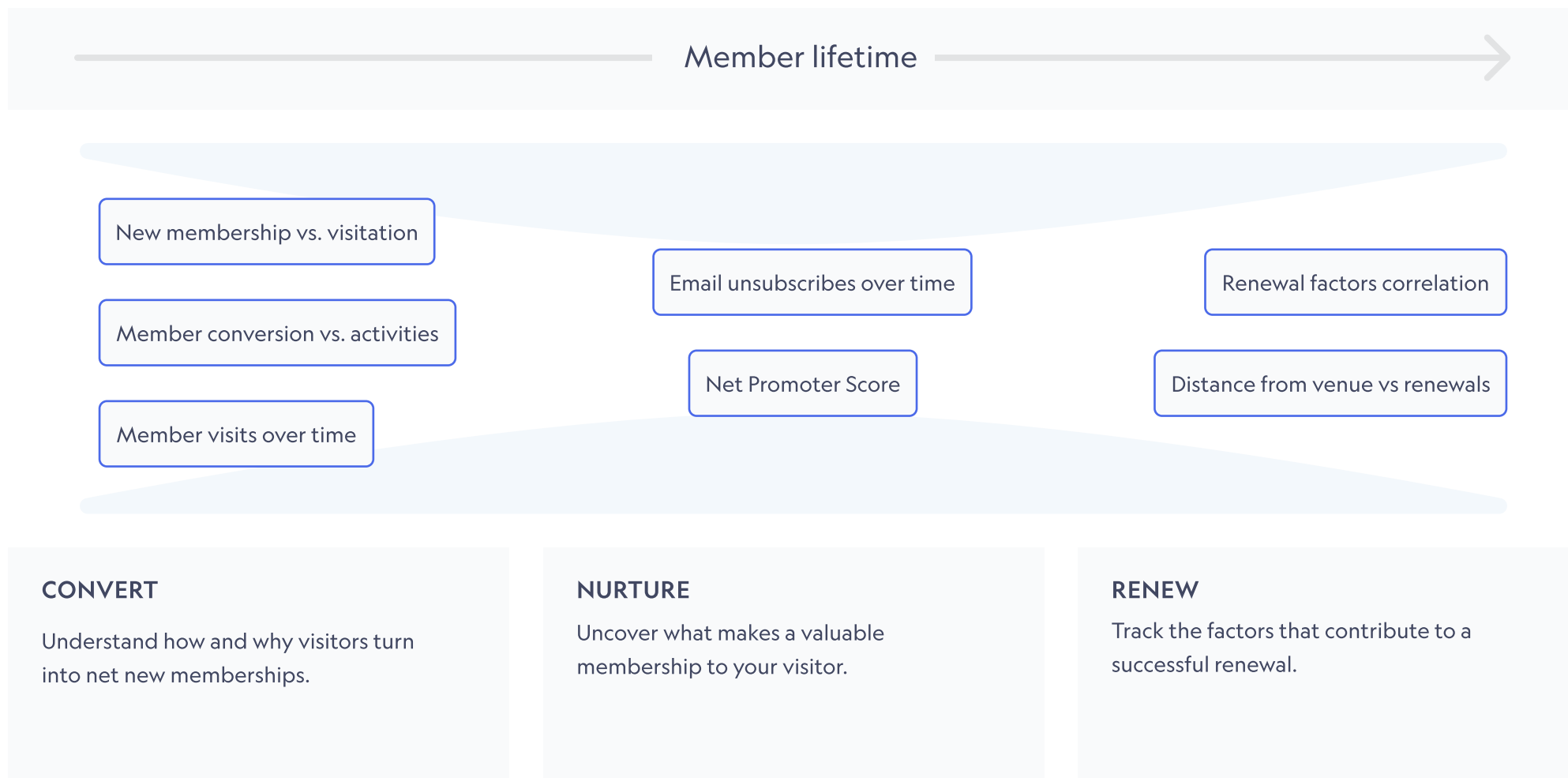
CHURN RATE

$$\text{Churn rate} = 1 - \text{retention rate}$$

The churn rate, also known as the rate of attrition or member churn, is the rate at which members cancel their membership of a venue.

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Membership lifetime journey

Now we know the key metrics, we can start to look for levers to incrementally improve them. A great way to understand visitor loyalty is to divide the membership lifetime journey into the 3 stages below. This experience starts from the moment a visitor steps into the attraction and it's important to add value at every step.

Member lifetime

New membership vs. visitation

Member conversion vs. activities

Member visits over time

Email unsubscribes over time

Net Promoter Score

Renewal factors correlation

Distance from venue vs renewals

CONVERT

Understand how and why visitors turn into net new memberships.

NURTURE

Uncover what makes a valuable membership to your visitor.

RENEW

Track the factors that contribute to a successful renewal.

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Convert

Understanding member behavior starts with a simple question: what turns a visitor into a member? To answer this, we need to understand the following:

- how visitors convert into members?
- does conversion rate correlate with anything?
- what are the repeat visit rates for non-members versus members?

This allows us to assess how well the value proposition of membership is landing. We can also see what the untapped potential of our visitor base may be.

DIVING INTO THE DATA

In Figure 1, we compare visitation popularity with net new memberships. This shows the trend of conversion rate of visitors into members over time.
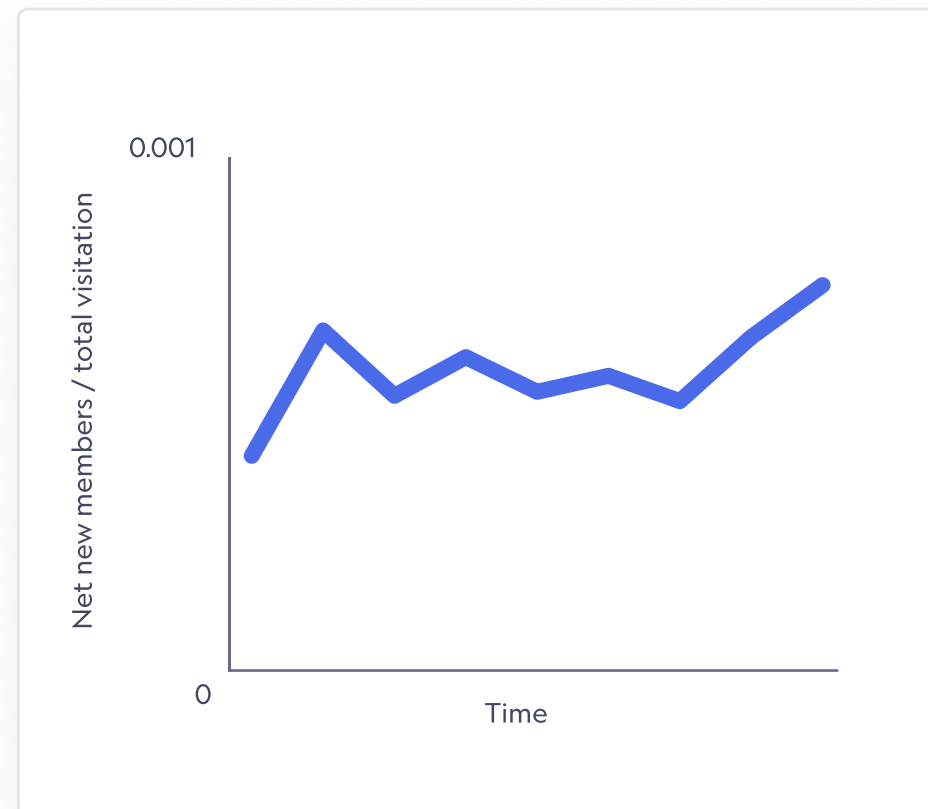
Fig. 1 Net new membership divided by total visitation over time.

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By focusing on net new, we isolate our growth trajectory. (Membership churn is important but can be handled separately - see below). By using a time series, we can start to set goals and track the impact of experiments.

The same approach can also be used for other loyalty conversion moments, such as web visits to email sign ups, or existing members to upsells.

We can now analyze how conversion is affected - positively or negatively - by things such as campaigns or events. In Figure 2, we can see which activities lead to higher conversions. Incorporating a picture of how many conversions were achieved too. If you isolate a pattern, you can check churn a year down the track. Do some activities lead to unsustainable membership growth? Do some activities create life-long members?

To evaluate the benefit members get, we can assess how often they visit. Figure 3 shows a simple visualization of

Fig. 2 Membership conversions compared with activity visitation

frequency of visits. To create this, you'll need a way of recognizing your members when they're onsite. Solutions include requiring members to book a pass, or scanning their membership card on arrival. Use this number to assess the average number of visits as it compares to the membership cost. Do number of visits correlate with renewals? If so, what percentage of membership at risk who are not visiting enough to achieve a return.

The same analysis can be used for other member actions too. Frequency of ecommerce transactions could be tracked using a discount code, for instance.
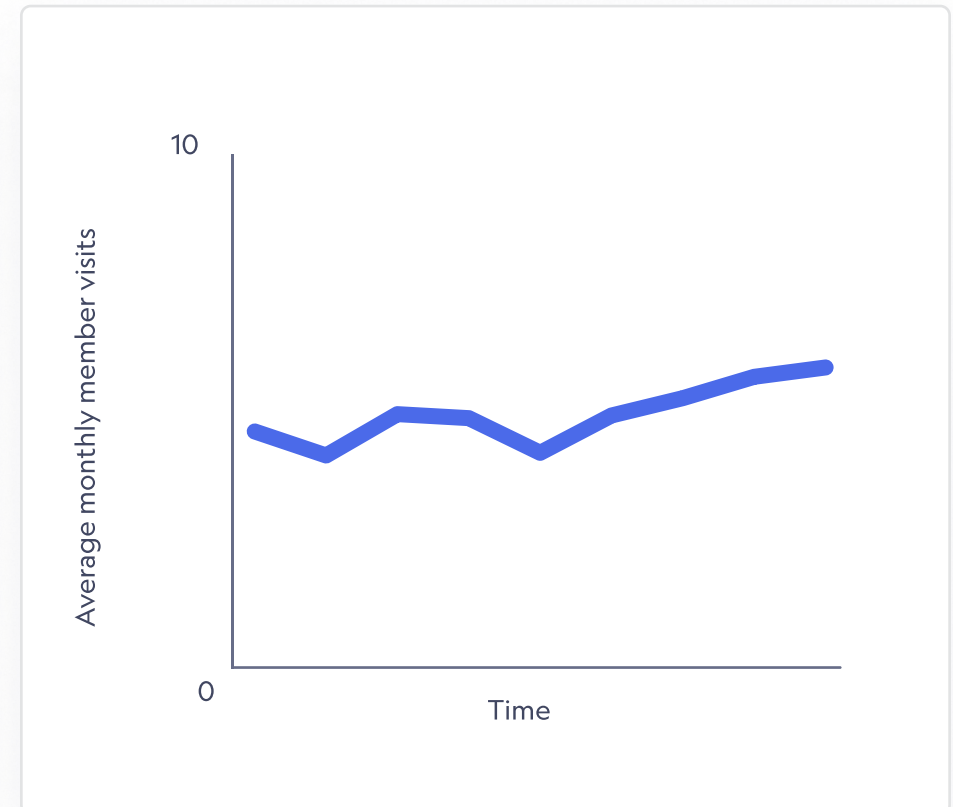
Fig. 3 Average monthly member visits over time

Nurture

Once you have acquired a member, the work begins to retain them over time. Email is a crucial tool in nurturing visitor and member relationships for loyalty. This can include three different types of contact:

- Drip emails which are event triggered. These can ease in new members and refresh value in the lead-up to renewal. They are typically focused on driving member behavior to a renewal outcome.
- Campaign based emails at a regular cadence. These keep members connected, engaged with the mission, and informed of news and events. These will have calls-to-action to either visit, buy or give.
- Periodic emails to check on member health using Net Promoter Score (NPS) or similar. These could link to member profiles to identify and action at-risk members.

The most effective cadence for drip and campaign emails is a delicate balance. Not enough, and members will lose touch; too much and they'll unsubscribe.

DIVING INTO THE DATA

We can analyze optimal cadence by split-testing. In Figure 4 we compare unsubscribe rates for similar member cohorts with differing schedules. Most email marketing tools can also split test for optimal performance on day of week and time of day.

Member campaign emails provide a golden opportunity to test out the marketing mix on upcoming exhibitions. Try different email subject headings, exhibition titles and creative artwork. Click-through rates can then inform the exhibition strategy.

To track member happiness, consider using feedback tools such as Net Promoter Score. With the NPS model, members should receive at least one annual survey. Receiving this several months from renewal will allow you enough time to action any detractor feedback. Sometimes member renewals are not evenly spaced through the year. In this case, split the member base to achieve at least a monthly spread of NPS responses. This allows you to watch performance over time.

Freeform text from NPS can provide great insight into the mood of the member base as a whole. Figure 5 reveals members often provide weak positive responses. We can then think about what actions we can take to move responses to strong positive.
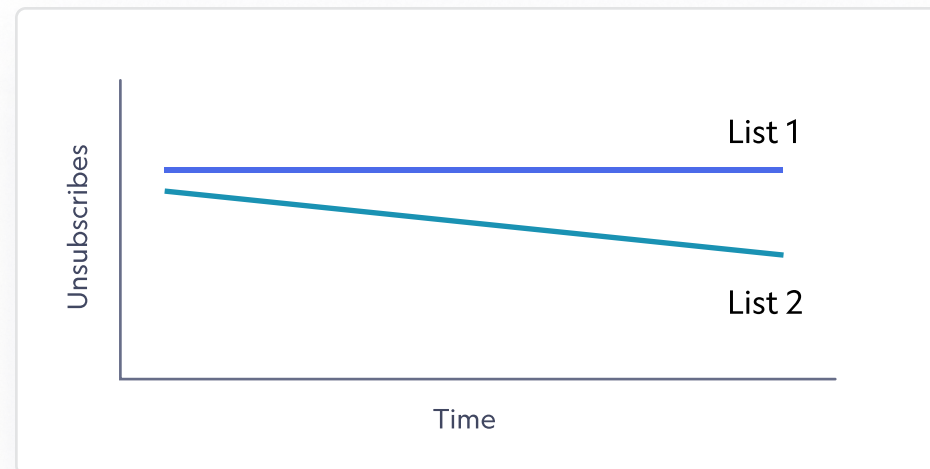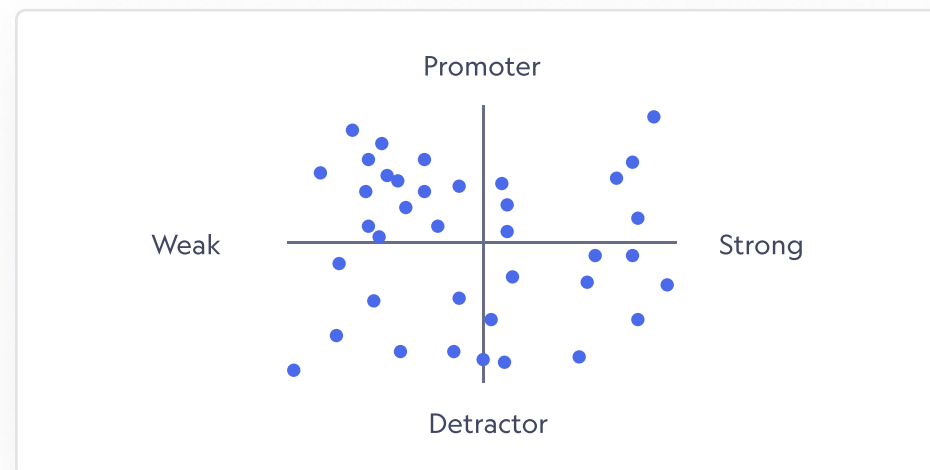

Fig. 4 Split test of unsubscribes over time

Fig. 5 Memberships conversions compared with exhibition visitation

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Renew

As we've shown, it's important to find a simple and catchy way to focus on what matters most to members. There are many ways to do this: from email opens to member attendance to Net Promoter Score (NPS). Tracking these metrics help supercharge a team's efforts - with a real effect on the bottom line.

Our ultimate goal is to encourage members to renew. Identifying the reasons why members renew is key to creating strategies to mitigate churn.

DIVING INTO THE DATA

Start by looking for correlations between external factors and renewals. Why do some members renew and others don't? You can make this job easier with machine learning. Algorithms can analyze historic renewals and a set of metadata about members.
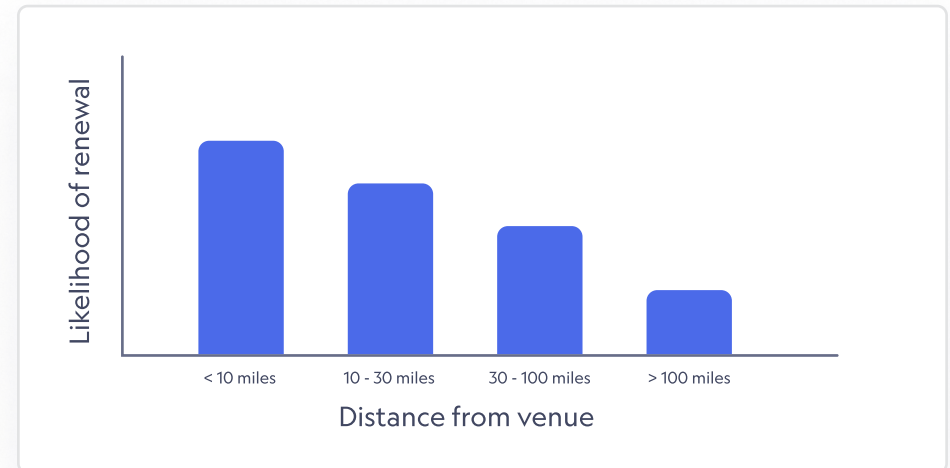

Fig. 6 Likelihood of renewal compared with distance from venue

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This can reveal trends and factors that influence renewals. In Figure 6, we find that member visits and distance from a venue are three times more likely to impact likelihood of renewal. Members who live less than 10 kilometers away are 70% likely to renew. Those who live more than 100 kilometers away are 70% likely to churn. Discovering the probability point of renewal versus churn allows us to set strategy and goals.

Next we can expand this knowledge to analyze our visitor and member base to understand opportunities and risks. Of the visitor base, how many would be well suited to membership? Of the member base, how many are at risk of churn? How can we influence those outcomes? In Figure 7, we can see that 24% of our member base live outside the 100 kilometer radius and are therefore at a higher risk of churning. By concentrating our member efforts on attracting members who live closer to the venue, we can counterbalance this.
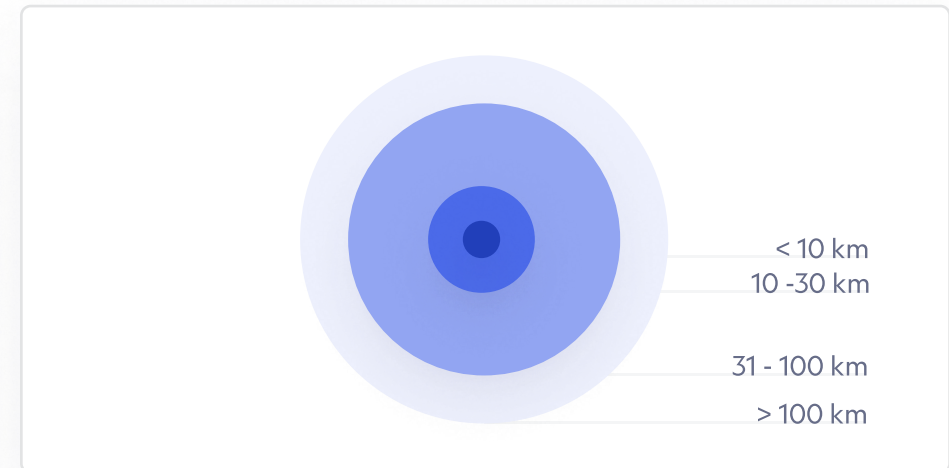

< 10 km
10 -30 km

31 - 100 km
> 100 km

Fig. 7 Visitor origin distribution

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Listen to our podcast with Melissa here

Whether they are a community follower, a community member, a ticketed visitor, a member, or a donor; somebody that has visited us 10 years ago, or somebody who's thinking about coming in the future [...] to have the mindset of a member is feeling like they belong, or at least have the potential to belong to something. So, yes, membership is a product; but we think of it a little bit more like a state of mind, an affinity state of mind.
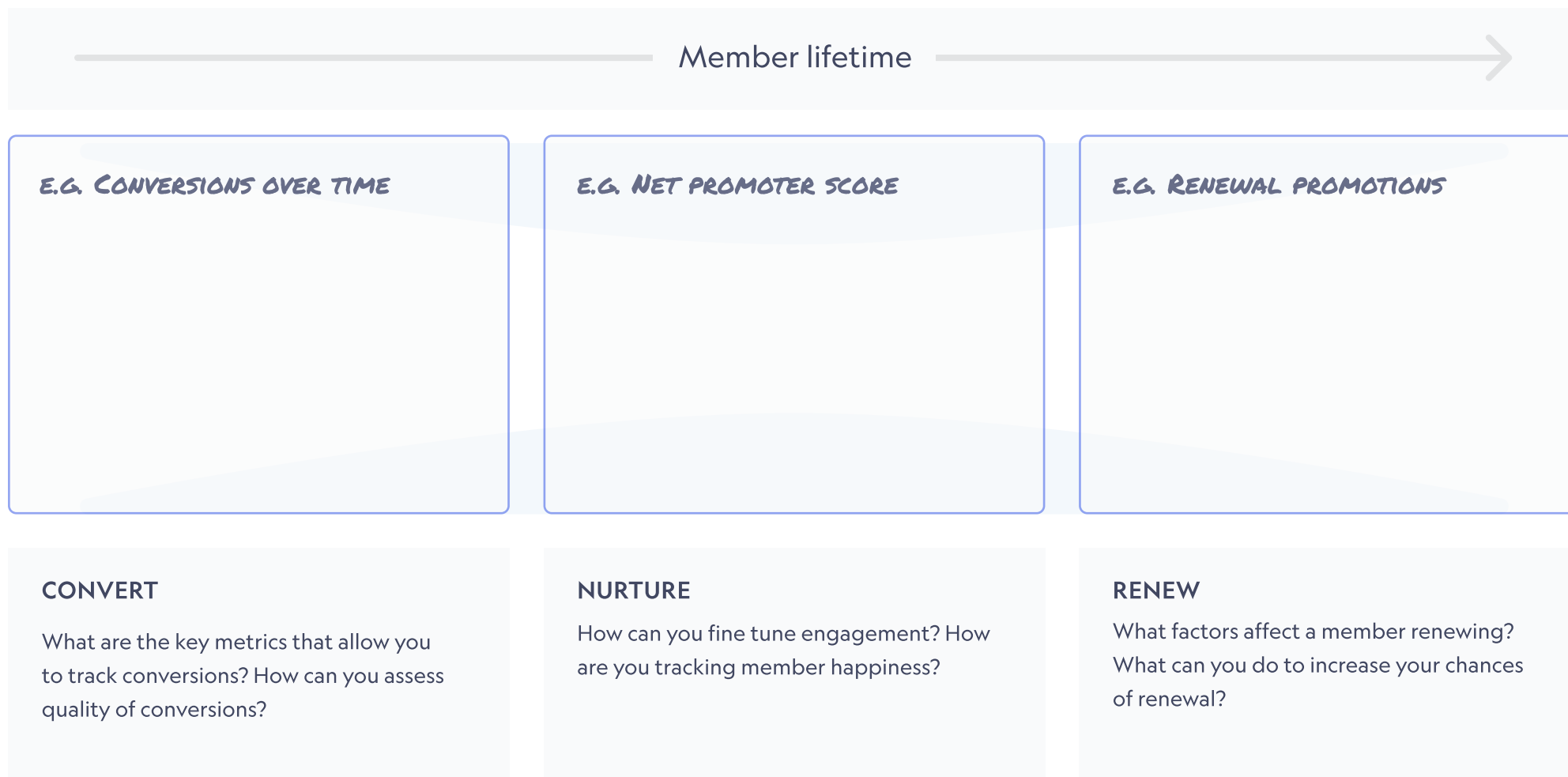
Melissa Felder

Chief Revenue and Marketing Officer
California Academy of Sciences

The play: Uncover your membership journey

Now that we have explored some examples, take a look at your attraction's data infrastructure and maturity. What can you measure from the data you have? Where can you implement changes to be better able to measure results? From these sources, identify what success looks like for your attraction - these inputs will help you uncover your magic formula for loyalty.

Member lifetime →

E.G. CONVERSIONS OVER TIME	E.G. NET PROMOTER SCORE	E.G. RENEWAL PROMOTIONS

CONVERT

What are the key metrics that allow you to track conversions? How can you assess quality of conversions?

NURTURE

How can you fine tune engagement? How are you tracking member happiness?

RENEW

What factors affect a member renewing? What can you do to increase your chances of renewal?

How's your data looking?

This playbook draws from our customers' experience, their learnings and successes. As leaders in the visitor attractions space, they highlight that the modern visitor attraction makes decisions based on data, not simply on gut feel.

TRADITIONAL	BEGINNER	LEARNING	GREAT	EXCEPTIONAL
Little or no data	Developing data literacy	Descriptive analytics	Predictive analytics	Prescriptive analytics
Visitor attractions new to loyalty typically count only member totals, often periodically, with a low focus on performance.	As loyalty comes in focus, the team begin to monitor and improve repeat visits, member conversion and churn, beginning to identify cause and effect.	As loyalty grows, the team begins to actively monitor member outcomes connected to the visit, with periodic goals. This is dependent on knowing when a member visits.	As loyalty accelerates, conversion and churn become predictable, with more granular goals. Member lifetime value is known and analyzed, dependent on knowing when a member makes a purchase across various lines of business.	Attractions achieving exceptional loyalty tailor member experience through predictive insights, achieving exponential growth with expansion revenue, balancing capacity if needed.

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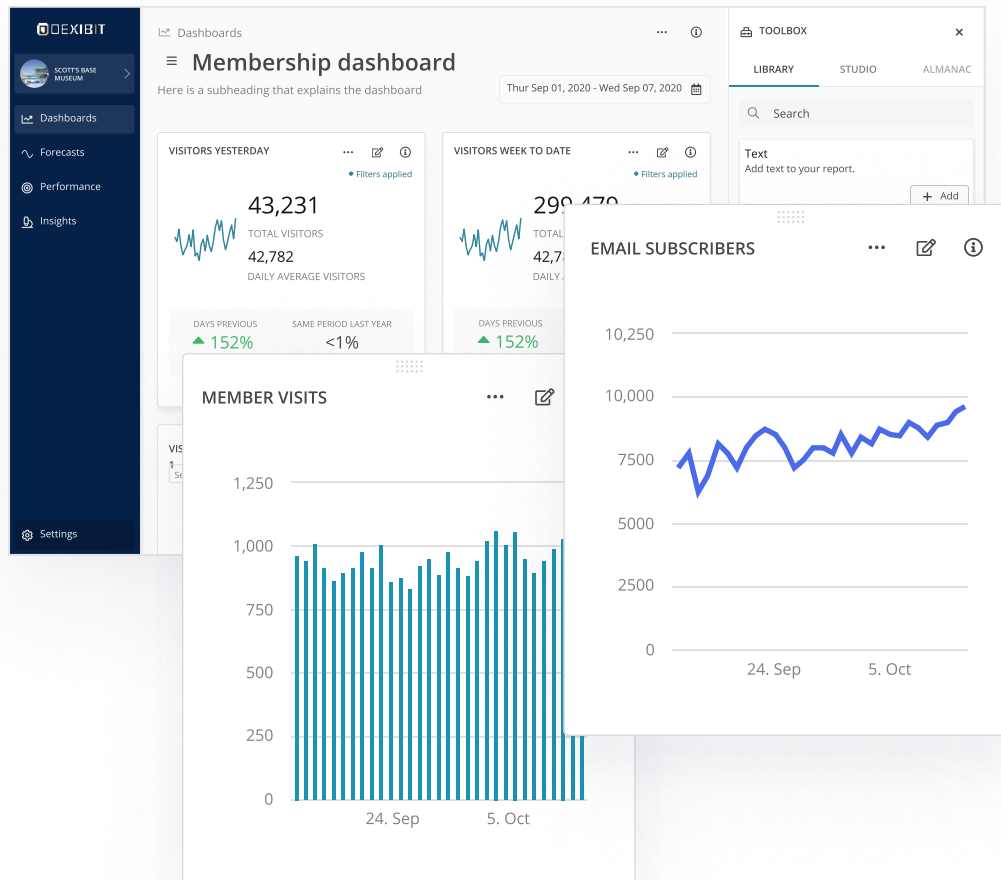
Big data and analytics, designed for your visitor attraction.

Track all of your exhibition and event attendance and revenue metrics in a single dashboard, and discover insights to inform your event strategies.
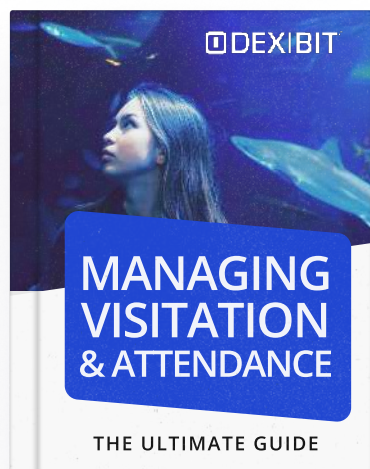
Get in touch to learn how we can work together to help you achieve your goals.

Book consultation

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Learn more

As the Visitor Attraction Industry's no.1 data and analytics platform, we've worked hard to uncover the most important themes which ensure that you and your team are providing world class visitor management. Loyalty is only one aspect of our Visitor Management Excellence themes.

Explore all of our other playbooks below:

MANAGING VISITATION & ATTENDANCE

THE ULTIMATE GUIDE

OPTIMIZE CAPACITY & OCCUPANCY

THE ULTIMATE GUIDE

OPTIMIZE RETAIL REVENUE

THE ULTIMATE GUIDE

VISITOR EXPERIENCE BEST PRACTICE

THE ULTIMATE GUIDE

GENERATE DEMAND & ENGAGEMENT

THE ULTIMATE GUIDE

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