

Funsavers Filling a Gap

Mie-Sara Lai and Keri Salerno 22 May 2012

Through its Funsavers program, the Greater Philadelphia Cultural Alliance fills a gap in services for both cultural organizations and consumers.

The Greater Philadelphia Cultural Alliance (GPCA) has been a leader within Southeastern Pennsylvania's cultural community since its founding in 1972. It is a membership-driven organization providing advocacy and audience development to its nearly 400 members, representing a diverse group of organizations throughout the region. In addition, GPCA works to shape regional policy decisions and increases the public's involvement in the cultural sector. All of GPCA's efforts work to ensure that the cultural community makes the region a world-class place to live, work and play.

In the early part of the 21st century, GPCA was able to capitalize on the increasing utilization of the internet to provide a critical service to cultural organizations and those individuals who consume their performances. At that time, cultural organizations were looking for ways to increase their audience base, sell more tickets and get rid of tickets that might not get sold.

Before the days of businesses like Groupon, there was no quick and easy method for potential audience members to

efficiently purchase discounted tickets to cultural performances. Performance-goers were interested in being able to peruse a variety of last-minute discounted tickets to performances they might not be willing to pay full price for, or simply desired to experience something out of their norm. At the time the only option that existed for performance-goers were last minute walk-up booths outside theaters, such as BoxTix in Boston and NYTix in New York. BoxTix and NYTix continue to run their walk-up booths, but have since expanded to providing additional discount ticket services via the internet.

In 2000-01, GPCA's newly appointed president, Peggy Amsterdam, embarked on an audience development strategic planning process that engaged members, others from the cultural sector and individuals across the region. Out of the process, nine recommendations emerged, one of which was the concept of a discounted ticket program. GPCA in its role as a member-driven umbrella organization decided to tackle this problem. Thus, the program Funsavers was born in 2003.

The concept for Funsavers was a weekly email offering half-price tickets to cultural events across the region. Such events include theatre, music, dance and museums, to name just a few. Not only was this the first service of its kind being offered in the southeastern Pennsylvania region, but GPCA believes one of the first in the country. Funsavers took off immediately, proving its success for fulfilling public demand. After its launch and early media

attention, Funsavers had a rapid response with 10,000 individuals signing up to receive the weekly emails. Just nine years later, there are over 100,000 individuals signed up for Funsavers.

As stated above, GPCA believes it is one of the first in the country to develop a cultural discount ticket program like Funsavers. However, other similar programs do exist throughout the country. Just two examples are Austin Tix and NJArtsTix.org. In addition, as previously mentioned, organizations like BoxTix and NYTix have branched out from their walk-up ticket booths to provide similar online services as Funsavers.

Funsavers benefits organizations in a number of ways. It is a free service offered for GPCA members, funded by private resources as well as the selling of both for- and nonprofit advertising embedded in the weekly email. Alliance member organizations looking to sell tickets that they believe will not otherwise sell will make their tickets available on Funsavers. While the tickets are being sold for half of the original price, it's an opportunity to increase the organizations' member base and audience for a performance. These Funsaver buyers are not just seat fillers to an organization, but potentially returning viewers (at possibly a full priced ticket). They may one day even become members or donors to the organization. In addition, the appeal of having half-price tickets available allows individuals to take a risk and view a performance they might not be sure they'd like or a type of art they've

never experienced. This not only works to increase that particular organization's audience, but potentially opens up an entire medium of art for these individuals, which benefits multiple organizations. If even just a small percentage of these individuals return for a future performance, it is a success. Finally, just being listed in the emails provides exposure for an organization.

For individuals, it is weekly one-stop-shopping in their email inbox for discounted tickets. Those who want to enjoy art but might have financial constraints now have an efficient way to browse performances that fit their current budget. Lastly, for those wishing to experience a new type of art, Funsavers allows them this opportunity without the financial risk of purchasing full-price tickets.

Not only has Funsavers filled a gap in service for cultural organizations and consumers, it has tangible results. As stated above, currently around 100,000 individuals are signed up and receive the weekly email. GPCA estimates there is a 28 percent open rate for these emails. Based on their evaluations, GPCA estimated Funsavers has brought roughly \$3 million into the cultural economy in the region since its founding. Each year, Funsavers delivers an estimated \$600,000-700,000 back to GPCA members. Based on the Greater Philadelphia Cultural Alliance's 2011 *Portfolio* report on the cultural sector, this is around 0.06 percent of the total revenue brought in by the cultural sector. According to the same report, around 45,000 tickets a year are sold through Funsavers, which

comes to around 0.5 percent of all paid tickets. While these numbers may seem small, they should be put in perspective. This amount of revenue is being generated by just one program, which is significant.

For comparison purposes, the New Jersey Theatre Alliance's NJArtsTix.org has just over 15,000 individuals signed up to receive their emails about discount tickets for performances from its member organizations and non-members that pay a small fee to be included. According to the New Jersey Theatre Alliance, NJArtsTix.org sells an average of 3,000 tickets a year and returns around \$70,000 to participating organizations.

While Funsavers capitalized on the increasing use of the internet in 2003 and met the demands for cultural organizations and consumers, the question arises: With the advent of companies like Groupon, StubHub and LivingSocial, how does Funsavers remain a success? John McInerney, Vice-president of Marketing and Communications at the Greater Philadelphia Cultural Alliance, attributes the program's continued success to a number of reasons. First, Funsavers is specifically focused on the cultural community. Unlike other discount sites that feature sporting events, excursions and other types of activities, members and individuals can go to Funsavers for their arts and cultural interests. In addition, Funsavers does not take any administrative fee from the purchase of tickets, unlike other discount ticket websites.

To illustrate the differences between Funsavers and many other discount sites, Groupon, again for example, was founded on the premise of being able to offer a “deal of the day” in Chicago, to include any type of discount, not just cultural performances. For instance, the very first “deal of the day” was a discount to a local pizza place in Chicago. From there Groupon grew exponentially to include cultural performances, sporting events, hotels and many other activities. Groupon is also no longer focused on just businesses, organizations and events in Chicago, but has become an international company offering discounts across the globe. In addition, Groupon is different from Funsavers in that it takes a shared profit with the discounted entity based on a 50-50 split. For example, if a ticket is purchased for \$50, Groupon collects \$25 and the business, organization or event collects \$25.

Since its founding in 2003, Funsavers has successfully addressed cultural organizations’ need to increase their audience base and allow cultural consumers to efficiently purchase discounted tickets, all of which has proven to increase revenues back into the area’s cultural economy.