

## **REPORT TO SCRUTINY COMMITTEE CORPORATE SERVICES**

**Date of Meeting:** 29 September 2016

**Report of:** Museums Manager & Cultural Lead

**Title: Review of:** New Income Generating Initiatives at RAMM: Temporary Exhibition Admission Charges.

### **Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

### **Is this an Executive or Council Function?**

#### **Council Function**

#### **1. What is the report about?**

- 1.1. This document is a follow up and review of actions undertaken as a result of the report 'Income Generating Initiatives at RAMM' – which was presented to Economy Scrutiny Committee on 12<sup>th</sup> and 17<sup>th</sup> November 2015 (Executive). The trial it proposed was an exploratory exercise around charging for certain temporary exhibitions at RAMM. A recommendation of this report was that a second paper would be prepared for Members outlining the results of this initial trial.
- 1.2. The original report was written in the context of the financial challenges faced by the local authority, the review of public services and opportunities for income generation this had driven.

#### **2. Recommendations:**

That Scrutiny Committee – Corporate Services give their approval

- 2.1. To continue to test different strategies for income generation relating to temporary exhibitions.
- 2.2. To extend the admission charge to a forthcoming exhibition, 'Hiroshige's Japan: Stations on the Tokaido Road', an exhibition touring from the Ashmolean Museum, Oxford.
- 2.3. To explore 'give what you think' donations in the exhibition 'Queen Victoria in Paris' touring from the Royal Collection.

#### **3. Reasons for the recommendation:**

- 3.1. Admission to the museum, and all of the exhibitions has previously been free, which includes access to permanent displays, temporary exhibitions and some events and activities as well as Wi-Fi, activity bags and handling activities.
- 3.2. A number of activities are currently offered through paid tickets, these include tours, talks, lectures, evening events and workshops. In delivering these activities RAMM seeks to support its core costs.
- 3.3. Income generation for the museum is now an important need, therefore any avenue to generate funds must be developed and reviewed. The 'Stronger Exeter' report produced in 2014 stated that although residents did not want to

pay for general admission, they would be prepared to do so for temporary exhibitions.

- 3.4. This report reviews the actions that took place in order to introduce trial charging for the first exhibition, 'International Garden Photographer of the Year' (IGPOTY) shown at RAMM 23<sup>rd</sup> April to 28<sup>th</sup> August. It covers the marketing and communications to support ticket sales and to communicate the new strategy, the results and the on-going resources required to extend the trial.
- 3.5. In summary, findings from the first trial indicate that only 3% of visitors coming to the museum bought tickets for IGPOTY, the vast majority of those buying tickets in the museum (only 2% of that number bought tickets online prior to their visit). In total there were 2762 visitor to the exhibition generating £6212, 17% less income than projected. Weekends tended to be quieter, but the number of tickets per day varied vastly from 2 to 91, averaging at 25 tickets per day. See more details in 8.8.
- 3.6. It is recognised that the evidence provided by an initial trial involving one exhibition is probably insufficient to inform Members' decision so the recommendation of this report is to extend the trial with a second exhibition and a separate 'give what you think' exercise.

#### **4. What are the resource implications including non financial resources.**

- 4.1. There is a cost implication for staff covering requirements such as marketing, uploading tickets, reporting, printing tickets, postage, however these costs should be absorbed into existing communication and front of house activity.
- 4.2. The cost implications for maintaining visitor services ticketing for 'Hiroshige's Japan' principally involve controlling access to the gallery, in order to limit entry to ticket holders only. Similar visitor management is not required for the 'give what you think' scheme proposed for the 'Queen Victoria In Paris' exhibition, although we will recruit volunteers to highlight the opportunity to make a donation in connection with this visit.

#### **5. Section 151 Officer comments:**

- 5.1 The Section 151 Officer is satisfied that the costs required to set up the scheme are modest. However, the returns are also modest and it is not therefore proposed necessary to change the Museum budget at this stage. If approved and the scheme is successful, then this will be reviewed as appropriate.

#### **6. What are the legal aspects?**

This information will be sought and reported back to Committee if there is a problem.

#### **7. Monitoring Officer's comments:**

- 7.1 Bearing in mind the comments made when the initial report was submitted regarding a clear charging policy being developed, and the fact that this report suggests a continuation of the trial, this report raises no issues for the Monitoring Officer.

## 8. Report details:

- 8.1. RAMM's first ticketed temporary exhibitions was the 'International Garden Photographer of the Year' (IGPOTY) 23 April – 28 August 2016. IGPOTY is a well-known, popular exhibition which brings with it an audience of its own. IGPOTY is a touring exhibition and many of the venues showing it are National Trust properties, as well as other venues which have a general admission cost.
- 8.2. Ticketing was set up on Admit One (financial ticketing system) in good time for the exhibition opening, with ticket costs promoted within the regular printed event guide, on the RAMM website and through the museum's regular channels of communications including on-line listings and printed publications.
- 8.3. A press release announcing a new strategy of charging for some temporary exhibitions was distributed to the local media, who picked up on the story and gave it coverage. There was no negative comments and informal feedback recognised the need for income generation.
- 8.4. IGPOTY was a key feature used in the museum's Cultural Tourism campaign, a regional campaign using Arts Council funding. The campaign focus was *Naturally Inspired*, a season of botanical, garden and landscape themed exhibitions and activities in which IGPOTY took the lead. This campaign was launched on the 26 April and included:
  - 8.4.1. Printed leaflet (37,500 off) distributed throughout Devon to areas of high footfall to encourage day visitors to the museum, which featured IGPOTY
  - 8.4.2. A presence at local festivals and events including Toby's Garden Festival at Powderham, Devon County Show, Exeter Food Festival and Exeter Craft Festival (approx. 8,000 people engaged directly)
  - 8.4.3. Partnered activity with Toby Buckland included installation of a garden in the museum for the first 3 weeks of the opening of IGPOTY and a unique social media competition 'Planthunters'
  - 8.4.4. *Naturally Inspired* packaged flower seeds as promotional giveaways at festivals and events and via partners.
  - 8.4.5. Advertising in Dartmoor and local Wildlife Trust magazine, digital advertising and competitions with tourism bodies including Visit South Devon, Heart of Devon and Visit Exeter.
  - 8.4.6. Media competition with the Exeter Hoteliers and Restaurant Association – including tickets and IGPOTY book.
  - 8.4.7. Press activity to promote IGPOTY as part of the *Naturally Inspired* programme.
  - 8.4.8. Great Western Railway 2 for 1 offers throughout May, June, July & August.
  - 8.4.9. IGPOTY was the lead image on the printed events guide and there was an external railing panel at the museum (later relocated to the hoarding).

- 8.5. Ticket prices were set as:
- Adult: £4.00
  - Concessions: £2.00 (Students, X-card holders, supporter groups such as the Friends, Art Fund)
  - 19s and under: Free (given the requirement for full time education)
  - Groups: 1 person in 10 goes free
- 8.6. Ticket sales were made through tills at Garden Reception. Our inability to sell tickets at the gallery door through use of an iPad lost us those visitors wanting to make an 'impulse decisions' to see the show. IT difficulties linked to the City Council's PSN compliance means that it is not possible to have mobile ticket sales as used in other commercial contexts. This was a recognised problem highlighted by members of the public.
- 8.7. As requested by Members at the committee meeting, there was a free entry day as part of this campaign. This took place on Sunday 7<sup>th</sup> August. We chose a weekend specifically for residents who might be working during the week and to encourage a larger number of visitors. To promote free admission day we distributed a press release, promoted it on the RAMM website, via social media and through the regular e-shot

8.8. **Results:**

8.8.1. There were 82,979 visitors to the museum during the exhibition period, 2,762 purchased tickets for the exhibition giving a conversion rate of 3.2%

8.8.2. Ticket sales were made up of:  
 Adults: 753  
 Complimentary: 5  
 Concessions: 1618  
 Under 19s: 386  
*plus* FREE day admission: 120

8.8.3. The free day encouraged the largest number of visitors throughout the exhibition opening. It took place on Sunday 7 August and 120 individuals saw the exhibition. £14.94 was donated to IGPOTY on this day equating to 12.5p per visitors.

Conversion		Tickets SOLD		Income based on 5% (actual 3%)		Cost*	Outcome**
Predicted	Actual	Predicted	Actual	Predicted	Actual		Actual
5%	3%	5,000	2762	7,500	6.212	6242	-£30

8.8.4. ickets and

income:

\*Exhibition staff costs £6,242

Staffing – Casual staff costs was £6242 (*Calculation: £8.25 x 7hrs for 109 days*)

\*These costs do not include: curation, conservation, design, marketing, promotion and administration. These are provided by in-house staff.

\*\*Outcome is income minus the extra cost of staffing which equals -£30. It excludes the exhibition's hire costs (£5655) which would have applied regardless of ticketing.

Income from ticket sales failed to cover the additional costs of Visitor Services staffing for door control (£30 deficit) and did not defray the costs of buying in the exhibition.

- 8.9. Many other museums and galleries charge for entry to temporary exhibitions, so RAMM is trialling practice already in place throughout the UK. 10% 'conversion' rate is typical (i.e. 10% of visitors visiting a free admission museum will pay the ticket price for a special exhibition). RAMM's particular visitor pattern of frequent visits from a core local audience, led to a projected conversion rate of 5% in the initial report to committee. The results of the IGPTY have provided evidence of a lower conversion rate 3%. This needs to be further tested and is likely to be affected by weather, exhibition content and season.

8.9.1. An exit survey took place which has given us the following insight:

- 79% of ticket buyers specially visited RAMM to see the exhibition.
- 25% of them found out about the exhibition on the RAMM website and 17% from the printed event guide. 14% found out about the exhibition on site at the museum and 12% word of mouth.
- 55% of ticket buyers viewed the exhibition by themselves and 39% as a group of 2.
- 89% of ticket buyers were satisfied (77%) or quite satisfied (11%) with the exhibition.
- Many visitors attending on the 'free entry day' spent a shorter period within the exhibition than those buying tickets (staff observation)
- We have sold 48 IGPTY exhibition books with a retail price of £25, a mark-up of £12.50 = £600 profit.

Clearly from this the majority of the visitors that did visit the exhibition were happy with the cost of the ticket. However for other visitors paid admission seems to have been a barrier, resulting in cost per head for those visitors who did see the exhibition of £4.31

- 8.10. We will use this data to build our knowledge of managing ticketing and develop a strategy for the next ticketed exhibition. Over a longer period similar data would be useful information for informing audience development, programming and marketing activity.

## 9. Observations

Key observations relating to ticket purchasing patterns were:

- 9.1. 98% of tickets sold were sold at the museum, only 2% purchased on line. The reason for this could be difficulty in using the ticketing system online, or the preference to buy in person, or visitors not wishing commit to a specific date. There was no incentive for visitors to book prior to their visit.

9.2. Visitor numbers therefore ticket sales are affected by the weather, rain days have more visitors, sunny warm days reduce the number of visitors.

9.3. Ticket numbers increased slightly during the school holiday period, but this could be due to the exhibition coming to an end during that time, or the good weather which reduced the number of visitors earlier in the period. Some exhibitions will be more attractive to the family market, this exhibition was aimed at an older audience. Seasonality and holiday periods need to be reviewed as part of the ticketing strategy.

9.4. Other factors that may be the cause of our low conversion rate; include:

- Resistance to ticketing and the public's expectation of free admission.
- The richness of the museum offer beyond the exhibition producing a free/no cost alternative.
- Our inability to respond to 'spur of the moment' ticket purchases at the 'gallery door'.
- The appeal of this particular show.

9.5. Bristol Museum & Art Gallery are currently trialling charging, which they started in 2012 providing a strategic evidence base. We are looking at their findings and they have kindly shared their experience. Though the make-up of their visitors differ to RAMM's, there are some key points that can help inform our future strategy. Their experience with 'give what you think' as an alternative to ticketing suggests:

- The target market and the timing of the exhibition will have a direct result on whether an exhibition should be ticketed, free or specifically include a 'give what you think' message.
- The 'give what you think' message needs to be used sparingly otherwise its strength is lost and it becomes just part of the museum make-up, so donations will reduce.
- The donations from Bristol's pay what you think campaigns vary wildly dependent on exhibition type and time of year, for example the Art from Elsewhere exhibition generated 7p per visitor compared with 60p per visitor from the Death, the Human Experience.
- Exhibitions with emotive subjects have a positive response to a 'give what you think' strategy. If this is supported by messaging before exhibition entry (such as a donation envelope) the levels increase.
- Supporting activity and offers can be used, in Bristol their visitors favoured the likes of '2 for 1' 'pay once and return as often as you like' and other incentives such as a free tea or coffee.

## 10. Proposal

10.1. The number of IGPTY ticket sales was disappointing but it is difficult to draw conclusions from one exhibition. We wish to repeat the trial with a different type of exhibition: 'Hiroshige's Japan: Stations on the Tokaido Road' on tour from the Ashmolean Museum and also to investigate other mechanisms to encourage income

contributions, particularly 'give what you think'. In understanding the latter, we have been able to draw on the experience of sector colleagues.

10.2. With Committee's agreement our next steps would be

10.2.1. To look at other ways of generating income through a stepped up donations campaign including a 'pay what you think' initiative on exiting a temporary exhibition. In order to pursue this investigation in a timely fashion and within the existing booked programme 'Queen Victoria in Paris: Watercolours from the Royal Collection' has been identified as a focus for 'give what you think' project.

10.2.2. To extend the paid admission trial to a further temporary exhibition: 'Hiroshige's Japan: Stations of the Tokaido Road'.

10.2.3. To continue to gather statistics and develop our knowledge (within RAMM and through other museums) to build our strategy for temporary ticketing, pay what you think, incentivisation and how this fits in with on-going in museum donation campaigns.

## **11. How does the decision contribute to the Council's Corporate Plan?**

11.1. These proposals are based on the findings of 'Stronger Exeter', a public consultation exercise described in the Council's Corporate Plan 2014/15 update. The plan recognised that 'in order to meet the challenge over the next three years fundamental changes to the services in Exeter will be needed'. The trial of exhibition charges were explored as a way of meeting the wider financial challenges. The decision to extend the trial to another charged exhibition will build our knowledge of this as an income generating exercise. Undertaking a 'give what you think' scheme for another exhibition will provide evidence that can be compared against more traditional ticketing activity.

## **12. What risks are there and how can they be reduced?**

12.1. Public concern about the introduction of a charge for a service that was previously free was identified as a risk. This was carefully communicated and there was very little negativity.

12.2. Adding a ticket cost to an exhibition is a barrier which reduces visitor numbers to temporary exhibition which may affect the overall visitor numbers to the museum as temporary exhibitions encourage visitors to revisit the museum to see a new show. Maintaining a pattern of charging for some but not all exhibitions will help encourage 'repeat' visitors including those unwilling to pay.

12.3. This initial exercise indicates exhibition hire costs may not be matched by admission income. This is a risk that could be mitigated over time as visitors become more familiar with paying and we can vary ticket prices appropriately according to cost and offer.

## **13. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?**

13.1. There will be no admission charge to the museum and large parts of RAMM will remain free entry (i.e. permanent collections; other temporary exhibitions, cafe etc.). Concessionary rates will be offered to holders of the X-card. RAMM will continue to make a positive contribution to these social issues affecting individuals and communities.

**14. Are there any other options?**

14.1. Temporary exhibitions are important drivers of museum visitor numbers which are a key performance indicator for RAMM's funders (City Council; Arts Council, England and other trusts and foundations). These exhibitions are a key component of RAMM's active programme and these proposals will help defray some of their associated costs. The recommendation of this report is to extend the trial to a second exhibition and to a 'give what you think' scheme. The option to continue a policy of free admission remains open to Members but closes an income generating route which has already been established in other UK towns and cities.

**Camilla Hampshire  
Museums Manager & Cultural Lead**

**Local Government (Access to Information) Act 1972 (as amended)**

**Background papers used in compiling this report:-**

None

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## **FAQ's**

### **Why do I have to pay for this exhibition?**

A survey carried out by Exeter City Council showed that people would be prepared to pay for temporary exhibitions at RAMM and that they would prefer this method of charging to an entrance fee for the museum.

### **I didn't see that survey**

The survey, called Stronger Exeter, was carried out by Exeter City Council in autumn 2014. It was in the Express and Echo and was delivered to residencies in the city.

### **Why does RAMM need donations?**

City Council budgets are tight – that's why people were asked for their thoughts about how money should be spent. Additional funding is also very limited so the museum needs to generate some funds through its activities.

### **I've already paid for RAMM once in my council tax. Why do I have to pay again to see this exhibition?**

The money allocated to RAMM through the Council tax pays for the upkeep of the museum and safeguards its collections. We don't have the additional funds to bring exhibitions like this without generating some income from them.

### **The museum has always been free before. Why are you charging now?**

In the past, we've had enough funding through Exeter City Council and other organisations. All the organisations who give us public funding have had their budgets cut, so there is less money available for RAMM. This is why we're looking at other ways to generate funds to keep the museum going and to continue to bring high quality exhibitions such as this to Exeter.

### **I don't think this is high quality. It wasn't worth paying for. Can I have my money back?**

This exhibition is a touring exhibition put together by professional curators. We're not able to give refunds to people who've seen the exhibition, but we're very keen to hear your feedback which we'll take into account in our future planning.

### **Now that I've paid for this exhibition, where does the money go?**

The funds generated by ticketed exhibitions go towards future exhibitions taking place within the museum, for conservation, acquisitions, activities and events.

### **Why do I have to pay for this exhibition when the rest of the museum is free?**

A survey carried out by Exeter City Council showed that people would be prepared to pay for temporary exhibitions at RAMM and that they would prefer this method of charging to an entrance fee for the museum. That's why we're charging for some of our temporary exhibitions.

### **Will you be charging for all exhibitions in future?**

The museum will remain free to enter. We are currently trialling ticketing for temporary exhibitions and we will take a view as to the success of the trial using feedback from visitors and evaluating income generated. It is envisaged that there will be a small number of paid for exhibitions per year with the vast majority of the museum space being free to access

### **I can't afford £4**

We have a concession rate of £2 for people who have an X-card which supports people who are on lower incomes, are unemployed or have disabilities. Full details of the card, including

eligibility and other offers and discounts is available at [www.exeter.gov.uk/X-card](http://www.exeter.gov.uk/X-card). The card is only available to Exeter residents. We also offer the concession rate to Friends of RAMM. Students with a valid NUS card and children are free.

NB – this list will be updated to respond to visitor queries.