



CASE STUDY: Best Practices

A DIRECT SUCCESS: PHOENIX ART MUSEUM'S 1998 DIRECT MAIL MEMBERSHIP CAMPAIGN

By [Berlinda Recacho](#)

I. Background

Organization name	Phoenix Art Museum
Founded	1949. Opened in 1959.
Profile	Private, not-for-profit organization that evolved from its predecessors Phoenix Art Center and the Phoenix Fine Arts Association. In 1996, Phoenix Art Museum completed an extensive \$25 million expansion and renovation which more than doubled its size. At over 160,000 square feet, it is now one of the largest visual arts institutions in the Southwest.
Annual Budget Range	\$5 to 10 million
Annual attendance	Over 200,000 visitors, with an additional 40,000 reached through outreach programs
Mission Statement	<i>To educate and expose the broadest possible segment of [its] population to the historical and aesthetic attributes of the visual arts. The process should not only be enlightening, but should be entertaining and stimulating. In order to accomplish this, the Museum must strive to excel in areas of collection, conservation, exhibition and interpretation of a broad range of visual art.</i>

II. Description of Project

Phoenix Art Museum's past membership drives lacked a distinct identity and as a result yielded very low returns.

The Museum persisted with yearly direct-mail membership campaigns despite a number of recurring symptoms:

- Undefined strategy and goals
- Lack of a distinct target market and ineffective use of mailing lists

- Printed materials that suffered from confusing packaging, too many inserts, unfocused design and an indistinct message
- Membership appeals that did not clearly define the advantages of Museum membership
- Nothing to distinguish the membership campaigns from the Museum's annual appeal
- No reference or connection to the Museum's exhibition schedule

These symptoms indicated a much wider chronic problem: ineffective communication both internally between the Museum's departments and externally between the Museum and its potential members. In September 1997, Phoenix Art Museum underwent an organizational restructuring. The Public Relations & Marketing Department and the Membership & Development Department were both placed under External Affairs and now answered to the same administrative head. After the restructuring, these two departments shared the duty of contacting and interacting with the public, and the change in departmental organization improved the overall decision-making process.

The addition of the blockbuster exhibition *Splendors of Ancient Egypt* to Phoenix Art Museum's schedule created a **marketing opportunity** for the Museum's membership department. The connection to *Splendors* gave the 1998 Membership Appeal a distinct identity *and* showcased the Museum through this special exhibition, resulting in a special offer: **become a member to Phoenix Art Museum, and receive unlimited free admission to this highly anticipated exhibition.**

The "must-see" potential of this exhibition was key to the success of the offer. *Splendors of Ancient Egypt* was given high priority within the Museum: A large advertising budget was approved for the exhibition. Subsequently, projects related to the exhibition, such as the direct mail appeal could build off the buzz created by the show's advertising campaign. ***Splendors of Ancient Egypt-- the Museum's first blockbuster show--also created a external sense of urgency in the Phoenix arts community:*** area residents had a limited opportunity to see *Egypt* during the show's three month stay in Phoenix. The must-see urgency added an incentive to the thematically designed package, which was sent to a highly targeted list of prospective members.

Here's how Phoenix Art Museum scored their "Direct Success", with impressive results.

III. Strategy and Implementation

An artistic "product" is often an intangible thing. When a customer purchases a ticket to a performance, or a ticket to a museum, he/she is buying an experience. In this case, the experience of visiting Phoenix Art Museum was made even more enticing by the Museum's first "blockbuster" show, *Splendors of Ancient Egypt*, which was set to open in fall 1998. *Egypt* was presented as the "doorway" through which new members could enter the Museum in a way that set them apart from other members.

The membership appeal was scheduled for mailing in October 1998. Six months earlier, in April 1998, the Membership & Development department partnered with Metro Direct, a marketing firm that specializes in direct mail. Metro Direct provided the Museum with professional advice and took a crucial load off of Museum staff.

Mary Kaiser, Metro Direct's Regional Manager, worked closely with Katie Hunt on the design, copy writing, production and distribution of the direct-mail piece.

Phoenix Art Museum focused on **PROMOTION STRATEGIES** for their direct mail membership appeal.

Target the best prospects using psychographic details. In May 1998, three months out, Katie Hunt, Membership Manager of Phoenix Art Museum, and Mary Kaiser started to target their prospects. When asked what criteria were considered in determining the profile of their intended audience, Hunt said, "Basically high education and higher than average income are our best [indicators for] prospects." It pays to be aware of the trends in the target market, and Hunt paid careful attention to the behavior of the prospects when planning the membership campaign. She noted that in Phoenix a direct-mail approach is more likely to be profitable when a show with mass-appeal such as *Splendors of Ancient Egypt* is happening.

Phoenix Art Museum targeted the most-likely prospects by using only mailing lists that corresponded with the enriching characteristics of its targets.

Katie Hunt and Mary Kaiser compiled the mailing list for the 1998 membership appeal from the following sources:

- Phoenix Art Museum's lists of lapsed members from the past ten years of direct mailing
- Names captured through various raffles held in the Museum lobby, and names captured at other museum events.
- Mailing lists from local arts and cultural organizations (through a list exchange)
- Rented magazine subscription lists (acquired through Metro Direct's co-op program).

From these selected lists, Hunt and Kaiser chose only zip codes that had done well in past mailings. Hunt explained that Phoenix is "extremely zip code oriented." By sticking to the zip codes that had shown the best returns, they had a better chance of reaching prospective members. Also, more consideration was given to "multiples" - people who appeared on more than one magazine subscription list. Hunt explained that these so-called multiples were targeted first: "for instance, if someone subscribed to *Art in America*, *ArtForum* and *Town & Country*, they would be better [prospects] than someone who simply subscribed to just *Art in America*." The draft list was compiled and run through the National Change of Address (NCOA) database to identify lapsed addresses. By mid-May, the list was merged and purged. The final mailing list for the membership appeal consisted of 50,000 names.

Create a sense of urgency. Emphasize the limited run of the prestigious blockbuster show to encourage prospects to respond immediately to the membership appeal.

Phoenix Art Museum crafted an attractive package design that set the stage for the action—that the prospect had to respond by a deadline in order to reap the benefits of membership.

In June 1998, Membership sent final written copy to Metro Direct's graphic designer. The advantages of museum membership were clearly defined in the copy. By using simple language, direct sentences and bulleted items, the Museum was better able to explain the advantages of becoming a member, the distinctions of the membership levels and the premium gifts and discounts given for each level. The reply form clearly listed the methods of payment and could be easily returned in the postage-paid envelope or faxed back to the Museum.

The membership appeal's design had to be attractive, appealing and tied-in to the exhibition's theme; however, the piece could not lose sight of its purpose: selling memberships. With the Membership department's input and feedback, Metro Direct's graphic designer created the *Splendors of Ancient Egypt* mailing piece. After several drafts, the final design was approved at the end of July 1998.

The final membership package consisted of only four items:

- Appeal letter
- New member's calendar highlighting exhibition dates/related events
- Reply form
- Reply envelope

The tie-in to *Splendors of Ancient Egypt* was enhanced by the graphic design. A sandstone background on the envelope and a sandstone border on the stationery created visual unity, while images from the exhibition were featured in full-color throughout the layout. The exhibition title was prominently displayed under the image of a pharaoh's head, next to a headline that invited the reader to "Explore Egypt—Free!"

Phoenix Art Museum created a sense of anticipation by "building" their appeal off of the overall promotion and advertising for the exhibition. The potential draw of the exhibition justified an increase in Phoenix Art Museum's overall marketing budget for *Splendors of Ancient Egypt*. Months before the exhibition opened, the Museum was able to establish the show's identity early on through billboards and print ads, and television and radio spots. The membership appeal benefited directly from this early promotion. Because the public relations and media push had generated a strong buzz surrounding the exhibition early on, the Museum felt that they could bank on the community's knowledge and anticipation of the arrival of *Splendors of Ancient Egypt*. They felt justified in sending the membership appeal out to prospects only *two weeks before the Members' Preview of Splendors of Ancient Egypt* (October 3, 1998). The package was printed at the beginning of September 1998. By the third week of the month the printed pieces were sent with the final list to the mail house for sorting and addressing, and then delivered to the post office. Approximately ten days later, the piece arrived at the homes of recipients.

IV. Results

The museum spent \$35,000 to design, print and mail out 50,000 direct mail pieces to a highly targeted audience.

They captured a return of 2,844 new memberships, which translated into \$160,868 in revenue.

After subtracting the direct mail budget, the NET PROFIT from the membership appeal was \$ 125,868.

The cost of the direct mailing was more than justified by its rate of return. The high response rate of this mailing was unprecedented in Phoenix Art Museum's history. Previous mailings done by the Museum had only managed to bring in a 0.6% return. The fall 1998 direct mailing generated a response rate of 5.7%, a truly rare achievement compared to the accepted benchmark of 2.0-3.0% for a successful direct mail piece.

V. Conclusions

How can you replicate this success in your organization's direct-mail membership appeal? Every situation is different and dependent on multiple factors. While we can't offer a formula that will guarantee the same results, let's revisit the strategies and tactics that made Phoenix Art Museum's mailing work so effectively:

Direct Marketing vs. Mass Marketing—the benefits of targeting your market

When targeting new customers use direct marketing to concentrate on reaching the best prospects

Use "clean" lists that match your prospective customers. Understand who your prospective customers are—and only rent lists that correspond with these prospects. Make sure that the data from the lists is "clean" and usable—check for duplicates and outdated information.

VI. Personal Observations

The strength of a plan vs. scattered tactics.

Phoenix Art Museum's Direct Mail budget was focused specifically on the membership appeal. However, the overall Marketing budget generated early PR on the exhibition—which ultimately added to success of the membership appeal. Strategic thinking is crucial for "getting the most bang from your buck," Membership Manager Katie Hunt likes to say. A well-written marketing plan provides a structure for the project and assigns responsibilities and organizes tactics in terms of the overall goal. Planning is essential for optimum success. Completing a tactic is like checking a small task off the master list, but the success is short-lived if you don't know what to do next. Creating a marketing plan gives you a strategy for the overall effort.

Consider using Consultants and Outsourced Help. You don't want to reinvent the wheel—can your membership appeal build off of publicity generated by the overall marketing plan? Working with a direct-mail company helped the Phoenix Art Museum streamline and manage the creation and distribution of their direct-mail piece.

At the time this case study was written, Phoenix Art Museum's Board of Trustees had committed the Museum to host a show with "wide public appeal" every 12-18 months. The Museum planned to schedule its future membership appeals in conjunction with future high profile or blockbuster exhibitions. With the next such exhibition *Monet at Giverny: Masterpieces from the Musee Marmottan* scheduled to open in September 1999, Katie Hunt foresaw a few changes to the original plan:

Target single-ticket buyers. There was a high demand for single tickets to *Splendors of Ancient Egypt*—and the names and addresses of these single ticket buyers were captured by the Museum. Hunt planned to target the names of Egypt's single ticket buyers with the Monet membership appeal.

Use the exhibition as an entry point, but focus on the Museum as the final destination. When designing the materials for the Monet membership appeal, Hunt wanted to be more conscious of Phoenix Art Museum's identity by:

- Using the Museum's regular logo on the printed materials (not just the logo of the exhibition)
- Presenting the Museum experience through other offerings such as the permanent collection (rather than focusing solely on the temporary exhibition.)

ABOUT THE WRITER: **Berlinda Recacho** is ArtsMarketing.org's Content Manager and Web master.

VII. References and Resources

Fanciullo, David. "Phoenix Art Museum Hits the Jackpot." *ArtsReach* March 1999.

Hunt, Katie. Phone Interview, June 1999, and e-mail correspondence with the author, May – July 1999.

Web site: The Direct Marketing Association

http://www.the-dma.org/aboutdma/whatisthe_dma.html

News and information for direct marketers

Web site: Alliance of Nonprofit Mailers

<http://www.nonprofitmailers.org/tools.html>

Postal regulations and policies concerning nonprofit organizations.

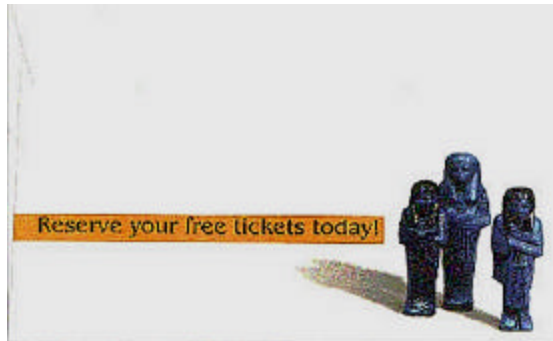
VII. Relevant Attachments and Examples

Attachment 1: Phoenix Art Museum's fall 1998 Direct Mail Budget
breaks down as follows:

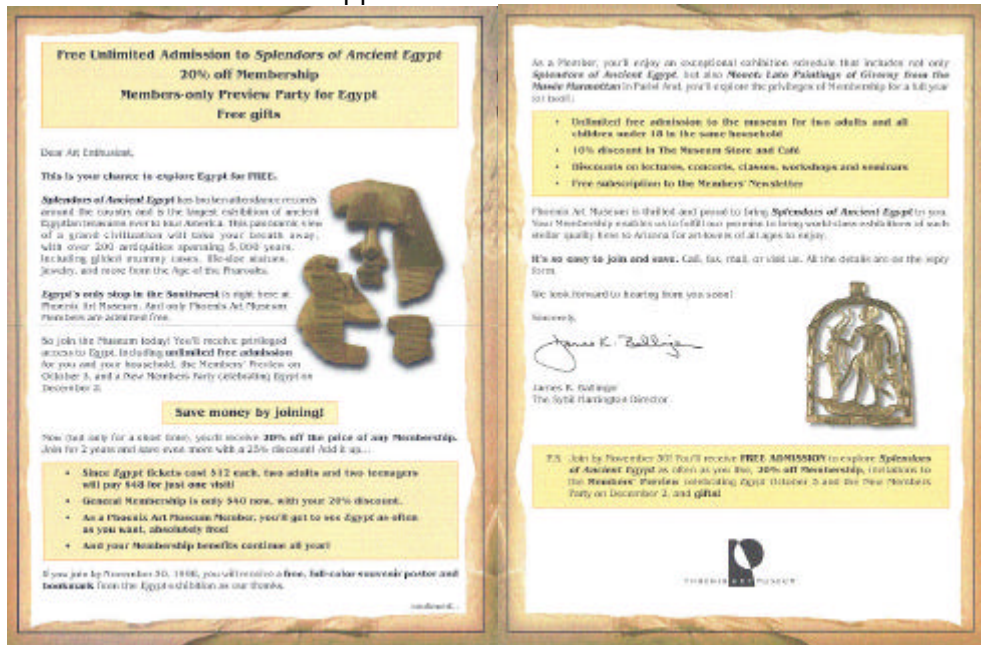
Printing and Mailing	\$ 18,500
Direct Mail Consultant (creative and strategy)	\$ 6,000
Postage	\$ 4,000
Rented Lists	\$ 4,000
Computer Processing (compile, merge/purge)	\$ 2,000
National Change of Address	\$ 500
TOTAL	\$ 35,000

Attachment 2: Examples of Direct Mail Package used in Splendors of Ancient Egypt Membership Appeal. Images not to scale.

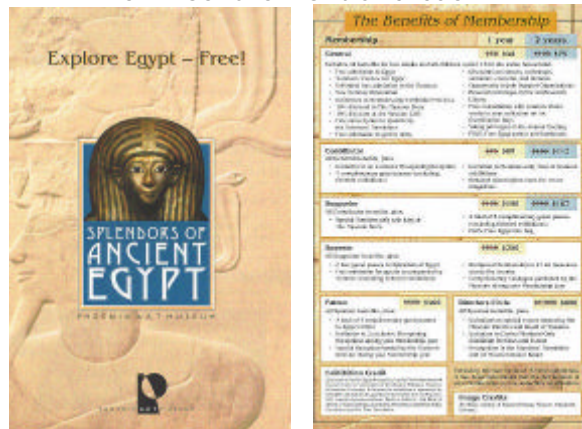
a. Outer Envelope front and back



b. Appeal Letter front and back



c. Brochure front and back




d. Response Form

Yes!

I'm joining Phoenix Art Museum to receive my discount, free admission to Egypt, Members-only parties, and gifts!

MEMBERSHIP	1 year (20% savings)		OR	2 years (25% savings)	
	General	<input type="checkbox"/> \$60	\$40	<input type="checkbox"/>	\$100
Contributor	<input type="checkbox"/> \$75	\$60	<input type="checkbox"/>	\$150	\$112
Supporter	<input type="checkbox"/> \$125	\$100	<input type="checkbox"/>	\$250	\$187
Sponsor	<input type="checkbox"/> \$250	\$200			
Patron	<input type="checkbox"/> \$500	\$400			
Director's Circle	<input type="checkbox"/> \$1,000	\$800			



Daytime Telephone _____ Evening Telephone _____
Please mark corrections to your name and address.

My check is enclosed, payable to Phoenix Art Museum. \$ _____
OR

Please charge my VISA MC AMEX \$ _____
Additional tax-deductible contribution \$ _____
Total Enclosed \$ _____

Credit Card Number _____ Exp. Date _____ Signature (required for credit card orders) _____

4 Easy Ways to Join

Mail Use the enclosed postage paid envelope.

Fax (602) 253-8662


Phone (602) 257-2124

Visit Join in the Museum Lobby! Bring this form with you, and you'll be able to pick up your free gifts right away!

RESPOND BY NOVEMBER 30 to receive your free Egypt gifts. Please allow 2 weeks for delivery of your Membership materials and free gift vouchers. Gifts can be picked up at The Museum Store. Your invitation for the October 3 Members' Preview and the December 2 Members' Party for Egypt will arrive separately.

Phoenix Art Museum
Membership Office
1625 North Central Avenue
Phoenix, AZ 85004-9977

*****5-DIGIT 89258
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e. Response Envelope

YOUR 32¢ STAMP WILL SAVE
THE PHOENIX ART MUSEUM 32¢




BUSINESS REPLY MAIL
FIRST CLASS MAIL PERMIT NO. 7508 PHOENIX AZ

POSTAGE WILL BE PAID BY ADDRESSEE

PHOENIX ART MUSEUM
1625 NORTH CENTRAL AVENUE
PHOENIX, AZ 85004-9977

NO POSTAGE
NECESSARY IF
MAILED IN THE
UNITED STATES