COVID-19 Sector Benchmark

Insight Report 7: May 2021

Real-time intelligence on the impact of COVID-19

Green Shoots in April 2021?

Tracking the beginnings of a revival in some parts of North America and the United Kingdom

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Executive Summary – Key Findings

- Data from 357 CRMs of arts venues show strong signs of recovery in parts of the U.K. and U.S., but ticket sales in some other territories show no sign of an upturn.
- The green shoots of recovery are not spread evenly, with great diversity in performance in different regions and venue types.

North America

- Ticket sales and revenue in North America continue to be far below the equivalent levels in 2019.
- Canada recorded a partial revival in November and December 2020, but this was not sustained.
- The picture is more positive in the U.S. where aggregate daily revenue has been trending upward throughout March and April 2021. April saw the best comparative sales and revenues since May 2020.
- The revival appears faster in traditionally smaller markets with April 2021 aggregate revenues in New England at 62% of what was achieved in April 2019.
- Currently the sales revival is uneven across venue types, with aggregate sales for symphonies and concert halls the lowest compared to the equivalent month in 2019.
- Almost half (48%) of total advance revenue held by U.S. venues and 41% of advance tickets are for performances due to take place in 2022.
- 34% of advance revenue in Canada relates to events in just three months: September to November 2021. This is the same amount as for all performances due to take place in all of 2022.
- Compared with the pre-pandemic period of January to April 2019, in January to April 2021 the majority of U.S. organizations reported a significant reduction (20%+) in numbers of gifts and gift revenue they had received.

United Kingdom and Ireland

- Ticket sales and revenue in the U.K. and Republic of Ireland continue to be far below the equivalent levels in 2019.
- The U.K. reported a partial revival in November and December 2020, but it was not sustained in January and February 2021. Sales picked up considerably in March and the U.K. recorded its best ticket sales and box office revenues for over a year in April 2021.
- Ticket sales and revenues in Ireland have remained at less than 10% of their 2019 levels throughout the first four months of 2021.
- The recovery in the U.K. is not being driven by its traditionally larger markets. The revival is currently far more advanced in many of the traditionally smaller markets, with aggregate revenues in the South West at 52% of what was achieved in April 2019, double the U.K. average.
- In the U.K. the revival is most pronounced in venues that largely present touring work, with the largest (over 1,000 seats) at up to 45% of their sales in 2019.
- In the U.K. 31% of advance ticket sales and 31% of revenue are for events due to take place in September to December 2021. Almost half of total advance revenue (46%) and 44% of advance tickets are for performances due to take place in 2022.
- In Ireland 66% of the advance revenue is for events programmed for May to October 2021. Only 26% of revenues are for performances due to take place in 2022.
- Most U.K. organizations (53%) reported gift revenue in January to April 2021 at least 20% higher than they achieved for the same period in 2019.

Introduction

TRG Arts and Purple Seven have partnered to provide real-time intelligence and advice to the arts and cultural sector on the economic impact of COVID-19 and how best to respond to it. This partnership brings together Purple Seven's experience integrating live sales feeds from hundreds of arts venues and TRG Arts' consulting and data analysis expertise in achieving unsurpassed results for the arts and cultural sector.

In the United States, Canada, the United Kingdom and the Republic of Ireland, cultural organizations are invited to sign up to a free and easy-to-use international COVID-19 Sector Benchmark Dashboard. An automated data feed between the organization's box office and Purple Seven's secure servers provides a daily update on ticket sales and donations which is anonymized and aggregated for the national benchmark.

TRG Arts and Purple Seven are sharing new findings from the national benchmarks on a frequent basis during the crisis.

An initial study published in June 2020 focused on the comparative impact of COVID-19 on ticket sales in North America and the U.K. from January to May 2020. A second study published in July examined trends in individual giving in the first half of 2020. In August a third study examined who is buying tickets to future performances when the future is so unknown. Our report in September 2020 examined the impact of COVID-19 on the box office and philanthropic revenues of participating venues in the six months from the closure in mid-March. Our October 2020 report provided analysis of the number of philanthropic gifts received by performing arts organizations and their average value through the first nine months of the year.

Our review of fundraising in 2020 found that the overall aggregate revenue generated in 2020 fell in both the U.K. and North America, but this headline figure obscured strong performances by many organizations and increases in overall giving for particular types of donors and in different sizes of gifts.

This study has been prompted by encouraging signs of increased ticket sales in some territories in March and April 2021. It explores where revival is most advanced, both geographically and by type of venue. It explores how far ahead customers are booking in different markets. It also takes a brief snapshot at how organizations are reporting individual giving in the period from January to April for 2019, 2021 and 2021.

Scope of the study and assumptions

TRG Arts has observed that most cultural organizations now understand the importance of tracking and monitoring all customer behavior across ticket sales and donations in a single (CRM) system, but this practice is still not universal. With the enforced switch to online presentation, some organizations have been marketing their digital offerings through third parties rather than their own CRMs.

Organizations can also make different policy decisions on financial coding. For example, some organizations will treat a donation from a family trust as an individual gift, whereas others will treat it as a grant from a trust or foundation. There will therefore be some inconsistencies in the way that organizations treat the data that are used as the basis for this report.

Our aim is to compare individual giving in 2019 to 2020 and 2021 in North America and the U.K., not to ascertain overall levels of giving. It seems a reasonable assumption that while organizations may treat and code gifts differently, they are likely to maintain similar internal practices across the study period. It is however possible that disruption to standard business processes may be leading to delays or underreporting in gifts.

Generally, individuals make gifts for three purposes: a capital/building project, a specific project of some other kind, or general running costs. Organizations can attribute donations to different campaigns, but it is not possible to analyze the aggregate data by these three broad types. Organizations are likely to see spikes in their contributed income in years where they are mounting capital campaigns. We cannot simply exclude these from the analysis.

The Four Cohorts

For this study we have analyzed sales data from 357 organizations (99 in U.S., 12 in Canada, 228 in the U.K. and 18 in the Republic of Ireland).

In North America in 2019, the 99 U.S. organizations collectively sold 13.3 million tickets and generated over $593 million in box office revenue. Geographically, participating organizations come from all over the U.S. In 2019 the 12 organizations from Canada collectively sold 1.7 million tickets and generated $82.5 million in box office revenue.

The majority of the North American sample are theaters, but there is also a representation of arts centers and orchestras. The size and scale of organizations is diverse with as many organizations with ticket sales in 2019 below $1 million as those above $10 million.

We have data on individual giving at 89 of the U.S. organizations who are all not-for-profit. In 2019 they collectively received 319,965 gifts in the value of $590.4 million. We have fundraising data for all 12 organizations in Canada who collectively received 49,248 gifts in the value of $57.3 million in 2019.

In Europe, the U.K.-based organizations in the sample collectively sold 33.6 million tickets and generated just under £914 million in box office revenue in 2019. Geographically, participating organizations come from all over the U.K. and there are multiple organizations from every nation and region. The majority of the sample are theaters, but there is also a good representation of concert halls and arts centers. The size and scale of organizations is diverse and includes both West End and regional commercial theaters.

We have data on individual giving at 71 of the U.K. organizations. In 2019 they collectively received 356,726 gifts in the value of £38.5 million.

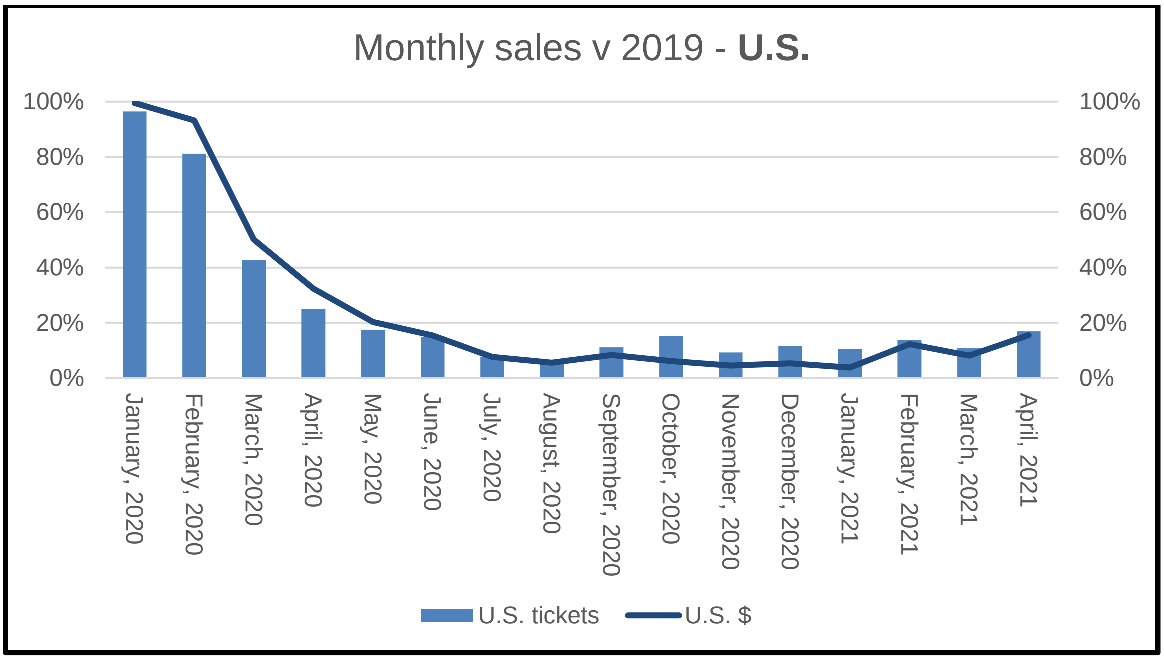
The 15 organizations in the Republic of Ireland collectively sold 743,348 tickets and generated €12.7million in box office revenue in 2019. Participating organizations come from all four provinces and are all not-for-profit. Compared to the other countries in this study, Irish organizations are on average smaller. Only three organizations in the sample earned more than €1 at the box office in 2019, and as many earned less then €200k.

We have no fundraising data for the Republic of Ireland.

Ticket sales

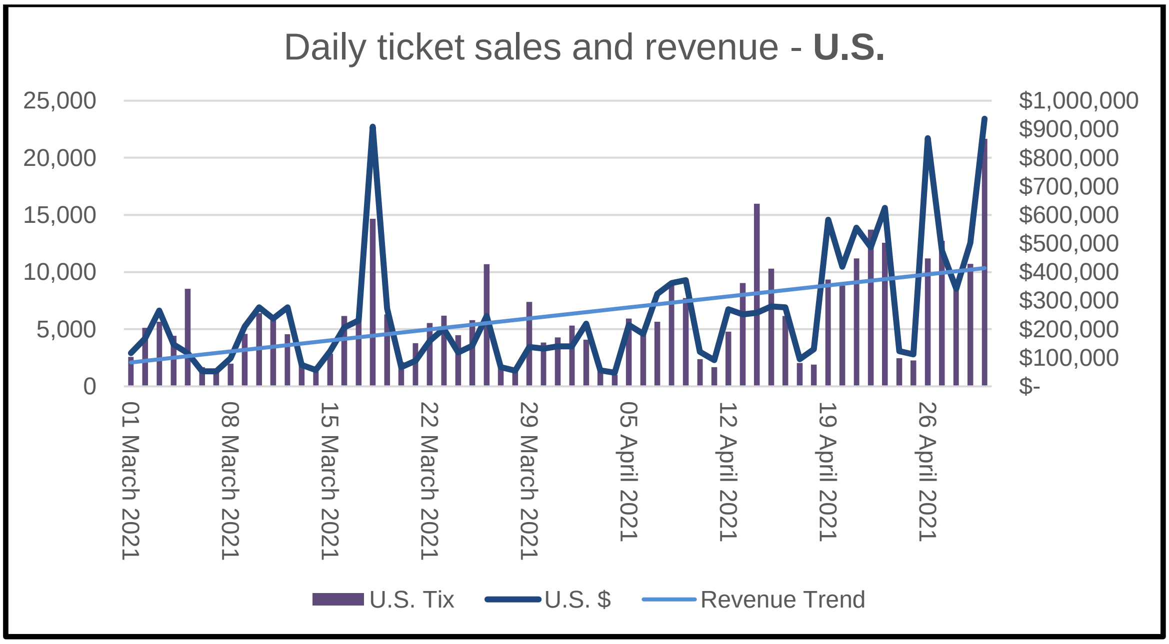
U.S.

Chart 1 – Monthly sales compared to equivalent month in 2019, U.S.



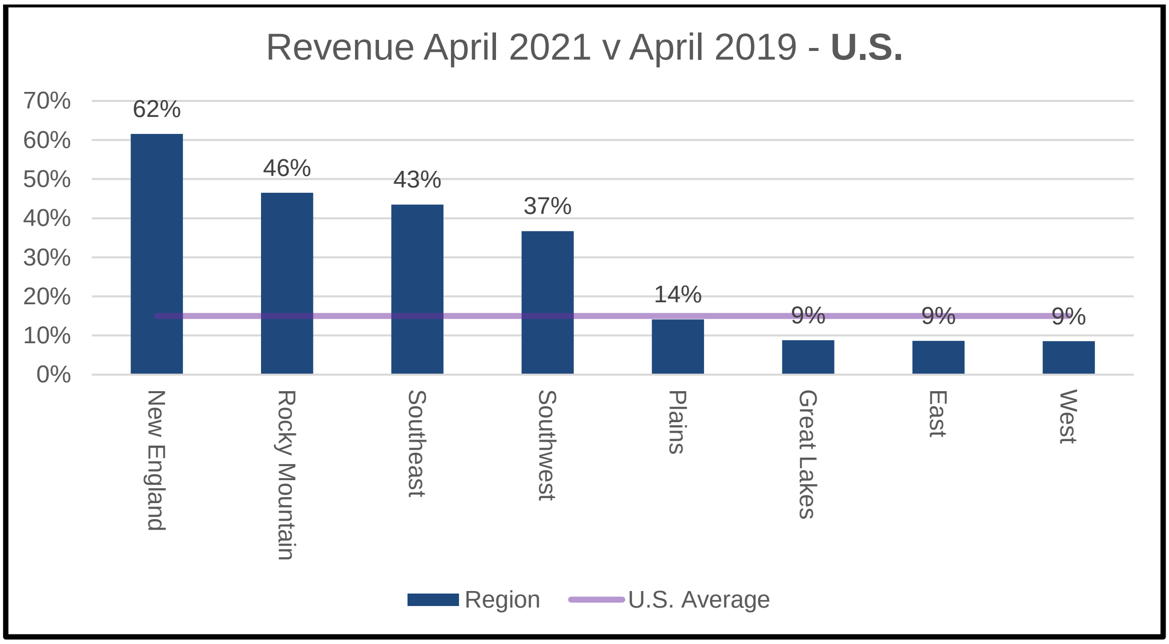
While ticket sales and revenue in the U.S. continue to be far below the equivalent levels in 2019, April 2021 was the best month for comparative sales and revenues in the U.S. since May 2020.

Chart 2 – Daily Sales and Revenue, March and April 2021, U.S.



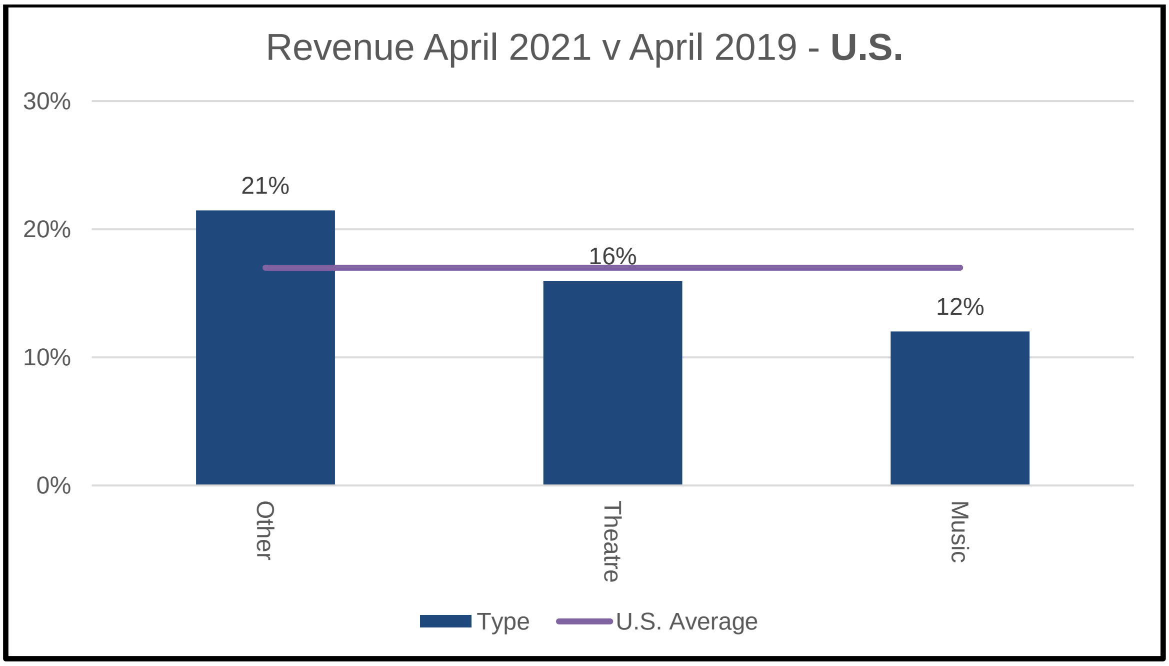
The trendline shows how average aggregate daily revenue has been growing in the U.S. over the past two months.

Chart 3 – Revenue by region, April 2021 v April 2019, U.S.



We are able to analyze sales and revenue in the U.S. by region. Chart 3 shows the change in each region compared to 2019, but it does not illustrate the difference in size of each of these markets. In April 2019 the East and West combined accounted for almost 50% of all revenue in our national sample. In 2021 they accounted for just 26%. The revival is currently far more advanced in traditionally smaller markets, with aggregate revenues in New England at 62% of what was achieved in April 2019.

Chart 4 – Revenue by venue type, April 2021 v April 2019, U.S.

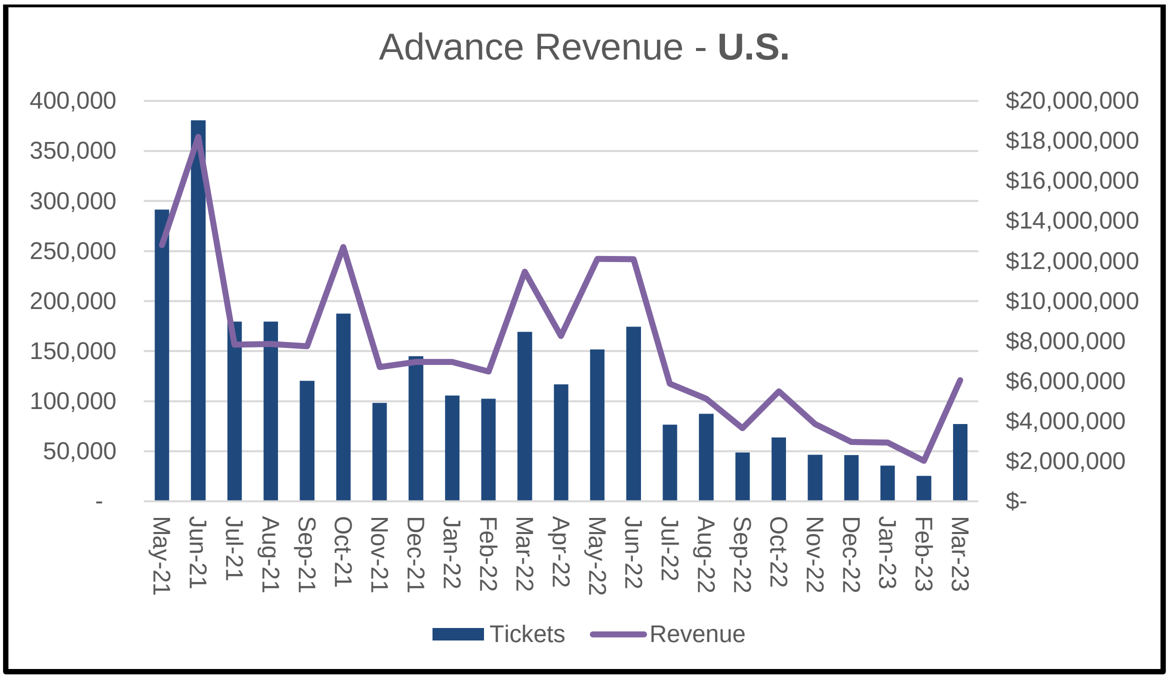


In North America we categorize participating organizations in three ways:

- Theater – Presenting and producing theaters
- Music – Symphonies and concert halls
- Other – largely arts centers, dance and opera companies

Currently the sales revival is uneven across venue types, with aggregate sales for symphonies and concert halls the lowest compared to the equivalent month in 2019.

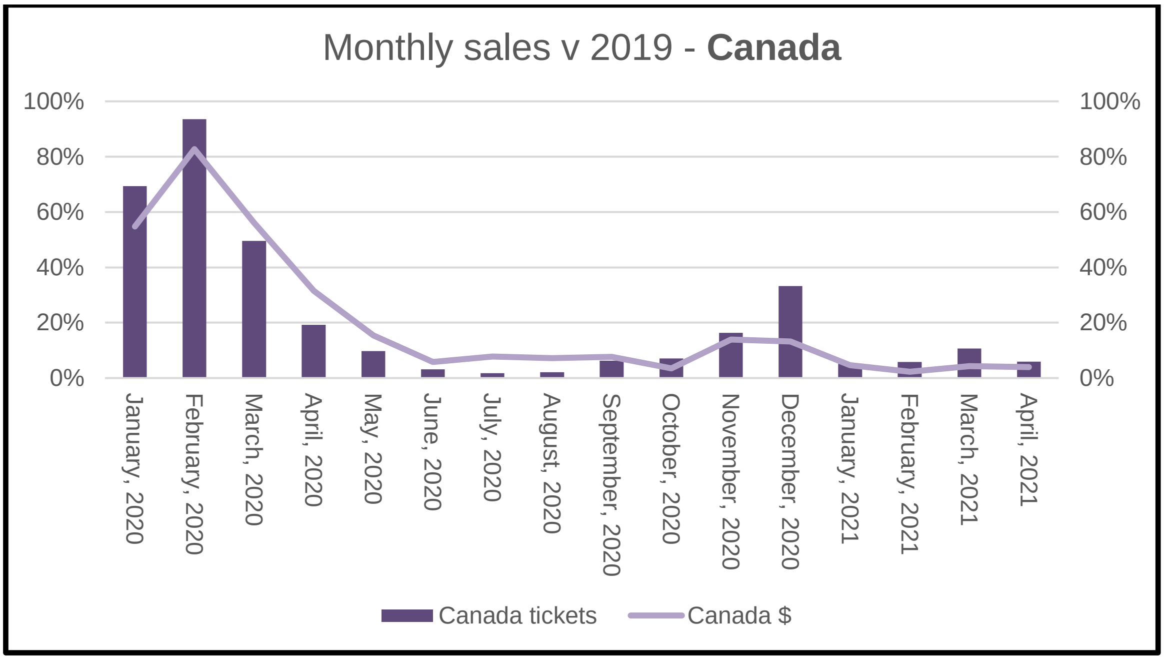
Chart 6 – Advance tickets sales and revenue by month of performance, U.S.



As of May 5, 2021, venues in the U.S. were reporting that they had aggregate advance sales of 2.9 million tickets in the value of $176 million for the period up until the end of March 2023. 13% of these tickets and 10% of the revenue were for events due to take place in June 2021. Almost half of total advance revenue (48%) and 41% of advance tickets are for performances due to take place in 2022.

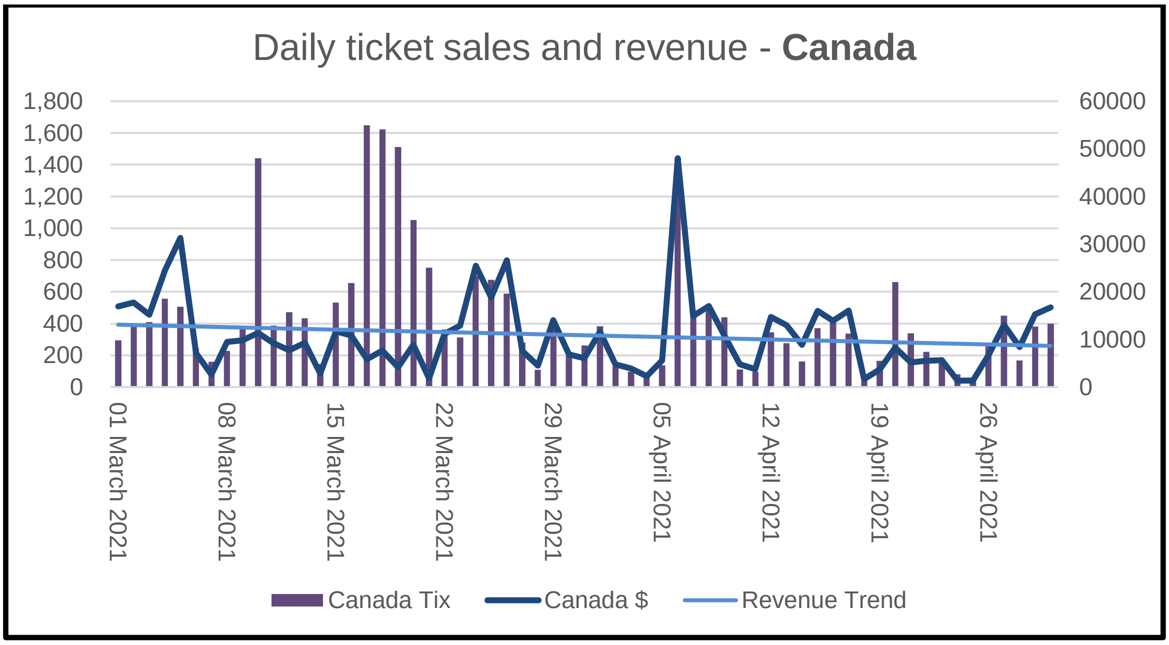
Canada

Chart 7 – Monthly sales compared to equivalent month in 2019, Canada



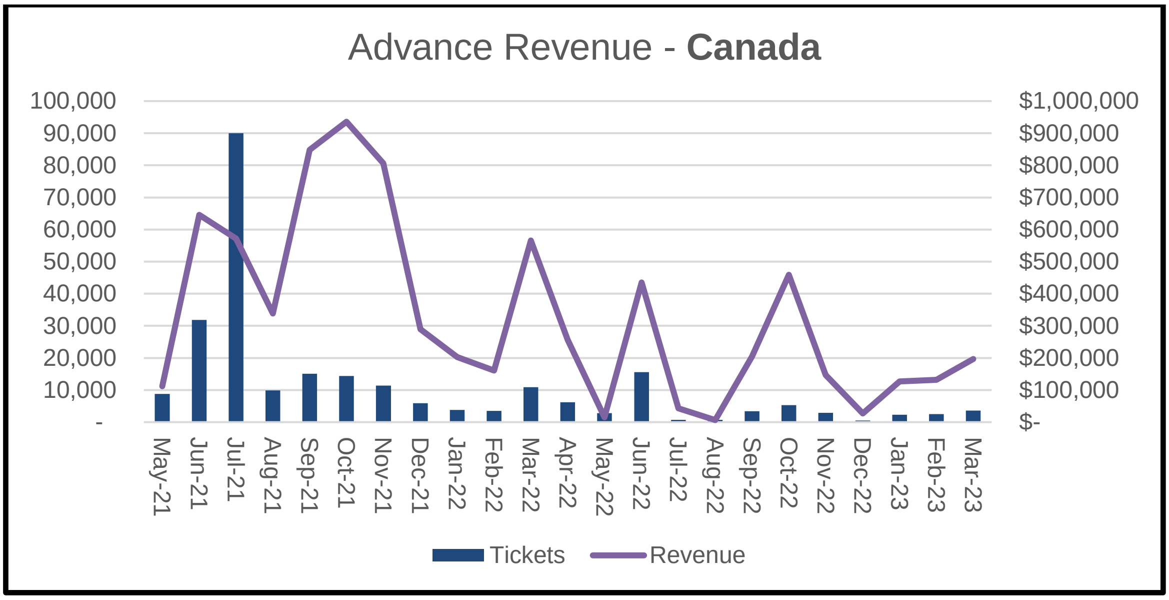
Ticket sales and revenue in Canada continue to be far below the equivalent levels in 2019. Canada recorded a partial revival in November and December 2020, but it was not sustained.

Chart 8 – Daily Sales and Revenue, March and April 2021, Canada.



Although there was a spike in (low price) tickets in the week commencing March 15, 2021, the trend for revenue in Canada was not positive during the months of March and April 2021.

Chart 9 – Advance tickets sales and revenue by month of performance, Canada.



As of May 5, 2021, venues in Canada were reporting that they had aggregate advance sales of just over 250,000 tickets in the value of $7.5 million for the period up until the end of March 2023. 34% of the revenue relates to events in just three months: September to November 2021. This is the same amount as for all performances due to take place in all of 2022, which is positive in the short term, but concerning for the longer term.

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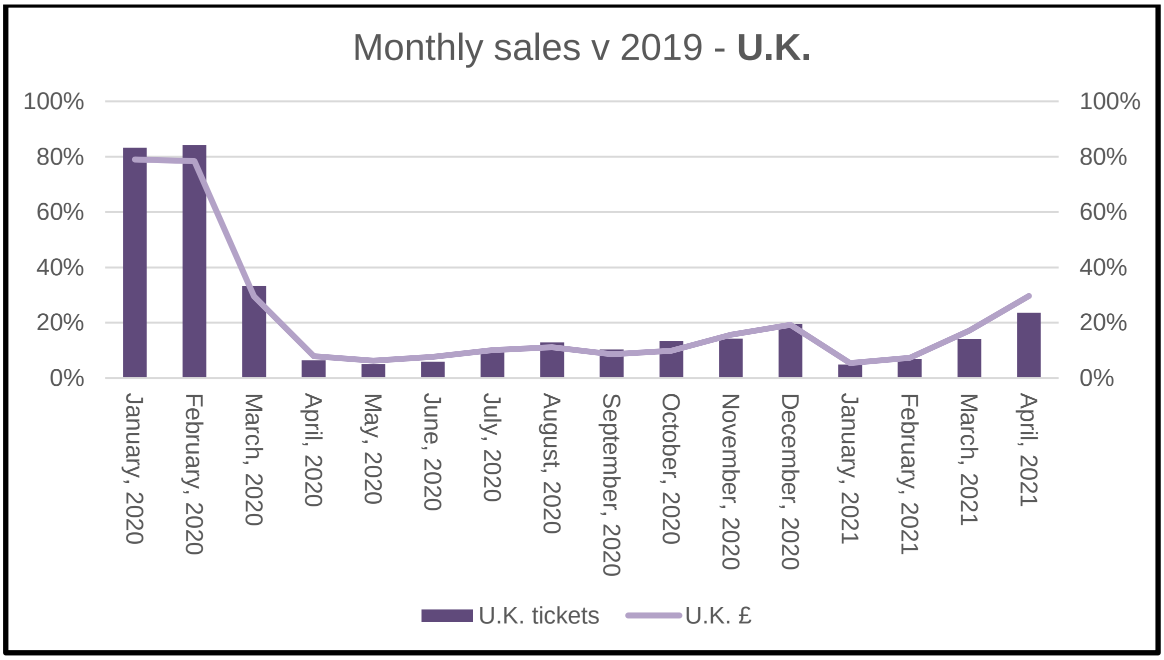
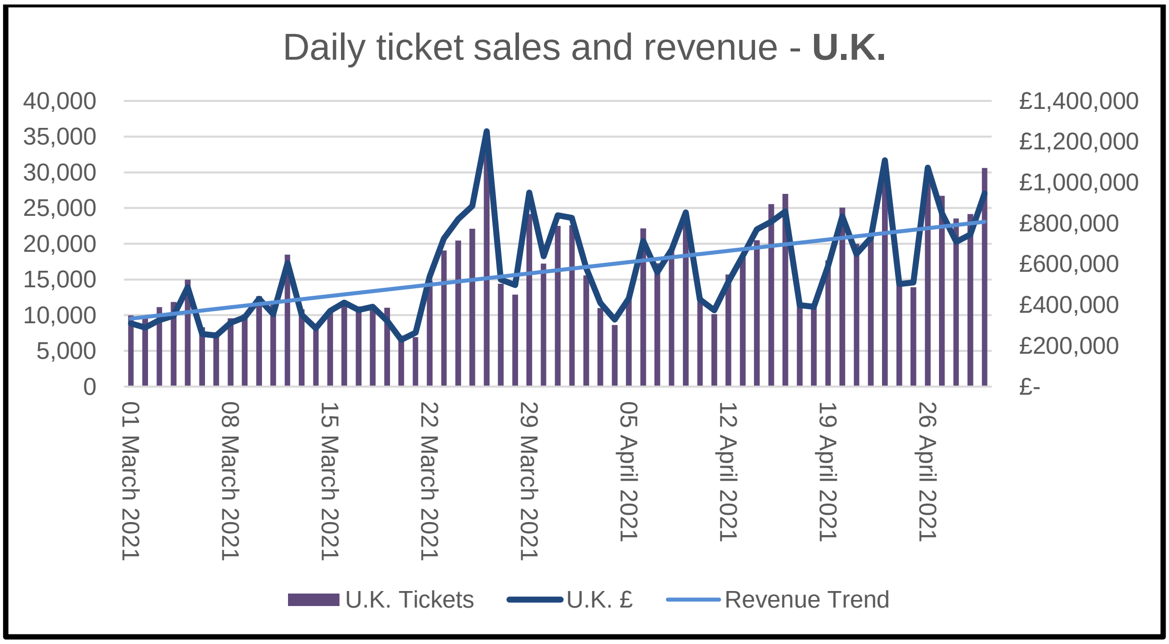
United Kingdom

Chart 10 – Monthly sales compared to equivalent month in 2019, U.K. & Ireland



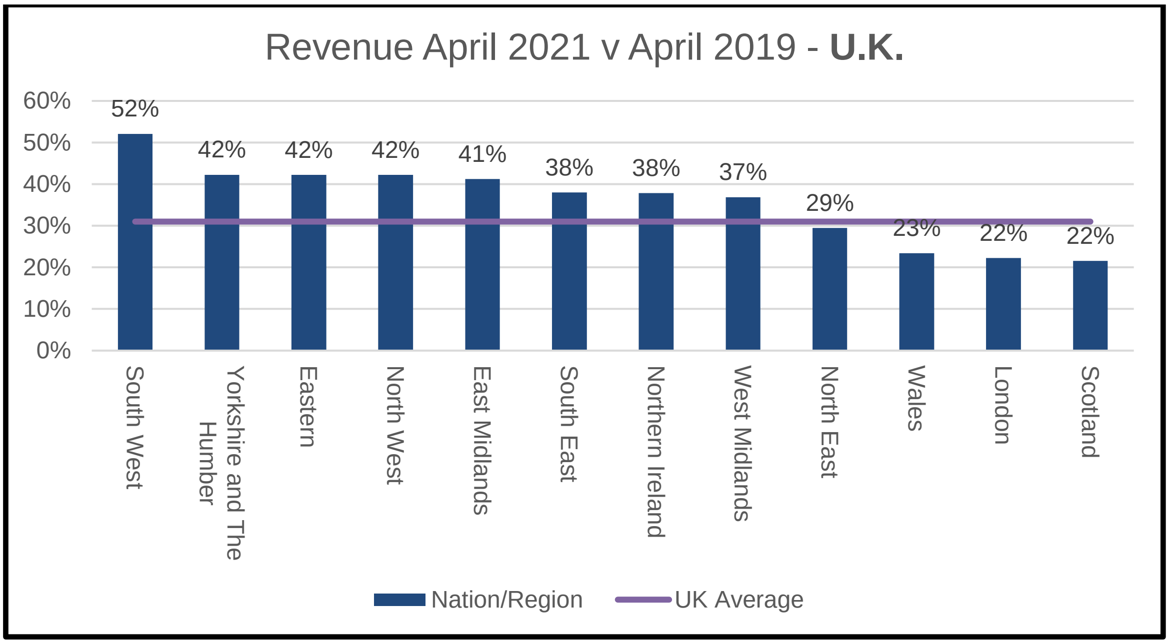
Ticket sales and revenue in the U.K. continue to be far below the equivalent levels in 2019. The U.K. reported a partial revival in November and December 2020, but this was not sustained in January and February 2021. Sales picked up considerably in March, and the U.K. recorded its best ticket sales and box office revenues in over a year in April 2021.

Chart 11 – Daily Sales and Revenue, March and April 2021, U.K.



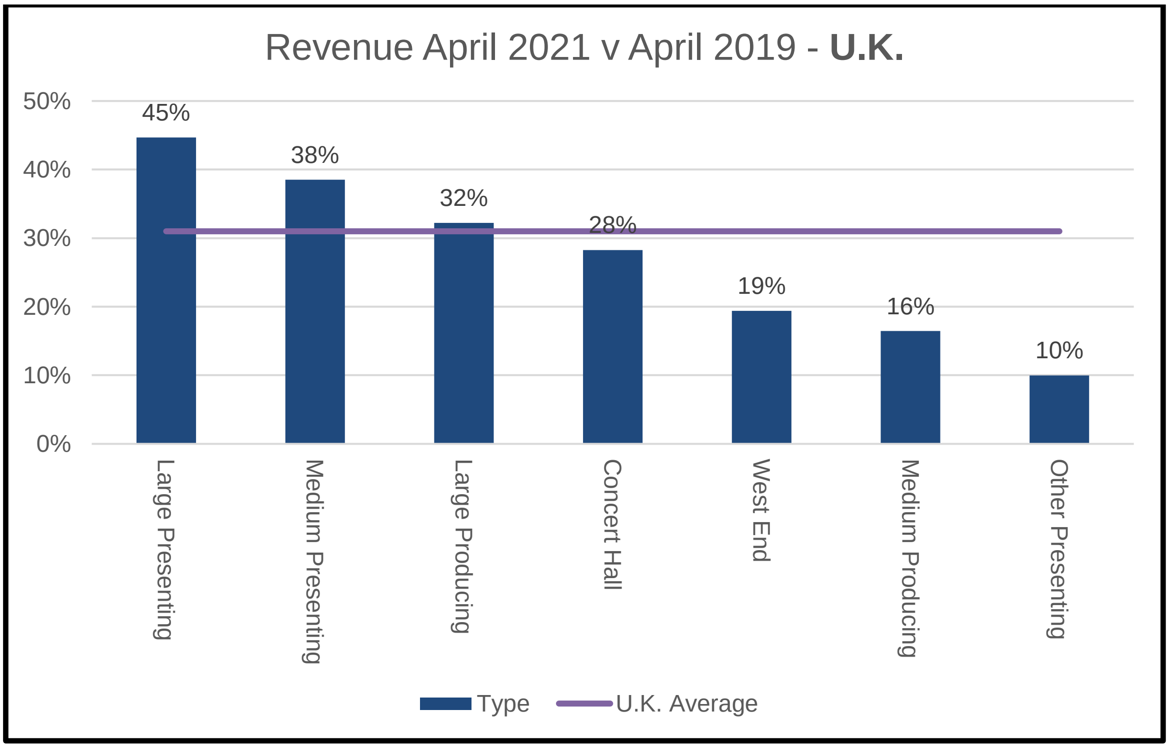
Ticket sales in the U.K. began to revive during the week commencing March 22, 2021.

Chart 12 – Revenue by region, April 2021 v April 2019, U.K.



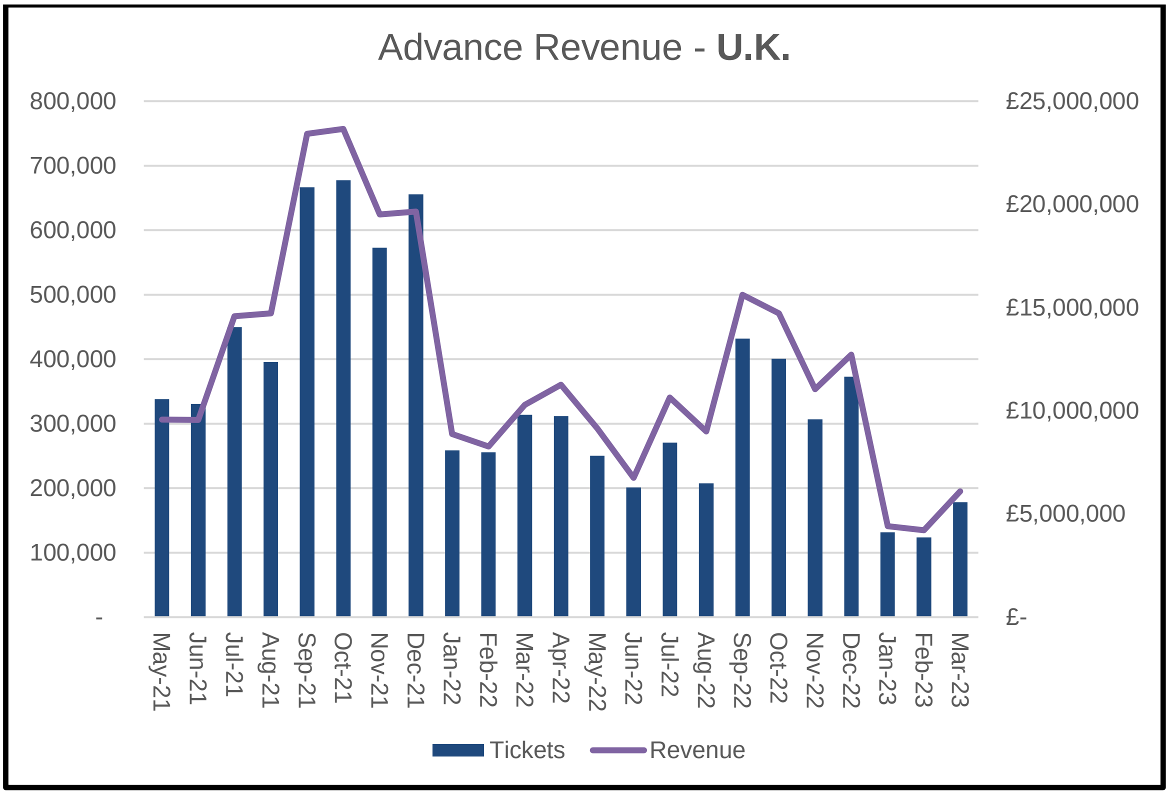
We are able to analyze sales and revenue in the U.K. by the 12 nations and regions. Chart 3 shows the change in each region compared to 2019, but it does not illustrate the difference in size of each of these markets. In April 2019 London and Scotland combined accounted for 52% of all revenue. In 2021 they accounted for just 37%. The revival is currently far more advanced in many of the traditionally smaller markets, with aggregate revenues in the South West at 52% of what was achieved in April 2019.

Chart 13 – Revenue by venue type, April 2021 v April 2019, U.K.



In the U.K. we categorize participating venues in one of seven ways based on their size and the work they put on stage. The revival is most pronounced in venues that largely present touring work, with the largest (over 1,000 seats) up to 45% of their sales in 2019. The smallest presenting venues (less than 400 seats) only achieved 10% of their April 2019 revenue.

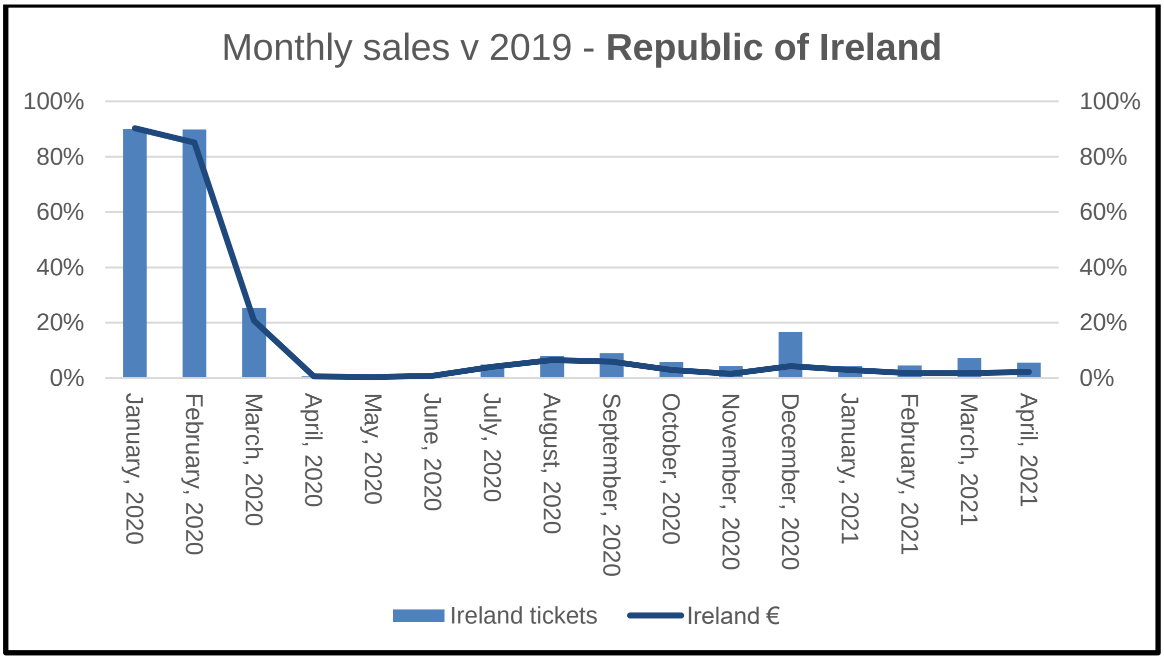
Chart 14 – Advance tickets sales and revenue by month of performance, U.K.



As of May 5, 2021, venues in the U.K. were reporting that they had aggregate advance sales of 8.1 million tickets in the value of £278 million for the period up until the end of March 2023. 32% of these tickets and 31% of the revenue are for events due to take place in September to December 2021. Almost half of total advance revenue (46%) and 44% of advance tickets are for performances due to take place in 2022.

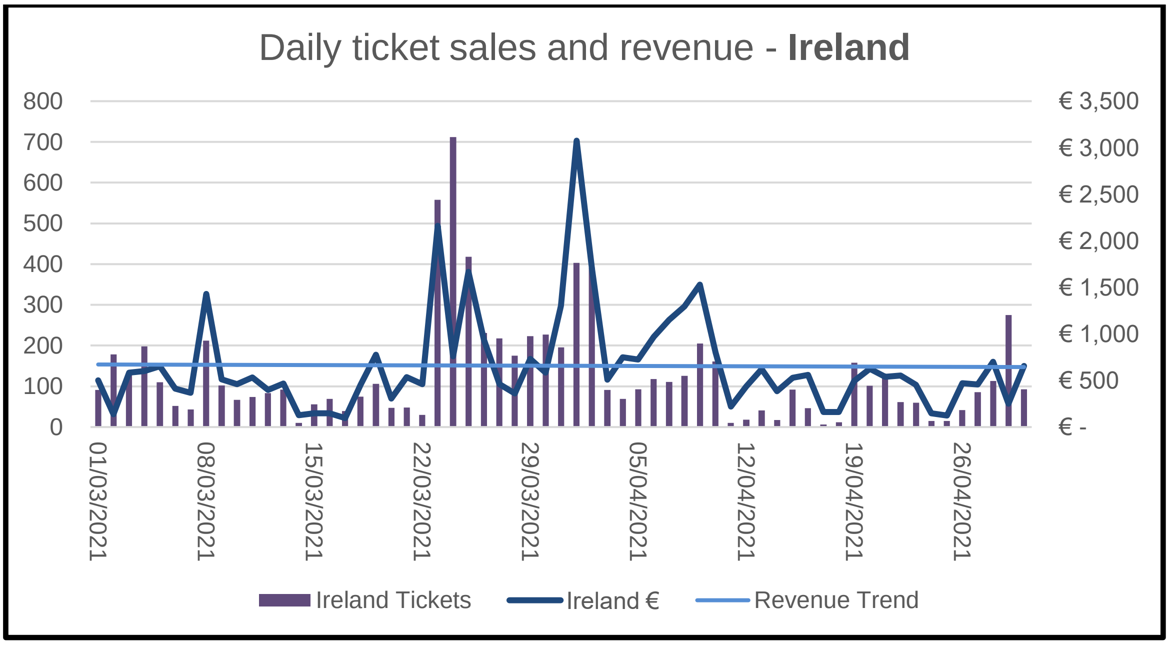
Republic of Ireland

Chart 15 – Monthly sales compared to equivalent month in 2019, U.K. & Ireland



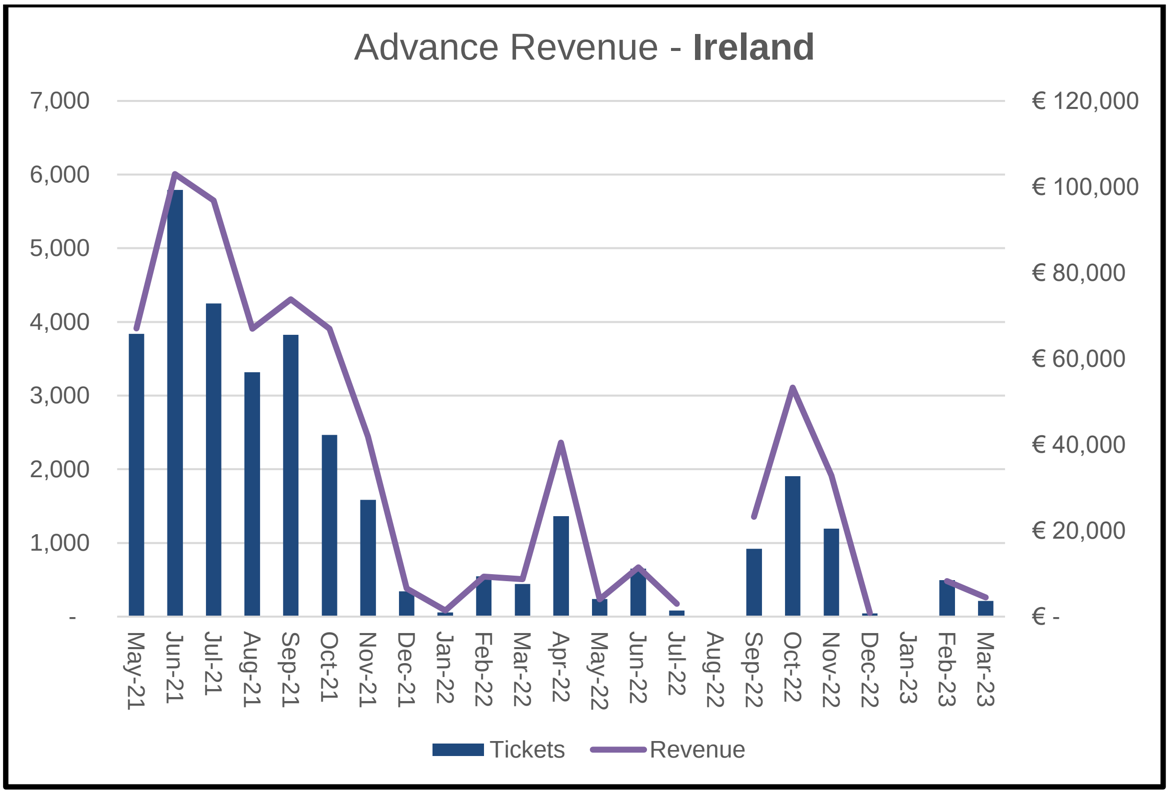
Ticket sales and revenues in Ireland have remained at less than 10% of their 2019 levels throughout the first four months of 2021.

Chart 16 – Daily Sales and Revenue, March and April 2021, Ireland.



Like the U.K., sales in Ireland rose during the week commencing March 22, 2021. This increase was not sustained and the trend across March and April 2021 was flat.

Chart 17 – Advance tickets sales and revenue by month of performance, Ireland



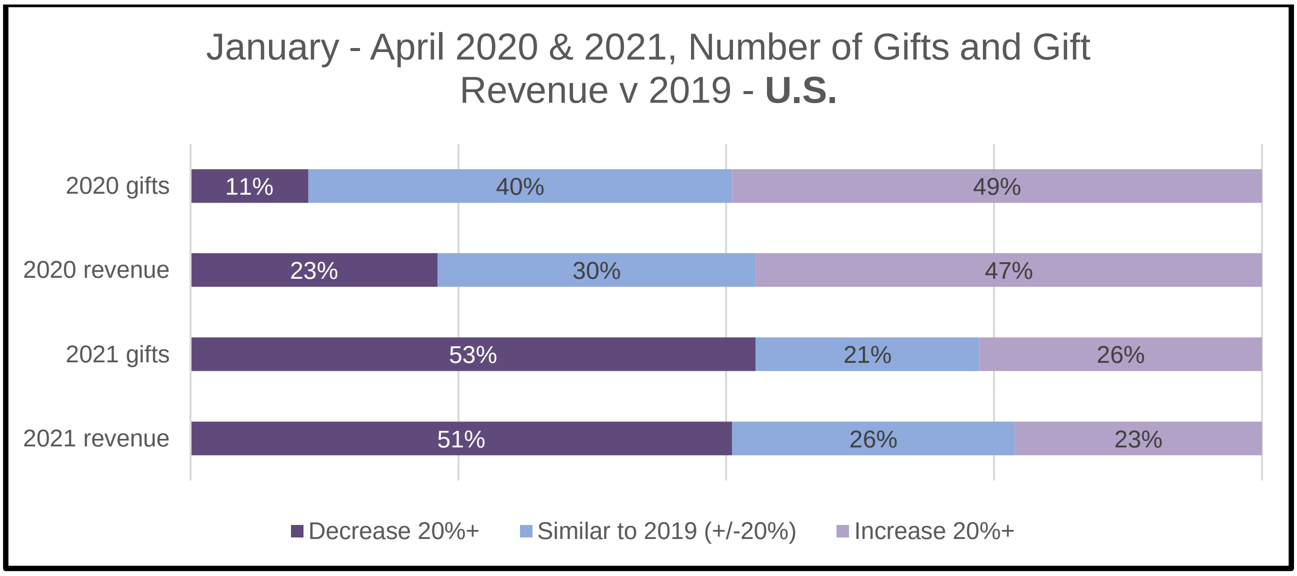
As of May 5, 2021, venues in Ireland were reporting that they had aggregate advance sales of just over 33,500 tickets in the value of €725k for the period up until the end of March 2023. 66% of the revenue is for events programmed for May to October 2021. Only 26% of revenues are for performances due to take place in 2022.

Philanthropy

In January 2021 we published a study on giving to performing arts organizations in 2020. It revealed a complex picture where the headline showing a drop in aggregate revenue from individual giving across the sample masked significantly improved performance by many individual organizations. For this snapshot into trends in philanthropy we are therefore focusing on the relative historic performance of each individual organization.

Particularly in North America, individual giving is seasonal with peaks at certain times of the year. We have therefore chosen to compare the specific four-month period from January 1 to April 30 across 2019, 2020 and 2021 rather than use monthly averages for previous years.

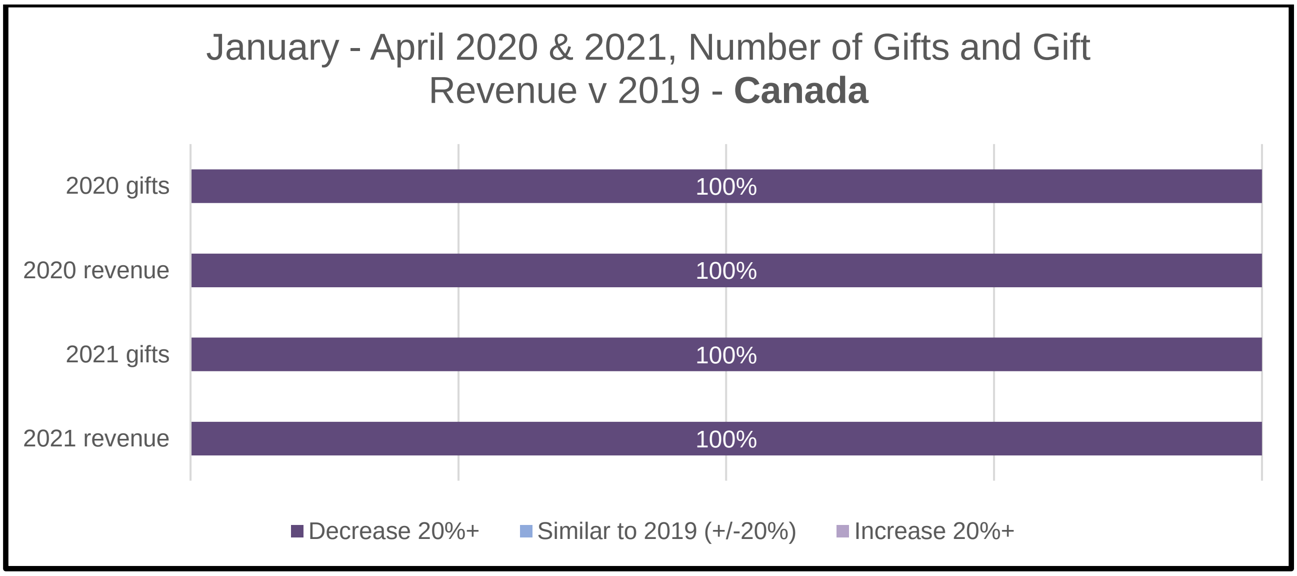
Chart 18 – Monthly gifts compared to equivalent month in 2019, U.S.



January to April 2020 covers the period when venues around the U.S. and much of the world closed because of the pandemic. In the U.S., most organizations in our sample reported significant increases (20%+) in both the numbers of gifts they received (49% of organizations) and the aggregate value of gifts (47% of organizations) during this period compared to the same months in 2019. Only 11% of organizations reported a decrease of over 20% in the number of gifts they received, but 23% reported aggregate revenues were down at least 20%.

One year on in 2021 this generally positive picture had not been sustained. Again comparing with the pre-pandemic period of January to April 2019, the majority of organizations reported significant reduction (20%+) in numbers of gifts (53%) and gift revenue (51%) received. However, a substantial proportion of organizations reported significant growth compared to 2019: 26% of organizations reported gifts up by over 20% and 23% reported aggregate gift revenues increasing by over 20%.

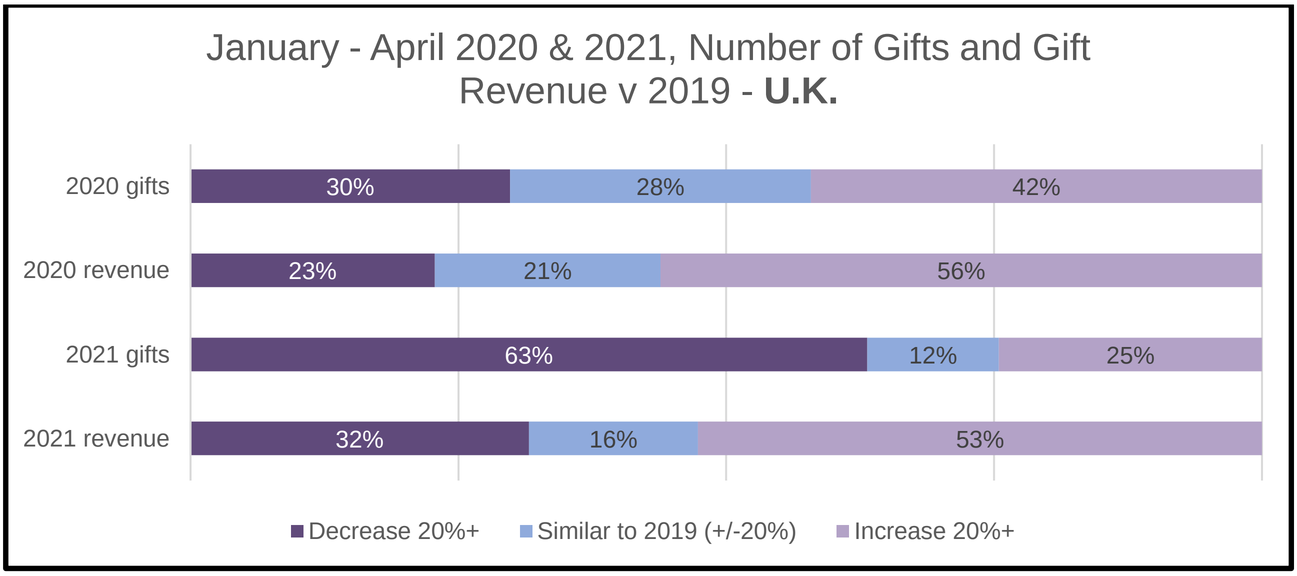
Chart 19 – Monthly gifts compared to equivalent month in 2019, Canada



All 12 venues from Canada in the sample reported reductions of over 20% in gift numbers and revenues for both 2020 and 2021 compared to the period of January 1 to April 30, 2019.

This study is reliant on the data recorded in the CRMs of the participating organizations. It is possible that disruption caused by the pandemic has led to organizations altering their processes or delaying updating their CRMs with information on donations, which could lead to under-reporting of gifts in 2020 and 2021. This does not explain why Canada’s reported figures are not as varied as those for U.S. and U.K. organizations.

Chart 20 – Monthly gifts compared to equivalent month in 2019, U.K.



Traditionally a very high proportion of U.K. gifts are small top-ups made at the point of purchasing tickets. The collapse in ticket sales in March 2020 led many organizations to seek larger gifts and/or request purchased tickets for cancelled performances be turned into donations rather than be refunded. This explains why the proportion of organizations reporting significant growth in gift revenue is greater than those reporting growth in gift numbers.

Most organizations (56%) saw growth of over 20% in gift revenues in 2020. 53% reported revenue at this higher level in 2021.

Conclusions

This study demonstrates that there are green shoots of recovery in ticket sales, but these are not spread evenly between or within countries. Even where the recovery is most advanced, ticket sales are still far below their pre-pandemic levels.

In the U.K., the fall/autumn period in 2021 shows promise with encouraging levels of advance sales, and sales for 2022 look encouraging in both the U.S. and the U.K. December is a crucial month for box office revenue in both countries. Sales for the holiday period have a long way to go if 2021 is to return to normal.

Our samples are smaller in the Republic of Ireland and Canada, but if participating organizations are broadly reflective of the sector, it appears the rival in advance sales in both countries is well behind their larger neighbors.

While this analysis does give some grounds for optimism, the recovery is so far partial and uneven. In the coming month organizations will want to know if the patterns they are seeing in their sales are comparatively strong or weak. We will repeat this study in the summer and encourage participating organizations to use their Benchmark Dashboards to measure their performance against their peers.

Purple Seven and TRG Arts are still welcoming new organizations to join the free COVID-19 Sector Benchmark and would particularly like to welcome more organizations in Canada and the Republic of Ireland to grow the benchmarks in these nations. To sign up and receive a free dashboard to compare your organization's performance with your peers, visit https://go.trgarts.com/benchmark

David Brownlee & Eric Nelson for TRG Arts & Purple Seven

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