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Management from the Nova School of Business and Economics.

Rethinking the Ticketing Structure of Teatro Nacional D. Maria II –
Monthly Subscription Strategy

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Abstract

The performing arts sector in Portugal is predominantly comprised of non-profit institutions, which are driven by a dual mission: to expand access to cultural activities and to ensure long-term financial sustainability. TNDM II is well-acquainted with this balance.

Considering the theatre's return to its historic venue in Rossio, this thesis aims to examine innovative approaches to enhance its operational resilience. A comprehensive benchmarking analysis of ticketing strategies has enabled the formulation of five tailored pricing strategies for the 2025–2026 season. These strategies align TNDM II's commitment towards the democratisation of culture and the fostering of greater financial self-sufficiency.

Keywords: Performing Arts Industry, Non-for-Profit Sector, Arts' Democratization, Ticketing Strategy, Non-for-profit Marketing, Benchmark Analysis, Pricing Strategy, Customer Retention, Loyalty Audience Development, Monthly Subscription, 7P Marketing Mix,

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Table of Abbreviations

BOV = Bristol Old Vic

CCB = Centro Cultural de Belém

CRM = Customer Relationship Management

NTS = National Theatre of Scotland

PWYW = Pay What You Want

PYP = Pick-Your-Price

TNC = Teatre Nacional de Catalunya

TNDM II = Teatro Nacional D. Maria II

TNSJ = Teatro Nacional São João

TSL = Teatro Municipal São Luiz

1. Introduction

The European performing arts industry – including the theatre sector – is predominantly composed of non-profit institutions heavily supported by state-budgets and other public funds (European Com, Directorate-General for Education, Youth, Sport and Culture, 2018). Non-profits are characterized by sharing a common reason for existence: fulfilling a social purpose (Baumol and Bowen, 1965). This purpose is often articulated through what is referred to as the organization’s public mission. Typically, a theatre’s public mission is centered on the democratization of arts and culture, entailing the creation of opportunities for broad and diverse audiences to access high-quality performances that deliver not only artistic excellence but also educational and social value.

The principle known today as “Baumol’s Law”, or “Baumol’s Cost Disease” was first introduced in 1965 in a publication by Baumol and Bowen (1965). The principle explains how, in sectors with limited or non-existent technological progress, wage increases driven by productivity gains in other sectors of the economy lead to an increase in the unitary cost of labor, and hence to a drop in productivity. The cultural sector in general, and the performing arts industry in particular, are prone to the cost-disease effect. The highly labor-intensive character of performing arts in combination with the lack of opportunities for technological development that could improve labor productivity in the sector make efficiency vital. In such cases, efficiency, in the form of increased labor productivity, can be achieved either by reducing inputs to the minimum necessary given an output level, or by adjusting the scale of production to its optimal level. However, both paths represent a compromise regarding the fulfilment of cultural institutions’ public mission. By reducing inputs to the minimum, cultural institutions most likely jeopardize the excellence of the service they deliver to the community. Conversely, adjusting the scale of production can hinder organizational capability to reach broader societal segments.

Frequently, the lack of productivity of the non-profit cultural sector has been addressed by growing amounts of public funding (Marco-Serrano, 2006). Nonetheless, ever-increasing cost pressures on public cultural expenditures, especially in times of severe budgetary constraints, significantly disrupts these institutions' ability to meet its financial responsibilities. Thus, a continuous strive to increase revenue and reduce dependence of public money remains of essence to guarantee the long-term financial sustainability of these organizations. Hence, these institutions remain without solution, being doomed to balance a perpetual trade-off between advancing its societal value and improving its financial situation.

Teatro Nacional D. Maria II (TNDM II), in Lisbon, Portugal, perfectly illustrates this duality. The Teatro is committed to the promotion of cultural democracy and the realization of the cultural potential of Portugal and its people (Teatro Nacional D. Maria II [TNDM II], n.d.f). Simultaneously, it aims to explore alternatives to increase revenue, solidifying its long-term financial sustainability and improving financing capabilities for outreach initiatives that can contribute to advance its mission.

Additionally, TNDM II has also faced significant challenges maintaining a proximity relationship with its audiences in recent years. The Covid-19 pandemic forced the venue's temporary closure in 2020, disrupting established connections with community members. This was compounded by a change in artistic direction in 2021, and the subsequent 2023 closure of the theatre's historic venue in Rossio for renovation works.

In the performing arts industry, pricing extends beyond revenue generation; it also shapes quality perceptions and influences audience composition, potentially fostering inclusion (National Endowment for the Arts, 2020). Hence, ticketing and pricing strategies emerge as pivotal tools to address the above-described challenges. The experience character of the performing arts' product poses significant uncertainty on consumers, making product comparisons and purchase decisions hard to take, especially when there is no pre-existing

relationship with the vendor. Under such setting, designing the appropriate pricing strategy is vital to stimulate demand across diverse consumer segments. Traditionally, performing arts organizations use a combination of single tickets and subscription formulas to appeal to different customer segments. However, little is known about how each segment evaluates and responds to these strategies and whether other, more appealing, or more viable, alternatives exist.

This thesis investigates alternative pricing strategies for TNDM II in anticipation of the Rossio's venue re-opening scheduled for the 2025-2026 season. Leveraging available audience data and insights from existing literature on innovative pricing mechanisms, this study aims to develop a comprehensive and strategically aligned proposal for the Teatro Nacional's ticketing scheme. The proposed strategies seek to balance financial sustainability with the Teatro's public mission of cultural democratization, focusing on fostering stronger customer relationships and enhancing audience engagement. Finally, an implementation pathway is outlined for the proposals, proving actionable recommendations to support TNDM II's execution of each strategy.

2. Teatro Nacional D. Maria II

Since its establishment in 1846, TNDM II has served as a cornerstone of the Portuguese performing arts sector. The venue was inaugurated to commemorate the twentieth anniversary of Queen Maria II's coronation and has retained its name as a testament to her legacy.

Since 2007, the theatre has been managed by the Portuguese government, with the Ministries of Finance and Culture providing supervisory oversight (TNDM II, n.d.b). As a non-profit institution, the TNDM II's promotes the democratization of the performing arts, as reflected in its mission of "opening up the theatre to the community" (TNDM II, n.d.c).

Furthermore, in 2023, its iconic Rossio venue was closed for reconstruction work, posing the necessity for the TNDM II's reinvention. In collaboration with 16 municipalities, the theatre undertook a program of touring performances under the auspices of the "*Odisseia Nacional*", thereby extending the reach of the performing arts throughout the country. This initiative reflected the theatre's mission and exemplified a territorially cohesive approach to the arts (TNDM II, n.d.e).

2.1. TNDM II's Audience

The following Section will present the audience of TNDM II. It will begin by describing the survey conducted by the theatre, including the rationale and the specific objectives it was designed to achieve. Furthermore, it will present the findings of the survey, before concluding with a description of the customer type of TNDM II.

2.1.1. "Abril Abriu" Survey

As a consequence of the limited data available regarding the TNDM II's audience, and the inability of the theatre to access the statistical information from the ticket app (BOL), a survey

was conducted during the "*Abril Abriu*"¹ cycle with the objective of characterizing the consumption patterns of those attending TNDM II.

A total of 1,058 respondents were surveyed, but 153 of them did not provide valid answers to the categories considered pivotal for the analysis of the customer type of TNDM II, namely gender, age, educational level and frequency of visit. Consequently, the study was conducted using the responses of 905 individuals.

The initial conclusion from the survey data is that the majority of theatre attendees are women (62.65%), while men represent 35.25% and the remaining respondents identified as non-binary or declined to answer.

Moreover, with regard to the variable of age, the age group with the highest level of participation is that comprising individuals between the ages of 41 and 50 (203 respondents), followed closely by the age groups 31-40 (183), 21-30 (177) and 51-60 (175). Furthermore, it is of great importance to highlight that the attendance on TNDM II displays a notable decline in the 71-80 and 80+ age groups, as well as in those below the age of 20.

Regarding the education level variable, it can be concluded that a higher proportion of individuals possess a post-secondary education (84,53%), of whom 51,60% have obtained a bachelor's degree, 25,75% a master's degree and 7,18% a PhD.

Furthermore, when crossing the educational level variable with the frequency of attendance, it is visible that the highest frequency of attendance ("one or more occasions per week") is observed more often among respondents with higher levels of education. Conversely those who

¹ The "Abril Abriu" cycle is a project to celebrate the 50 years of the Carnation Revolution, highlighting the historical, cultural, political and social legacy of the date (TNDM II, n.d.d).

indicated that they never attend performing arts events in TNDM II were more likely to have lower levels of education (7% in secondary education vs 2,87% in post-secondary degrees).

Therefore, based on the aforementioned findings, the theatre's customer type can be defined as a middle-aged woman with a superior level of education. These results are further substantiated by the findings of TNDM II in the "Peças²" survey, which identified the average spectator as "Portuguese women over 40 years of age with a superior education and a non-related profession in the cultural sector" (TNDM II, 2024).

Lastly, the survey "Abril Abriu" provides substantial insights on how the audience of TNDM II became aware of the attended plays. The survey concludes that an overwhelming majority of 58,86% of respondents refer "Pessoa amiga, colega ou familiar³" as the primary source of information, underscoring the significant importance of positive word-of-mouth as a marketing tool for the theatre. Additionally, the role of social media as a promotional tool is noteworthy, particularly among the 31 to 40 age group (14,97%) and the 41 to 50 age group (16,10%).

2.2. TNDM II's Current Pricing Strategy

Section 2.2 will focus on a detailed examination of the pricing policy and strategy outlined by TNDM II. In Section 2.2.1., an analysis of the evolution of the theatre's pricing strategy will be presented, accompanied by an examination of the current discounts available. Finally, in Section 2.2.2., a discussion of the subscription model experimented by the theatre will be presented, which commenced in the 2018-2019 season and is no longer available.

² The Project "Peças" is the spectacle strand of the Odisseia Nacional. Under this project, the theatre conducted a microstudy on 6 plays to gain a deeper perceptual understanding of its audience (Teatro Nacional D. Maria II, 2024).

³ "Pessoa amiga, colega ou familiar" translates to "Friends, colleagues and family".

2.2.1. Analysis of Current Strategy

TNDM II's pricing strategy has remained relatively stable since 2011, with a focus on the gradual reduction of prices and the implementation of new discount models.

This scheme is distinguished by two forms of differentiation: one based on the seating location within the auditorium (in the case of Sala Garret) and the other on the purchaser's classification to the discounts previously referred.

The first element is based on the perceived quality of the seat, depending mostly on its distance and visibility to the stage. Tickets in the audience are the most expensive (16€), followed by those in the first balcony (12€), and finally there is a level playing field between seats in the second balcony and those in the cabins of both the first and second balconies (9€).

Additionally, the theatre's price list becomes increasingly intricate when one considers the range of discounts available, varying from a 25% reduction to free tickets.

The most comprehensive category pertains to “discounted tickets”, which encompasses young people up to the age of 30, seniors, groups of more than 10 people, people with disabilities, professionals in the field, the unemployed and to Thursdays shows, for which the theatre offers a 25% reduction on the ticket price.

Furthermore, TNDM II offers a distinctive program for educational institutions and students and professors engaged in the performing arts, available at the price of 4€. This initiative is pivotal in substantiating the theatre's mission and ensuring accessibility for the entire community, including disadvantaged students, who have the opportunity to visit the theatre for the admission fee of 1€.

Furthermore, under the *És.Cultura'18*⁴ initiative, individuals aged 18 are entitled to free admission to the theatre. Lastly, families are eligible for a 50% reduction in price.

In the case of smaller productions, TNDM II typically utilises the Sala Estúdio, which, due to its comparatively limited capacity, does not permit the differentiation of price according to the seat. Consequently, theatregoers have the option of purchasing tickets at the full price (11€) or at a reduced price, which is available to those who qualify for the discounts previously listed.

2.2.2. Assinaturas

During the 2018-2019 season, the TNDM II implemented a subscription model, designated as "Assinaturas", which offered a 50% or greater discount to spectators who purchased five, ten, or twenty shows.

Moreover, the effectiveness of this initiative was enhanced by the implementation of Christmas campaigns, including gift cards, for the purchase of these packages. The marketing campaign was centred around an online campaign on Instagram and Facebook, which was complemented by the use of selected influencers to promote the "Assinaturas".

Number of Shows	Price	2018-2019	2019-2020	2020-2021	2021-2022
5 Shows	40,00€	109	209	32	190
10 Shows	70,00€	31	73	11	48
20 Shows	120,00€	4	25	0	10

Figure 1. "Assinaturas" Pricing Scheme & Reported Packages Sold

Figure 1 illustrates the pricing structure employed, as well as the reported sales figures for each season. It can be derived that the campaign success was affected by the pandemic, reporting an 85% decrease in "Assinaturas" sales in the 2020-2021 season, with spill-over effects in the following year. Moreover, during the four seasons the program was available, there was a clear

⁴ *És.Cultura'18* is a Ministry of Culture program that gives 18-year-olds free access to various cultural events. This initiative accounts for more than 350 cultural organizations, and among these is the TNDM II (Cultura Portugal, 2017)

preference towards the most affordable pack, which constituted over 65% of the total packs sold.

Despite the model's favourable assessment by the theatre, its implementation was temporarily suspended in the end of the 2021-2022 season, due to the closure of the venue for its requalification in 2023. Nevertheless, the theatre is exploring the possibility of its reimplementation, although at a more expensive price point.

2.3. PEST Analysis

In order to gain insight into the operational, current situation and consumer behaviour of TNDM II, it is essential to conduct an examination of the macro environment. This will enable the identification of the factors that exert a significant influence on the aforementioned aspects, or that may potentially impact the theatre's future. Accordingly, a PEST analysis was employed, encompassing political, economic, social, and technological factors.

2.3.1. Political Factors

The political environment exerts a profound influence on the theatre sector, as the government assumes a pivotal role in financing and sustaining cultural institutions. This underscores the crucial importance of government support (Kirchner et al., 2007; Yavas,1996) as the primary source of income for theatres, enabling them to finance a significant portion of their operational costs. These financial resources are vital for maintaining the quality of productions, supporting local artists, and ensuring affordable ticket prices. Consequently, changes in government and potential withdrawal of financial resources can have a profound impact on the sustainability and viability of the theatre.

Moreover, cultural policies that aim to democratize the access to culture in Portugal, such as the *És.Cultura'18*, have the potential to influence the consumption patterns of particular demographics (such as the younger generation), while prompting institutions to rethink their pricing strategies.

2.3.2. Economic Factors

One of the most significant factors is the state of the broader economy, as fluctuations in disposable income directly impact consumer spending on cultural activities. In periods of economic expansion, there is a greater propensity for audiences to invest in theatre attendance, whether through individual ticket purchases or the acquisition of memberships. Conversely, during periods of economic contraction, cultural activities are frequently among the initial

expenditures to be reprioritized in household budgets for discretionary spending. (Trading Economics, n.d.).

In Portugal, GDP has been growing steadily over the past 3 years. In 2021, GDP per capita was \$24,661, increasing by 10,60% until 2023 (\$27,275) (Macrotrends, n.d.). Therefore, as GDP grew, the expected household cultural spending was also expected to increase. (Instituto Nacional de Estatística, 2024).

Furthermore, the tourism industry represents a significant contributor to the country's economic growth. Its economic impact provides additional revenue for theatres, particularly through single ticket sales and attendance at international performances. However, a reliance on tourism can render theatres susceptible to external shocks, such as pandemics, which have the potential to significantly reduce visitor numbers (Luz, 2024).

Furthermore, the theatre's dependence on governmental financial assistance renders it vulnerable to the detrimental consequences of an economic recession, which may culminate in a diminishment of subsidies allocated by the Portuguese government (Instituto Nacional de Estatística, 2024).

2.3.3. Social Factors

The decision to attend a theatrical performance is influenced by a number of factors, including demographic trends, the availability of cultural activities, and the evolving social attitudes towards the arts. Each age group exhibits distinctive preferences and expectations with regard to theatrical experiences. For instance, younger audiences are frequently inclined to engage with contemporary or experimental productions, whereas older audiences tend to favor traditional or classical performances (Acerbi et al., 2012).

Modern lifestyle trends have significantly influenced people's relationship with theater. With increasingly hectic schedules and the emphasis on leisure activities, flexibility in programming

has become a priority. A significant proportion of theatregoers now express a preference for shorter, more accessible performances and evening performances that can be accommodated within their daily routines (Davenport, 2023).

2.3.4. Technological Factors

Features such as mobile ticketing and digital payments enhance the audience experience, allowing spectators to quickly and easily reserve their preferred seats. These systems also allow theaters to collect valuable customer data to understand customer behavior and attendance patterns.

The rise of digital marketing has transformed the relationship between audiences and theaters. Social media platforms, email campaigns, and targeted advertising allow theaters to effectively promote performances and reach different segments of their audience. Platforms such as Instagram and Facebook are particularly popular for sharing promotional content, behind-the-scenes footage, and interactive polls that can engage potential viewers (Aranyosy, 2022).

Theaters can use data analytics tools to gain insight into audience preferences, allowing them to better shape programming and marketing efforts. By analyzing ticket sales, demographics, and online engagement metrics, theaters can identify trends and optimize performances.

While the technology offers many benefits, integrating it can be challenging for some theaters, especially those with smaller budgets or infrastructure, due to the high costs of these advanced systems.

2.4. SWOT

2.4.1. Strengths

With a history spanning nearly 180 years, TNDM II stands as one of Lisbon's prominent cultural institutions, enjoying significant recognition throughout Portugal (European Theatre Convention, n.d.). The imposing and historical character of its building, centrally located in the

downtown area of the city attracts the attention of both locals and tourists (Turismo de Lisboa, n.d.).

The theatre's diverse repertoire includes Portuguese and international productions, offering audiences performances that address a wide variety of themes and perspectives (Explorial, n.d.). A main strength of TNDM II is its in-house theatre company, which allows it to consistently create high-quality productions. This artistic autonomy not only bolsters the theatre's creative output but also reinforces its independence within the cultural sector.

Another critical advantage of TNDM II is its robust financial stability, a cornerstone of its operations. As a national theatre, TNDM II benefits from comprehensive financial support from the Portuguese government (Appendix 9), ensuring operational security and allowing the institution to prioritize its social and artistic mission over financial concerns. This stable funding base allows TNDM II to focus on developing capabilities to deliver artistic, educational, cultural, and social value.

Finally, TNDM II demonstrates a strong commitment to social inclusion. The theatre offers a comprehensive discount catalogue aimed at making theatre attendance financially accessible to economically disadvantaged groups, as described in Section 2.2.1.. In addition, it has developed comprehensive outreach strategies to engage culturally excluded audiences, with an emphasis on education through artistic performance. In this context, *Odisseia Nacional*⁵ (TNDM II, n.d.a) arises as a particularly impactful project whose success during 2023-2024 led TNDM II to renew it for the 2024-2025 season. TNDM II's unwavering commitment to its social mission significantly enhances its reputation as a driver of cultural and social equity. This reputation not

⁵ *Odisseia Nacional* is a nationwide initiative that first commenced in 2023. It involved over 90 municipalities where cultural experiences are widely scarce with the aim of fostering local artistic creation, inclusivity, and democratization of cultural access (TNDM II, n.d.a).

only reinforces its public value but also attracts additional support from corporate sponsors, private donors and the wider community (Appendix 9), further strengthening its financial and operational capabilities.

2.4.2. Weaknesses

Although the strong financial support from the Portuguese government represents an enabler for the fulfilment of the theatre's social and cultural value, it also constraints the way it operates and is managed. TNDM II is subject to additional state regulations, including restrictions on ticket prices, as exemplified by the *És.Cultura'18*, described in the Section 2.2.1, which limits the theatre's ability to adjust pricing strategies, especially for certain categories, undermining its ability to deliver on revenue opportunities. Additionally, the strong dependence on public funds, makes TNDM II extra vulnerable to economic downturns or changes in Government. Significant changes on either may significantly affect the fund received by TNDM II, disturbing its ability to predict available funds and effectively plan future seasons.

Moreover, unlike other cultural institutions that benefit from donations, sponsorships, or patronage programs, TNDM II lacks a well-established system for attracting private funding. Hence, the theatre may be missing out on significant support steaming from private sources and more importantly on the opportunity to diversify revenue streams.

Furthermore, TNDM II faces challenges with its third-party ticketing system provider, *BOL*. As a result, the theater does not have direct access to customer data or to detailed audience information. This lack of information severely undermines TNDM II's capability to understand its audience preferences and behavior, to develop targeted marketing campaigns, and to distribute personalized communication content.

TNDM II features a very underdeveloped use of digital platforms and tools when compared to the international industry benchmark. Unlike many European theaters, TNDM II does not have

an online streaming platform or system to offer access to live or recorded performances remotely. In an era where digital content consumption is continues to grow rapidly (Kemp, 2024), the lack of online presence represents a missed opportunity to generate additional revenue.

2.4.3. Opportunities

As discussed in Section 2.4.2., one of TNDM II's main weaknesses is its strong reliance on public funds. There are several different strategies that could be considered to address this reality and whose inherent design also contributes for the advancement of other strategically weaker areas of TNDM II.

The re-opening of TNDM II's historic Rossio venue for the 2025-2026 season presents opportunities for the theatre to renew interest in the institution and re-engage with local and international audiences. Portugal has established itself as a major touristic destination in Europe and in the world. In fact, the tourism sector comprises 7,1% of Portugal's GDP (Pordata, 2024). This reality offers TNDM II opportunities to attract new audiences and to increase and diversify revenues. To properly capitalize on this opportunity, the theatre could consider offering live English subtitles to eliminate potential language barriers. Moreover, TNDM II could launch guided tours around its historic building, offering visitors interesting insights on its architecture, history, and cultural significance. Both initiatives demonstrate potential for TNDM II to improve its international appeal and reputation, consequently increasing its number of international visitors and driving revenue.

Additionally, the considerable underdevelopment of TNDM II's strategy to attract funds outside the public sphere further presents itself as opportunity for improvement. Leveraging on the public excitement of the big re-opening, TNDM II could introduce a revised strategy to attract the support of different private sources, ranging from individual private patrons to corporate

donors. Consequently, the theatre would increase available funds while reducing its dependence on the support of the Portuguese state and safeguarding the stability of its operations.

Furthermore, and touching upon the area of intervention of this project, TNDM II could seize its re-opening as an opportunity to revise its pricing strategy. Implementing alternative pricing models, such as subscription plans, and loyalty programs, could facilitate the collection of detailed audience data (Meyer-Waarden, 2008) without the need to alter its ticketing platform provider. Greater data accessibility would in turn improve TNDM II's capacity to design and execute targeted and effective marketing strategies. Reevaluating the pricing strategy could yield significant benefits for revenue generation. However, it is important to emphasize that revenue maximization should not be the primary goal of TNDM II's pricing approach since, as a public institution with a social mission, it must ensure its pricing scheme aligns with its core culture democratization.

Finally, TNDM II could also consider the implementation of a digital streaming platform to facilitate remote access to its performances and events. Such initiative would not only allow the theater to further diversify and expand its revenue streams but also significantly advance its public mission of promoting cultural accessibility and inclusivity. By leveraging these digital solutions, TNDM II could reach audiences in regions with limited cultural offerings, thereby bridging geographical and socio-economic barriers to cultural participation.

2.4.4. Threats

A significant threat facing TNDM II is the instability of the broader economic and governmental environment. In recent years, rising inflation and economic volatility, posed additional challenges for the financial viability of TNDM II (TNDM II, 2024). Additionally, escalating overhead costs and increasing employee salaries have further intensified financial pressure for theatres (TNDM II, 2024). Compounding on these effects, the decrease in discretionary spending that characterizes economic downturns, forces a decline on ticket sales. The dual

effect of decreased public funding and ticket revenues, further strains TNDM II's ability to make ends meet, affecting its capability to advance its public mission.

Another external challenge for TNDM II is the imperative to adapt to evolving social and cultural trends. Younger generations increasingly gravitate toward modern, interactive, and digital cultural experiences (Lithgow, 2012) that often diverge from traditional theatre formats. As audience preferences shift, theatres risk losing relevance among these demographics, potentially resulting in a decline in audience engagement and long-term audience shrinkage.

Finally, one of the most unpredictable yet critical threats to TNDM II is the potential for global crises, such as the global health Covid-19 crisis. The live performance industry is inherently vulnerable to disruptions caused by such events, as they can severely limit public gatherings, disrupt operations, and most importantly diminish consumer confidence.

3. Project Scope

TNDM II is faced with the common challenge of cultural non-profit institutions of balancing the fulfilment of its social mission with long-term financial viability. Compounding on this, TNDM II also faces a specific challenge related to disrupted customer relationships and lack of insightful audience data that undermines the theatre's ability to pursue potential avenues for revenue generation.

As explored throughout previous Sections of this report, TNDM II relies heavily on public funding to sustain its operations, making the theatre particularly vulnerable to shifts in government priorities and economic volatility that significantly affect availability of funds. This reliance underscores the critical need to identify and address inefficiencies within TNDM II's operational scope to build financial independence and resilience within the organization.

There are several factors in the marketing mix that affect revenue, but pricing is the only one that affects it directly (Gabor, 1977). Hence, in this project there is a focus on recalibrating TNDM II's ticketing strategy to potentially increase box office revenue, diversifying revenue streams and reducing the institutions reliance on public funds. However, as a public mission institution, TNDM II's ticketing strategies cannot be driven solely by capitalistic considerations of maximizing cash inflows. Instead, ticketing strategies must prioritize accessibility to ensure inclusivity. Furthermore, there is also the intention to strengthen TNDM II's customer relationships with the proposals. The lack of comprehensive and actionable audience data at TNDM II presented a significant challenge for our mission, hence it is also addressed with our proposals.

Finally, in the various steps of a customer lifetime cycle, as developed by (Court, Elzinga, Mulder, & Vetvik, 2009), the report positions itself as an intervention at the buy and bond stages. The report is limited to recommending ticketing strategies and does not venture into structuring programs beyond the scope of pricing. These recommendations take in account the current

dynamics and prevailing trends within the theatre industry whilst acknowledging that pricing is only one aspect for audience development. There are aspects such as programming, advertising, outreach, and others that affect the theatre's audience development and retention. However, this report does not touch upon them.

3.1. Objectives

The project's initial brief presented the challenge of revising and developing a new ticketing strategy for the return of TNDM II to its historic Rossio venue in the 2025-2026 season. Following 2024 steering meetings' discussions and a comprehensive diagnosis of TNDM II, additional more actionable objectives were developed for the project.

It was found that there are expanses of the theatre's functioning that require assistance from the ticketing strategies for smooth functioning. Thus, considering the theatre's current environment, its mission, and the challenges it faces, the following five objectives were considered for the structure and implementation design of the proposed strategies:

- *Collection of Data:* The lack of accessibility to data from the theatre's ticketing platform presents significant obstacles to the comprehension of audience preferences and consumption patterns. It was thus imperative to devise a system that would enable the theatre to gather insightful data from its audience without requiring a change of ticketing system provider and incurring in the subsequent associated costs.
- *Cash Management:* The closure of the theatre had a detrimental impact on TNDM II's capacity to generate operating revenues. It was thus deemed necessary to devise recommendations that would enhance financial viability and reduce reliance on public funding.
- *Improving Ticketing Experience:* The desirability and simplicity of a shopping channel are pivotal factors in guaranteeing future consumption (Jarvelainen, 2003; Devaraj et

al., 2002). Accordingly, the strategies implemented are designed with the objective of optimizing the spectator buying experience.

- *Diversifying Audiences:* The pursuit of the TNDM II's mission is of great relevance for its team. Thereby, this project aims to introduce recommendations that will attract new audiences to TNDM II, with a particular focus on disadvantaged segments of the population.
- *Strengthening Customer Relationships:* Ultimately, the objective of this project is to cultivate a long-term, mutually beneficial relationship between TNDM II and its audience. The proposed recommendations are designed to cultivate loyalty and encourage repeated attendance, as well as to ensure that the institution remains a trustworthy in the eyes of those who visit it.

All recommended strategies proposed throughout this report are extrapolated from an initial benchmarking analysis, presented in Section 4, that focused on theatres and allied Arts' institutions with a public mission that grapple with similar challenges to TNDM II.

4. Benchmarking

Following an evaluation of the TNDM II's internal and external environments, including an analysis of the institution's sources of funding, pricing strategies and the challenges ahead, it was essential to gain an understanding of how its position compares with other theatres, in both the international and Portuguese landscapes.

Accordingly, a benchmarking methodology was employed, whereby a comprehensive examination was conducted on 12 public European theatres and 4 Portuguese theatres, resulting in an “International Benchmarking” and in a “Portuguese Benchmarking”. This approach was selected because it allows for the identification of the highest standards of excellence, as well as the necessary improvements to be made in order to reach these "best practices" (Bhutta & Huq, 1999).

4.1. International Benchmarking

The Section 4.1. presents a comprehensive analysis of the international benchmarking process, which constituted a pivotal aspect of the project's development. Firstly, the objective of the benchmarking process and the criteria employed to select the theatres included in the study are examined in detail (Sections 4.1.1., 4.1.2. and 4.1.3.). Moreover, a succinct overview of each theatre is provided, which can be found in Section 4.1.4. The final Section (4.1.5.) presents a comparison between the performance of TNDM II and the international context derived from this research.

4.1.1. Objective of the International Benchmarking

It was of the utmost importance to ascertain potential means of bolstering the theatre's financial stability through the integration of efficacious pricing strategies that have already demonstrated success across the institutions under examination. Consequently, the objective of international benchmarking is twofold: firstly, to assess potential strategies for implementation within the theatre; and secondly, to analyse the comparative position of TNDM II.

In order to develop a more reliable tool, two criteria were defined. Firstly, the theatre must be a governmental institution, pursue a public mission and develop in-house production. Secondly, it should have a similar financial dimension to TNDM II.

4.1.2. Public Theatre and Public Mission

The term "public theatre" is frequently associated with non-profit organizations, which are primarily driven by a mission other than profit maximization. In these organizations, effectiveness is a multidimensional concept, comprising usage maximization, capacity targeting, budget maximization and cost recovery strategies, which are often fundamental indicators of the organization's efficiency (Boorsma & Chiaravalloti, 2010).

The funding structure of these institutions is primarily reliant on public investment, with supplementary income derived from ticketing revenues and corporate donors' transfers, which are often of secondary economic importance (Toepler et al., 2006).

The pursuit of a non-maximisation strategy, which is frequently aligned with the investment directed by public institutions, often results in theatres adopting a more diverse repertoire, oftentimes less commercially appealing.

This approach aligns with the hunt of a public mission, that typically defines non-profit performing arts organizations. The mission statement of a theatre is typically oriented towards enriching the cultural environment through artistic achievement (Turbide & Laurin, 2009). Additionally, there is a commitment to accessibility and inclusivity, extending to all individuals regardless of physical, intellectual, or cultural limitations (Dean et al., 2010). In this regard, the theatres selected should exhibit a dedication to a public mission-driven approach.

Conversely, although artistic merit and entertainment value are still important drivers of the organization's operational focus, commercial theatre's primary mission is to generate profits for its investors (Cherbo, 1998).

Consequently, the ownership structure, funding and mission of these institutions are markedly distinct from one another. It was subsequently determined that a comparison between publicly and privately held theatres was inadequate.

4.1.3. Financial Dimension

In light of the absence of uniformity in how each theatre discloses their financial information, a standardized benchmarking approach was required. For that, three distinct categories of income sources were considered: operating revenues, public investment and private donations.

Operating revenues encompass the value generated by the theatre through its core business activities, including ticketing revenues and merchandising. The second category of funding is that of public investment, which may be provided by municipal, national or European governmental bodies. The third category encompasses private donations, which are derived from revenues obtained from corporate donors.

Even with these defined criteria, the lack of disclosed financial information from Théâtre de l'Opéra, Théâtre Vidy and Théâtre du Nord resulted in their exclusion from the financial analysis. Nevertheless, these organizations were included in the benchmarking due to their utilization of innovative pricing dynamics, which will be discussed in greater detail in the subsequent Sections of this paper.

Moreover, the total income generated by TNDM II in 2023 was 7.5M €. Of this, 84.5% was derived from donations from public bodies, 332.310€ (4.4%) from ticketing revenues, and over 780.000€ (10.3%) from corporate donors. In order to identify strategies that could enhance the performance of the theatre, the benchmarking process was conducted with the objective of including theatres with comparable financial characteristics to TNDM II. This approach guarantees that the insights and findings derived from the benchmarking exercise can be effectively compared and applied to the theatre.

Nevertheless, the Burgtheater, the National Theatre of Prague and the National Theatre of Slovakia were included in this exercise despite their registered income exceeding 59 million euros in 2023. This was due to the valuable insights provided in the "Pick Your Price Strategy". However, in light of the defined criteria, they were excluded from the financial analysis.

4.1.4. Theatres Included in the International Benchmarking

After disserting on the methodology employed in the benchmarking process, it is essential to undertake a brief analysis of the 12 selected theatres.

National Theatre of Scotland (NTS)

The National Theatre of Scotland, based in Glasgow, was funded in 2006 and has since become a leading force in Scotland's cultural landscape. Uniquely, NTS operates under the moto "theatre without walls", performing in both traditional stages and untraditional locations, like schools and warehouses, across Scotland and internationally (National Theatre of Scotland, n.d.).

The theatre's mission is "To make extraordinary, relevant theatre by, with and for contemporary Scotland.", with a focus on innovation, inclusivity, and engaging diverse audiences. Its artistic output emphasizes Scottish identity and contemporary themes, while its educational and community programs aim to make theatre accessible to all (National Theatre of Scotland, n.d.). In 2023, the theatre's total budget exceeded £8.8 million, with approximately 50% originating from public funding and the remainder from ticket sales, sponsorships, and partnerships.

The National Theatre of Scotland serves as a notable example of successful outreach programs. In the following Sections, two of its key initiatives will be explored in greater detail: *First Nights*, discussed under Section 5.3. and *Theatre for a Fiver*, which inspired the strategy designed in Section 10.

Abbey Theatre

Known as the National Theatre of Ireland, the Abbey has played a central role in shaping Irish culture, history, and identity since its inception in 1904. The theatre operates from its historic premises, featuring a main stage with a seating capacity of 492 seats.

The Abbey's mission is "*to effectively and imaginatively engage with all of Irish society through the production of ambitious, courageous theatre in all its forms*" with a focus on celebrating Irish playwrights and supporting emerging talent (Abbey Theatre, n.d.). Its repertoire balances new writing and classic Irish works, underlining its role as a cultural ambassador for Irish arts. In 2022, the Abbey Theatre's operating income was around €11.5 million, with approximately 70% coming from public funding and the remainder generated through ticket sales, commercial partnerships, and philanthropic support (Abbey Theatre, 2023).

Bristol Old Vic

Bristol Old Vic, while not designated as a national theatre, holds significant cultural importance in England as the longest continuously operating theatre in the country (Bristol Old Vic, n.d.a). The theatre's mission is to "inspire a lifelong passion for theatre through bold, inventive productions and engagement with its community" (Bristol Old Vic, n.d.c).

In 2023, Bristol Old Vic reported an operating income of over £6 million, of which 20.4% derived from public funding and 40% from ticket sales and royalties (Bristol Old Vic, n.d.b).

Among the group of 12 theatres analyzed, Bristol Old Vic stands out for its strong capacity to self-generate revenue, reducing its dependency from public funding considerably. This capacity is likely tied to its comprehensive pricing strategy. Bristol Old Vic's *Free Loyalty Program* is one of the strategies that inspired us to develop the strategy discussed in Section 8.

Aarhus Theatre

Despite not being designated a national theatre, the Aarhus Theatre welcomes over 100,000 visitors annually.

The theatre is distinguished by its pioneering and socially aware productions, which endeavour to engage and resonate with audiences not only in Aarhus but across Denmark. It is therefore the intention of the theatre to raise awareness and to promote the democratisation of the performing arts, in alignment with artistic and social sustainability (Aarhus Teater, n.d.).

During the 2022-2023 artistic season, the theatre generated 107,141,000 kr (approximately 14.4M€), with public funding accounting for 73.09% of the total and operating revenues representing 15.76% (Aarhus Teatre, 2023).

Teatre Nacional de Catalunya (TNC)

The TNC, located in Barcelona, commenced operations in 1996 and has since become the largest theatre in the Catalanian region. The venue comprises three distinct performance areas, with the Sala Gran having a capacity of 847 seats.

The theatre's mission is to "contribute to the cultural growth of Catalonia through the performing arts", with the objective of developing artistic excellence and educational initiatives that are accessible to all (Teatre Nacional de Catalunya, n.d.a).

In 2023, the theatre's operating income was 17.275.212€, with 76,92% derived from public investment and 14.09% from operating revenues (Teatre Nacional de Catalunya, 2024).

Finally, the TNC distinguishes itself from the other theatres under analysis through its incentive program, offering a 15% discount on tickets purchased before the première. This strategy will be examined in greater detail later in the report, in Section 6.

Piccolo Teatro di Milano

The Piccolo Teatro di Milano is the first public repertory theatre in Italy, created in 1947, with the objective of "providing a public service and to work on behalf of the entire community". This philosophy is encapsulated in the theatre's mission statement: "An Art Theatre for All", which has been the theatre's motto since its inauguration (Piccolo Teatro di Milano, 2023).

The theatre is financially supported by the Municipality of Milan, the Lombardy Region and the Italian national government, which are responsible for approximately 60% of the organization's income. Contrarywise, operating revenues represent 27,06% of total income (Fondazione Piccolo Teatro di Milano, 2022).

Théâtre de l'Odéon

Founded in 1782, the Odeon Theatre is one of six national theatres in France, the operation of which is directly supervised by the French Ministry of Culture.

The theatre's mission is to "revive Europe's dramatic heritage". This mission finds its roots in the decree of 1 June 1990, which established the theatre as a "Theatre of Europe" (Théâtre de Odeón, n.d.).

Moreover, the Odeon is a public industrial and commercial establishment (EPIC) that receives government subsidies amounting to up to 70% of its total budget (Théâtre de l'Odéon). As one of the most successful public theatres in Europe, the revenue generated from ticket sales (both on-site and from touring performances) represents up to 30% of the theatre's total budget. It should be noted, however, that no additional financial information is provided by the theatre, which consequently excludes it from any financial comparison.

The use of the Théâtre de l'Odéon in this paper relates with its implementation of individual and group subscriptions, in order to evaluate how these can be incorporated into the TNDM II pricing scheme.

Théâtre Vidy

Théâtre Vidy located in Lausanne, Switzerland, is a contemporary theatre known for being housed in a building built for an exhibition in 1964. Currently, the theatre strives to host and support the creation of new shows, encouraging innovation, the reinvention of artists and “the theatre of today” (Théâtre Vidy Laussane, n.d.a).

Théâtre Vidy is a publicly funded institution that receives funding from various public sources including the Canton of Vaud, City of Lausanne, the Swiss Confederation and others (Théâtre Vidy Laussane, n.d.b). Moreover, the theatre does not publish its financial results, and therefore cannot be included in the financial benchmark.

Lastly, the theatre's sets apart from the rest of the considered theatres by its use of a “Pay What You Can Subscription”, which be analyzed at a later stage of the project.

Theatre du Nord

Theatre du Nord is housed inside an 18th century building in Lille, France. It has another venue in Tourcoing, allowing it to grow its reach and audience. Theatre du Nord focuses on recognizing emerging playwrights with a focus on contemporary interpretation of classical works. The theatre is directly supervised by the Ministry of Culture in France, and also receives funding from the City of Lille, Hauts-de-France Region besides State Funding (Théâtre du Nord – Département du Nord, 2022).

The theatre aims to be transdisciplinary and without artistic boundaries, incorporating dance, music, circus and audiovisual arts. This reflects the theatre's priority of acting as a beehive for all audiences and fostering a space of sharing within the theatre (Hello Lille Tourisme, n.d.).

As mentioned previously, the theatre does not disclose enough financial results to be considered in a comparison with the TNDM II, but the use of a simpler pricing scheme was found to be relevant to the Portuguese paradigm.

Burgtheater

The Burgtheater, Austria's National Theater, is located in Vienna, the country's capital. It is Europe's largest and second-oldest drama theater. In addition to its main stage (Burgtheater), the institution operates three other venues: the Akademietheater, the Kasino, and the Vestibül. The theater's mission includes preserving the traditions of Austrian drama while striving for diversity and innovation. Each season, the Burgtheater welcomes approximately 400,000 theatergoers across 800 performances annually (“About the Holding” n.d.).

The theater is owned by Bundestheater-Holding GmbH, a company entirely owned by the Republic of Austria. As such, the theater benefits from substantial state subsidies to ensure high-quality theatrical productions. Of the Burgtheater's total revenue, only 18% comes from operational income, while the remaining 82% is provided through state funding (“About the Holding” n.d.).

Prague National Theatre

The Czech National Theatre in Prague has been fostering theatrical culture for over 130 years, serving as a symbol of national identity. In addition to preserving traditions, the theater places significant emphasis on providing a free space for creative expression (“Národní Divadlo” n.d.). The theater is owned by the Czech state and operates under the Ministry of Culture. However, public financial reports are not readily available, and thus there is no accessible information regarding the proportion of total revenue derived from state subsidies (“Národní Divadlo” n.d.). To ensure robust financial support, the theater emphasizes not only ticket sales and government funding but also individual and corporate sponsorships. The National Theatre Benefactors’ Club aims to attract private sector contributions to support the institution (“Národní Divadlo” n.d.).

National Theatre of Slovakia

The Slovak National Theatre, founded in 1920, is the most significant cultural institution in Slovakia. In addition to drama performances, the theater also features opera and ballet productions. During its 2023 season, it presented 18 premieres and welcomed 267,000 visitors (*About Us | Slovak National Theatre*, n.d.).

The theater is entirely state-owned and operates under the jurisdiction of the Ministry of Culture. State funding plays a crucial role in its financial model. This is reflected in its revenue structure: 22% of its income comes from ticket sales, while the remaining 78% is covered by state subsidies (*About Us | Slovak National Theatre*, n.d.).

4.1.5. How does TNDM II compare with the Benchmarking?

As stated previously, from the 12 theatres considered in the international benchmarking, only 6 were found to be suitable for inclusion in the financial comparison with the TNDM II.

As illustrated in Figure 2, TNDM II presents a substantial lower income when compared to its counterparts, particularly when compared to the TNC and Piccolo, which exhibit almost 3 times the income generated by the Portuguese institution. Conversely, TNDM II exhibits a comparable income to BOV, which may be justified by the smaller scale of the British venue.

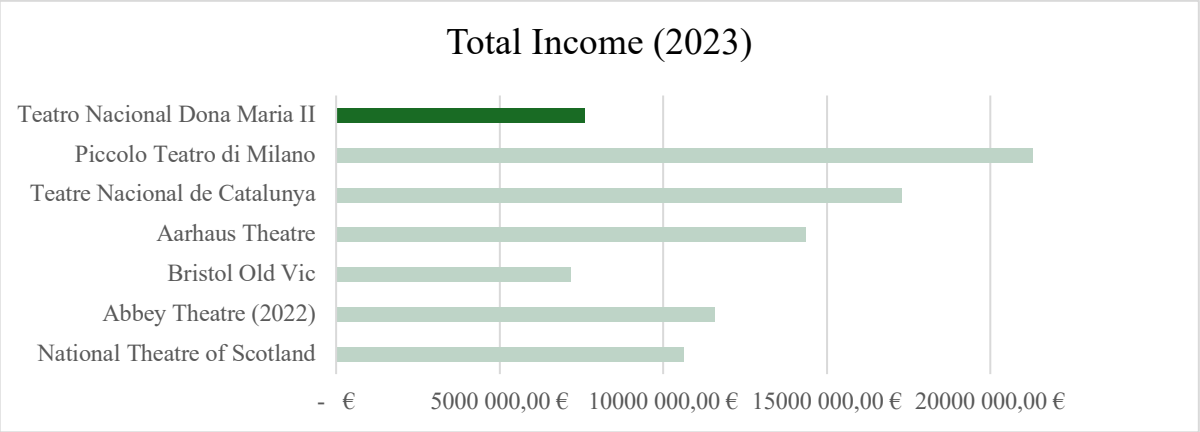


Figure 2. Total Income Generated 2023

Moreover, the average income from the catalogue analysed is 12,8M€, which is over €5 million higher than the income generated by TNDM II.

Furthermore, an analysis of the sources of the total incomes was considered, as demonstrated in Figure 3.

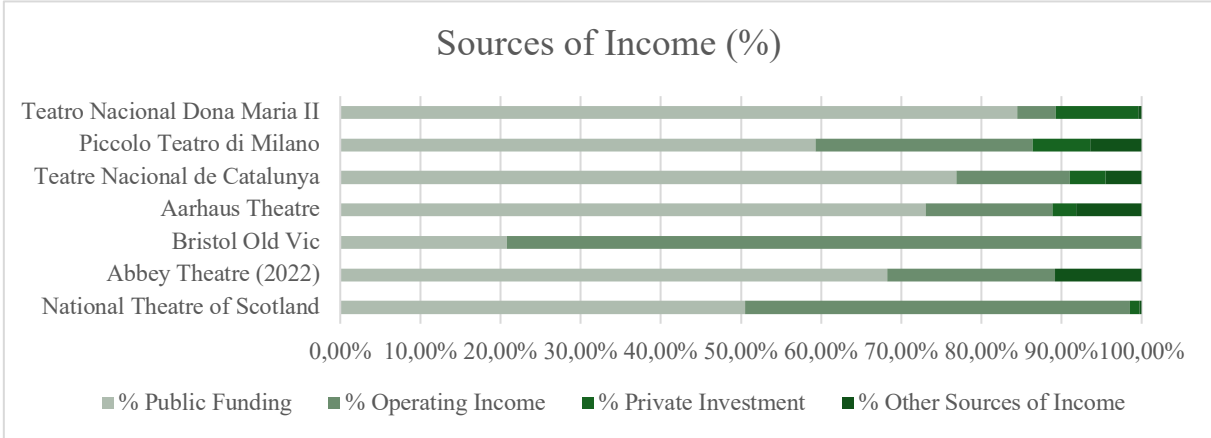


Figure 3. Sources of Income as a % of Total Income Generated (2023)

It can be inferred that the public funding as a percentage of total income in TNDM II has the highest stake among the theatres considered. This outcome can be partially explained by the requalification work conducted by the theatre.

If the 2019's financial structure of the theatre were to be taken into consideration, it would be observed that the proportion of public transfers would amount to 69.6% (in contrast to the current figure of 84.50%), which would place the theatre in a position of medium ranking within the group.

Similarly, because of the closure of the theatre, the TNDM II presents the lowest level of operating income among the theatres under analysis. Conversely, TNDM II outperforms regarding the ability to generate donations from corporations, with over 10% of its income derived from private sources (in comparison to the average of 3.73%).

Concluding, it is possible to derive that TNDM II is experiencing a significant deficit in revenue generation and is heavily reliant on external financial assistance to sustain its operations. Nevertheless, these results are partially biased due to the current circumstances of the theatre. Therefore, it is anticipated that, upon the reinstatement of its activities, the theatre will be able to generate increased revenues from its operations. In fact, if this occurs, aligned with the ability of the theatre to capture external investment, as viewed between 2019 and 2023, the theatre will exhibit a financial structure comparable to that of the theatres under analysis, with greater support of external actors and less reliance on governmental action.

4.2. Portuguese Benchmarking

This part of the project initiates by discussing the objective of the Portuguese benchmarking (4.2.1.). Moreover, Section 4.1.2. displays a brief dissertation on the criteria employed in the selection of the theatres for benchmarking, emphasizing the similarities between the TNDM II and the chosen organizations. Finally, the aforementioned theatres will be presented, in Section 4.1.3.

4.2.1. Objective of the Portuguese Benchmarking

The Portuguese benchmarking was only considered at a later stage of the project when the development of the pursued strategies required their prospective pricing.

The preference for Portuguese organizations over those in the international benchmarking is linked to a number of reasons. Firstly, they operate in the same macroeconomic environment. Secondly, there is a high degree of overlap between the audiences of the selected institutions and of TNDM II, and hence similar willingness to pay and price elasticity. Finally, all are subject to the prevailing consumption patterns of the Portuguese public, and all operate under the supervision of the Portuguese State.

Consequently, it was deemed more reliable to consider the Portuguese reality to assert the price point for the tickets and the discount strategy under the “Simple Pricing & Early Purchase Incentive” proposal.

4.2.2. Consumption Patterns of the Portuguese Audience

According to the “O Consumo Cultural e Artístico na Região de Lisboa”, the average inhabitant of Lisbon engages with 6,3 cultural initiatives per year, with only 39% of this group attending theatre performances. Furthermore, the study indicates a prevailing sentiment of dissatisfaction amongst the public with regard to the cultural offerings available, with 77% of the sampled population expressing an intention to attend more cultural events.

The primary impediments for attendance are identified as financial and time constraints (73% and 63%, respectively). However, the qualitative study underwent by CCB indicates that prices charged by cultural organizations in Lisbon are found to be reasonable: when there is sufficient time and interest, financial constraints do not prevent individuals from consuming arts and cultural activities (Fundação Centro Cultural de Belém, 2023).

4.2.3. Theatres included in the Portuguese Benchmarking

Given the small number of public theatres of national importance in Portugal, it was necessary to extend the international benchmarking criteria. The theatres presented in this Section are either 100% public institutions or institutions with a private component, but in which the Portuguese State is actively involved. These institutions often receive public transfers because

they cannot finance themselves independently, but their cultural footprint is perceived by the Portuguese population as having “*Interesse Público*” (which translates to Public Interest).

A cultural good or institution is considered to provide “*Interesse Público*” when its protection and valorization represent a significant cultural value that exceed the Portuguese nation. Moreover, in the case the institution is privately owned, it can only be considered with “*Interesse Público*” if its permanent export from the Portuguese territory could cause serious damage to the cultural heritage (Diário da República, n.d.).

Following this reasoning, Teatro Nacional São João and Teatro São Luiz are categorized as public institutions, while CCB and Culturgest are organizations with “*Interesse Público*”.

Teatro Nacional São João (TNSJ)

The TNSJ is one of the three Nacional Portuguese theatres, and the only one outside Lisbon. Present in three different locations in Porto, the theatre aims to “defend the Portuguese language and the Portuguese dramaturgy” (Teatro Nacional São João, n.d.b).

Similar to TNDM II, TNSJ sets its full ticket price at 16€, offering an even wider range of discounts, although most of which overlap with those offered by TNDM II (Appendix 16). In addition, TNSJ also uses four types of seat differentiation and varies its price according to its perceived quality and visibility (Bilheteira Teatro Nacional São João, n.d.a).

Centro Cultural de Belém (CCB)

The CCB is currently managed by the *Fundação Centro Cultural de Belém*. The mission of CCB is to promote culture through the diffusion of all its specificities. This mission is reflected in the organization’s three vectors of activity: the *Centro de Congressos e Reuniões*, the *Centro de Espetáculos* and the *Centro de Exposições*.

The *Centro de Espetáculos* is made up of three auditoriums, the largest of which can hold up to 1,429 people (Centro Cultural de Belém [CCB], n.d.b) and hosts performances that vary from classical music to theatre and dance.

The CCB employs a differentiated pricing strategy for its shows, with prices determined by a variety of factors, including the perceived interest of the show, the cost of production, and whether the production is in-house. It should be noted that discounts are available for a significant proportion of the population (Appendix 17). Furthermore, individuals in possession of a CCB card are eligible for a 30% reduction in price (CCB, n.d. a).

Teatro São Luiz (TSL)

The TSL is a municipal theatre in Lisbon, founded in 1971. The theatre has a cultural, social and democratic compromise towards the citizens of Lisbon (São Luiz Teatro Municipal, n.d.b). The TSL employs a variable pricing structure that is contingent upon the specific shows, a strategy that is analogous to that employed by CCB. The discounts offered (appendix 18) by the theatre are available to young people, those who are unemployed, employees of the Câmara Municipal de Lisboa, older theatregoers, professionals in the arts, individuals with disabilities, and individuals who purchase tickets through the theatre's partnerships with other organizations (São Luiz Teatro Municipal, n.d.a).

Culturgest

Culturgest commenced operations in 1993, operating under the auspices of *the Fundação Caixa Geral de Depósitos*. The organization's objective is to facilitate the development of cultural activities, encouraging a critical discourse and implementing a range of educational initiatives. Similarly to CCB and TSL, the pricing of Culturgest's shows varies depending on the specific performance in question. The discount structure comprises discounts of 20%, 30%, and 50%, as detailed in Appendix 19 (Fundação Caixa Geral de Depósitos, n.d.).

5. Not Pursued Strategies

Based on the team's research, and aligned with the theatre's insights, some of the considered strategies in the benchmarking analysis, ended up not being developed in the final pricing strategy proposed to TNDM II. In Section 5.1., the presentation of the "Last Minute Tickets" implemented by Théâtre du Nord will be presented, while in Section 5.2. "Dynamic Pricing" will be discussed. Finally, the reason why National Theatre of Scotland's "First Night Tickets" was considered unsuitable for the TNDM II will be explored (Section 5.3.).

5.1. Last Minute Tickets

As the name suggests, Last Minute Tickets, is a ticketing strategy adopted by the Théâtre du Nord in Lille as a part of its broader efforts to make the theatre more accessible. It is an offline ticketing program that allows students, refugees and individuals receiving social benefits to buy tickets for one euro, one hour before the show begins, depending upon availability. (Theatre du Nord, n.d.)

This strategy was not considered for further perusal as TNDM II needs to work on the Consider stage in audience development towards socio-economic minorities.

5.2. Dynamic Pricing

Although not being contemplated in any of the benchmarked theatres, the study of the introduction of dynamic pricing emerged when meeting for the first time with the theatre's team.

The implementation of dynamic pricing allows for a more efficient balance between supply and demand through the adjustment in real-time to market fluctuations, permitting an increase in sales and the maximization of profit (Gibson, 2024).

Nevertheless, this strategy was discarded as a proposed implementation for TNDM II as it is considered as an illicit practice in Portugal (Decreto Lei n.º 310/2002 de 18 de dezembro).

Additionally, the theatre lacks the necessary technological resources

and customer data and categorization for the successful implementation of this pricing strategy (Kumari & Mohan Kumar, 2024; Sahay, 2007).

5.3. “First-Night Tickets”

“First Nights” is a community-focused program that aims to democratize culture by broadening access to live theatre performances to young people from economically and socially disadvantaged backgrounds (National Theatre of Scotland, 2019). The program was introduced in 2018 by the NTS and has helped many Scottish children and adolescents to experience their first ever live performance (National Theatre of Scotland, 2019, 2022).

The initiative is designed to provide young people from marginalized communities, many of whom have never experienced live theatre, with the opportunity to attend live performances (National Theatre of Scotland, 2019). In addition to offering tickets, the program addresses logistical barriers by providing support, such as transportation to the theatre or meals prior to the show (National Theatre of Scotland, 2022). Additionally, the initiative frequently includes access to behind-the-scenes experiences, including workshops and interactions with creative professionals (National Theatre of Scotland, 2020). From its inception the program has received support and funding from several national and local Scottish institutions (National Theatre of Scotland, 2023).

TNDM II once developed a similar program entitled ‘Primeira Vez. This initiative aimed to engage individuals who perceived theater as financially inaccessible, culturally intimidating, or overly intellectual (TNDM II, n.d.d). Participants were invited to embark on a journey at TNDM II, which included attendance at three theatrical productions, interactive discussions with the artistic team, and a guided tour of the theater (TNDM II, n.d.d). ‘Primeira Vez terminated in 2020. Although successful this was a highly resource intensive initiative, reason use by TNDM II’s management team to not refurbish the idea for the 2025-2026 season onwards.

Having addressed the strategies that were not selected, the focus will now be on those believed to have the capability of maximizing the value created by the theatre, with a view for their implementation during the 2025-2026 season, when TNDM II returns to its Rossio venue.

To this end, the strategies proposed for implementation in the following chapters are: “Simple Ticketing & Early Purchase Incentive”, “Monthly Subscription”, “Free Loyalty Program”, “Pay What You Want” and “Socially & Financially Inclusive Theatre Ticketing Strategies”.

6. Monthly Subscription Strategy

6.1. Introduction

The TNDM II building on Rossio Square will reopen to the public in March 2026, allowing the company to return to its original location. This renewal and reopening will provide a great opportunity for the theatre to strengthen its ticket structure and build a close, loyal relationship with its audience.

The theatre currently sells single tickets, which is beneficial for occasional theatre-going, but does not have a ticket category that would encourage regular visiting. In 2018, the theatre sold its ticket package called *Assinaturas* (Section 2.2.2.), which offered discounts after purchasing a certain number of tickets, but it was discontinued in 2022 and there has been no subscription solution since then.

During the second (09.10.2024) meeting, the theater management decided that they would like to introduce subscription as a ticket category. As a result, a monthly subscription strategy was developed for the institution, which would be applied from the 2026/2027 season.

6.2. Methodology

To develop the strategy, the initial step entailed conducting research into pertinent literature to gain a more profound comprehension of the subscription model. The findings are presented in Section 6.3. The subsequent research methodology was benchmarking analysis, during which the best practices identified from the data retrieved from the official websites of the theatres were examined. The results are presented in Section 6.4.

As a next step, an interview was conducted (Appendix 20) with the Director of TNDM II and Director of Marketing, where the monthly subscription ticket structure using the 7P framework was presented. This meeting also presented an opportunity to gain deeper knowledge on the topic relevant for the construction of the final structure of the product. The application of the

monthly subscription is found in Section 6.5., followed by the conclusion and the evaluation of the strategy in the future.

6.3. Literature Review

In the next section, the results and findings from the literature will be presented. First, the overview of the common subscription model will be detailed, followed by chapters that show how subscription can contribute to the financial situation of the theatre and the relationship with the audience, and therefore to the development of loyalty and commitment.

6.3.1. Overview of Subscription Model

The subscription business model has become a dominant strategy in many industries in recent years, including online services, entertainment, media, and the performing arts. This model is based on to pay for a product or service at regular intervals, rather than the traditional one-time purchase. Due to this, the recurring cash inflow enables companies to forecast revenues more precisely and help in the liquidity situation of a company or an organization (Du et al. 2024).

The general advantages of the subscription model include flexibility, meaning that the subscriber can access the subscribed content without restrictions, such as Netflix or other streaming services. (Du et al. 2024).

According to Du et al. (2024), another advantage of the model is that it builds a loyal relationship between the consumer and the company through continuous interactions, which is not only suitable for retaining the consumer in a strong competitive situation, but also extends the customer lifetime value.

In addition to online services, subscription services are also emerging in more traditional industries. Nansubuga and Kowalkowski (2024) emphasize that "servitization" is the process in which product-centric companies are transforming into service-based models. As an example, they cite that manufacturing companies, such as those producing household

appliances or cars, are increasingly introducing subscription services, such as maintenance packages or usage-based fees.

6.3.2. Subscription model in theatres

For performing arts organizations, subscription models promote audience development and financial stability. Currim et al. (1981) emphasize that performing arts organizations use subscription programs to increase customer loyalty, balance cash flow, and reduce reliance on last-minute ticket sales. Subscription packages typically include multiple performances, which are offered at a discounted price or provide priority seating.

6.3.2.1. *Customer relationship*

For TNDM II, the audience is essential so after reopening, special attention should be paid to building a loyal relationship with the audience. For the design of a monthly subscription strategy, the research of Johnson & Garbarino (2001) is very important because the authors examined the differences in the relationship between subscribers and non-subscribers with theatres. In their study, non-subscribers are one-time ticket buyers whose relationship with the theatre is transactional, meaning that they have one-time interactions. Subscribers are relationship customers who build a long-term relationship with the performing arts organization (Johnson & Garbarino 2001).

Apart from the frequency of theatre visits, another significant difference between the types is that subscribers have greater trust and commitment to the theater than those who only visit the theater once. This suggests that theaters should place great emphasis not only on ticket sales but also on developing appropriate customer relationships (Troilo et al., 2014; Johnson & Garbarino 2001).

6.3.2.2. *Customer retention*

In order for a visitor to become a frequent customer of the theatre, it is not enough just to have overall satisfaction, as is the case for single-ticket buyers for whom this is the most important factor, but to achieve future regular visits it is also necessary to develop trust and commitment to the theatre (Rentschler et al. 2002; Garbarino & Johnson 1999).

To examine the drivers of engagement Pektus (2004) in his research using the experimental marketing framework created by Pine and Gilmore in 1999 (Pine & Gilmore, 1998), found that the entertainment, educational, escapist and aesthetic dimensions can be applied to increase visitor satisfaction in the arts industry. This research also finds that in addition to passive participation (entertainment), active participation (escapism) is equally important, as subscribers seek out opportunities for interactive engagement in addition to watching a good performance (Colbert & Dantas, 2019, Petkus, 2004).

According to Pektus' research, the active involvement of the audience in the experience of the theatre through various programs should be an essential element of the subscription. This is supported by other research in which the authors concluded that to retain an audience and build loyalty, it is necessary for viewers to personally participate in the creative process, to personally experience the birth of a new performance, and as a result, they develop an emotional connection to the theater (Rentschler & Radbourne 2007).

During the design of the TNDM II subscription, it should be taken into account that the subscription should include different benefits that have a high value added for the viewer, such as participation in rehearsals or backstage tours. These programs that come with having a subscription contribute to the development of loyalty towards the theatre in the spectator, which contributes to repeat theatre attendance and subscription purchase (Hall et al., 2016; Troilo et al., 2014; Boyle, 2007).

6.3.2.3. Financial Contribution

In addition to the number of viewers, subscriptions can also contribute financially to the operation of the theater, because subscribers are also more likely to contribute financially to the theatre due to their emotional commitment and join patronage groups (Rentschler et al. 2002; Johnson & Garbarino 2001). The primary goal of the research was not to examine patronage groups, but a conceptual element in the design of the subscription was that the subscription also contributed to the financial support of the theater, therefore, as a secondary aspect, research that also investigated the motivations of patrons was analyzed.

Rentschler et al (2002) study highlights the importance of patrons in theatres as the top of the “loyalty ladder” (Rentschler et al. 2002, p.125). The theatre’s relationship with patrons becomes a personal one, as a back-and-forth relationship is established between the theatre and the patron. The development of this relationship is significantly influenced by the kind of personalized communication the theatre engages in or the exclusive services it can offer its visitors.

Subscriptions can contribute not only to the income side, but also to the reduction of the theater's marketing costs, because retaining subscribers is cheaper for the theatre than attracting new viewers (Rentschler et al. 2002).

The research of Currim et al, (1981) contributed significantly to defining the price of subscriptions, in which they examine the factors that affect the demand for subscriptions, and the most important conclusion for developing a strategy is that the “discount percentage” is most important for low-income earners and its importance decreases as income increases. Their research also mentions that when designing a subscription, the duality of allowing different income groups to participate must be considered, but attention must also be paid to ensuring that it is not underpriced for high-income earners (S. Currim et al., 1981).

6.4. Benchmarking Analysis

For the development of TNDM II's monthly subscription product structure, we collected information during the benchmarking analysis (Appendix 21.) about what kind of subscriptions the benchmark theatres offer in the 2024/2025 season. The analysis focused on several factors, including how many performances are included in the subscription, how flexible is the subscription in terms of date of performance, what benefits are provided with a subscription, as well as the price of the subscription and whether it includes any discounts compared to individual ticket sales.

In addition to the subscription analysis, a secondary consideration was whether the theatre has any patronage groups for individuals. The main difference from the subscriptions is that these programs do not include tickets for performances but offer discounts on ticket purchases. However, they are very important for the analysis, because they provide several exclusive and unique programs for members, which strengthen the relationship between the theatre and its audience.

6.4.1. Results of the Benchmarking Analysis

During the analysis, we took a look into 12 international benchmark theatres described at the beginning of the paper and collected the main features of the subscriptions (Appendix 21.) based on the criteria mentioned above. From the point of view of the primary analysis, the National Theatre of Scotland (Glasgow), the Abbey Theatre (Dublin) and the Aarhus Theatre (Aarhus) were not suitable as these theatres do not have subscriptions.

The first criteria considered was the number of performances included in the subscription and the flexibility to choose between performances. The results are very diverse as there are theatres that sell pre-planned packages, such as Burgtheater (Vienna), Slovak National Theatre (Bratislava), Czech National Theatre (Prague), where there is no choice of performances, but there are theatres where the visitor have complete freedom of choice and unlimited access to

theatre performances with a subscription, such as Theatre WestEnd (Sanford, Florida) and Theatre Vidy - Lausanne (Lausanne).

Several theatres are using the model of selling performance packages. At the Odéon-Théâtre de l'Europe (Paris), the customer is free to choose between a minimum of 3 and a maximum of 6 performances from the repertoire, or at the National Theatre of Catalonia (Barcelona) where 2, 3, 6 or even 10 performance packages can be purchased. Also for the Piccolo Theatre Milano (Milano), the ORO subscription gives the subscriber the freedom to choose which performances they wish to attend.

Different theatres also have different practices for choosing the dates of the performances included in the subscription. The Burgtheater informs the customer only 5 weeks before the performance date, while the Czech National Theatre lets the viewer know when the performance is taking place at the time of purchase and has the option to choose the date of the performance. The Odéon-Théâtre de l'Europe is the strictest when it comes to flexibility of the date of the performance, as there is no possibility of changing the date chosen at the time of purchase. It is the practice of many theatres to offer pre-selected dates for pre-selected performances, therefore they do not offer the possibility for the subscriber to choose the date that suits them, but in return, if the date given by the theatre is not suitable, they can change it free of charge. The Burgtheater and the Old Vic Theatre sell subscriptions that are only for weekday performances, but generally there is no restriction on which days a subscription can be used to see a performance.

There are also differences in the transferability of subscriptions. For example, in the case of the Slovak National Theatre, the subscription can be transferred to another person, but for the Theatre Vidy - Lausanne there is no possibility of transfer.

The next aspect is the benefits that each subscription offers to viewers. Several theatres emphasise that subscriptions offer the possibility of reserving the same seat for a whole season, allowing the spectator to watch different performances from the same seat. In addition to advance bookings, there is also communication with the audience in the form of monthly newsletters and magazines, which can be posted to the subscriber on request. The Burgtheater and the National Theatre of Catalonia also offer a 10% and 25% discount on performances not included in the subscription, while the Czech National Theatre offers a 30% discount on additional programs such as the Czech Philharmonic concert. The theatres also offer exclusive benefits to subscribers, the Burgtheater offering a glass of champagne before the performance, while the Czech National Theatre organizes pre-performance talks and backstage tours for subscribers. All these benefits are designed to help the theatre develop a deep connection with the audience, which has resulted in regular attendance at theatre performances year after year.

For subscriptions, the price range at which different subscriptions are sold is a key feature. In the case of the Burgtheater, Slovak National Theatre and Czech National Theatre, it can be seen that different price ranges of subscriptions are sold depending on the seat for which the subscription is intended. In the case of the Burgtheater, it is positive that they sell subscriptions for the cheapest price category, while the Slovak National Theatre sells only the most expensive category, which prevents lower income groups from subscribing. However, for several theatres, the website highlights that discounts of up to 25%-30% are available compared to single-ticket ticket sales, which is already considered a significant amount.

With the exception of Theatre Vidy - Lausanne and Theatre WestEnd, all the other theatres have a lump sum subscription price, which places a heavy financial pressure on customers. In the case of these two theatres, there is the option of paying the subscription price in monthly instalments.

For all theatres, it is possible to buy subscriptions online and at the theatres' ticket offices, usually before the season starts.

As described in the previous chapter, the patronage programs are a secondary part of the benchmarking analysis, as the theatre management decided at the meeting (09.10.2024) that they do not yet plan to create a separate patronage group during the 2026/2027 season. Nevertheless, it was necessary to collect the benefits of the patronage group members for each theatre, as these are the exclusive programs that are more personalized and allow the group members to participate in the life and creative process of the theatre. These programs that make the relationship with the theatre more personal and create a bond with the audience.

The benefits included such standard items as the possibility to buy tickets or subscriptions in advance, monthly newsletters and magazines, guided tours of the theatre and backstage. In addition, other benefits include attendance at a VIP reception after premieres, invitations to end-of-season and opening gala events, attendance at rehearsals, discounts at the theatre's café, or a post-performance talk with the theatre's director and the artists.

6.5. Implementation of Monthly Subscription Strategy

Based on interviews conducted with the management of TNDM II (Appendix 20) and through benchmarking analysis, one component of the ticketing strategy is the introduction of a monthly subscription model. In the following section, this new product will be presented using the 7P framework, which provides an opportunity to make the subscription well-known and widely adopted among the audience.

This ticketing method represents a completely new approach in the theater's operations, making the preparation of a comprehensive implementation plan essential.

6.5.1. 7P Marketing Mix Framework

In 1960 E. Jerome McCarthy created the 4P Marketing Mix, which stands for Product, Price, Promotion and Place (Yudelson, 1999). Over the years, this approach evolved, and in 1982, Booms and Bitner expanded it by adding three more categories: People, Process, and Physical Evidence (Allen, 2020). These additional elements are essential for creating a comprehensive strategy and are particularly significant for the introduction of the new ticketing strategy in the theater, where interaction with visitors and the quality of the service play a crucial role (Yudelson, 1999).

The purpose of the 7P marketing mix concept is to provide a framework applicable to the creation of an effective marketing strategy. The expansion of the 4P model aimed to address the unique challenges of service marketing, such as customer interaction and the development of the customer experience. Additionally, it seeks to help organizations build brand loyalty and gain a competitive advantage by integrating all aspects of the customer journey into a coherent marketing plan (Yudelson, 1999).

6.5.2. Product

Starting from the 2025/2026 season, TNDM II will return to its prestigious theater building in Rossio Square. To mark this occasion, the pricing strategy will also be renewed, introducing a monthly subscription model alongside the standard ticket purchasing option.

The subscription will be available in two categories: one is called "Member," and the other is called "Supporter." The two categories will have different pricing, and another key feature is that they will offer different benefits (Appendix 22).

The following basic features will apply to both categories:

The base product is a 10-month subscription. One of the advantages of this model is that it eases the financial burden of a lump-sum payment for the owner. The subscription can be purchased

before the season begins or during the season, but maximum 3 months before the season ends. For purchases made mid-month, the subscription will be valid from the beginning of the following month. In every case, the subscription remains valid until the end of the theater season (end of June).

The subscription provides access to performances in the season's repertoire, with the condition that each show can only be attended once per month. Additionally, it allows the Member subscribers to reserve one extra ticket for guests and for the Supporter subscribers to reserve up to 3 extra tickets. Extra tickets can be purchased with a 10% discount, which must be paid at the time of booking. These extra tickets can be modified, but refunds are not possible.

To ensure subscribers can secure seats for specific performances, they have the option to reserve their preferred seats before general ticket sales begin. However, to maintain flexibility, reservations can also be made on the day of the performance, though this carries the risk that all seats may be sold out.

Member category

First, it is of utmost importance to introduce the Member subscription category and its benefits. The Member subscription is created to provide access to theatre performances at a discounted price and contribute to a flexible theatre-going experience. This category has been designed in accordance with these principles.

Subscribers will receive monthly emails, keeping them informed about the theatre's current programs and providing additional information, such as behind-the-scenes details, mini-interviews with artists and directors, interesting facts about the play's rehearsal process. On the day of the performance, subscribers will receive a reminder email containing a brief description of the play.

Member subscribers will be invited once per season to an exclusive backstage tour organized for only subscribers. If the scheduled time is not good for them for any reason, they can attend another backstage tour free of charge. Additionally, subscribers will receive a personalized invitation to the Presentation of The Next Season event, where the next season will be revealed.

Supporter category

The purpose of the Supporter subscription is to elevate the relationship between the audience and the theatre to a higher level, as members have access to programs specifically designed for subscribers of this category.

The owners of the Supporter subscription also get an email every month about the theatre's events, as well as a reminder email on the day of the performance, which includes a summary of the play.

Before the performance begins, subscribers can enjoy an alcoholic or a non-alcoholic beverage free of charge. Additionally, during the intermission, they will receive a 10% discount on food and beverages at the theatre's café.

Subscribers will also receive an invitation to the exclusive backstage tour, and they can invite 3 additional people to join this event. If the scheduled time does not work for them, they can attend a public backstage tour free of charge. Furthermore, Supporter subscribers can participate in informal post-performance discussions with the creators and artists.

Just like Member subscribers, Supporter subscribers will receive an invitation to the event where the next season is introduced. Additionally, they will be able to attend the Opening Night Performance and Cocktail event, which is an exclusive event during the season opening.

“Work in Progress” Program Series

One of the biggest values added of the Supporter subscription in terms of enhancing the audience's connection with the theatre is the "Work in Progress" program series. During that program visitors become part of the creation process of the performance staged by the theatre's own company.

The first part of the series allows participants to attend a rehearsal. During that program the director introduces the story of the play to the visitors, and they can see how the rehearsal process is going. Afterward, there will be an informal conversation where they can meet with the actors.

The next part of the program series allows subscribers to join a guided tour of the set and costume workshops, where they can see how the designs come to life, from sketches to the actual sets and costumes. During this tour, there will also be an opportunity to have a chat with both the set and costume designers.

The third occasion is an event where subscribers can attend a rehearsal taking place on the theatre's stage. Previously, they saw the actors rehearsing in the studio and had the chance to view the sets and costumes, now they will see how the actors try out the play in costume and with the sets on stage.

The fourth and final occasion crowns this series of programs, as it is the premiere performance. Supporter subscription members are invited to the premiere, where they can witness the end of the process, seeing how a long rehearsal journey turns into a performance.

In summary, the essence of the "Work in Progress" program series is subscribers can participate in a journey where they can follow the creation of a play, witnessing the entire process from the perspective of the director, actors, set designer, and costume designer.

6.5.3. Promotion

The reopening is an excellent opportunity to generate interest in the subscription model through an active advertising campaign.

The advertising efforts should leverage both online and offline platforms to ensure the information reaches as wide an audience as possible. Interview with the theater management revealed that theater subscriptions are not a common practice among Portuguese audiences, so it is essential to develop a comprehensive campaign before the launch of this strategy. This campaign should emphasize the key features of the subscriptions, such as supporting a cultural institution through monthly payments, offering flexibility, and providing additional benefits to subscribers.

During the interview with the management, they mentioned that the theatre will celebrate its 180th anniversary in March of 2026. For this event, they are preparing a grand series of events, where the promotion of the subscription model will play a prominent role. Additionally, they would like to place a strong emphasis on influencer marketing, as previously mentioned.

The communication of the Member subscription category focuses on the discount, as those who visit the theatre more than once a month are already entitled to a discount (See the Pricing section). For the Supporter category, the emphasis is on social significance the fact that consumers contribute to supporting the arts, and in return, they can participate in numerous exclusive programs.

Maintaining continuous and regular communication with subscribers is crucial to keeping them informed about monthly performances and other programs available at the theater. This approach also fosters a deliberate effort to build and strengthen the relationship with the audience.

Before the end of the season, subscribers will receive an email notifying them that their subscription is about to expire and offering them the opportunity to renew it.

6.5.4. Price

The pricing for the two subscription categories was determined based on the the management interview.

The Member subscription category will cost 30€ per month, which amounts to 300€ annually. This price was determined because a full-price theatre ticket will cost 18€ starting from the 2026/2027 season. Since the subscription strategy targets those who wish to attend multiple performances in a month, if a visitor were to attend two performances, they would pay a total of 36€ for theatre tickets. The aim of the Member category is to provide a discount for those who wish to attend the theatre regularly, with additional services included. Therefore, those who attend more than one performance per month will already benefit from a discount. For instance, by attending two performances in a month, they will get theatre tickets at a 17% discount. Indeed, the more performances subscribers attend in a month, the greater the discount they will receive.

The pricing for the Supporter subscription category is different from the Member subscription category because it has three different pricing options. All three categories contain the same benefits, but the three-price tier allows the viewer, if their budget allows them, to pay more for the monthly subscription. The three price categories are as follows: 50€, 100€, and 150€. There will be no differentiation between the categories; they have no different names or markings on the cards, and they are all identical.

The subscription transactions will be processed through an online system on a fixed date each month, ensuring no additional effort is required from the customer. Once the subscription is

confirmed, the consumer has the option to cancel after the first three months, but payment for the initial three months is mandatory.

6.5.5. Place

Subscriptions can be made through online or offline ticket sales systems. The subscriptions will be available for purchase at the theatre's own box office in person, as well as through the online platform operated by the BOL ticketing service.

The subscription can be used across all official venues and performances of the theater, offering viewers the opportunity to attend the entire repertoire of the company and enjoy a diverse theatrical season.

6.5.6. People

The survey conducted by the theater (Section 2.1.1.) indicates that the most active attendees fall within the 21-50 age range. Therefore, the subscription strategy should focus on this relatively broad demographic group.

The essence of the first subscription category is to offer discounts to viewers who attend more performances, incentivizing frequent visits. The second category focuses on supporting culture, with a higher payment amount required. As such, this category targets individuals from the middle and upper classes who are financially capable of contributing a larger monthly sum for cultural purposes.

6.5.7. Process

The subscription allows visitors to attend theater performances throughout the season. The process is illustrated by the following steps in view of subscribers:

1. **Purchase the Subscription:** Customers buy the subscription either via the ticketing platform or the theater's official website.

2. **Receive the Subscription:** The consumer will receive their virtual card online, which is compatible with both iOS and Android systems. If the buyer requested a physical card, they would receive the ID in email format, and the card will later be mailed to them or can be picked up in person at the box office.
3. **Advance Seat Reservation:** Reservations are made through the ticketing platform by providing the subscription ID.
 - 3.1. During this process, additional guests can be included, but they will incur a payment obligation to the theater.
4. **Reservation Confirmation:** The system sends a confirmation email that includes the reserved ticket.
5. **Pre-Show Notification:** The theater notifies the subscriber via email about the upcoming performance before the event date.
 - 5.1. Subscribers will receive periodic reminders about future performances and programs throughout the season.
6. **Ticket Validation on Show Day:** On the day of the performance, the ticket must be validated, and the subscription document presented.
7. **Post-Performance Feedback:** After the performance, the subscriber receives an email with an option to review the show.

This process outlines the steps a viewer takes from purchasing the subscription to attending the performance.

6.5.8. Physical evidence

The customer will receive an email notification confirming their subscription ownership, which will include the subscription ID and they can add the card to an IOS or Android virtual wallet. In addition to the online format, a physical card with photo can also be issued, which can either be picked up at the theater's ticket office or mailed to the provided address. In this case, the

subscription ID will be printed on the card. In case a physical card, during the buying process a picture of the owner should be uploaded.

6.6. Evaluate of the Strategy

The first year of the monthly subscription strategy (2026/2027 season) will be an experiment year, as mentioned in the management interview (Appendix 20), which means that the theatre will evaluate the success of the strategy in different aspects during the season. One way to measure the impact of a strategy is to define Key Performance Indicators (KPIs) that help management to evaluate the success of the strategy (Fuertes, 2020).

To evaluate the monthly subscription strategy for the theatre, the following quantitative KPIs should be considered:

- Number of subscribers at the end of season 2026/2027
- Number of new subscribers at the beginning of season 2026/2027
- Number of unsubscribers in season 2026/2027
- Total revenue from subscription in season 2026/2027
- Subscriber acquisition cost
- Average attendance rate on extra programs

6.7. Conclusion from the Monthly Subscription Model

The goal of the subscription is to move forward the sense of community and commitment among theatergoers, encouraging them to become integral part of the theater's life. With this new strategy, the audience has the opportunity to financially support the theater and contribute to its development too. This strategy seeks to create a loyal community that regularly attends performances, strengthening ties between the theatre and its audience.

With the right KPI set created, the theatre's management will be able to measure the success of the strategy and make the necessary changes to ensure that the subscription increases the number of regular theatregoers

7. A Free Loyalty Program for Teatro Nacional D. Maria II

In this Chapter, the possibility of TNDM II offering a Free Loyalty Program to its customers will be explored. In Section 7.1., an analysis on the available literature on the subject of loyalty programs will be presented. This research will serve as the base for the implementation path laid out on Section 7.2.

7.1. Literature Review

This Section delves into literature on loyalty programs. In Section 7.1.1, the concept of customer loyalty and its determinants is explored. Section 7.1.2. explores available research on loyalty programs, and their role in customer relationship management.

7.1.1. Customer Loyalty

Oliver (1999) defined loyalty as ‘a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing a repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior’.

This type of bond between consumer and brand does not happen overnight, and consumers typically move through different “loyalty phases”, following a cognition-affect-conation-action pattern. In the cognitive stage, consumers assess the advantages of a brand over alternatives. This evaluation fosters a sense of liking and emotional connection in the affective stage. This emotional engagement then drives a conative commitment, characterized by a strong intention to buy the brand, ultimately leading to “action loyalty”, where consumers demonstrate resilience to switching despite external pressures (García Gómez et al., 2006).

Research identifies four crucial components that underpin this loyalty-building process: attitude, satisfaction, trust, and commitment. Attitude reflects a sustained positive perception of an experience or object, forming the foundation for continued engagement (García Gómez et al., 2006). Satisfaction arises from the alignment between expectations and actual

experiences, influencing loyalty through positive reinforcement (Dölarslan, 2014). Trust, critical in establishing loyalty, ensures consumers feel secure through guarantees of privacy and reliability. Finally, commitment represents a rational and affective bond in the consumers' relationship with the business and its brand, emphasizing that repeated transactions alone are incapable of building long lasting loyalty and that emotional bonds are essential (García Gómez et al., 2006).

Determinants of Customer Loyalty for the Theatre Industry

The adoption of marketing principles and concepts within the performing arts sector is a relatively recent development, and the body of research in this field remains limited. Consequently, identifying the factors that motivate attendance and support for arts organizations can be challenging.

Individual customer characteristics—such as age, gender, education, and professional and familial factors—have been shown to influence loyalty development (Klopotan et al., 2014). However, in the performing arts industry, the impact of these variables for loyalty building remains largely unexplored. While attendance patterns can be observed based on these characteristics (Borgonovi, 2004; Seaman, 2005), there is limited evidence as to their effect in fostering consumer commitment to the brand.

Product quality has a direct impact on consumer satisfaction and is widely recognized as a key determinant of customer loyalty (Nam et al., 2011; Selnes, 1993). In the performing arts industry, product quality includes, among others, the artistic, entertainment, and educational value of performances. Higher perceived value in a play typically leads to greater satisfaction with the consumption experience, thereby increasing the likelihood of repeated attendance (Hume & Sullivan Mort, 2008). Consequently, most businesses aim to tailor their offerings to align with consumer preferences. However, in the context of non-profit cultural organizations, this task is far from simple. These institutions often balance competing priorities, as artistic

programming must fulfill broader cultural, educational, and social objectives beyond consumer satisfaction (Ulziibadrakh & Szakály, 2021). This dual focus complicates the alignment of programming with audience tastes, limiting the extent to which customer satisfaction with product quality can be leveraged to develop loyalty.

Furthermore, given the social and entertainment character of TNDM II's product, next we will explore specific literature findings from the sports' events sector, which, as a subset of the entertainment industry, shares key similarities with the performing arts. This alignment allows to draw more contextually relevant insights for the effective design and implementation of the loyalty program, which will be presented next:

- “We” Activities

Entertainment and leisure activities are regarded as inherently social experiments; accordingly, theatre attendance aligns with the perspective. Decisions to attend theater performances are often group-oriented, with attendees frequently participating as part of a collective rather than singularly. This dynamic plays a crucial role in understanding loyalty, since group behavior often revolves around a key "leader" who influences the group's choices, while others act as "followers" (García Gómez et al., 2006). Hence, understanding groups' social leader is essential to influence and engage with the entire group, and eventually build loyalty.

- Brand Communities and Brand Identification

Brand identification has been proven to be an important determinant for customer loyalty. Studies demonstrate that consumers with stronger brand identification are more prone to engage with and support the brand, protecting its reputation and ultimately becoming loyal (He et al., 2012).

Brand identification occurs either on a personal level – consumers emphasize their personality and express values and beliefs through the consumption of the brand (Bhattacharya & Sen,

2003) – or under a communal perspective – brands act as communication vehicles for consumers’ aspirations and self-status (Tuškej et al., 2013).

In the context of the live entertainment events industry, a study by Yoshida and colleagues (2015) concluded that loyalty is best predicted by how strongly corporate donors identify with other corporate donors, rather than their individual attitude towards the brand. This highlights the importance of understanding the extent to which theatregoers perceive the theatre brand as a community to which they belong to effectively cultivate long-term loyalty.

Muniz and O’Guinn (2001) define *sense of community* as a shared admiration for a brand combined with a structured network of social relationships centered around it. This concept highlights how consumers form bonds not only with the brand itself but also with others who share their enthusiasm, creating a collective identity rooted in the brand.

A study conducted by the University of Florida underscored the critical role of interaction in fostering sense of community (Heere et al., 2011). Findings demonstrate that interactions among corporate donors significantly enhance communal connections. However, the study also highlights that these interactions translate to brand loyalty only when they occur within the context of the brand, emphasizing the importance of aligning social engagement with brand experience.

7.1.2. Loyalty Programs

Loyalty programs integrate different systems of personalized marketing actions and communications designed to foster customer loyalty. (Chen et al., 2021). Often referred to as frequent purchase programs or reward programs, these initiatives provide incentives based on loyal consumer behavior (García Gómez et al., 2006). From the business owners’ point of view, loyalty programs are regarded as a useful tool to manage customer relationships and increase loyalty and retention.

Most commonly, loyalty programs require consumers to register by providing personal information, after which they are assigned a unique member ID. The membership grants them access to the exclusive benefits.

Access to exclusive benefits and personalized deals fosters a sense of importance and value among consumers, strengthening their emotional connections to the brand. Consequently, a greater sense of loyalty towards the brand is cultivated (Meyer-Waarden, 2008).

The Effects of Loyalty Programs

Loyalty programs have been extensively studied for their influence on consumer behavior, revealing a wide range of benefits for businesses. Meyer-Waarden (2008) conducted a longitudinal study over three years, analyzing data from retail. The findings revealed that loyalty programs have the capacity to expand the customer base and encourage higher purchase intentions amongst program members. Additionally, these initiatives were shown to reduce price sensitivity among participants, making them less influenced by competitors' pricing strategies.

Research further underscores that loyalty programs positively impact brand reputation and awareness while driving repeated purchases and enhancing customer retention (Kumar & Reinartz, 2018). Moreover, cultivating loyal customers contributes to a significant reduction in long-term marketing costs (Mascarenhas et al., 2006). Therefore, the financial implications of implementing loyalty programs are substantial, with studies indicating that these may increment profits between 25% and 95% (Rigby et al., 2003).

Beyond financial performance, loyalty programs also represent an opportunity to obtain valuable customer insights. The collection of personal data, facilitated by the assignment of unique member IDs, enables businesses to monitor consumers' purchase behaviors effectively and build comprehensive databases. This capability enhances marketing efforts by enabling

price discrimination, customer profiling, and personalized promotional strategies (Meyer-Waarden, 2008; Nunes & Drèze, 2006).

Loyalty Programs' Design

There are a few main design elements for loyalty programs. Object of reward, nature of reward and reward frequency are central. These will be explored next:

- Object of Reward

Selecting the metric to reward depends on the product being offered as well as on the logistical and technical infrastructure required for implementation. Although there are various structures for loyalty programs, the focus will be only on those feasible for TNDM II.

- i. Point-based loyalty programs

Point-based loyalty programs attribute points to members based on their spending or on specific behaviors they have, such as leaving a review or signing a newsletter. Afterwards, members can redeem their points for rewards available on the rewards catalogue.

This approach often requires the development and maintenance of substantial technical infrastructure, such as integrated customer relationship management (CRM⁶; Salesforce, n.d.) systems, secure and scalable databases, and user-friendly mobile applications.

- ii. Spend-based loyalty programs

⁶ CRM is a systematic approach to managing all company interactions with current and potential customers. The goal of CRM is to use and improve customer relationships to grow businesses. CRM technology helps companies stay connected to customers, streamline processes, and improve profitability (Salesforce, n.d.).

Spend-based programs reward customers who spend more money, featuring targeted incentives designed to encourage repeated visits and even more spending. These incentives normalize large spending as customers feel validated and incentivized to repeat purchases after being rewarded new and exclusive benefits.

Similarly to point-based programs, these require close monitoring of consumer behavior, particularly spending patterns. Hence, spend-based programs often require significant investment in CRM systems and other IT infrastructures to monitor transactional data and ensure information symmetry between consumer and business to guarantee seamless attribution of rewards.

iii. Visit-based loyalty programs

Under visit-based programs, members are rewarded based on their number of visits rather than their total spending. Under these structures, customers earn rewards after reaching a certain number of visits, irrespective of how much they spend during each visit. For business owners, the attractiveness of this program relies on the guaranteed return of customers a certain number of times to receive the reward, generating repeated purchases and increasing traffic, ultimately driving consistent revenue.

Implementing visit-based loyalty programs may require complex IT systems capable of tracking both physical and online visits, enabling seamless integration with customer databases and transaction systems. However, for businesses with fewer technological resources and/or that offer physical or experience goods, these programs can also be implemented using a simpler approach, such as manual loyalty cards that are stamped each time a customer makes a purchase.

iv. Value-based loyalty programs

These programs grant benefits and rewards to all members of the system unconditionally. Factors such as spending amounts or number of visits do not determine available benefits. Such

programs are designed to foster an emotional bond with the brand, aiming to encourage customers to spend more money and visit more frequently. With this bond, businesses hope to inspire long-term loyalty and brand advocacy, significantly increasing consumers' lifetime value.

In terms of implementation, value-based programs can vary greatly in complexity. Similar to visit-based programs, they can be executed using either low-cost, manual systems (such as physical loyalty cards) or advanced, high-tech systems that leverage different digital platforms and CRM solutions.

v. Referral loyalty programs

Under these programs, existing members are rewarded for inviting like-minded friends to join the loyalty program. As new members join and familiarize themselves with the brand's offerings, they, in turn, invite others, creating a network of referrals that grows over time. This "word-of-mouth" approach can significantly increase brand awareness, enhance customer engagement, and expand the loyal customer base.

These schemes typically rely on heavy digital infrastructure to track referrals, manage rewards, and ensure a seamless customer experience. This infrastructure often includes user mobile apps and CRM systems, which together allow for the effective escalation of the program.

vi. Hybrid loyalty programs

Hybrid loyalty programs mix several loyalty structures, for example points and tiers. It combines multiple program types to better tailor the loyalty experience and align the program with business needs.

Requirements for hybrid loyalty programs are dependent on its design features, varying widely.

- Nature and Frequency of Rewards

According to Dorotic et al. (2014) a form reward is central in the design of loyalty programs. Different terminology is used in reference to rewards in the literature; bonuses, benefits, and rewards are the most common. In this paper, “reward” is generally used as an umbrella term for all of these.

i. Types of Rewards

Rewards are categorized into three types: utilitarian, hedonic and symbolic (Agarwal & Mehrotra, 2018). Utilitarian rewards are economic in nature, usually representing monetary savings, while hedonic rewards offer entertainment and/or exploration value. Symbolic rewards offer recognition and/or social value.

Moreover, literature distinguishes between direct and indirect rewards (Bombajj & Dekimpe, 2020). Direct rewards are linked to the core offering, while indirect rewards are not and usually consist of benefits to be applied to unrelated products/services.

Timing is also an important distinguisher of rewards. Rewards may be immediate or delayed (Bombajj & Dekimpe, 2020). An immediate reward can be redeemed in the current purchase, while delayed rewards entail continued spending and/or visiting to become eligible for the benefit.

Literature also explores variations in rewards according to luck-based vs loyalty-based (Hwang & Mattila, 2018), quantity-based vs spending-based (Chun & Ovchinnikov, 2019), and continuous vs statutory (Shin et al., 2020; Sun & Zhang, 2019).

ii. Frequency of Rewards

Based on the frequency of reward attribution, loyalty programs are characterized either as frequent reward programs, customer tier programs (Shugan, 2005), or hybrids that combine elements of both. Frequent reward programs attribute customers pre-defined rewards at regular

intervals or after specific actions, such as purchases or visits (Breugelmans et al., 2015). In contrast, customer tier programs classify customers into distinct levels based on their degree of activity and/or spending. Usually, customer tier programs incorporate a path of progression between tiers to consumers (Breugelmans et al., 2015). However, these differ in two crucial aspects: the nature of rewards and the means for reward redemption. For frequent reward programs, rewards are ephemeral, conversely, customer tier programs offer a fixed bundle of rewards for an extended period. In regard to the means of redemption, frequency programs require proactive action from the consumers' side to redeem rewards, while customer tier programs dispense rewards automatically, i.e. once a customer qualifies for a certain tier, he/she is automatically treated according to his/her updated status.

Shugan (2005) argues customer tier programs have greater loyalty building potential. However, heterogeneous results have been demonstrated in the context of frequency reward programs (Lewis, 2004; Taylor & Neslin, 2005; Lal & Bell, 2003). Results stemming from both programs seem to depend mostly on the individual characteristics of each consumer or on the nature of the products. For example, 'deal-prone'⁷ consumers seem to favor frequency programs, while "service-oriented" consumers seem to value tier programs (Kopalle et al., 2007). Conversely, frequent reward programs seem to work better for fast-moving-consumer-goods⁸ (e.g., groceries), while customer tier programs are employed in the context of experience goods more often (Kopalle et al., 2007).

⁷ 'Deal prone consumers' show a general tendency to respond to promotions because they are presented in the form of a deal (DeIVecchio, 2005).

⁸ Fast-Moving-Consumer-Goods (FMCG) includes products characterized by high throughput volumes, frequent purchases, and large physical volumes available at relatively low prices (Ellen MacArthur Foundation, 2013).

iii. Effects of Rewards

Literature explores the effects of rewards on both consumers and businesses. These effects are classified as short- or long-termed and as perceived or actual (Chaudhuri et al., 2019).

Moreover, literature distinguishes consumer effects as attitudinal and behavioral. Common attitudinal effects explored include commitment (Melancon et al., 2011), trust (Stathopoulou & Balabanis, 2016), and satisfaction (Söderlund & Colliander 2015). The most researched behavioral effect is purchasing behavior (Dorotic et al., 2014). Some studies also explore the combination of attitudinal and behavioral effects in the forms of brand, store, and program loyalty (Bridson et al., 2008; Kang et al., 2015).

The most researched effects of rewards on businesses are sales productivity (Chaudhuri et al., 2019) and profitability (Sun & Zhang 2019), which can be expressed in different units.

7.2. Implementing a Free Loyalty Program at TNDM II

This Section outlines the development of a potential pathway for TNDM II to implement and offer a Free Loyalty Program to its customers. Section 7.2.1. will contextualize this strategy within TNDM II's broader goals and organizational environment. Conversely, Section 7.2.2. will delve into the structure and reward scheme of the proposed program, providing specific recommendations for its design and implementation.

7.2.1. TNDM II's Context

In the theatre industry, switch costs are dramatically high, meaning that in practice it is impossible for theatre companies to adapt from their initial plan when a play is not well received. This inherent characteristic of theatre production makes most institutions extremely reliant on donors' loyal support to ensure financial stability and long-term viability. Hence, the importance of TNDM II exploring different strategies to develop loyalty amongst its audience members.

Additionally, the initial analysis of TNDM II revealed a critical gap in the availability of representative and actionable data on its audience. The issue stems from *BOL*, TNDM II's external ticketing platform provider, withholding access to detailed data on ticket purchases and web traffic. Consequently, TNDM II faces significant limitations in its ability to analyze audience preferences, behaviors, and attendance patterns. This lack of insight has hindered TNDM II's capacity to engage effectively with its corporate donors, resulting in neglected customer relationship management and becoming a source of inefficiency for the theatre. Implementing a loyalty program offers a strategic solution to both these challenges by serving as a data collection tool and a relationship-building platform. By addressing current inefficiencies in data collection, the program directly aligns with one of the project's primary objectives: improving data collection practices. Besides, by establishing a platform for continued long-term audience engagement, it addresses the objective of enhancing customer relationship management.

Finally, the decision to develop a free program stems from the lack of tradition in using such mechanisms for cultural products in Portugal. Most theatre venues in the country do not offer loyalty programs or subscription packages to its audiences, resulting in limited consumer awareness and understanding about these initiatives, which could hinder the success of future initiatives. Thus, the free loyalty program was envisioned as an introductory step to familiarize audiences with these offerings, serving as bridge to the monthly paid subscription program discussed previously. By eliminating financial barriers, the free program encourages consumer participation. Once members experience the exclusive benefits associated to the loyalty program, they are likely to feel more connected to TNDM II's brand and more inclined to see themselves as a member of its community. This sense of belonging makes transitioning to the paid subscription a natural progression. Under this setting, it is important to create a clear distinction between the rewards and benefits offered by the free loyalty program and those

provided by the paid subscription to ensure there are added incentives for consumers to eventually upgrade to the paid option.

7.2.2. Loyalty Program Scheme Proposal

The successful implementation of a loyalty program hinges on the effective design of several critical elements, particularly the selection of the metric to be rewarded and the determination of the nature and frequency of rewards. These foundational design choices are pivotal, as they directly influence the program's long-term financial sustainability and operational feasibility. Equally important is ensuring the alignment of these elements with organization's overreaching goals, maximizing the program's strategic value.

Referral-based programs emerged as the most suitable structure for TNDM II's reality. The reason is two-fold (1) its interconnectedness to WOM, which TNDM II's attendees reported to be a main driver for attendance to theatre events in the *Abril Abriu* survey; and (2) its inherent contribution for a sense of community building that research emphasizes as key for developing loyalty in the live entertainment industry (Muñiz and O'Guinn, 2001; Sun & Zhang, 2019). However, considering the free nature of the loyalty program, ensuring that it does not become a loss-making initiative was a central consideration during the design process. Thus, despite the comprehensive research of various attractive and commonly employed loyalty program structures, it was decided, together with TNDM II's management team, to develop a visit-based loyalty program. This choice was mainly based on the aim to pursue both a low-fi and low-cost solution that could easily be implemented by TNDM II.

The program's mechanics are straightforward: attendees will be invited to enroll in the loyalty program at TNDM II's ticket office by providing basic personal information to be securely stored in the theatre's database and used further on for promotional purposes. Inquired data will include demographic data and other personal data, such as email address. Upon registration, members will receive a personalized visit card, which should be stamped each time they attend

a performance. This card is non-transferable, ensuring that benefits are only accrued by the registered individual, safeguarding the integrity of the program. The accumulation of visit stamps unlocks exclusive benefits, designed to encourage repeat attendance, and deepen customer engagement. Moreover, the enrollment is valid for the ongoing season at the time of registration and renovation is required once a new season commences.

As explored on previous Sections, nature of rewards can vary widely. For the case of performing arts organizations, research suggests that hedonic and symbolic rewards could represent a better fit than economic rewards. This aligns with the communal character of arts attendance, that emphasizes social connections, emotional engagement, and the value of shared experiences and artistic recognition over monetary considerations. Moreover, considering member interactions within the brand context play a crucial role in fostering loyalty in the performing arts industry, direct rewards are more suitable for TNDM II's loyalty program. Finally, no evidence was found relevant regarding the impact of reward timing on loyalty in the performing arts and entertainment sector.

Regarding frequency of reward attribution, research hints that customer tier programs might be a better fit for the case of experience goods, such as the ones TNDM II offers. However, developing a visit-based customer tier program would significantly increase complexity of implementation, most likely increasing costs related to the development and adoption of IT and data base infrastructures, as well as efficient integrated CRM solutions.

Based on the above-described findings, the initial proposal involved offering a free ticket upon an attendee's 5th visit to the theatre within a season. While this structure is a widely used and often effective design in visit-based loyalty programs, TNDM II's management team deemed it unsuitable. Concerns centered around the potential for diminished perceived value of performances and a general organizational philosophy against offering free tickets justified the refusal. Additionally, the idea of organizing an auction for three season subscriptions for the

subsequent year exclusively amongst program members was explored. Repeated attendance would increase winning chances, but only one subscription could be gained per program membership. Although auction dynamics have been shown to influence consumer behavior, encouraging repeated purchases (Ariely & Simonson, 2003; Zhuang, 2023), ethical concerns about potentially fostering gambling-related behaviors prompted us to abandon the idea. Finally, an additional feature of the recommended proposal, involves sending TNDM II's newsletters together with personalized promotional content to program members. These communications aim to engage participants by delivering curated content while strategically introducing and promoting the monthly subscription offer. Notably, this is the only initial design feature retained in the final proposal.

Upon discarding two of the main design features of the program, we were prompted to revisit our initial plan and develop alternative approaches. After thorough discussions with TNDM II's management team, discounts at the theatre's shop were identified as one of the feasible benefits to offer program members based on their number of visits. The shop features a selection of edited theatrical texts, theatre-related publications, and merchandise. This prompted the proposal of a 10% discount on a single purchase upon a member's 3rd theatre visit. Additionally, the possibility of extending a similar discount to the theatre's restaurant was explored. This would consist of a 15% discount on a meal at the restaurant granted upon the 7th visit. Finally, a 5% discount on the theatre shop will be offered on every purchase after 10 visits. This scheme not only reflects the added value of each benefit compared to the previous, but also ensures alignment with the program's objective of rewarding consistent patronage.

Although these benefits were appealing, they did not seem comprehensive enough to either the team or TNDM II's management. As a result, we decided to move away from the initial visit-based system and explore a more hybrid approach, combining both visit-based and value-based elements. In the final proposal, membership not only qualifies individuals for the previously

described rewards but also grants them access to additional exclusive benefits, such as invitations to private theatre events (e.g., the season launch) and priority access (after subscribers) to limited capacity free events. This further aligns the program proposal with research findings that highlight communal engagement within the brand context as crucial for loyalty building.

8. Conclusion

As largely explored throughout this report, as an institution with a public mission, TNDM II has encountered significant challenges in the process of reinventing itself. The delicate equilibrium between self-sufficiency and the necessity of ensuring broader access to the performing arts represented a persistent challenge for the administration of the theatre, as well as for the team in the preparation of this report. Moreover, managed under the supervision of the Portuguese Ministry of Culture and Portuguese Ministry of Finances, TNDM II has been challenged with additional regulations and guidelines that further limit its operational capacity and strategic independence. Namely, the existence of slow and inefficient procedures, as well as the infrequent availability of opportunities to implement structural changes has been identified as a key obstacle by the theatre's management team.

Finally, significant disruptions caused by the Covid-19 pandemic, closely followed by a change in artistic direction and ultimately by the renovation project, significantly undermined TNDM II's ability to maintain consistent audience engagement. These factors collectively impacted the theatre's connection with audiences, complicating its efforts to rebuild loyalty and sustain attendance in the aftermath of the events.

In light of these circumstances, rethinking TNDM II's marketing and ticketing strategy occurs at a pivotal moment in the organization's structural evolution, coinciding with the re-opening of the Rossio venue during the 2025-2026 season. Thereby representing a crucial opportunity to implement these long-awaited changes.

The recommended strategies were designed to address the aforementioned challenges and represent a transformative shift from the current approach. This strategic realignment aims to re-position TNDM II, aligning the institution with comparable European counterparts, while considering the institution's specific contextual and financial constraints.

The *Free Loyalty Program* and *Monthly Subscription Strategy* represent a departure from the traditional approach to theatergoing in Portugal, embracing novel methods of audience engagement that reflect contemporary cultural and consumer trends. Moreover, the *Simple Ticketing & Early Purchase Incentive* strategy aims to facilitate a straightforward and accessible user involvement process, with the intention of enhancing the audience's experience. Lastly, the *Pay-What-You-Want* and *Crowdfunded Suspended Tickets* initiatives represent an experimental, yet community-oriented approach that has the potential to enhance TNDM II's capacity to cultivate more profound connections with its local audience, thereby prompting inclusivity and encouraging active involvement.

In conclusion, it is anticipated that these recommendations will enhance the financial viability of the theatre while maintaining TNDM II's mission of "opening up the theatre to the community". Hence, reinforcing the institution's role as a cornerstone in the Portuguese Performing Arts landscape.

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10. Appendix

Appendix 1. TNDM II Characteristics

Variables	2023
Location	Lisbon, Portugal
Theatre Venue Size	Sala Garret: 428 seats Sala Estúdio: 91 seats
In-House Production	Yes
Attendance	58285

Appendix 2. TNDM II's Audience by Education Level, Frequency and Gender

Contagem de Qual o nome do espetáculo que vai ver/viu?					
Row Labels	Homem	Mulher	Pessoa não-binária	Prefiro não dizer	Total
1.º ciclo do Ensino Básico		3			3
1 vez por semana ou mais		3			3
2.º ciclo do Ensino Básico	2	4			6
1 ou várias vezes por ano		2			2
1 ou várias vezes por mês	2	2			4
3.º ciclo do Ensino Básico	8	9			17
1 ou várias vezes por ano	1	5			6
1 ou várias vezes por mês	6	3			9
1 vez por semana ou mais		1			1
Nunca	1				1
Ensino Secundário	47	63	2	2	114
1 ou várias vezes por ano	18	29	1	1	49
1 ou várias vezes por mês	16	19	1	1	37
1 vez por semana ou mais	8	11			19
Nunca	5	4			9
Licenciatura	177	282	5	3	467
1 ou várias vezes por ano	94	144	1	1	240
1 ou várias vezes por mês	54	109	2		165
1 vez por semana ou mais	20	24	1	2	47
Nunca	9	5	1		15
Mestrado	65	161	7		233
1 ou várias vezes por ano	40	81	3		124
1 ou várias vezes por mês	14	65	3		82
1 vez por semana ou mais	10	11			21
Nunca	1	4	1		6
Doutoramento	20	45			65
1 ou várias vezes por ano	11	21			32
1 ou várias vezes por mês	5	20			25
1 vez por semana ou mais	4	3			7
Nunca		1			1
Grand Total	319	567	14	5	905

Translation:

- “Homem”=Man; “Mulher”=Woman; “Pessoa Não Binária”= Non-Binary Person; “Prefiro Não Dizer”= Rather not say;
- “1º Ciclo do Ensino Básico”= Primary School; “2º Ciclo do Ensino Básico”= Second Cycle of Basic Education; “3º Ciclo do Ensino Básico”= Middle School; “Ensino Secundário”= High School; “Licenciatura”= Bachelors; “Mestrado”= Masters; “Doutoramento”= PhD;
- “1 ou várias vezes por ano”= Once or more a year; “1 ou várias vezes por mês”= Once or more a month; “1 vez por semana ou mais”= Once or more a week; “Nunca”= Never.

Appendix 3. TNDM II's Audience by Age and Gender

Count of Idioma do utilizador	Column Labels				Grand Total
Row Labels	Homem	Mulher	Pessoa não-binária	Prefiro não dizer	Grand Total
≤10	1				1
11-20	15	23			38
21-30	57	110	8	2	177
31-40	76	103	3	1	183
41-50	60	139	2	2	203
51-60	61	113	1		175
61-70	29	55			84
71-80	17	21			38
>80	3	3			6
Grand Total	319	567	14	5	905

Appendix 4. TNDM II's Audience by Age and Frequency of Visits

Contagem de Idioma do utilizador	Column Labels				Grand Total
Row Labels	Nunca	1 ou várias vezes por ano	1 ou várias vezes por mês	1 vez por semana ou mais	Grand Total
≤10		1			1
11-20	7	15	11	5	38
21-30	5	76	73	23	177
31-40	4	99	60	20	183
41-50	5	103	70	25	203
51-60	6	100	58	11	175
61-70	4	41	30	9	84
71-80	1	14	18	5	38
>80		4	2		6
Grand Total	32	453	322	98	905

Appendix 5. "How did you find the play?"

Contagem de Idioma do utilizador	Column Labels							Grand Total	
Row Labels	Associação	Equipa Artística	Imprensa	Outro	Pessoa amiga, colega ou familiar	Redes Sociais	Site D. Maria II	Teatro Local	Grand Total
≤10						1			1
11-20		3				35	2		40
21-30		20	4	10		116	17	9	177
31-40	1	10	6	17		108	28	15	185
41-50		20	16	14		104	33	13	204
51-60		9	14	15		101	13	16	173
61-70	3	6	7	7		44	6	9	83
71-80		3	5	2		23	4	3	40
>80						3		2	6
Grand Total	4	71	52	65		535	103	67	909

- “Associação”= Association; “Equipa Artística”= Artistic Team; “Imprensa”= Media; “Outro”= Others; “Pessoa amiga, colega ou familiar”= “Friend, colleague or family”; “Redes Sociais”= Social Media; “Site D. Maria II”= D. Maria II’s website; “Teatro Local”= Local Theatre

Appendix 6. Sala Estúdio's Current Pricing Structure

	Full	Discount	Groups	Art Students & Professors	Disadvantaged Students	EC' 18	Family*
Plateia	11,00€	8,25 €	4,00 €	4,00 €	1,00 €	- €	5,50 €

Appendix 7. Sala Garret's Current Pricing Strategy

Area	Full	Discount	Groups	Art Students & Professor	Disadvantaged Students	EC'18	Family*
Plateia	16,00€	12,00 €	4,00 €	4,00 €	1,00 €	- €	8,00 €
1º Balcão	12,00€	9,00 €	4,00 €	4,00 €	1,00 €	- €	6,00 €
2º Balcão	9,00 €	6,75 €	4,00 €	4,00 €	1,00 €	- €	4,50 €
Camarote 1º Balcão	9,00 €	6,75 €	4,00 €	4,00 €	1,00 €	- €	4,50 €
Camarote 2º Balcão	9,00 €	6,75 €	4,00 €	4,00 €	1,00 €	- €	4,50 €

Appendix 8. Ticket Price Changes between 2013-2024

Full Prices	2011	2013	2018	2019	2024
Plateia	16,00 €	17,00 €	17,00 €	16,00 €	16,00 €
1º Balcão	10,00 €	11,00 €	13,00 €	12,00 €	12,00 €
2º Balcão	7,50 €	5,00 €	10,00 €	9,00 €	9,00 €
Sala Estúdio	12,00 €	12,00 €	12,00 €	11,00 €	11,00 €
Schools	6,00 €	4,00 €	4,00 €	4,00 €	4,00 €
Disadvantaged Students	3,00 €	1,00 €	1,00 €	1,00 €	1,00 €

Appendix 9. TNDM II's Sources of Income in 2023

Sources of Income	2023
Total Income	7 584 239,00 €
Public Investment	6 408 716,00 €
Ticket Revenues	332 310,00 €
Private Investment	781 107,00 €
Library	3 621,00 €
Concessions	24 219,00 €
Others	34 266,00 €

Appendix 10. "Assinaturas" Packages Sales between 2018-2019 and 2021-2022

Assinaturas	Price	18/19	Revenues 18/19	19/20	Revenues 19/20	20/21	Revenues 20/21	21/22	Revenues 21/22
Assinatura 20	120	4	480	25	3 000	0	0	10	1 200
Assinatura 10	70	31	2 170	73	5 110	11	770	48	3 360
Assinatura 5	40	109	4 360	209	8 360	32	1 280	190	7 600
Total	230	144	7 010	307	16 470	43	2 050	248	12 160

Appendix 11. International Benchmarking - General Theatre Characteristics

Variables	National Theatre of Scotland	Abbey Theatre	Bristol Old Vic	Aarhus Theatre	Teatre Nacional de Catalunya	Piccolo Teatro di Milano	Théâtre de l'Odéon	Théâtre Vidy	Théâtre du Nord	Burgtheater	National Theatre of Prague	National Theatre of Slovakia
Location	Glasgow, Scotland	Dublin, Ireland	Bristol, England	Aarhus, Denmark	Barcelona, Spain	Milan, Italy	Paris, France	Lausanne, Switzerland	Lille, France	Vienna, Austria	Prague, Czechia	Bratislava, Slovakia
Theatre Venue Size	<i>(do not own a venue)</i>	Abbey auditorium: 492 seats Peacock auditorium: 128 seats Abbey bar: 90 seats Peacock bar: 50 seats	Main venue: 523 seats The Weston Studio: 148 seats	Store Scene: 690 seats; Scala: 270 seats; Studio: 80 seats; Stiklingen: 80 seats	Sala Gran: 847 seats; Sala Petita: 450 seats; Sala Tallers: 425 seats	Piccolo Teatro Grassi: 488 seats Teatro Studio: 368 seats Piccolo Teatro Strehler: 968 seats	Théâtre de l'Odéon: 800 seats Ateliers Berthier: 600 seats	Salle 64: 428 seats; Salle 96: 115 seats; Salle 76: 97 seats; Salle 17: 252 seats	Salle 64: 428 seats; Salle 96: 115 seats; Salle 76: 97 seats; Salle 17: 252 seats	Burgtheater: 1175 seats; Akademietheater: 500 seats; Kasino Am Schwarzenbergplatz: 250 seats; Vestbul: 60 seats	State Opera: 986 seats	Opera and Ballet hall: 861 seats; Drama hall: 651 seats; Studio variant A: 157 seats; Studio variant B: 149 seats; Blue Salon: 80 seats; Opera Chamber: 50 - 100 seats spectators by type of event
In-House Production	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Attendance	76 751	n.a.	143 554	100 000	132 294	n.a.	Almost 150.000 spectators	n.a.	n.a.	n.a.	532 097	n.a.

Appendix 12. International Benchmarking - Ticketing Structures

Ticket Structure	National Theatre of Scotland	Abbey Theatre	Bristol Old Vic	Aarhus Theatre	Teatre Nacional de Catalunya	Piccolo Teatro di Milano	Théâtre de l'Odéon
Simple Ticket	The theatre does not provide fixed pricing.	The theatre does not provide fixed pricing.	The theatre does not provide fixed pricing.	Store Scene: 180-525 kr.; Scala: 295kr.; Studio/Stilkingen: 160-185kr.	TNC offers 4 ranges of prices (10€, 22€, 26€ or 32€) depending on the show attending.	Stalls: 33-40€; Balcon: 26-33€	Appendix 13
Discounts/ Combos	First Night (free tickets to groups/schools that otherwise would not have the opportunity to attend)	Front row low price tickets; group discounts; student, senior, theatre makers and unwaged tickets; promotional codes; gift vouchers	15% discount on group tickets (+8 people); school tickets for £13 + 1 in 10 for free; PwC partnership: £10 tickets for selected shows; senior and U16 tickets	Under-25: 95 kr Groups (>20): 50kr discount per ticket Last-minute: 50% discount if ticket bought one hour before the show	25%: TNC season ticket holders, Groups (+10 people), +65 years old, Families, single-parent and foster families 50%: Up to 35 years old, Carnet Jove, Unemployed people, disabled persons (the companion will be free)		Culture Pass (15-18 years old); Happy Thursday: Free tickets for 18-28 years old; Preview evenings: 50% Discount; Curtain Price: Category 4 seats at 6€
Subscriptions	Theatre for a Fiver (£5 tickets for youngster upon free subscription of the programme)		12 months subscription that allows you to buy 6 tickets for £120, allowing you to use 2 per show; flat £20 tickets then onwards; gift vouchers	Season Pass that costs 100kr and allows for a 10% discount, independently of stage or number of tickets bought	10 shows: 150€; 4 shows: 76€; 3 shows: 66€; 2 shows: 48€; Youth Pack: 24€	Appendix 21	Appendix 14
Memberships/ Loyalty Program		The theatre is currently under redevelopment phase	OV Local: Sign up for free and earn points each time you purchase a ticket; accumulate points to purchase future tickets OV Together: Become a member and enjoy priority seating, special exclusive events, and more.				
Other Ticketing Structures					15% Discount if ticket is bought before the premiere.	Art teachers and 18 year old can access a voucher worth 500€	

Ticket Structure	Théâtre Vidy	Théâtre du Nord	Burgtheater	National Theatre of Prague	National Theatre of Slovakia
Simple Ticket	PWYC: Spectators can define the price of their ticket from the following options: 15CHF, 20CHF, 25CHF, 30CHF, 40CHF	18 €	Different price categories depend on the location of the seat. The ticket price is between 5€ and 68€	Different price categories depend on the location of the seat. The ticket price between 10€ and 28€	Simple Tickets vary from the seating location in the venue and the type of the show attended. Prices range between 9€ and 40€
Discounts/Combos	Youth Discount: Under-26 years old have access to 10CHF tickets; Refugees: 0CHF	Reduced Ticket: 9€; Support Ticket: 30€; Solidarity Ticket: 1€; Youth Discount: 75 CHF		50% discount to <15, >65 for morning and afternoon performances; 50% for disabled; Arts Students discounts; 30% discount for holders of the Czech Philharmonic Orchestra Subscription cards	Retired, Students, Disabled and ITIC card holders: 50% discount // Arts Students: 3€ // Visitors with Limited Mobility: 5€
Subscriptions		PWYC Subscription: 400CHF, 300CHF, 250CHF	Appendix 21	Appendix 21	Appendix 4
Memberships/Loyalty Program					
Other Ticketing Structures					

Appendix 13. Simple Ticketing Structure - Théâtre de l'Ódeon

Simple Ticket	General	Under 28	RSA Beneficiaries, Unemployed and Disabled	Theatre Student
Category 1	40,00 €	20,00 €	22,00 €	- €
Category 2	28,00 €	14,00 €	18,00 €	- €
Category 3	18,00 €	9,00 €	12,00 €	8,00 €
Category 4	14,00 €	7,00 €	8,00 €	6,00 €

Appendix 14. Subscription Models - Théâtre de l'Odéon

Individual Subscriptions	Prices
3-6 shows	32€ per seat in category 1
Under 28s (minimum 3 shows)	18€ per seat in category 1 // 13€ per seat in category 2
Disabled Person (minimum 3 shows)	22€ per seat in category 1

Group Subscriptions	Prices
Secondary & Higher Education (3 shows minimum, from 10 students)	10€ per seat in category 2
Friends, Associations and Works Councils (3 shows minimum, from 8 people)	30€ per seat in category 1
Public from Social Field (from 8 people)	7€ per seat in categories 1 and 2

Appendix 15. Financial Comparison of the International Benchmarked Theatres

Theatres	Total Income	Public Funding	% Public Funding	Operating Income	% Operating Income	Private Investment	% Private Investment	Other Sources of Income	% Other Sources of Income	Total
National Theatre of Scotland	£ 8 869 588,00	£ 4 481 115,00	50,52%	£ 4 261 998,00	48,05%	£ 102 526,00	1,16%	£ 23 949,00	0,27%	100%
Abbey Theatre (2022)	11 572 110,00 €	7 900 000,00 €	68,27%	2 418 386,00 €	20,90%	-	0,00%	1 253 724,00 €	10,83%	100%
Bristol Old Vic	£ 6 000 000,00	£ 1 250 000,00	20,83%	£ 4 750 000,00	79,17%	-	0,00%	-	0,00%	100%
Aarhus Theatre	107 141 000,00 kr.	78 306 000,00 kr.	73,09%	16 886 000,00 kr.	15,76%	3 226 000,00 kr.	3,01%	8 723 000,00 kr.	8,14%	100%
Teatre Nacional de Catalunya	17 275 212,00 €	13 287 400,00 €	76,92%	2 433 427,00 €	14,09%	773 255,00 €	4,48%	781 130,00 €	4,52%	100%
Piccolo Teatro di Milano	21 301 516,00 €	12 639 325,00 €	59,34%	5 763 240,00 €	27,06%	1 533 558,00 €	7,20%	1 365 393,00 €	6,41%	100%
Teatro Nacional Dona Maria II	7 584 239,00 €	6 408 716,00 €	84,50%	360 150,00 €	4,75%	781 107,00 €	10,30%	34 266,00 €	0,45%	100%

Appendix 16. Discount Structure of TNSJ

Area	Full	50% Discount *	Groups (>20)	30% Discount **	Schools	EC' 18	<12	Theatre and Dance Schools
Plateia e Tribuna	16,00 €	7,20 €	9,60 €	11,20 €	4,00 €	-	5,00 €	3,00 €
1º Balcão e Frisas	12,00 €	5,40 €	7,20 €	8,40 €	4,00 €		5,00 €	3,00 €
2º Balcão e Camarotes de 1ª Ordem	10,00 €	4,50 €	6,00 €	7,00 €	4,00 €	-	5,00 €	3,00 €
3º Balcão e Camarotes de 2ª Ordem	7,50 €	3,38 €	4,50 €	5,25 €	4,00 €	-	5,00 €	3,00 €

*Youth, Thursdays, Unemployed, Disables, Protocolo Mecenaz BPI

**Groups, Student Card, >65, Theater Professionals, Wednesdays, Families, Business Protocols

Appendix 17. Discount Structure of CCB

CCB	Disabled, Art Professionals, Unemployed	CCB Card Owners	>65, <30, Students, Groups (+20)	Art Schools
Discounts	50%	30%	20%	5 €

Appendix 18. Discount Structure of TSL

TSL	<25, São Luiz card, workers of CM Lisbon, Unemployed	>65, Art Professionals, Disabled	Protocols
Discounts	50%	30%	20%

Appendix 19. Discount Structure of Culturgest

Classes	<30, Disabled, Unemployed	>65, Art Professionals, CGD retired and workers	If payed with CGD card and Groups (>10)	<18
Discounts	50%	30%	20%	5 €

Appendix 20. Transcription from Interview with TNDM II's Management

Management Interview, 29.11.2024.

Participants:

- Rui Catarino: President of TNDM II.
- Joana Bonifácio: Marketing Director of TNDM II.
- Péter Horváth: Student of NOVA SBE.

Péter Horváth: Yes. It started. So, the timing of the ticket of the subscription purchasing, can it be in the middle of the season too? So, if somebody buys it, let's say, in November, middle of November, it's going to be it's going to start in beginning of December, and he or she has to pay from that December. Is it okay for you or is the purchase just at the beginning of the season?

Rui Catarino: I think it's perfectly possible for people to buy it to subscribe during the season, of course. Because if it unlike the, the previous, non-monthly subscription model that we had that you'd buy 20 shows, that could only happen in the beginning of the season. Because if you buy it in the middle of the season, there's not 20 shows left for you to watch. Yes. But, given a monthly subscription, I think it's perfectly possible that someone will buy at the end of the season for the last 2 months if there's shows that they want to see.

P.H.: I would make a policy that 3 months should be paid.

R.C.: Yes. After 3 months, you can cancel. But 3 months is strictly you should pay. You're right. So maybe you could buy it up to month 7.

P.H.: Yes

R.C.: Or once again, not wanting to complexify it. If you buy it on month 9, maybe you'll have month 9, 10, and the 1st month of next season or something like that. So, on a rolling basis instead of a season basis. That's no. No. Do not think about that because it just makes things more complex. Yes. You can buy it up to month 7, I think.

P.H.: Up to month 7. Yes. That's good.

P.H.: And I think it's part of the benefits, but I did the benchmarking analysis, and one of the benefits of these subscriptions is like the priority seat reservation. So would it be an option now for example: I buy subscription, and I have an option that I can do the seat reservation in advance. So before, let's say, one week before the official ticket sale starts. So, I feel that I have a priority that I can do that. And the other thing is the owner of the subscription can invite guests, but the guest should pay the full price or the discount price of the tickets, depending on the age. Therefore, the owner of the subscription has the option to make the reservation for them too. So, it can be a group activity. The number of guests should be maximized, so it's not unlimited reservation with 1 subscription 3 reservation can be possible. So plus 3 seat reservation and they should pay the price of the ticket. Or maybe with the subscription, it would be, like, some percentage of discount, like, 10% from the full price ticket discount.

R.C.: I think we should have it if you are thinking about 2 tiers of subscriptions, maybe this priority seat reservation for guests. Could be sort of, you can, so you have priority, and you have, a week or 2 weeks in advance to book your subscription tickets for the season. And you can buy at a normal price even if it's a discounted one, if someone is, you know, has access to discount. You can buy one extra ticket. But if you are a 2nd tier subscriber, you can buy up to 3 extra tickets or something like that. So maybe that can be a benefit of the 2nd tier that you are able to reserve additional seats. Because I think that most people go in pairs to the theater.

P.H.: That's why it's an important benefit. I have a subscription, but I have a wife or a husband or a friend. It's a group activity.

R.C.: And maybe once again, I think we need to calibrate the benefits between the 2 tiers. Maybe the 3 extra tickets for the 2nd tier do get a 10% discount or something like that. One extra ticket for tier 1, 3 extra tickets for tier 2, and that's it. That's it. Maybe we can add other benefits to the second tier.

P.H.: I think it's important for the flexibility to modify the reservation. So I think there should be an option that they can cancel the seat reservation, if they want.

R.C.: Cancel or change to another day, the same show day or something like that? We are talking about reservation for single shows, right, within a subscription?

P.H.: Within the subscription and the seats reservation.

R.C.: We should have as much flexibility as possible.

P.H.: And it's important for the theater to see that, okay, I can sell 10 more tickets or 20 more tickets for that show.

R.C.: We don't refund the extra ticket. We can change the ticket to a different day, but we don't refund tickets.

P.H.: Should the theatre maximize the number of subscriptions? So maybe in a season, you can sell, like, 200 or 300 subscriptions.

R.C.: I think not. It's ambitious. Because 300 subscription is 60% of our capacity in Sala Garret. But obviously, not everyone would go on the same day to the same show. But I think that 300 monthly subscribers is maybe in a few years, if things go very well. I think that if we get on the 1st year, if we get 30 subscribers, monthly subscribers, or 50. Well, it depends on the pricing, of course. As well not only on the pricing, but, yeah, the perception of value is an important thing. But yeah. Maybe 30 is too little. But, from 50 onwards, I think it's good. But what I think is that we really need to if we implement this, we really need to take the 1st year and sort of experimenting, and to see what works best and then adjust, either pricing or adjust the benefits or, because if you get too many subscribers, it's probably because the price is too low. So, we should, we should not, oversell or undersell. We should not underprice the subscription. And oversell.

P.H.: So, we can say that in the 1st year, it's not necessary. It is going to be an experiment. And, after, if needed, it could be maximized.

R.C.: It's not an unrestricted objective to maximize the number of subscribers. What I feel is that if we have that problem, we can cap the number of subs of subscriptions that we sell. And maybe the 1st year will help us have a little clarity on that to see how it goes, because we do not want to sell out shows with subscribers only.

P.H.: So, this would be the basics of the product. And let's go to the benefits. So last meeting, we discussed that there would be 2 price tiers, and we named, like, the first price tier would be Member, and the second one would be Supporter. The theatre should emphasize that one of the goals of this subscription is to support the theater financially. So, it's very important to tell the visitors that the goal of this subscription is not just the benefits or discounts. The goal of this is to feel that I'm support a very important thing and a very important institution of the Portuguese culture.

R.C.: Yes. And we should do a marketing campaign and have a few celebrities become supporters and make a little video with them and really encourage them.

P.H.: So we mentioned that seat reservation is okay for both price tiers, but just one extra ticket, and for the supporter, 3 more extra ticket without discounts.

R.C.: Yes. Normal prices can be discounted.

P.H.: It can be discounted, but not with an extra discount. Yes.

P.H.: Another topic is the discount in the buffet. Do you have your own buffet in the theater or it's operated by a third party or does the theater operate the buffet?

R.C.: No. It will be third party operators. It's something that we cannot internalize. And I think we can, because we will have a new contract. We will have to find a new operator and we're thinking of it becoming sort of one of those, social enterprise restaurants that employ either persons with disabilities or homeless people. So, it is a little bit more in the spirit of, let's call it, public service. But I'm sure that we can negotiate, we will negotiate discounts for staff, and

we can also negotiate discounts for specific audiences. I'm not sure that we would be able to offer it for 1st tier subscribers, but maybe for 2nd tier subscribers.

P.H.: I thought it is just for the second tier. I saw during the benchmarking that theatres give free glass of champagne to subscribers. What do you think about it?

R.C.: I would love to do that. Like, have a free glass of whatever, either wine or champagne or juices or water. But obviously, if we can do it only for the second tier. Let's try to do Yes. Let's try to have our concession in the restaurant available and ready for something like this, and we can try to negotiate it in the terms of the concession. Yes.

P.H.: That would be a great benefit.

R.C.: And, even though even though, you know let's call it a free drink because calling it a free glass of champagne sort of pulls into this elitist kind of fancy that we don't really want to.

P.H.: Yes. And some people don't drink alcohol, so you know, it is better to call it free drink. It's much correct. Yes. Follow-up emails. So to build a connection with the visitors, I think it's needed to send out emails before the performance, after the performance, or about the new shows, about the premiers, and I think this could be a benefit to and for both tier because it's, let's say, it's not free, but the costs are low.

R.C.: That, I think I think it's wonderful, like I was just in Liege for a conference and festival, I got an email beforehand saying, please be aware that, in Liege, it's the autumn fair that's going on. So, traffic will probably be more complex. Please allow enough time to arrive on time for the performance and things like useful information. But at the same time, we really need to be a little sparse in the number of emails that we send because inboxes are so overwhelmed, and we don't want to be communicating too often with people and annoying them with emails. But I think that, like a kind reminder that you have a booked ticket for this performance next week or something like that. And then maybe a follow-up email on the experience, but not on every show that people go to see, maybe once a month or once every 2 months or things like that. But

I think we can sort of calibrate this. And, obviously, we'll consider sort of the regular communication regarding new shows or, announcements of programming that we make a specific one for subscribers, and also determine the, the frequency of those emails depending on the relationship with the theater.

P.H.: Yes. I was in theater last month, and I got an email before the show with a little description of what I was going to see and how to prepare so it's very important that they care about me, but a lot of emails are annoying. I collected some extra events for the subscribers because I saw these ones during the benchmarking, like backstage tour, invitation for working rehearsal, stage rehearsal, pre performance talk, Q&A session with the the artists and the creators, invitation for premier performances or premier events. So, let's go through this one, and I would like these benefits just for the 2nd tier. But my question is that would it be doable for you to do, like, backstage tour or invitation for these events?

R.C.: Yes. We can have a backstage tour for supporters. Maybe we can, once again, it also depends on the pricing, but maybe we can extend the invitation for the backstage tour to the same number of people that they can buy tickets for. So maybe 1 plus 3 guests. Once again, do not think that we'll have too many supporters. So, second tier subscribers. No. I think we could do it also for Members. Then it's a question of our scheduling. Maybe the subscribers can choose one date for, from 3 options during the season or 5 options. So, what we can do, I think, is we can have backseat tour only for subscribers, like 3 per year or something like that. And people can choose the date that they want to go to, or they can join one of those weekly tours of the theater that we usually have on Mondays. So that we give more options we give more options for dates that people can come to have the backstage tour.

P.H.: So, it could be a special event just for the subscribers. And if the date is not good for them, they can join the regular tour.

R.C.: Yes. And, obviously, what we want to prioritize is that people join the exclusive backstage tour because we can sort of add content for subscribers only. But if those dates are not feasible for them, they can join a regular tour.

P.H.: Working rehearsal invitation. So, you know, it's like behind the scenes. It's very exciting.

R.C.: I think we can program a working rehearsal for subscribers Yes. For our own productions when we do our own productions. So maybe once or twice a year, something like that. And it's something that's completely impossible for every show.

P.H.: Just you have a couple of special occasion, like 1 or 2 a year. Yes. And for the own shows. On stage dress rehearsal? It's like a pre performance show, you know,

R.C.: We don't often do dress rehearsals with an audience; it's often sort of a controlled audience. So, we let the artists and creators invite some friends to come to a sort of test of the show. We don't often open it to the general audience or outside guests that are not close to the theater in some way. Not quite sure that I don't know.

Joana Bonifácio: We have the press rehearsals, but that happens on this stage of the process. But I don't think that, for the public, unless we have, like, 1 or 2 dates, just for dress rehearsals of our productions in the same sense of the working rehearsals and just for the 2nd tier.

R.C.: Actually, people are not buying tickets because they are already subscribers. So that's no problem. You know, if you come to the dress rehearsal, we won't come to the performance and will not buy a ticket. So, you get invited, then you don't buy the ticket, but you already bought the ticket because you are a subscriber. So, what we can do is actually create this sort of journey, during our own productions in which we can invite Supporters to come to a working rehearsal, like an early working rehearsal, then come to the press rehearsal, and then see the show if they want to sort of follow sort of the production process of it.

R.C.: So, 3 points of contact. Yes. Three points of contact, like an early like a reading or something like that. And then, at the press rehearsal, and then come see the show.

P.H.: I like this idea. Honestly, I think it's very important and because with this, the audience can feel that, okay, I'm part of the birth of a show, you know, from the beginning until the premiere. So, until the end of the process, I can follow everything.

P.H.: Pre performance talk?

R.C.: Yes. We don't often do or ever do pre performance talks. This is something that is more common in music, I think. Like CCB also does some for music. It's not, I don't think it's very common, at least not in Portugal, for theatre. And it's something that we don't do, and it's something that would be extra work and expense for us and so admission would be, I don't think that in theater. What happens more in theater is post-performance talks, which we do for some of our shows. But those post-performance talks are open to all the audience So, it's, we can sort of put it on the list of benefits, even though it's a benefit that we give to anyone who purchases the tickets for a show. For a show in a day that has a post-performance talk, of course.

P.H.: And, to do like a private event for the 2nd tier supporters, like Q&A session with the artists and creators?

(29:47) R.C.: I think it would be great if we could do during our own productions once again. That's the logic of the journey, the show, after they see a performance, they can go to a post-performance Q&A and we can serve drinks. I think we can plan, once again, depending on price points, that we can plan for our own productions. There's one day in which we have a Q&A for supporters only.

P.H.: Invitation to the premiere performances. Yes. It's like an email. So, as you mentioned that if there is a monthly email, we can write that the premiere of this show is going to be this time. Just highlighted the premieres. That was the idea behind that.

R.C.: So, we invite subscribers who are already entitled to come to the show. Yes. Of course. To incentivize them to come to the premiere. But subscribers, if we are giving them priority seat reservation, probably they've already booked tickets for the most important performances

for which we do a premiere night, which is not all of the performances. When I'm talking about the premiere night is when we invite a bunch of people to come to the premiere, mostly for shows that run for longer or own productions. So, when we do a show that's only 2 weeks on stage, we don't have a formal premiere with guests. And those aren't open to the public. So yeah, this would be really a benefit here in this sense. So, we do invite for premiere when we've had for guests for premieres, we don't sell tickets for those shows. This could be really a benefit because if you are a subscriber, then you can book for the premier night if you want.

P.H.: So, it's like a private show because you invite guests. So, it's an invitation only show. R.C.: Yes.

P.H.: And for that, the 2nd tier would be invited.

R.C.: Yes.

R.C.: And invitation for the premier events is, you know, after the performance event. If you have something like this 2nd tier. If we have an opening night cocktail, we can invite. And we often do opening night cocktails. And for our own productions or longer running shows, we can invite 2nd tier subscribers for the cocktail. Maybe you can even call it invitation for premier cocktail. Let's call it opening night, which I think is clearer. Invitation for opening night cocktail and invitation for opening night performance. And there's one other thing that we can invite subscribers, 1st tier and 2nd tier, which is for the presentation of the season. So, season announcement. So, when we do like we did on Friday. The public presentation of our next season, we can invite subscribers, I think.

P.H.: Okay. Invitation for season presentation. So, I think we can say that the 1st price tier, the Members, it's a basic subscription. So, with unlimited access, with the priority seat reservation, with one extra seat reservation, and with follow-up emails, and the backstage tour, and the invitation for the presentation. And the second one, the Supporter, is more complex and with much more benefit.

R.C.: Because yeah. Because for 1st year, it's really about you go to theater much cheaper. It becomes much cheaper if you go often enough. And I think that probably we'll have to talk about that price, but sort of calibrating the price regarding the expectation of how many times people can come in a month, to the theater, and deciding on that.

P.H.: And, yeah, for the 2nd show discount, for both tiers, you mentioned that they can see the second with a discount if they want.

P.H.: Yes. So, the pricing. It's a very interesting question. When I did the benchmarking in terms of other theater subscription, I saw that there is no discount in subscription in terms of if you buy a single ticket because they sell the subscription like they fix their seats to a show. So, it feels like safety for the audience that, okay, I can see that show and I have a seat, and I don't have to fight for a ticket. But here, I think we should give some discount because you mentioned that in Portugal, there is no tradition for subscriptions.

R.C.: Yes. I think I think that the discount benefits for the 1st year will be the main driver. I don't think that we have enough sold out shows many months in advance that, sort of incentivize people to only have the benefit of being able to buy early and fix make sure that they have a place for that show. So, I think that for the 1st tier, which is regular theatergoers being cheaper or even cheaper to go to the theater and being able to watch everything if they want or only a few shows, I think will be the driver.

P.H.: So, we should so the price point should be around in a month, of course, one full single ticket price, but I think 1 and a half or maybe 2 single ticket prices. So, we calculate somewhere there.

R.C.: So, what we say is that if you come to the theater more than once a month, it's already worth it. Yes. If you come twice a month, you already get a discount. Yes. But then we have the factor, in the fact that we give discounts on single tickets to so many people. So over 65 up to 25 students. And so, we are targeting these for people that are over 25 and under 65.

P.H.: Yes.

R.C.: Even though I feel that the senior discount for plus 65 is something that we should think

P.H.: Or maybe senior can buy too because the goal of this is to support a theater, and there is a senior with a high-income level. So, our target audience is them too for the subscription.

R.C.: I don't know exactly how it works in, in Hungary, but theater has been very democratized in terms of its audience segments. And if people still dress up nicely to go to the opera, they don't quite do that as much to go to the theatre or I wouldn't say almost not at all, but very few people go to the theatre, as you know, a fancy night out. This used to be that way, but now, theatres use a little bit younger, a little bit more informal.

J.B.: And in our case, with our artistic director and the kind of programming that we have, I don't think, this applies very much because we are very informal, and we are really, with our programming, really trying to attract, other publics to the to the classic theater that it's not classic anymore.

R.C.: It's a little bit too much for very conservative audiences, what we do right now. Yes. Even though we still get, you know, older people coming, of course, and just maybe not the concept of a fancy night out. Yes. Yes. Yes. But yeah. But I think that the same applies. Maybe not with the same, with the same, motivation, but I think that for senior people, maybe it will apply as, okay, I do get a 25% discount if I buy a single ticket. But if I have a subscription, I can book in advance. I'm supporting the theater. If I go more than once a month, I'm already saving money. Or no. Well, maybe if I go more than twice a month, I will be saving money because I will get a 25% discount. So, yeah, I think it still makes sense that it's maybe a little bit less than twice the price of a normal single ticket. So, if we will raise our normal single ticket price to €18, maybe it can be €32 or something like that or €30 per month. Now maybe that's too high. Let's say between, 25 and 32.

P.H.: Okay. And for the 2nd price tier, with these benefits, I think we should go higher. So, if you say, like, for here, 30 EUR. And with these benefits, I'm sure that if I just saw the numbers, I would go up like 50 EUR.

R.C.: So, I'm looking here at something that is, I think the most similar that we can find now, which is the Medallia card. The Medallia used to be a theater, cinema chain, movie theaters chain, but now it only has 1 movie theater in Lisbon. And it's, it costs €5 to get the ticket, the cards, and then €20 per month, and you can go and watch as many movies as you like. And, but, but you can at most 2 per day, you cannot go see more than 2 movies per day. But they stopped selling it, but it was working this way.

But once again, people go more often to the to the to the movies than they go. Let's say that regular culture consumers go more often to the movies than they go to the theatre. But once again, the price for a movie is lower. Well, not much lower anymore but lower than the price for a theatre ticket. So, I think €30 is. I think we should also discuss it internally with, with our colleagues. But I think that €30 probably is the higher limit of what we could ask for. I think I yeah. I think we need to think a little bit more about price points, but yeah, most definitely the 2nd tier should be higher because we are offering more benefits, but we're also trying to attract philanthropy and people supporting the theater. Yes.

J.B.: And it's a different philosophy that the discounts are not the main driver for this audience.

R.C.: And one of the other benefits that I think we can add is I think we can apply this, is that there's a tax break for people that, that, we we could frame it as being mensinato, which is patronage, which has a tax benefit, not for the whole amount because people are getting tickets. And I think we would have to look at it with our lawyer. But I think that at least the parts of the subscription could be eligible for tax benefits.

But if like, if we have a price of €50 per month for the 2nd tier, something like that, It's €500 per year. Yes. And the benefits that we are giving, depending on the number of tickets that we

would expect for a person to book, let's say that the benefit that the person takes from those, from the subscription is €300. Like the fair market value of what he's getting back, €16 or €18 per ticket plus, you know, the free drink or whatever. Let's say that on average, it's €300 per year or something like that. But we would really have to study this very attentively regarding the tax break because we don't want to be fooling anyone, of course. But if the benefits are worth €300, we could put €200 towards tax benefits, which basically deducts the personal income tax that the person will be paying at the end of the year. A little not €200, but it will deduct from the taxable income. That is then applied with the with the with the with the income tax. So, if someone has, I don't know, €50,000 of taxable income, after all the deductions, it will deduct €200 more to those €50,000 and then the tax applies. I'm not entirely sure that we can manage that. I think we need to study it, but it would be an interesting thing because it would all also serve the narrative of becoming a supporter of the theater and you even get a tax benefit. So that's legit, law sanctioned patronage towards the theater. It's so legit that you even get a tax benefit. I think it would be interesting if you could do that, but I'm not sure we can. So, the 2nd price tier, what should it be? We could even do something which is sort of a pay what you want per month with a minimum of €50 or something like that. And if someone wants to be a supporter for €100, it becomes, I'll call it an automatic transfer or direct debit transfer per month. So, when people subscribe, they can do it for 50 or 75 or 100 or €200 per month.

P.H.: Oh, and not pay what you want, but pick your price. Pick your prices. And let's say, under the supporter category, we can say bronze, silver, and gold in just three colors. And bronze is Sorry. Sorry.

R.C.: It's not that bad. But we are not creating additional tiers. So, the benefits are the same for everyone. It's the same. Yes.

P.H.: But you can pick that for the same thing. For these benefits, you can pay 50, 100, or 150. Yes. You know? And it's pick your price for the same benefits, and everything is the same. But

if I can afford it, I can pay 5 150 or I can pay 50. Yes. And most of the people, I think, are going to choose the second.

R.C.: I think that's great. So, it becomes additional tiers, additional work for managing the tiers. So, I think it's you are a supporter, and you can pick how much you want to support us with per month.

P.H.: Yes. And this 50, 100, 150? Because I think, you know, the process of the payment, it's easier that I can choose that I'm going to pay 150 per month because there is a process of the payment.

R.C.: 150 is €1,500 per year. Yes. Well, in the Kennedy Center where I worked in Washington, there were people that were giving \$1,500,000 per year to the Kennedy Center. Individual people, not even companies.

P.H.: Yes. So, it's a different funding structure because in the USA there is no state financing.

R.C.: Yes. I think to go with that, I wouldn't expect. Well, let's see. We'll have to experiment, really. But I think that 50, 75, 100 is not too much of a jump. I think that 50 to 100, I think it's okay. Not sure about 150, but I think we should have more than 2 levels, of course, or to prices people can pick.

P.H.: Or yeah. 50 75, 100. Yes.

R.C.: It's too compressed. I think that we won't expect a lot of people to go on 150, but maybe 1 or 2 or 3 can do that. And it sorts of, because people that can pay €50 per month, they can also pay 100 or 150. I think that this is the target that we are aiming this for people that do have money and can pay, without it being a huge effort. So, I think that having more broader scale is better because maybe we can get some people to pay 150.

P.H.: They are going to get an invitation to the opening night cocktail, and it's not It's just invitation only. So, with these benefits, I think the price point for the 2nd tier, it's 150 maximum. I think it's rational, honestly, because this event is really for the very narrow segment. So, and

you like to see it from the view of the theater, it's a bit open to the audience. So, and for the supporter category, the maximum 150 and the minimum 50.

R.C.: Yes.

P.H.: Yes. And for the promotion part, I mentioned online campaign, influencer campaign, and offline campaign. So I think in 2026, the theater should do this kind of different advertisements to reach more people for this subscription because it's a very new thing. The theater is going to be reopened in historical place, so it's an it's an amazing, thing for the theater to do a branding and to collect visitors

R.C.: You're right. The opening of the theater is a wonderful opportunity for us to. Yes. Get subscribers and to make a marketing push to get people excited about the reopening of theater. We'll open with 2 weeks of party, between the 27th March 14th April, which is the anniversary of the theatre. So, you can come to the 180th anniversary of birthday of, the theatre. And, yeah, we really need to. It's a big thing. Get people excited about the reopening of the theater.

P.H.: Yes. That's amazing. Okay.

R.C.: Yes. Yes. And do you know, the the backstage tour will have the additional, interest of being a renovated theater in which a lot of the backstage was renovated so people will be able to see the wonderful offices that we'll have in our winter garden and the new substage machinery. And, because in the public areas of the theater, there won't be a lot of a difference.

J.B.: Yes.

P.H.: The place. So, under the place I mean, the place of the purchase of the subscription. So, it could be in box office in person? And is it possible to buy it online? Because I know you use a third-party vendor, BOL. And could it be possible via BOL to buy it?

J.B.: Yes

R.C.: It will have to be.

J.B.: Yes. Okay.

R.C.: I'm not sure that BOL is infrastructure for this kind of monthly subscription or anything like that. But we'll have to work with them so that's it's

J.B.: We already had the Assignatures with BOL.

R.C.: Yes. But it was, paid in one time in advance, not the recurring payments, which is what we were looking for. So, we'll have to make sure that their infrastructure can support, these, This configuration of monthly subscriptions. But I don't think it will be very hard to do so. Yes. We think it's to do some development, but we can work together on that. Yep. Because once again, what we want to do is to have an as easy as possible process for people to become subscribers.

P.H.: And I wrote the process, you know, to purchase advanced seat reservation. So, it's like a timeline, just an example for that. But I think it's a more important question, the physical evidence that in my head that this could be a very nice physical card for both price tiers with the ID number on that. Because the ID number is important, and when you do the seat reservation or the reservation for the backstage tour, it's important that you identify yourself via online platforms that, okay. I'm doing the seat reservation as a subscriber, and this is my number.

R.C.: Yes. And I think that sort of physical card or sort of a token and the sort of symbolic value of the physical card is also important. It needs to be a beautiful physical card. But what we also need is to have a digital card because people don't walk around with physical cards anymore. They just leave it at home. So, it needs to be something that you can carry on your mobile, and we don't want any new apps to do so, so it needs to be integrated with Android and iOS. So that it becomes one of those digital wallet cards that you that you have with you.

P.H.: Yes. It was very useful for me, honestly, and I think we made a very huge progress in terms of this subscription strategy and to plan this. So, thank you very much again, and see you on 18th December. Right? Yes. Yes.

R.C.: Yes. Yes. Very good work. Thank you so much. Yes. This is, really sort of you nail down all the things that we need to be thinking about and to decide, when considering advance with the subscription model, which I think is really exciting, if we can make it work, because I think it's really innovative and it's well, innovative, not in the sense that, yeah, we've had subscriptions and but sort of rethinking it for today and for a digital world, in which patterns of consumption have shifted so much. And we know that we are offering an analog product, which is theatre place. But if we can sort of mesh nicely with the way that people are used to, in their consumption patterns nowadays, like, having it all be done very easily digitally. Yes. Without complexing it too much. I think it will be it has everything it needs to be successful. So yes.

J.B.: This is great. Great work P  ter.

R.C.: Very much looking forward to what comes out of all of this.

P.H.: Me too. Me too. Yes. That's excellent. Thank you. Bye.

R.C.: Bye bye. Take care.

Appendix 21. Benchmarking Analysis of International Theatres Focused on Subscription Offer

1. Burgtheater (Vienna, Austria)

Burgtheater in Vienna provides a wide range of subscription options for its audience, designed to appeal to viewers with diverse preferences. Among the benchmark theatres, this theatre offers the most diverse and extensive range of subscription categories for the 2024/2025 season. The subscriptions are organized into four primary categories, each containing smaller packages.

Fixed Subscriptions (Festabonnements)

With this subscription, the owner can attend 5 performances on weekdays, which are chosen by the theatre. Additionally, the specific dates for each performance are only communicated 5 weeks prior to the performance date.

The benefits provided by the subscription include that the visitor can select their seat in advance, enhancing their comfort during the performance. Other advantages of the subscription include the possibility to change the date free of charge if the given time is not good, a 10% discount on tickets for additional performances, and the monthly delivery of the theatre's own magazine and program guide.

The subscription offers at least a 30% discount compared to single ticket purchases, so they are encouraging consumers to buy the subscriptions.

In this subscription structure, the theatre also offers a discount for visitors with children aged 6-12 by introducing the Sunday Afternoon Subscription. This allows them to attend Sunday afternoon performances free of charge.

Thematic and Premiere Cycles (Die Zyklen)

These subscriptions include thematic performance packages. One of the main categories is The Cycles of Premieres, which consists of three subcategories. These are valid for 3-6-7 selected performances chosen by the theatre.

The other category is The Theme Cycle (DIE THEMENZYKLEN), which includes three thematic packages. With each package three performances can be watched, all are pre-selected by the theatre.

The advantage of these pre-selected performance packages is that the ticket for each performance is valid for the same seat, which was chosen by the visitor earlier, and the visitor will receive a complimentary glass of champagne and a program brochure before each performance. If the scheduled time is unsuitable for any reason, it is possible to rebook for another time free of charge. Additionally, there is an option to purchase tickets for other performances at a 10% discount.

Flexible Subscriptions (Wahlabonnements)

The flexible subscription offers the theatregoer the greatest freedom and flexibility. This structure allows the purchaser to attend 11 performances of their choice and invite up to two guests. This subscription is available in different 3 pricing categories.

One of the advantages of this option is that the subscriber can make seat reservations up to 5 days before the official start of ticket sales and can also rebook tickets for a different time up to 24 hours before the performance begins. Additionally, subscribers receive the theatre's program booklet and magazine on a monthly basis.

Under30

The special packages offered to the audience under 30 years, provide a significant 60% discount, making theatre visits more affordable. The subscription allows for attending 5 or 10 performances on weekdays. In this case, the date of performances is revealed 5 weeks prior to the performance.

Other benefits of the subscription include the ability to rebook the date free of charge, and if the date is not suitable, the card can be transferred to another person under 30 years old.

Circle of Burg (Burg Zirkel)

The theatre has its own supporters' community, the Circle of Burg, which provides individuals the opportunity to financially support the theatre's artistic projects in exchange for numerous exclusive programs and services.

Supporters can receive the following services, depending on their contribution: the program booklet sent by mail, access to view theatre rehearsals, exclusive ticket offers, public acknowledgment of the top contributors by name, participation in a theatre-led tour, early access to tickets and subscriptions, free cloakroom service, a director's introduction before premieres, and eligibility for VIP events and receptions (*GESCHÄFTS- BERICHT BURGTHEATER GMBH SPIELZEIT, 2022*).

2. Slovak National Theatre (Bratislava, Slovakia)

For the 2024/2025 season, the Slovak National Theatre has created 5 different subscription structures, covering the theatre's wide repertoire and offering to a broad range of audiences, from families to experienced theatregoers. Each subscription is valid for 5-8 pre-selected performances by the theatre, which can be purchased in VIP, 1st, or 2nd price categories, and all subscriptions offer the same benefits.

The following benefits are available for subscribers: fixed seating promises comfort and a consistent viewing experience. Subscriptions are transferable, so if a subscriber is unable to attend a performance, their friends or family members can use the tickets. However, flexibility is not guaranteed, as there is no option to change the performance date.

The pricing of the Slovak National Theatre's subscriptions does not make the performances accessible, but instead they to sell the most expensive tickets in advance through subscriptions, to ensuring a stable cash inflow at the beginning of the season.

During the single ticket sales, tickets can be purchased in 5 price categories, but for subscriptions, only the three highest price categories, VIP, 1st, and 2nd categories, are available

for purchase. Additionally, for the Family subscription, children's tickets are also available, specifically for children.

Subscriptions can be purchased in person at the theatre's box office or online through the theatre's official website, exclusively until the start of the season. After that, no further purchases are possible.

Patron Club

The Patron Club is the theatre's own supporters' community, whose members receive numerous additional benefits in exchange for their support at various donation levels. The benefits of membership include receiving a certificate of appreciation, a guided tour of the theatre and behind the scenes, a ticket to a chamber music concert, admission to a premiere with a VIP Gala, priority access to tickets and subscriptions or attendance at public rehearsals (*SND Season Tickets for 2024/2025 | Slovak National Theatre, 2024*).

3. Czech National Theatre (Prague, Czech Republic)

For the 2024/2025 season, the Czech National Theatre offers a comprehensive solution for its regular visitors through various subscriptions, ensuring that attendees have guaranteed seats for their desired performances. The subscription model is divided into two main categories: Full-Season Subscriptions and Christmas Subscriptions. The Full-Season Subscription covers the entire theatre season from September to June, including five performances, while the Christmas Subscriptions focus on the second half of the year (January to June). The Full-season Subscription and the Christmas Subscription consist of 8 main categories, with a total of 28-30 different options to choose from.

These options cover the various genres offered by the theatre and appeal to a wide range of audiences. The different groups are not flexible in terms of performance dates or the selection of performances, as only pre-defined packages can be purchased.

The subscription offers numerous benefits, including a 30% discount compared to single ticket prices, and the subscription is can be use by others this making it a perfect gift. It also provides a 30% discount on additional programs such as the Czech Philharmonic concerts. Additionally, it guarantees fixed seating for various performances, and subscribers have the option to change the date for certain performances. Furthermore, the subscription offers exclusive experiences, such as pre-performances talks, exclusive events specifically for subscribers, and they retain their chosen seat in the auditorium for the following season.

Benefactors' Club

The Benefactors' Club is support financially the Czech National Theatre, where individual members can enjoy the following benefits: supporters receive a membership card and certificate, they are mentioned by name in the theatre's official publications, and receive regular updates on the theatre's events. They could meet the artists at private events, attend public rehearsals and press conferences, as well as autograph sessions. Members can also participate in rehearsals and visit the set and costume workshops, as well as attend season-opening gala dinners. Supporters are given priority access to ticket reservations and receive two free tickets for a selected performance each season (*Tickets and Subscriptions*, 2024).

4. Theatre WestEnd (Sanford, Florida USA)

The Theatre WestEnd is not included among the benchmark theatres mentioned at the beginning of the thesis, but benchmarking analysis was expanded, because this theatre offers the option of a monthly subscription. For the 2024/2025 season, the theatre provides unlimited access to its various performances and events with the monthly subscription. This subscription allows members to attend different performances and participate in various supplementary programs. This subscription offers numerous benefits, in addition to providing access to all programs. One of these benefits is flexibility, as members do not have to commit to a specific play or date in advance and can spontaneously decide to go to the theatre. Of course, there is still the option

for advance seat reservations. Furthermore, subscribers have access to a dedicated VIP phone and SMS line, which simplifies and speeds up the booking process.

The Theatre West End All-Access Pass costs \$29 per month, which is significantly more affordable compared to the individual ticket price of \$39 per performance. Therefore, the subscription offers significant cost savings for members.

The subscription automatically renews, and after the first three-month commitment, members can choose a monthly, quarterly, or annual payment schedule, providing additional flexibility for financial planning.

The Theater WestEnd has no patronage group, so no analysis can be conducted regarding this (*Theater West End*, 2014).

5. Théâtre Vidy-Lausanne (Lausanne, Switzerland)

The Théâtre Vidy-Lausanne offers a "pick your price" monthly subscription for the 2024/2025 season, which allows viewers to choose the pricing that suits their financials.

The biggest advantage of the monthly subscription is that it allows the visitor to attend on various performances offered by the theatre without any limitations. The subscription is non-transferable, as each subscription comes with an ID card with photo, but the date can be rebooked if the originally selected time is not suitable. If the visitor wishes to attend a performance that is already sold out, they can request a notification if a seat becomes available again.

The subscription fees range from 25 to 40 CHF per month, with an additional 60 CHF "Duo" rate available, providing access for two people. A discounted monthly fee of 15 CHF is available for individuals under 26.

The subscriber can choose from several payment options. One option is to pay for the subscription in a lump sum, while the other option is to pay in monthly installments. However,

in this case, two months' worth of payment must be made upfront when the subscription is created.

The subscription can be purchased online, at the theatre's box office, or offline through the theatre's official website.

Ami-e-s du Théâtre Vidy-Lausanne

The "Ami-e-s du Theatre VidyLausanne" membership serves as an add-on to the "pay what you can" subscription. The membership includes benefits such as a private conversation with the director every six months, participation in rehearsal and stage rehearsals. Members also could engage in a short, informal discussion with the director about their current production (*Vidy - Online Ticket Sales, 2024*).

6. Odéon–Théâtre de l'Europe (Paris, France)

The Odéon–Théâtre de l'Europe, one of Paris' leading theatres, offers 3 subscription options for the 2024/2025 season, allowing the audience to access the theatre's seasonal programs. These options are the "Abonnement 3 à 6 spectacles", Under 28, and the Subscription for disabled people.

Each subscription allows the purchaser to select a minimum of 3 and a maximum of 12 performances and corresponding dates, ensuring a reserved seat for each performance. These subscriptions do not offer flexibility, as the selected performances and dates cannot be modified. The biggest advantage of the subscription is the pricing, as a full-price ticket, typically costing 42€, can be purchased for 32€ per performance, which represents a 24% discount. With the "Abonnement 3 à 6 spectacles" category, tickets can only be purchased for first-class seats. The Under 28 subscription allows tickets for both first and second-class seats to be purchased at an additional 50% discount, while the Subscription for disabled people allows tickets to be purchased for performances at 22€.

Odéon Circle

The Odéon Circle provides its members with the following benefits: the opportunity to make advance ticket reservations before the official sales period and to purchase last-minute tickets. Members can participate in exclusive events with the artists, such as gala dinners or informal discussions. They also can attend the official presentation of the next season and participate in other cultural programs organized by partners. Additionally, members receive personalized newsletters (*Book – Subscribe - Odéon - Théâtre de L'Europe, 2024*).

7. National Theatre of Catalonia (Barcelona, Spain)

The National Theatre of Catalonia offers various subscription packages for the 2024–2025 season. In the Multi-ticket category, subscribers can choose from 2, 3, 4, or even 10 performance packages, and there is also the option to purchase individual or pair packages. The Youth Pack category targets audiences under 35 and offers a 2-performance package. The performances in these packages can be freely selected, and certain performances can be attended for free with the subscription.

Owning a subscription guarantees advance seat reservations, as well as discounted parking in the parking lot next to the theatre. The flexibility is enhanced by the option to change the reservation date up to 24 hours before the performance. Additionally, the packages come with a 25% discount on additional ticket purchases, and discounts are also available at various cultural institutions.

During the single ticket sales, the theatre sells tickets at a unit price of 32 EUR, meaning that with subscriptions, tickets can be purchased at a discounted price. With the Multi-ticket option, the ticket price is 24€ for a 2-performance package, 22€ for a 3-performance package, 19€ for a 4-performance package, and 15€ for a 10-performance package. For the Youth pack, a single ticket costs 12€.

Subscriptions can be purchased both online and offline.

The theatre does not have a Support or Patronage program that is why no further analysis was conducted (*Teatre Nacional de Catalunya*, n.d.c).

8. Old Vic Theatre (London, England)

The Bristol Old Vic theatre introduces two new subscription options for visitors in the 2024/2025 season, aimed at providing discounted and flexible ticket purchasing for the audience.

The Theatre Subscription offers six tickets for 120 GBP, which can be used for six different theatre performances over the next 12 months. Subscribers can book a maximum of two tickets per performance, and the subscription is only valid for weekday performances. The Studio Subscription costs 60 GBP and offers six tickets for performances on the studio stage, which can be used for six different performances within the next 12 months. Subscribers can book a maximum of two tickets per performance.

In addition to the discounted ticket prices, the subscriptions do not offer any other benefits.

Membership

Those who wish to support the theatre's work can subscribe to a monthly or annual Membership. The membership is offered in 3 price categories and provides benefits such as priority ticket booking, discounts at the theatre's restaurant and café, and free participation in a guided tour of the theatre (*The Old Vic | Entertain Something New*, 2018).

9. Piccolo Teatro di Milano (Milano, Italy)

For the 2024/2025 season, the theatre offers 3 different subscription options for visitors.

The Classic Subscription can be purchased for 4 performances at 84€ or for 8 performances at 148€. 22% discount is available for those under 26 and over 65. The performances and their dates must be selected at the time of purchasing the subscription. Once the purchase is made, the dates cannot be changed.

The ORO Subscription can be purchased for 4 performances at 120€ or for 8 performances at 216€. A 26% discount is available for those under 26 and over 65. This subscription offers the flexibility to choose performances, as there is no need to select the performance dates at the time of purchasing the subscription.

The Supporter Subscription category combines both the cost of the subscription, and the support provided to the theatre. With the subscription, there is the opportunity to purchase a total of 25 tickets for different performances, along with benefits such as a private backstage tour. The Supporter Subscription costs 3,000€, which is made up of 500€ for the tickets and 2,500€ as the donation. This premium subscription not only provides tickets to performances but also offers a higher level of support to the theatre, encouraging the audience to actively contribute to the development of the institution.

In addition to the Supporter Subscription, the theatre does not offer any other support options for individuals (*Subscribe with the Piccolo*, 2023).

10. National Theatre of Scotland (Glasgow, Scotland)

In this theatre, there is no option to purchase a subscription for the 2024/2025 season, so no further analysis was conducted on this topic.

Individual Donor Support

The theatre offers monthly and annual membership options for individuals to support the theatre. The benefits of membership include: a private tour of the set and costume workshops, discounted tickets for selected performances, and behind-the-scenes news from the artistic director (*National Theatre Scotland*, 2017).

11. Abbey Theatre (Dublin, Ireland)

In this theatre, there is no option to purchase a subscription for the 2024/2025 season, so any further analysis was conducted on this topic.

Patron Options

The theatre offers various supporter options for those who wish to contribute to the preservation of Irish theatre culture.

Membership comes with benefits such as: VIP ticket service, advance ticket booking, access to exclusive news, participation in post-performance discussions, and invitations to VIP events. Additionally, it offers the opportunity for members' friends and family to join backstage tours, and members can meet the ensemble after the performance (*Abbey Theatre*, n.d.).

12. Aarhus Theatre (Aarhus, Denmark)

In this theatre, there is no option to purchase a subscription for the 2024/2025 season, so no further analysis on this topic was pursued (*Aarhus Theatre*, 2016).

Appendix 22. Benefits of the Monthly Strategy

Benefits	Member	Supporter
Extra ticket for guest	1 extra ticket with 10% discount	3 extra ticket with 10% discount
Priority seat reservation	✓	✓
Modification of seat reservation	✓	✓
Monthly email	✓	✓
Backstage tour	✓	✓
Invitation for the Presentation of the Next Season event	✓	✓
Free of charge beverages	✗	✓
10% discount in the café	✗	✓
Post-performance talk with the creators and artists	✗	✓
Invitation to the Opening Night Performance and Cocktail event	✗	✓
“Work in Progress” Program Series	✗	✓