

To: Board of Management

From: Shanna E. Young
Executive Director
Marketing & Communications

Subject: **MEMBERSHIP UPDATE FOR 2009 AND 2010 GOALS**

Date: 2010-04-16

Summary:

This report will update the Board on the 2009 results and 2010 goals for the Zoo's Membership program.

Recommendation:

It is recommended that this report be received for information.

Background:

The Toronto Zoo is Canada's premier zoo that focuses on interactive education and conservation activities and provides a unique wildlife experience that inspires people to live in ways that promote the well-being of the natural world. Early on in the Zoo's 36 year history, the Membership program was developed and introduced for visitors to build support for Zoo education programs and long-term loyalty to the Zoo's mission. Since its inception, the Membership program has steadily grown with Members recognizing the value that Zoo educational programs and the on-site experience provides for their families. Various membership categories are offered to provide relevant options for visitors to support the Zoo.

Comments/Discussion

In 2009, the overall Membership household base reached its highest level to-date at 33,619 representing 137,947 people. Performance of Membership household levels by category for the past six years is outlined in the following chart:

Membership Category Breakdown						
Category	2009	2008	2007	2006	2005	2004
Family	17,372	15,341	15,998	13,959	14,116	14,421
Grandparent	470	407	368	308	303	307
Dual	8,129	7,787	7,454	6,867	6,334	5,608
Individual	2,910	2,834	2,605	2,443	2,326	2,242
Single Family	1,558	1,435	1,515	1,432	1,523	1,572
Senior	1,487	1,495	1,524	1,562	1,629	1,732
Student	1,340	1,451	1,270	1,356	1,702	1,578
Keeper/Chairman/Curator	73	80	102	110	117	178
Life	280	280	282	282	282	279
TOTAL	33,619	31,110	31,118	28,319	28,332	27,917

In 2009, the financial results well exceeded the 2009 budget objective. Net sales revenue achieved was \$3,335,133 an increase of 9% over 2008. Revenue per membership household is \$99.20 (\$98.61 in 2008). Total expenses to administer the membership program for 2009 were \$759,323 or \$22.59 per membership (\$22.41 in 2008). The small increase in expenses in 2009 is due to an acquisition project costs being contained in 2009 (This project will be in market in early spring 2010).

	2009 Year-end (Unaudited)	2009 Budget	2008 Actual	% Variance 2009 vs 2008
2009 Results				
On-site sales	\$1,571,056	\$1,547,300	\$1,400,220	12%
Renewals	\$2,080,865	\$1,866,700	\$1,777,224	17%
Gross Sales	\$3,651,921	\$3,414,000	\$3,177,444	15%
Less deferral	(\$227,282)	(\$77,298)	(\$27,636)	722%
Less discounts	(\$23,756)	(\$25,000)	(\$20,480)	16%
Less bank charges	(\$65,750)	-	(\$61,563)	7%
Net Sales Revenue	\$3,335,133	\$3,311,702	\$3,067,765	9%
Events	\$9,324	\$10,000	\$9,271	1%
Other Revenue	\$16,236	\$25,000	\$21,685	-25%
Total Revenue	\$3,360,693	\$3,346,702	\$3,098,721	8%
Expenses	\$759,323	\$781,326	\$697,021	9%
Excess of Revenue over Expenses	\$2,601,370	\$2,565,376	\$2,401,700	8%

Membership database

A comprehensive database is maintained for Membership to ensure that Member households accurately receive the mailings of Collections and Newsprints magazines, special member event information, educational program registrations, periodic donation direct mail campaigns and other important Zoo information and news. In addition, the collection of member email addresses is encouraged so that information can be sent electronically.

Sales

Memberships can be purchased all year on the Zoo website, at the Membership office on-site and at a second satellite kiosk during the peak May to September period. In 2009, new sales accounted for over 43% of gross membership revenues, generating \$1,571,056.

Renewals

In 2009, membership renewals accounted for about 57% of gross membership revenues, generating \$2,080,865 – a considerable increase from the 2008 renewal revenue of \$1,777,224 or +17%. The renewal or member retention rate improved in 2009 to 59.4% from 55.9% in 2008. The improved renewal rate can be attributed to the success of the short-term exhibit Sharks at Stingray Bay and the opening of the Tundra Trek exhibit. These initiatives were clearly communicated in our renewal mailings.

Marketing

Marketing the Membership program in 2009 included direct mail (renewals), on-site awareness building, Member publications (Collections & Newsprints) and through on-site signage and brochures. Various posters are installed on-site in key locations where visitors congregate, promoting the benefits of Zoo membership. In addition, special events, throughout the summer and shoulder seasons, have provided for increased overall awareness and encouraged new Membership sales.

Members Events

Five exclusive Member events were held in 2009. Member previews for Sharks at Stingray Bay – A Touching Experience (May, 2009) and Tundra Trek Exhibit area (July, 2009), a photo contest, Meet Santa program in December and Volunteer guided tours throughout winter. Advertising for these events was mainly through the Member publications, Collections and Newsprints, as well as periodic broadcast e-mail to our Member email group.

The four value-added events were very well received and consisted of the following:

- Sharks at Stingray Bay – A Touching Experience! Exhibit previews were held on May 11 and 12, with over 2,000 members attending
- Tundra Trek Exhibit previews were held on July 30 and 31, with 7,752 in attendance on both days
- The Member Photography Contest was very well received with over 500 photographs submitted. Winners of the contest received great prizes including retail gift certificates and free membership renewal. Winning photos are posted on the Zoo's website for member acknowledgment and public viewing

- Five Volunteer-guided tours were conducted between November and February, with participation from over 400 members. Members were provided with the opportunity to join in on a fun, educational Zoo tour with our very special, knowledgeable Volunteers who have insider information about the Zoo's keepers, curators, plants and animals.

For a nominal fee, ten 2-hour "Meet Santa Christmas Events" were held with approximately 1,000 Members participating. Participants were treated to various activities such as crafts, animal visits, a magic show, refreshments, and a visit, photo opportunity and treat from Santa Claus. In 2009, this event generated total proceeds in excess of \$1,100.

Member Communications

The Zoo communicates regularly with Members through three key channels:

- Collections – a 4-colour 20-page magazine
- Newsprints – a 4-colour 6-page newsletter
- Broadcast email group

Three issues of Collections and four issues of Newsprints were produced in 2009. In-depth conservation stories, recent Zoo news, events and educational program information are carried in these publications. Each issue is mailed to current Members, Board Members of the Toronto Zoo, City Council members and Donors.

Communication with Members through broadcast e-mail continued in 2009 allowing instant correspondence of Zoo upcoming events. Increased communication with Members has encouraged more visitation and on-site spending. There are over 17,000 registered e-mail addresses in our newsgroup. All members are requested to enlist in the Zoo's e-mail newsgroup through completion of a membership application form and are reminded to enlist in the Zoo's newsgroup in every publication issue of Newsprints and Collections.

Other Activities

A membership price increase was implemented January 1, 2009. This increase was to catch up to the gate admission increases since May, 2007.

Membership Acquisition Campaign

An RFP was completed in the fall of 2009 for the provision of services of a membership acquisition marketing strategy for a spring 2010 implementation date. The contract was awarded to TCP Integrated Marketing for the review and production of a membership acquisition strategy of generating an additional 1,000 new members. The campaign was launched in March.

Membership Office Work Station Replacement

The Membership staff office area housing three full time clerks and one additional seasonal clerk during the peak summer months received new work stations, along with new carpeting installed throughout the M&C building. The redesign of this back office has improved the space use, efficiency and safety of the work area.

Membership Kiosk Window Replacement

The pull-up windows in the membership kiosk have been upgraded to a garage-style roll up windows which are light in terms of weight construction, easier to operate and provide better safety measures for staff and guests.

Membership Poster and Signage Update

The Membership lobby was updated with new posters with new visuals and the updated Zoo logo. In addition, the window coverings were replaced with new animal visuals. The signage on the Membership Sales Kiosk at the Zoo front entrance was also updated.

Membership Collateral Printing

An RFQ was issued in the spring of 2009 for a pricing competition for the printing of the Zoo's membership marketing materials. The RFQ resulted in awarding the printing contract to a new vendor, Graphics Dimensions. The contract was awarded for a one-year term, with an option to renew for two years.

THE 2010 PLAN

Service Level Assumptions, Goals & Activities

In 2010, the following service level assumptions are expected:

- To achieve at least 33,500 membership households.
- Generate \$3,424,000 in Gross Revenue
- Improve the renewal/retention rate above 60% (2009 year-end rate of 59.4%)
- Undertake a formal review and analysis of the overall membership program and structure for the long-term
- Ensure excellent service performance through timely fulfilment of membership purchases and exemplary delivery of customer service

Membership Price Adjustment

Effective July 1, 2010, the province of Ontario (along with British Columbia) will implement the Harmonized Sales Tax (HST). Ontario will merge its 8% retail sales tax (PST) with the 5% goods and services tax (GST) for a harmonized rate of 13%.

With the change in general gate pricing due to HST implementation effective July 1st, the membership pricing will follow suit to ensure legislated compliance.

Membership Acquisition Campaign

In market for spring 2010 is a membership acquisition campaign awarded to TCP Integrated Marketing to generate 1,000 new members.

Renewals

As in previous years, two direct mail programs will be executed each month for membership renewals (1st and 2nd reminders). Communications will reinforce the return of the short term Sharks at Stingray Bay exhibit, the new Conservation Carousel ride, and the recently opened 10-acre Tundra Trek. Two early renewal offers will be tested: a 10% discount on the fee and a 13-month term (versus 12 months) to determine which offer drives improved renewal.

On-Site Sales

On-site sales will continue to be offered through three points of sale – the Membership office, Membership kiosk and the Zoo's Member & Guest Services Admission booth.

Training of non-permanent staff will be done to help shift the sales focus from reactive to proactive when interacting with visitors on-site.

Staffing

The addition of a dedicated Membership data entry staff during the peak period from May to August has assisted in keeping up with the volume of data entry work during the summer months. With the membership base increasing and to ensure that we keep up with timely service delivery for our Members, one non-permanent staff person is included in the staffing complement during the peak season to assist our three full-time staff in the back office. This person is dedicated to membership data entry and fulfillment to ensure that we turn around memberships within the two-week target period. With the continuing growth in membership and the warm weather trend and increased visitation in the spring, non-permanent staffing has been reviewed and adjusted accordingly to ensure continued provision of Member services, as required.

Exclusive Members Events

Programs planned for 2010 include:

- Special Member previews of the Sharks @ Stingray Bay exhibit
- Exclusive Volunteer guided tours
- Members' visit with Santa
- Member only Photo Contest

New Initiatives:

1. Conversion to a new Membership database system

The current membership database system in use, FR100-supported by Microsoft FoxPro technology platform, will no longer be supported by Microsoft effective January 2010. A replacement database system will be required. An RFP is scheduled to be issued in spring 2010 for the provision of a Development/Membership consulting service for the Zoo's Development and Member & Guest Services Branches.

2. Separate Membership Webpage Under Construction

The creation and implementation of a dedicated member website has been added to the newly hired Zoo webmaster's current list of projects for completion and will allow for an enhanced communication channel to all our members.

3. On-line Membership Sales

Along with the implementation of an on-line admission ticketing system project is the implementation of an on-line membership purchasing system. For Zoo membership on-line purchase, instant on-line full payment processing can generate an electronic receipt which can then be used for verification of membership purchase and presentation for immediate use of membership for admission to the Zoo. This will greatly enhance the

service experience for new Members without having the need to queue in line in the Membership office for confirmation of successful processing of on-line Membership sales and a hand-stamp to be allowed admission to the Zoo.

Shanna E. Young
Executive Director
Marketing & Communications