

Public Media
Futures Forum

Funded by the Wyncote Foundation

THE FUTURE OF MEMBERSHIP

#MEMBERSHIPFUTURES



WYNCOTE FOUNDATION

GREATER
PUBLIC



Currentorg
For people in public media



STATION RESOURCE GROUP

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Conclusions

- Public Radio Strong. Public TV is Stable.
- Top-line Numbers Mask System Imbalances.
- All Stations Face Significant Challenges.
- Shift to Mobile May Be More Disruptive.
(than First Wave of Internet Service)
- (IMHO) System Growth Will Require Shared Infrastructure and Service Outsourcing.
- The Path Ahead is BOTH Different and Better.

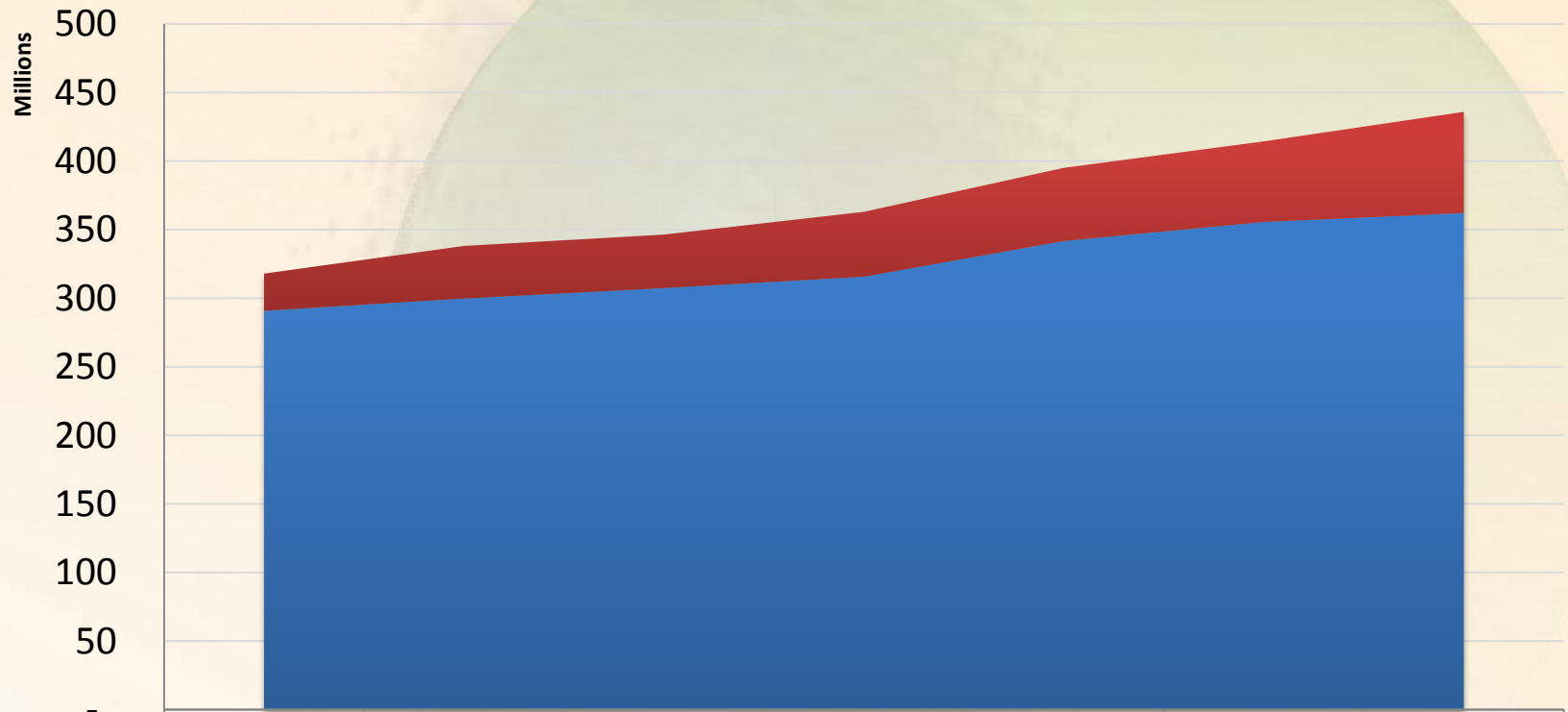
Top-line View

PUBLIC RADIO IS STRONG
PUBLIC TELEVISION IS STABLE

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Radio

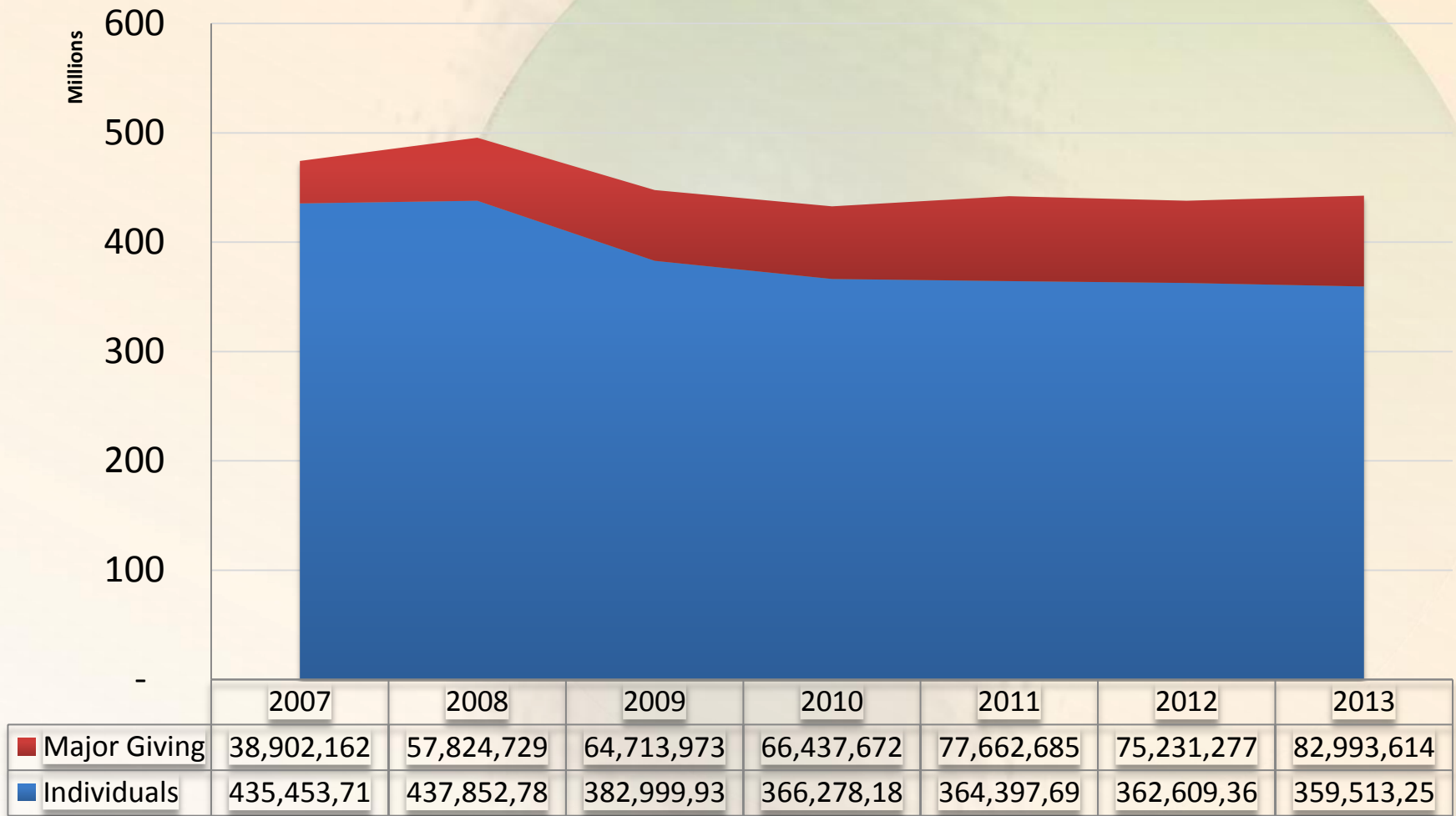


	2007	2008	2009	2010	2011	2012	2013
■ Major Giving	27,073,399	38,381,186	38,980,437	47,425,758	53,233,454	58,893,288	73,752,939
■ Individuals	290,827,97	299,683,90	307,374,63	315,690,41	341,823,16	355,543,52	362,217,92

Courtesy Moutapha Abdul, CPB
based on Station Annual Financial Reports

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Television



Courtesy Moutapha Abdul, CPB
based on Station Annual Financial Reports

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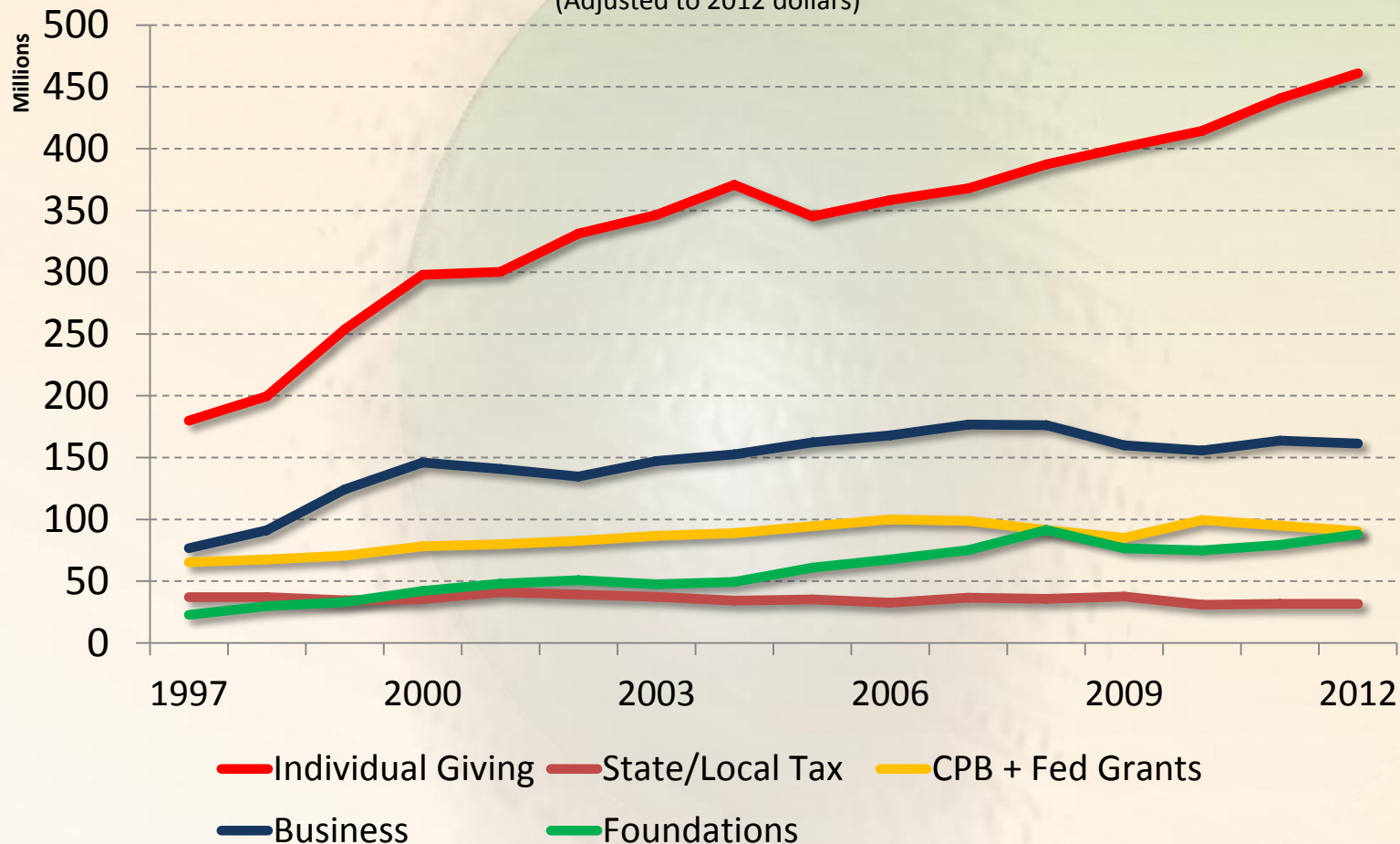
IN PUBLIC RADIO INDIVIDUAL GIVING IS DRIVING GROWTH

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Major Revenue Sources - All Radio*

(Adjusted to 2012 dollars)



System Growth: 2007 – 2013

(285 CPB ELIGIBLE RADIO)

**Membership
Revenue**

↑ 28%
+ \$68,000,000

Source: CPB AFRs

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System Growth: 2007 – 2013

190 **SMALLER*** PUBLIC RADIO STATIONS

**Membership
Revenue**

 **9%**
+ \$4,930,000

*Smaller = under \$2.5 million revenue 2013

Source: CPB AFRs

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System Growth: 2007 – 2013

35 **NFCB** STATIONS

**Membership
Revenue**

 **9%**
+ \$740,000

System Growth: 2007 – 2013

(285 CPB ELIGIBLE RADIO)

**Members
File Growth**

↑ 20%
+ 450,000

Source: CPB AFRs

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System Growth: 2007 – 2013

190 **SMALLER** PUBLIC RADIO STATIONS

**Members
File Growth**



-2%

-9,600

System Growth: 2007 – 2013

35 **NFCB** STATIONS

**Members
File Growth**



-11%

- 9,100

System Growth: 2007 – 2013

(285 CPB ELIGIBLE RADIO)

Major Gifts

↑ 167%
+ \$42,000,000


Source: CPB AFRs

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System Growth: 2007 – 2013

190 **SMALLER** PUBLIC RADIO STATIONS

Major Gifts

 **177%**
+ \$4,106,000

Source: CPB AFRs

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System Growth: 2007 – 2013

35 **NFCB** STATIONS

Major Gifts

 **175%**
+ \$394,000

System Growth: 2007 – 2013

(285 CPB ELIGIBLE RADIO)

**Individual
Giving**

↑ 41%
+ \$110,000,000

Source: CPB AFRs

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System Growth: 2007 – 2013

35 **NFCB** STATIONS

**Individual
Giving**

 **13%**
+ \$1,135,000

ALL NFCB STATIONS



4

**THE BIGGEST SYSTEM CHALLENGES:
GROWTH IS CONCENTRATED
OUR SYSTEMS ARE OLD**

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Licensee Cohorts (RADIO ONLY)

Group	Total Direct Revenue in FY13	# in this Group
Very Large	\$20 million and over	8
Larger	\$5 million to \$19.99 million	39
Medium	\$2.5 million to \$4.99 million	48
Smaller	Under \$2.5 million	190

Growing (or not) in Different Directions 2007 – 2013 RADIO ONLY!

The “Very Large” and “Larger” Cohort
(47 Lic. With 2013 gross revenue over \$5 million)

- 90% of file growth
- 76% of Total Revenue growth

The “Smaller” Cohort
(190 Lic. With 2013 gross revenues under \$2.5 million)

- Lost 9,000 members* , and
- Grew Total Annual Member Revenue by only \$4 million over 6 yrs. (Avg: \$21,000/lic.)

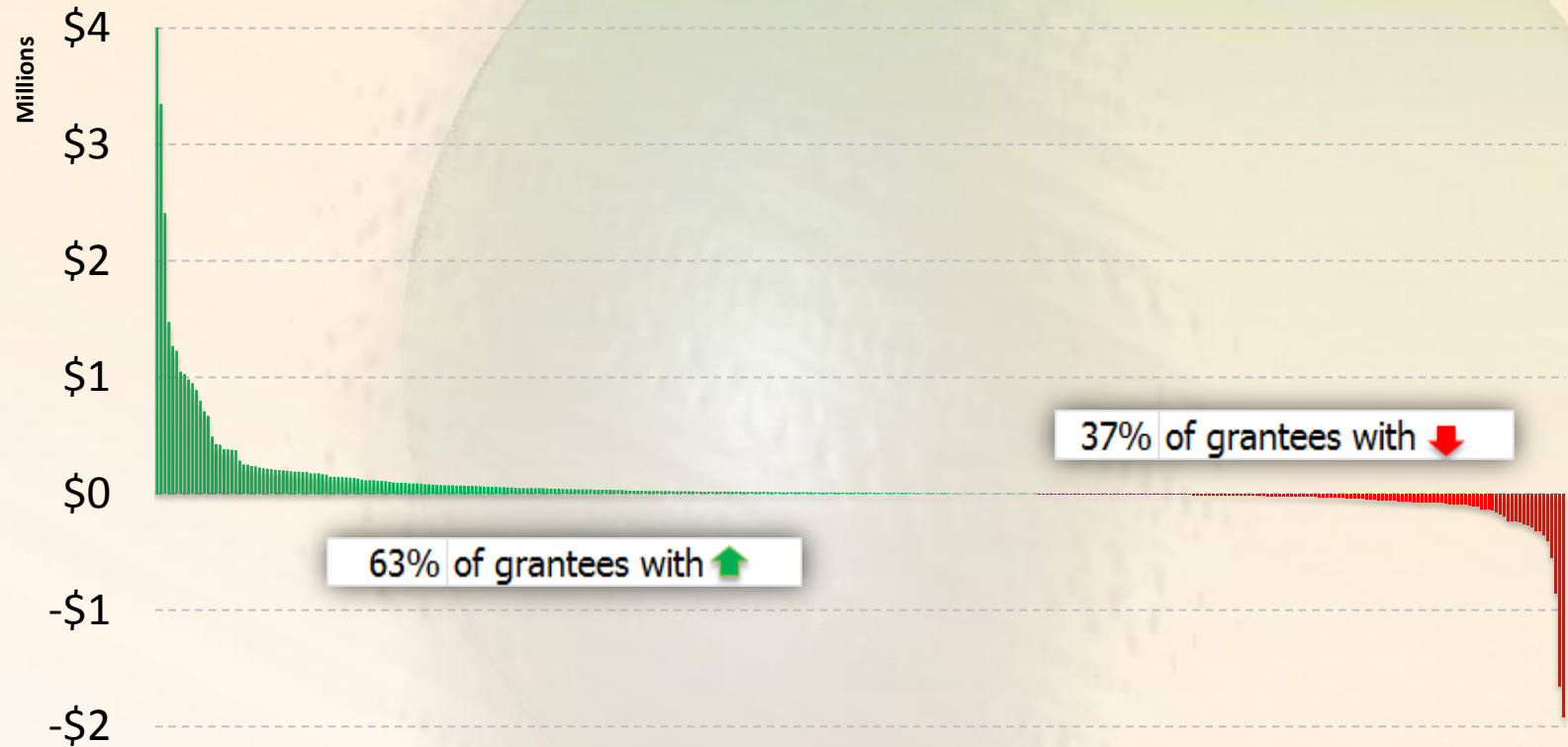
* Half of the Smaller licensees lost members from '07 – '13

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Increase in Individual Support, Radio (Incl. Major Gifts):

Just one year: 2013 vs. 2012



Courtesy Moutapha Abdul, CPB
based on Station Annual Financial Reports

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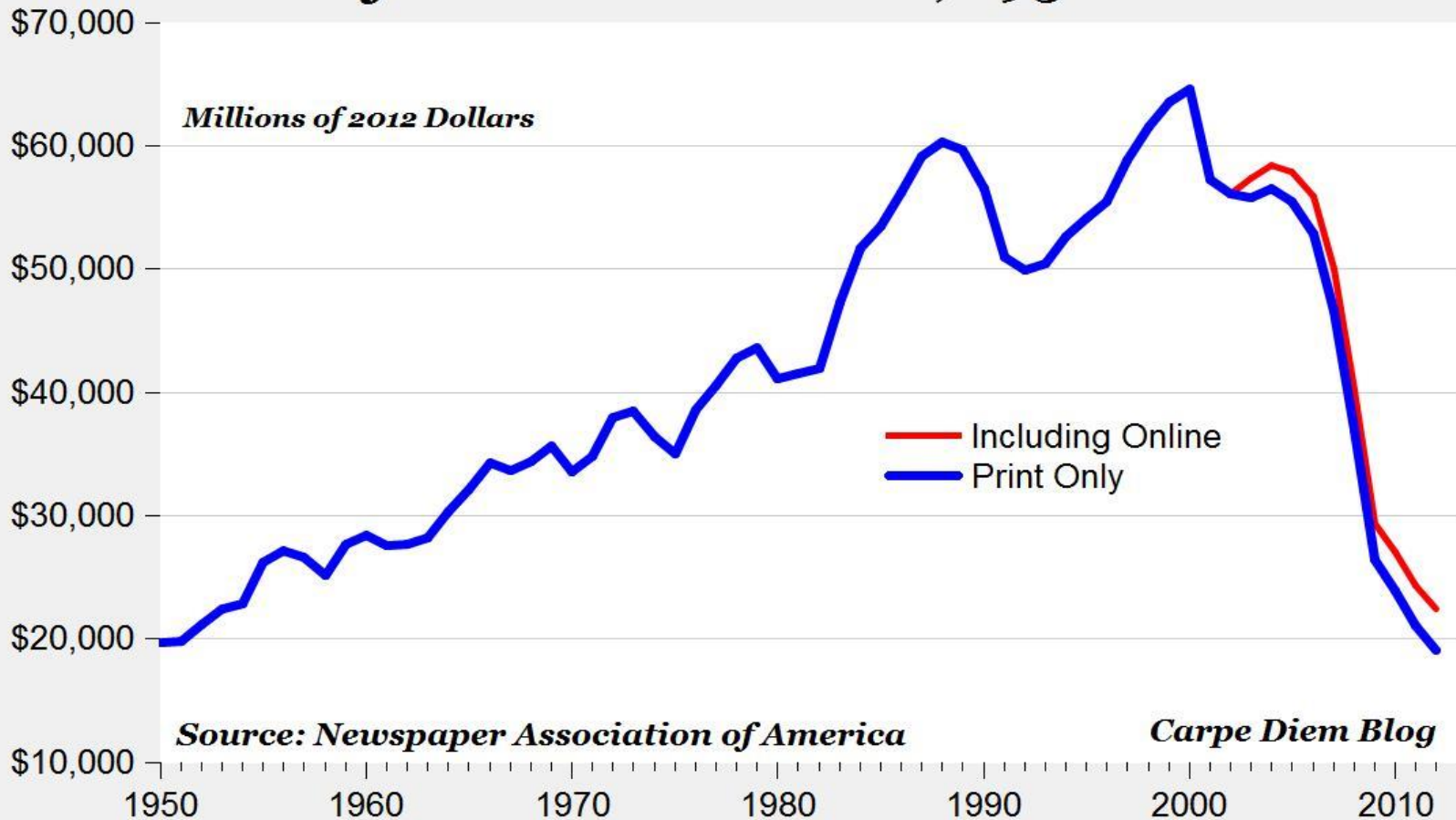


WHAT ARE WE AFRAID OF?
WHAT SHOULD WE BE AFRAID OF?

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Newspaper Advertising Revenue Adjusted for Inflation, 1950 to 2012



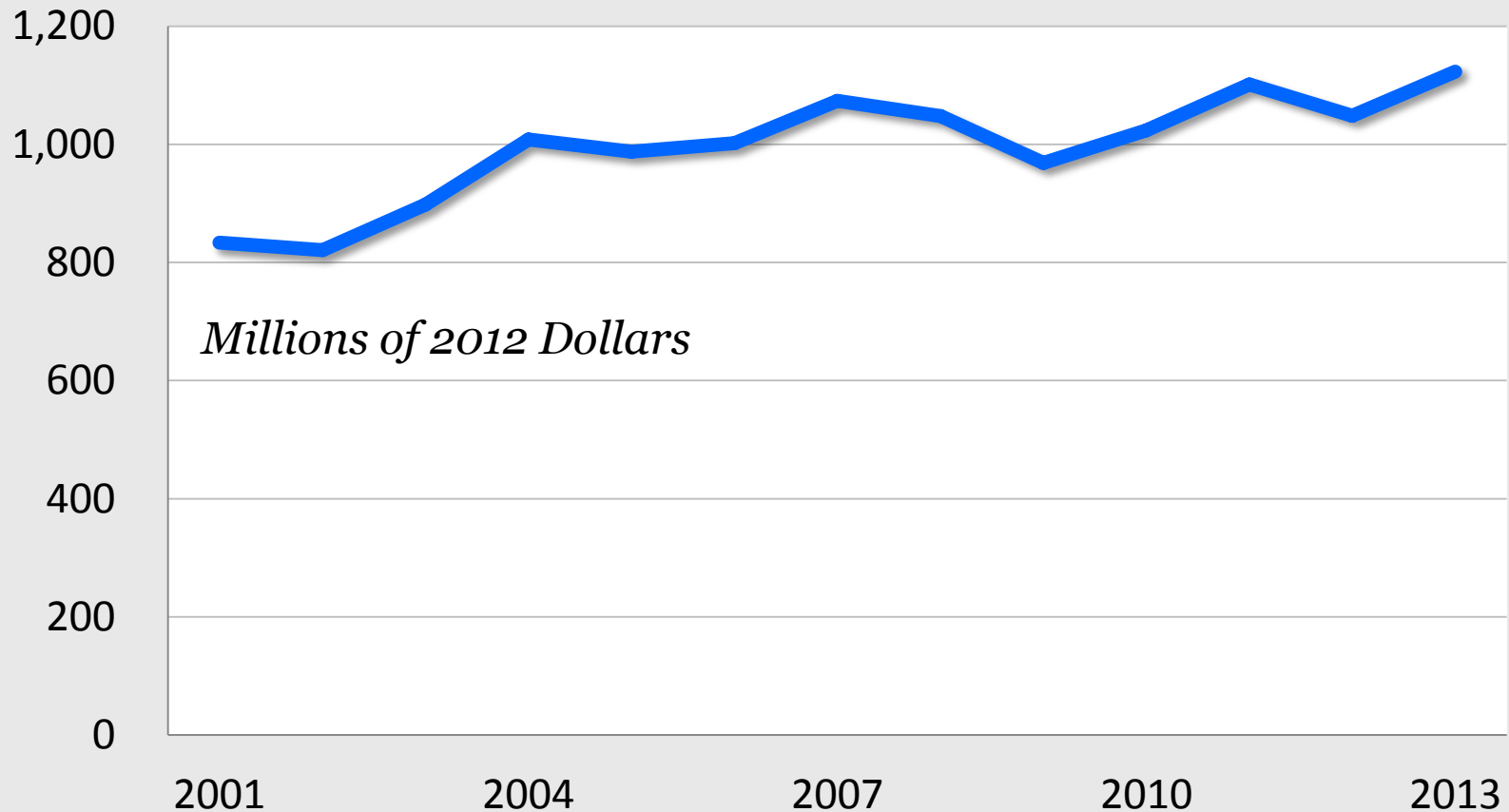
Thank you to Bill Davis, SCPR,
for providing this slide.

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Public Radio Station and Major Network Revenues

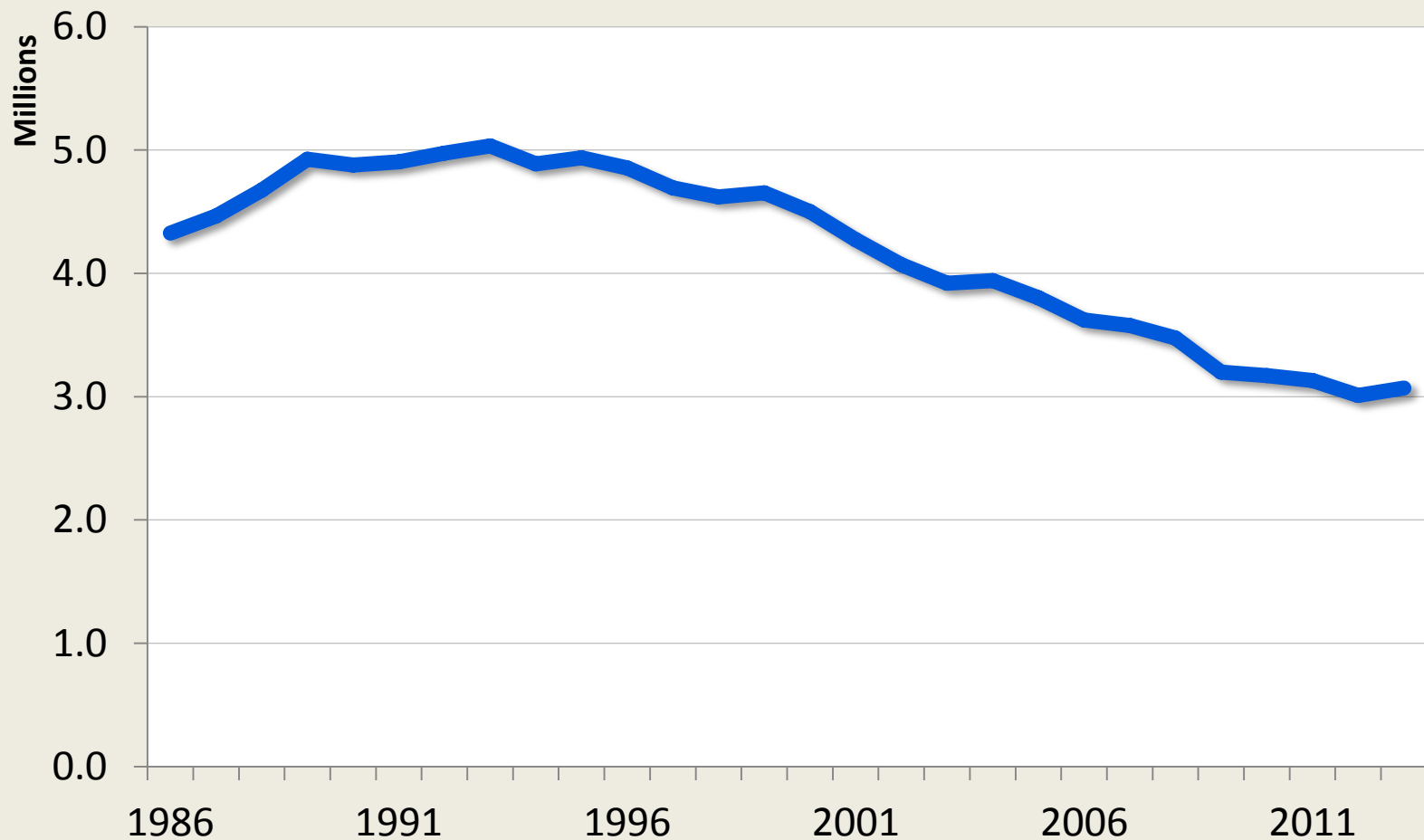
Approx. Adjusted to 2012 dollars



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Public TV National Member File

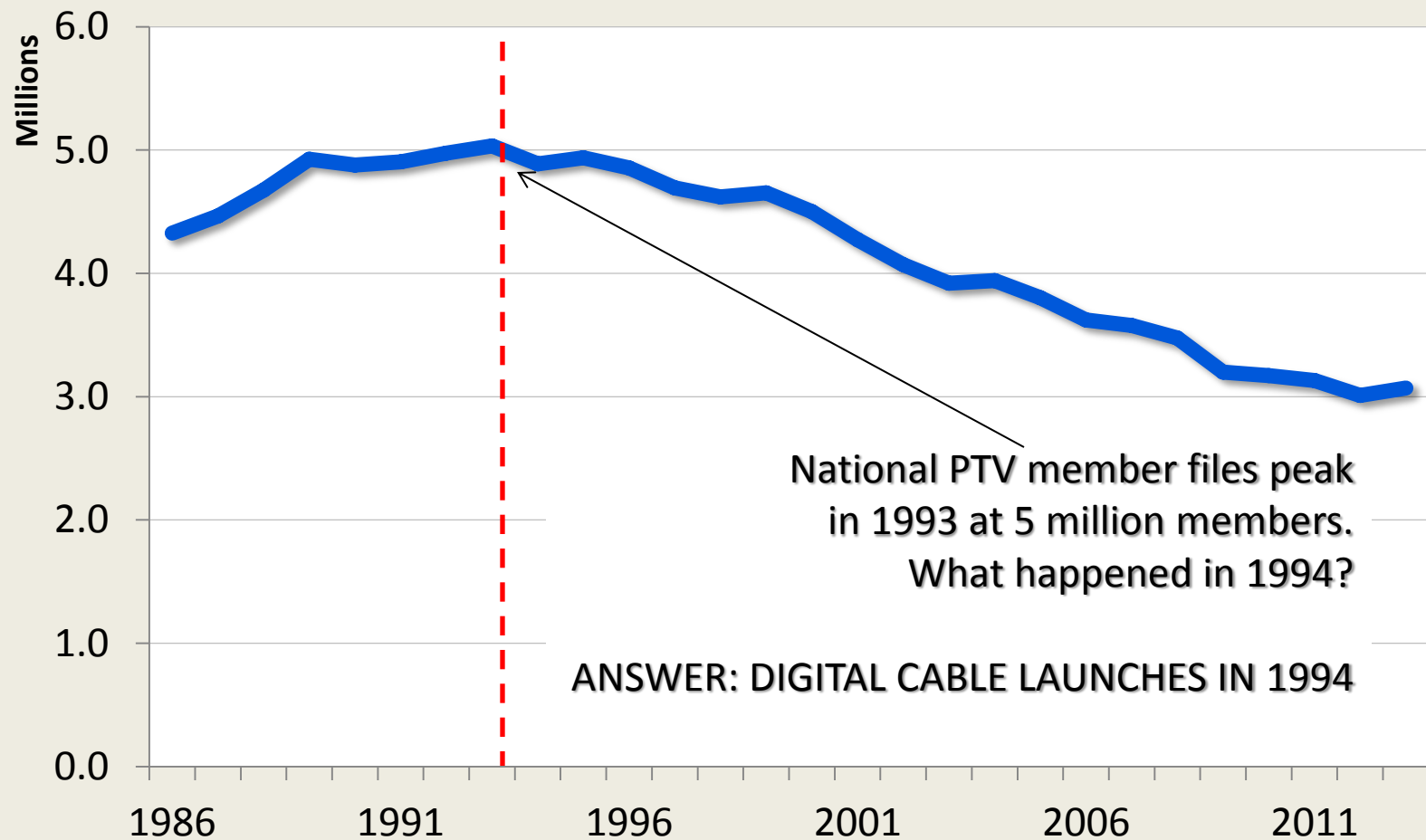


CPB Annual Financial Reports and
David Waterman, Ryland Sherman and SungWook Ji, The Economics of Online
Television: Revenue models, Aggregation and 'TV Everywhere,' August 2012

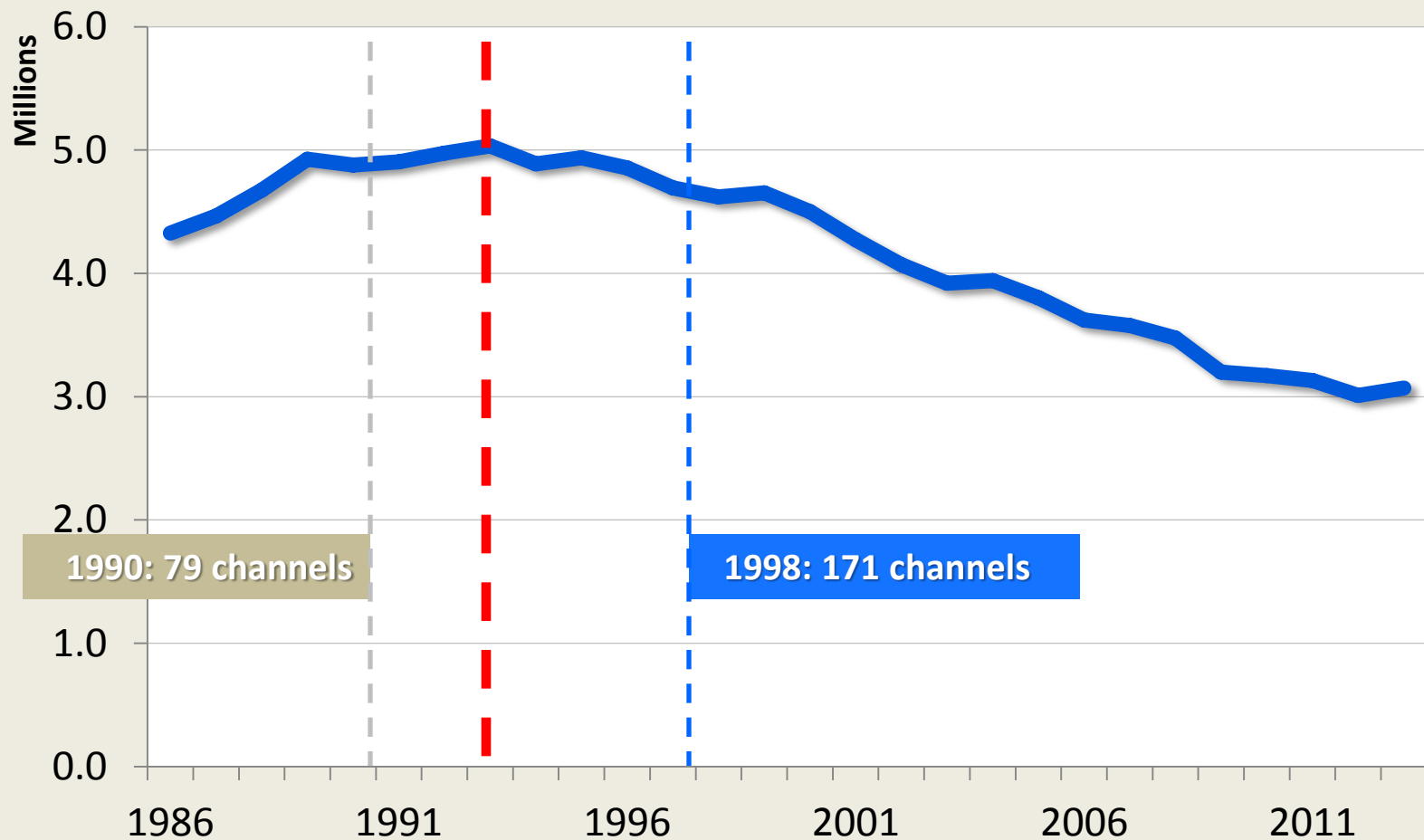
Futures Forum

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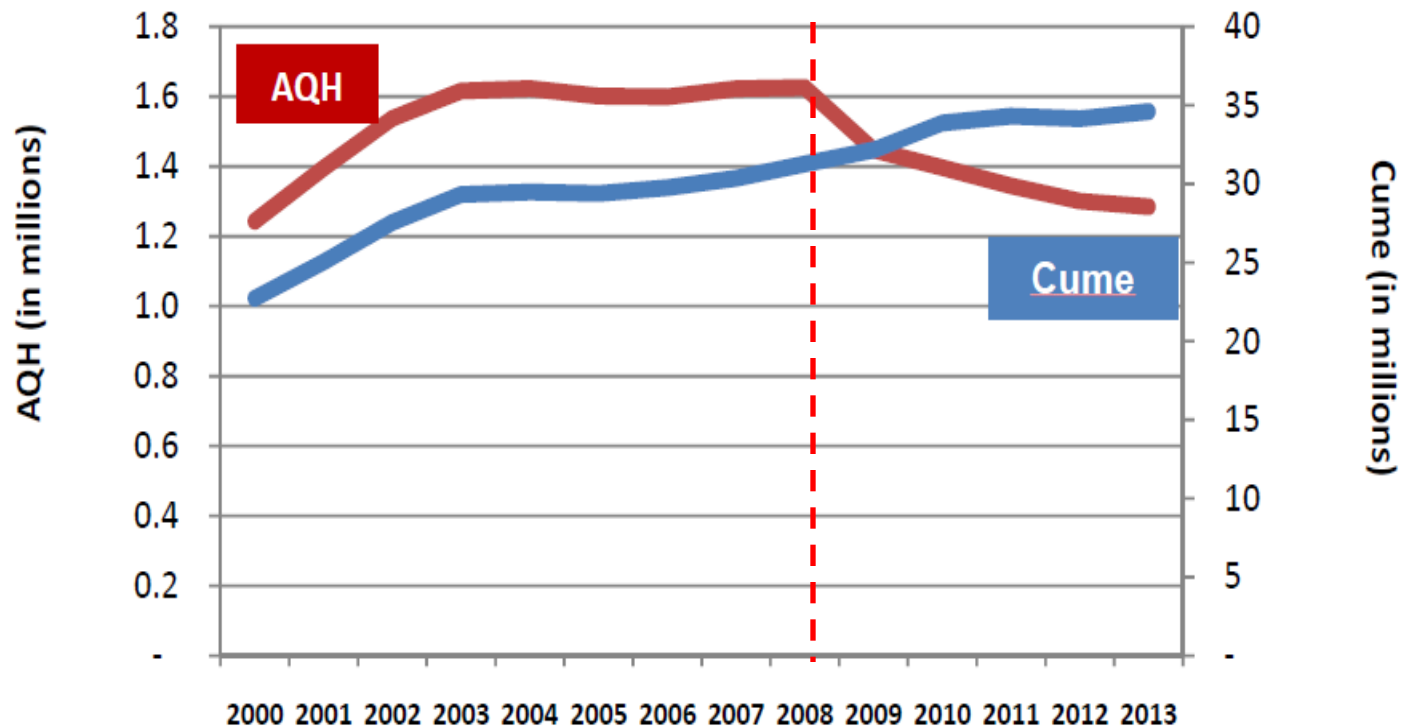
Public TV National Member File



Public TV National Member File

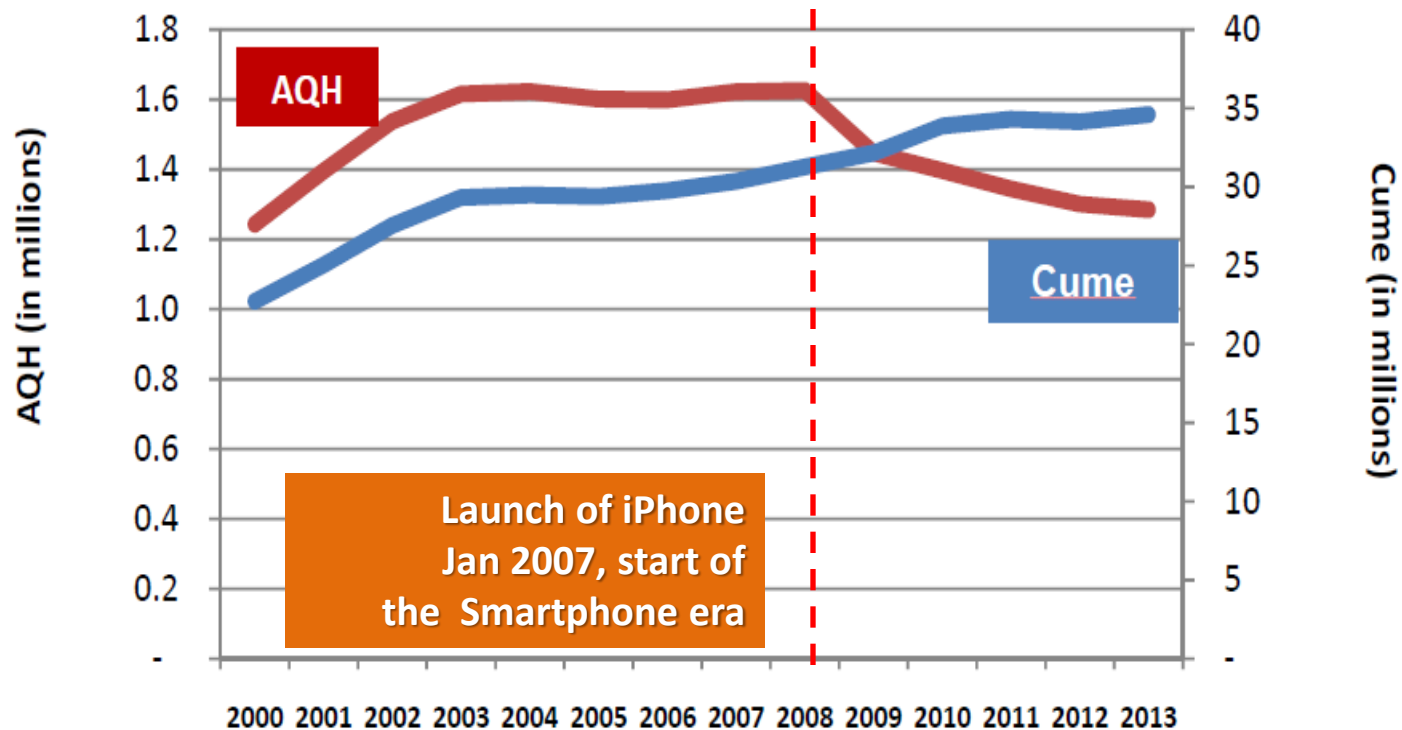


NPR Stations have lost 18% of their AQH since 2008



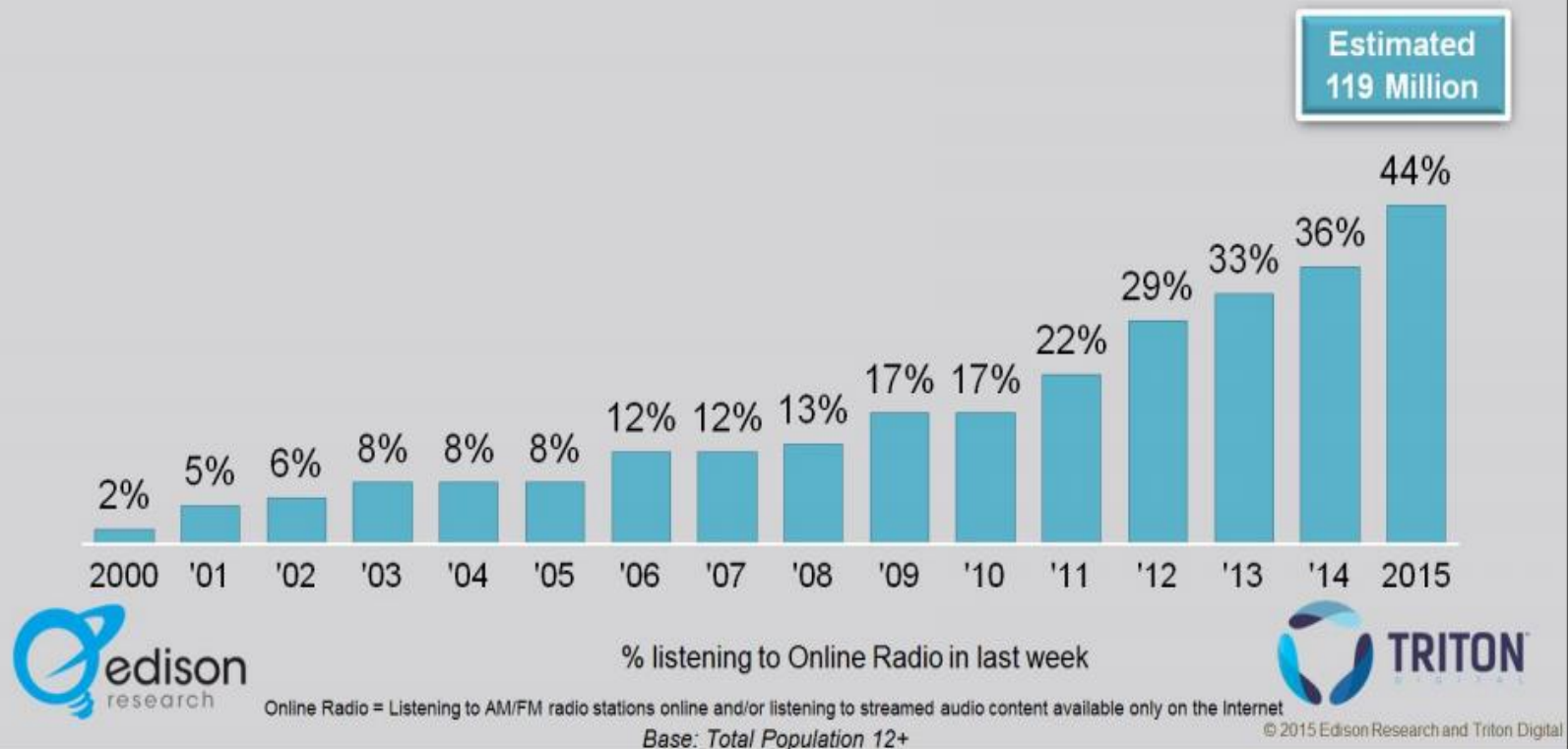
Source: ACT 1 Systems based on Arbitron Nationwide, Persons 12+, NPR Stations Monday – Sunday 6a-12 Midnight

NPR Stations have lost 18% of their AQH since 2008



Source: ACT 1 Systems based on Arbitron Nationwide, Persons 12+, NPR Stations Monday – Sunday 6a-12 Midnight

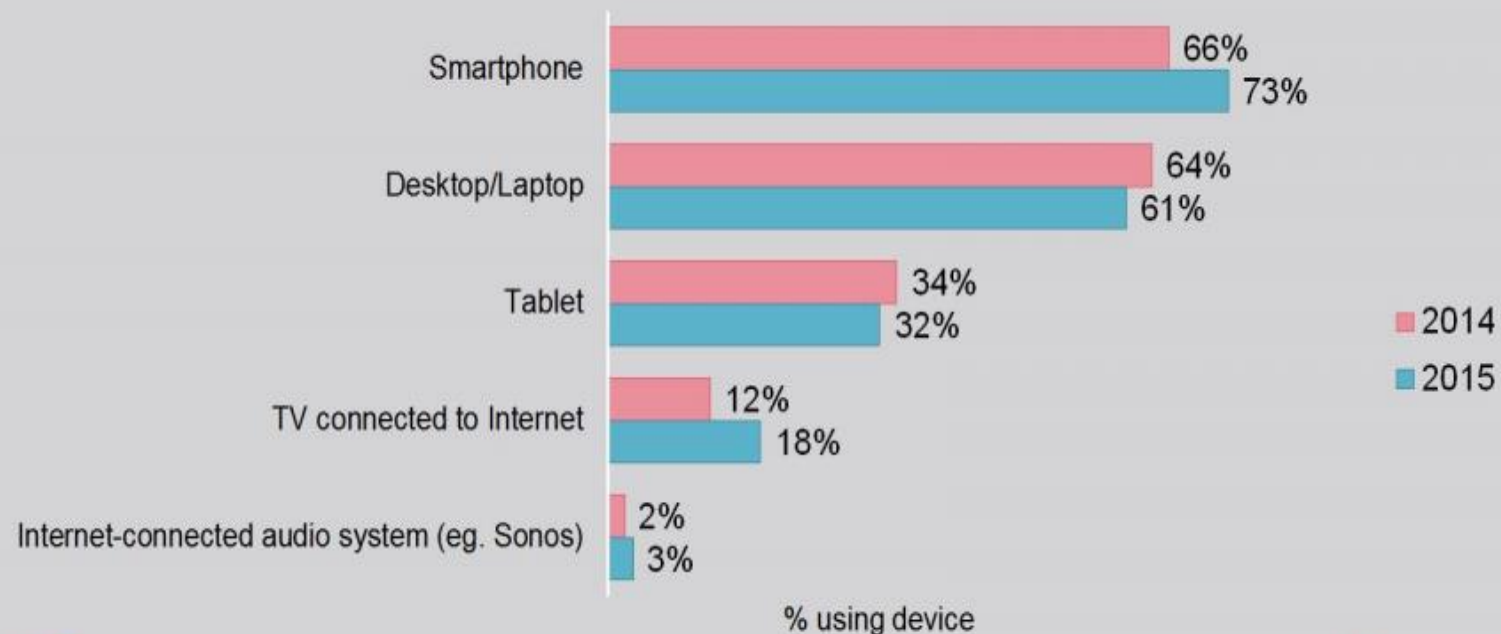
Weekly Online Radio Listening



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Devices used to listen to Online Radio



Online Radio = Listening to AM/FM radio stations online and/or listening to streamed audio content available only on the Internet

Base: Weekly Online Radio Listeners



© 2015 Edison Research and Triton Digital

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Pledge is Eroding

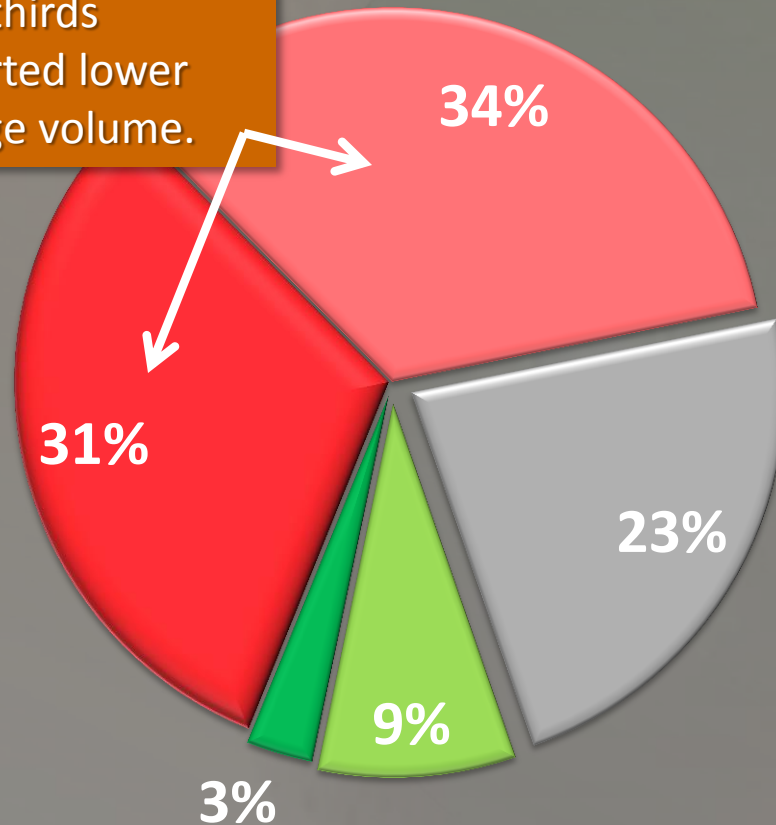
EMERGING PROBLEMS

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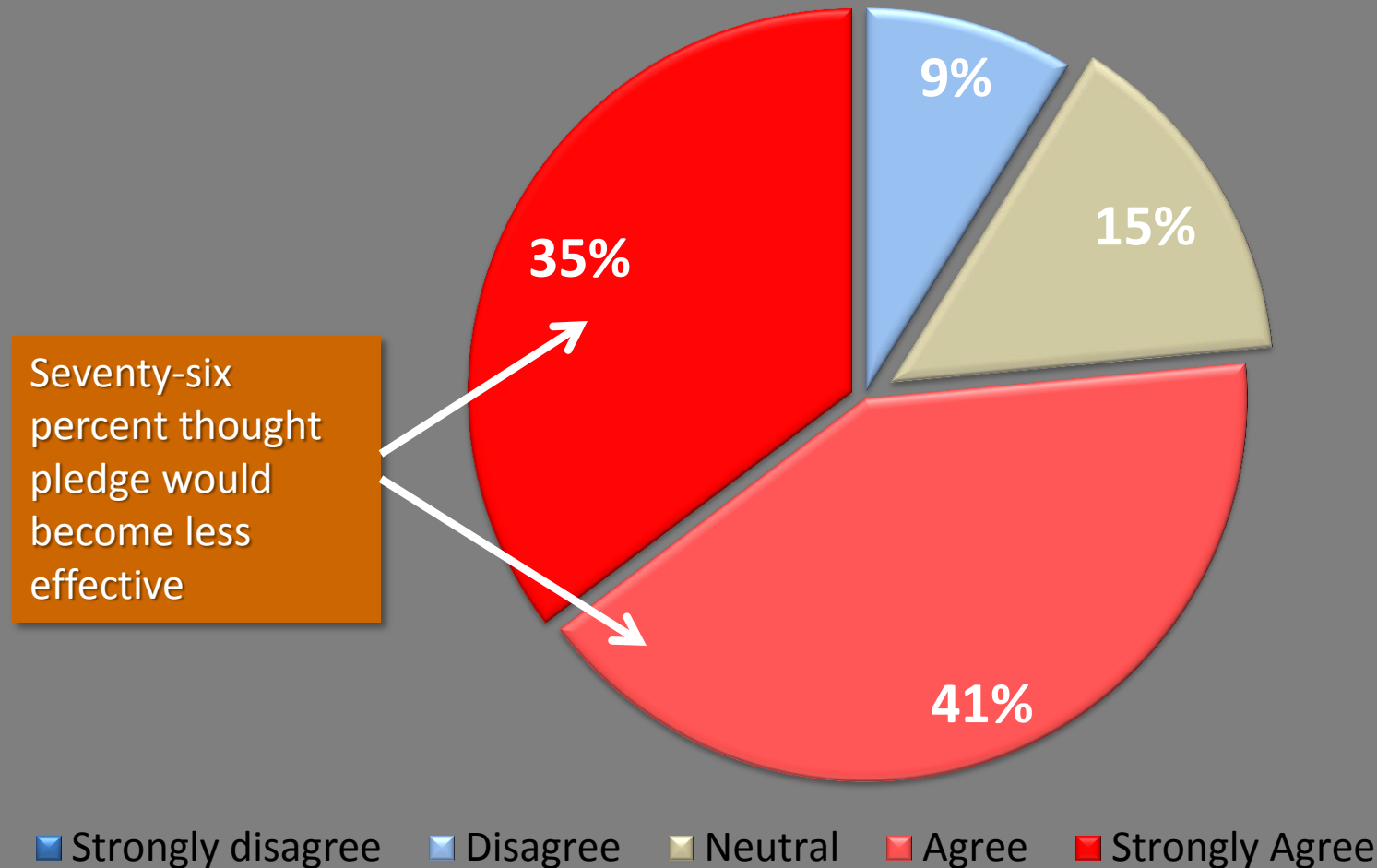
Are your pledge drives getting lower results?


Two thirds
reported lower
pledge volume.



- Yes... down 10% or more
- Yes... down less than 10%
- No... pledges are steady/flat
- No... up less than 10%
- No... Up 10% or more

Do you think Pledge Will Become Less Effective As Listeners Get More Audio Options?





35 Interviews with Senior Industry Found
No Consensus on the Path Forward

EMERGING PROBLEMS

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I asked 35 Senior Execs: If Pledge Declines... Do you see any alternatives?

- *I don't know of any [alternatives] that are as effective or that bring in the numbers*
- *We tried direct mail, but the numbers were not good.*
- *It's got to be something around digital...*
- *Events... perhaps charging for events and having events discounts be part of that...*
- *It would have to be a long-term build and a large technology investment.*
- *Big data--we are just beginning to understand what our audience is doing in real time.*

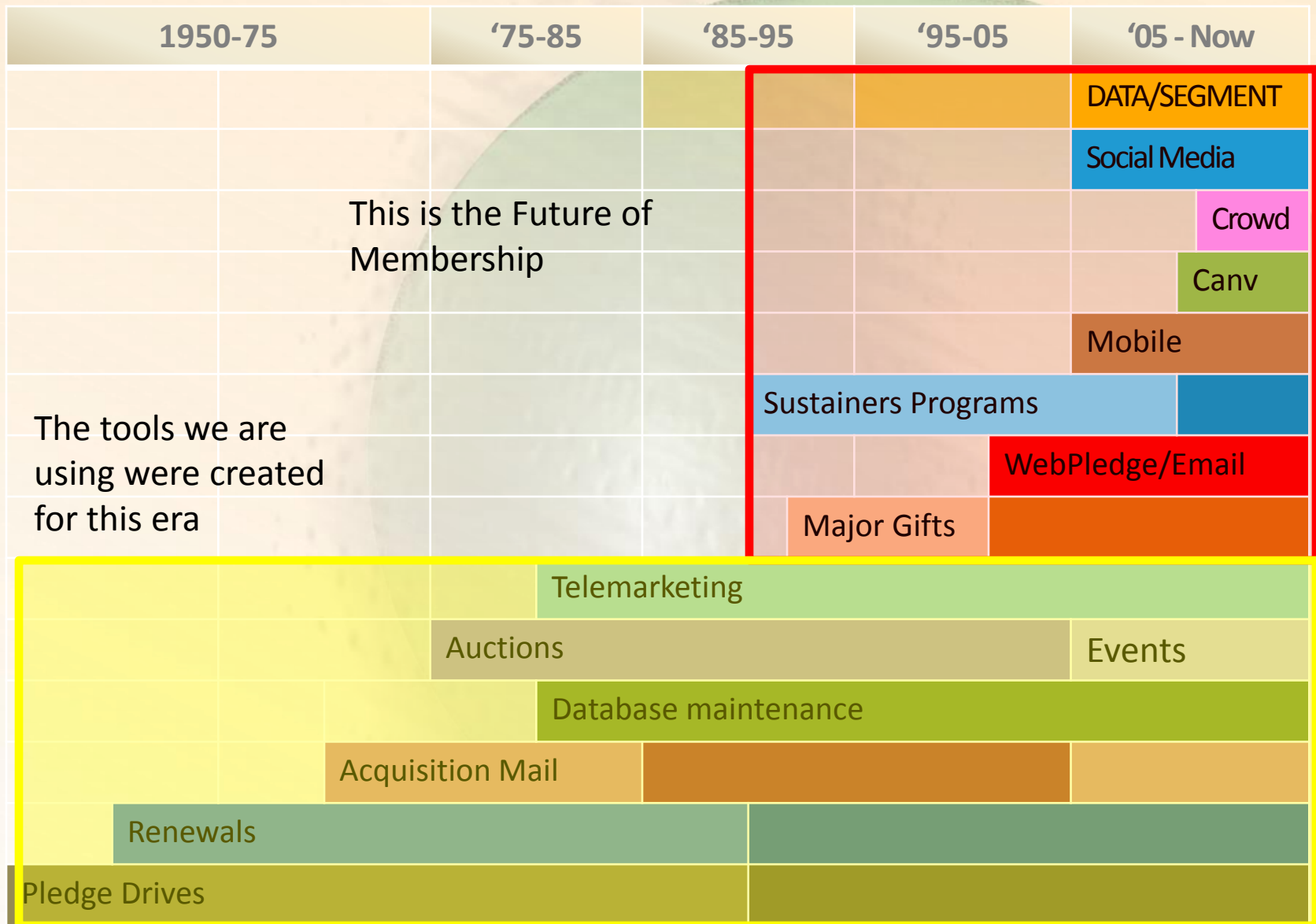


Twenty-First Century Content
Twentieth Century Systems

EMERGING PROBLEMS

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●●●○ Verizon LTE 7:30 PM 75%

radiokansas.org

RADIO KANSAS
90.1 Wichita-Hutchinson 89.5 Salina-Manhattan 90.9 Great Bend-Hays

Now Playing - All Things Considered National Newscast Just Played -

Feb 24, 2014 - 6:30 PM

Listen Online

Program Schedule
Playlists
Classical Music
News
Nightcrossings
Jazz
Full Program List
Coverage Area
Radio Kansas Cares
Contribute Today
Underwriting
Arts Calendar
Signup for Connect
Home

Find us on Facebook
Follow us on Twitter

NPR Hourly News
Windows | MP3

Please Contribute Today

Thanks for your support.

More than half of the funds required to bring you public radio come from listeners like you. Thanks!

Please tell us in the comment section what show you'd like to support with your donation.

If you would rather telephone your pledge, call **1-800-723-4657** during business hours (8am - 5pm, M-F).

• These items are required

Information About You.

• Salutation

• First Name

• Last Name

• Street Address

• City

• State

• Zip Code

• Home Phone (use format 620-662-6646)

Email Address

Have you recently changed your address or phone number?
☐ No ☐ Yes

Are you a New or Renewing Member?

☐ New
☐ Renewal
☐ Add "I'm already a member, and this is an additional gift!"

●●●○ Verizon LTE 7:30 PM 75%

radiokansas.org

Are you a New or Renewing Member?

☐ New
☐ Renewal
☐ Add "I'm already a member, and this is an additional gift!"

How much would you like to pledge?

Our members contribute to Radio Kansas with either a one-time Gift Pledge or as monthly Sustaining members.

A Sustainer is a member that makes an on-going monthly commitment of \$10 or more using automatic bank withdrawals or a credit card. Sustaining memberships do not need renewal and may always be canceled on request.

I want to make a one-time pledge in the following amount.

☐ \$1,000 Leadership Circle
☐ \$500 Personal Underwriter
☐ \$360 Day Sponsor
☐ \$240 Golden Listener
☐ \$180 Producer
☐ \$120 Family
☐ \$60 Individual

I want to become a monthly Sustainer in the following amount.

☐ \$84 Leadership Circle
☐ \$42 Personal Underwriter
☐ \$30 Day Sponsor
☐ \$20 Golden Listener
☐ \$15 Producer
☐ \$10 Family

Other Amount ☒ One-Time ☐ Monthly

Sustainers are eligible for a special thank you, a 2013 mug.

Would you like one? ☐ Yes ☒ No

How would you like to make your payment?

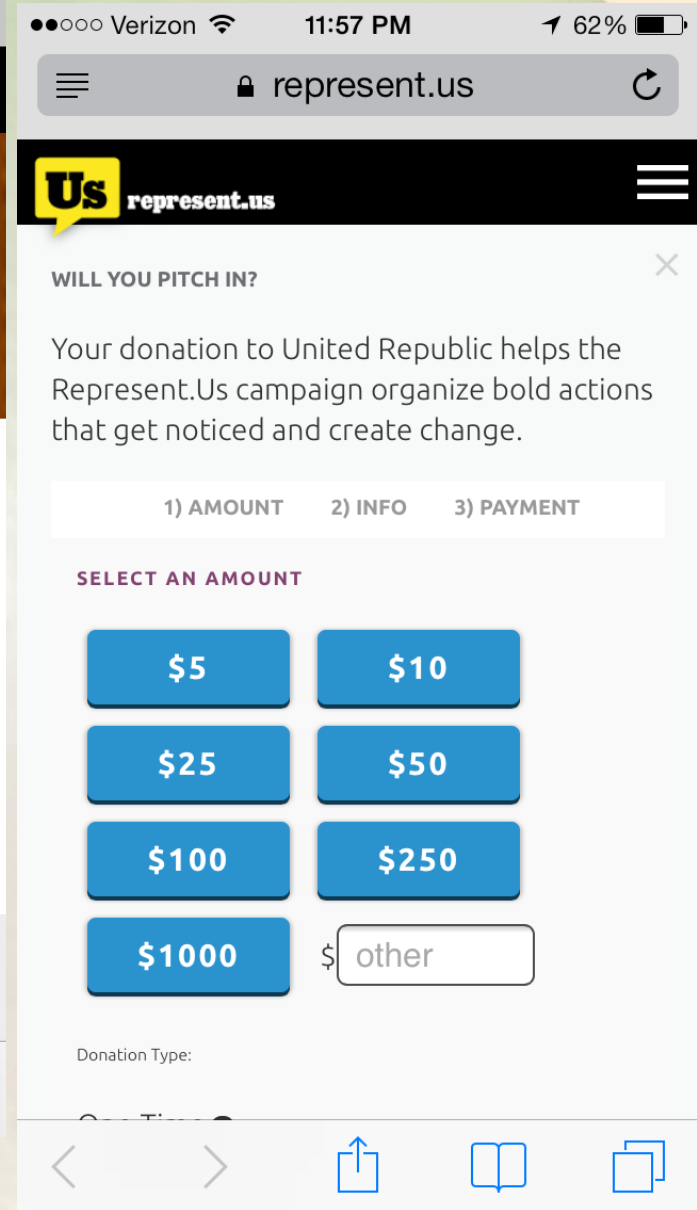
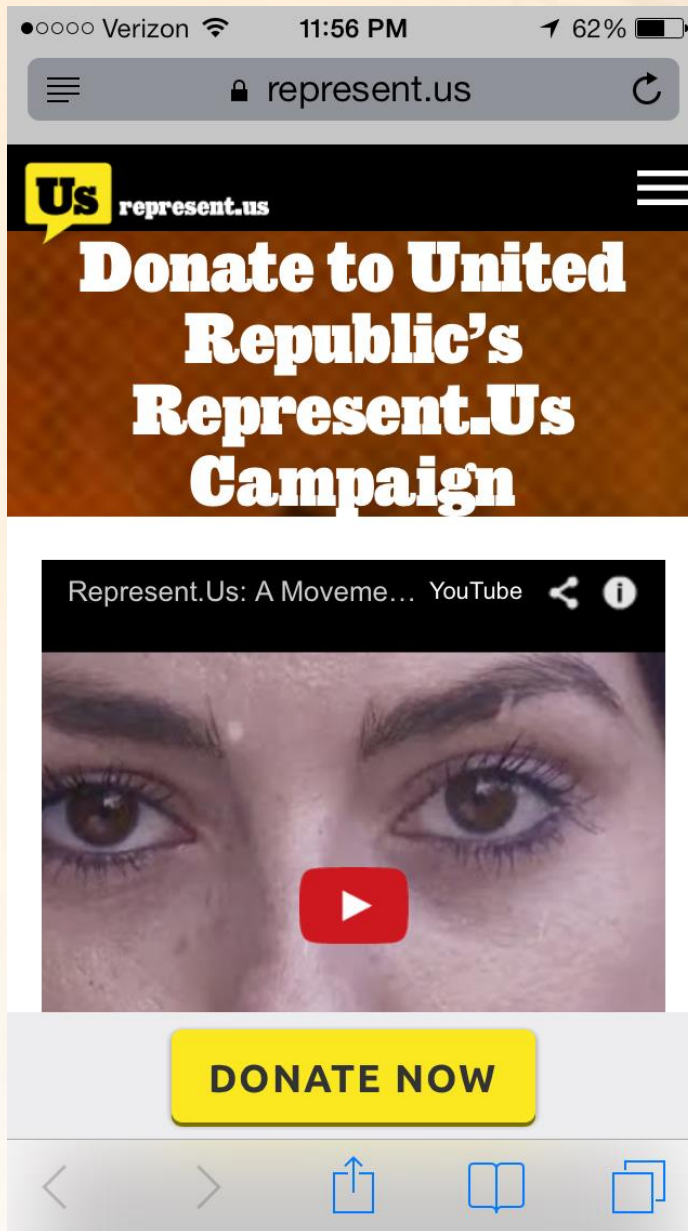
☒ Automatic Bank Withdrawal
 A signature card will be sent to initiate your payments. Withdrawals occur on the 5th of the month or next business day.

☐ Bill-by-Mail
 A billing statement will be sent for you to return your payment.

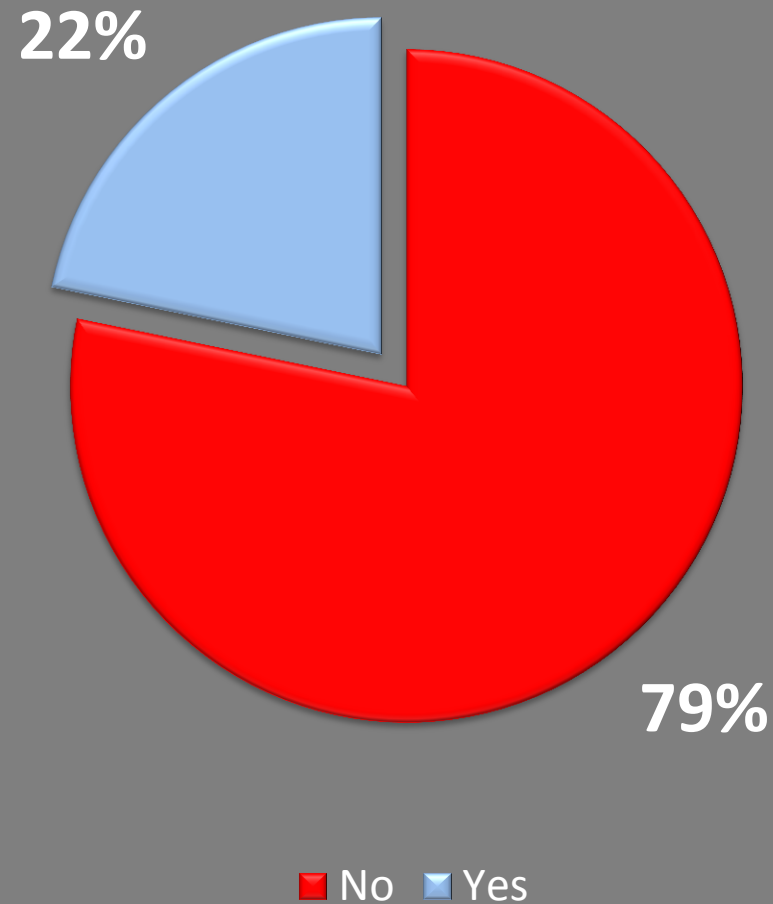
☐ Credit Card

Comments: Please use my contribution for these favorite programs.

Almost all the survey respondents said "My pledge page is mobile optimized. And their pages looked like this..."



Can I Change my Credit Card at your site?





Mobile: Content
Communications
Transactions

EMERGING PROBLEMS

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Mobile is coming very fast

U.S. Mobile Payments Market to Boom by 2019, Research Firm Says

By MIKE ISAAC NOVEMBER 17, 2014 8:49 AM [Comment](#)



Apple Pay is expected to accelerate growth of in-person mobile payments. Justin Sullivan/Getty Images

[S]ome retailers are already seeing spikes in in-store mobile payments activity, much of which is [because of the introduction of Apple Pay](#)... Forrester predicts that remote mobile payments... will be the largest area of growth over the next five years.

The New York Times

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The “perfect mobile storm” will begin in 2015.

1. ***Consumers*** already use mobile for most email and social media. For some stations, the same is true for web and program content.
2. ***Merchants*** have to install high-security credit card processing technology by ***October 2015***.
3. ***VISA, MasterCard, American Express and all the big banks*** will push Apple Pay and digital wallets.

How big is the shift to mobile?

- Pew Internet Survey: In 5 Years mobile payments will top both cash AND credit cards.
- Harv Bus Rev: 1 in 3 Americans have abandoned desktops/laptops *completely* (in favor of mobile).
- Mobile viewing of e-mail is over 50% and is already impacting e-mail fundraising.

For Mobile Payments Be Aware of Amara's Law

We tend to
overestimate the **effect** of a technology
in the short run and
and **underestimate** the effect
in the long run.

Roy Amara, Past President
The Institute for the Future

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The real lessons of social media and
crowdfunding

**2. NEW MESSAGING =
NEW MESSENGERS &
NEW COMMUNITIES**

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“If we only had better messaging...” (Part I)

Donors are increasingly responding to *new messengers*:

- 22-40% of traffic to online giving pages is from *donors’ --not organizations’*--Facebook activity.
- 50%+ of Kickstarter gifts are generated by social media activity *not initiated* by the NPO project.

“If we only had better messaging...” (Part II)

Social and crowd fundraising reward *new offers*

- Membership is not always our strongest pitch. (especially for existing members!)
- Loyal members and sustainers want new ways to support their stations.
- Social and crowd fundraising for projects, programs, or activities can also emphasize station local-ness.

12 of 22 Independent Lens films funded on Kickstarter last season

Mondays 10/9c
[i]NDEPENDENTLENS

[EXPLORE FILMS](#) | [TV SCHEDULE](#) | [WATCH VIDEO](#) | [COMMUNITY CINEMA](#) | [CLASSROOM](#) | [BLOG](#) | [ABOUT](#)



Watch Online: **The New Black**

Centering on the historic fight to win marriage equality in Maryland, this documentary takes viewers into the pews, the streets, and kitchen tables to look at how the African American community grapples with the gay rights issue.

[WEBSITE](#) [PREVIEW](#) [TALKBACK](#)

SUPPORT PROVIDED BY:

PROGRESS IS EVERYONE'S BUSINESS

DEVELOPED VS. GROWTH MARKETS: INTERSECTIONS AND PERSPECTIVES

[Browse Topics](#)

[Watch IL Films Online](#)

[Buy DVDs at ShopPBS](#)

[Visit the Social Hub](#)

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World Wildlife Fund targets families, friends



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Crowdfunding hit \$5 billion last year \$1.5 billion for *nonprofits*

- Kickstarter raised a half-billion \$ in 12 months from 6 million backers
- Very low cost-to-acquire donors
- High % are new
- Stations are testing for local programs (WFPL Louisville)
- Major donors, funders love to see success



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**WE COULD GROW EVEN MORE
IF WE CAN BE BETTER AND DIFFERENT**

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The Potential Upside

**Under 2012 audience conditions,
pubcasters should be able to secure
\$100 to 200 million more annually
in individual gifts. ***

*2012 Public Media Futures Forum, System Assessment from the Contributor
Development Partnership, Boston Consulting Group Report for NPR

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How would we get that \$200 million?
By a mix of **BETTER** and **DIFFERENT**

Better

- **Refine/Expand Sustainers Programs**
- Sharpen Pledge Messaging
- Expand Major Gift Work (locally/nationally)
- Re-organize Basics... bringing them closer to “Best Practice”
- Outsource Backroom Operations

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How would we get that \$200 million?
By a mix of **BETTER** and **DIFFERENT**

Different

- Re-Imagine Pledge Drives
- Create New Forms of Member Recruitment (esp. online and mobile)
- Develop Data Tracking/Segmentation
- Refine Mobile Systems and Design
- Apply Social Media

1950-75		'75-85	'85-95	'95-05	'05 - Now
This is the Future of Membership					DATA/SEGMENT
					Social Media
					Crowd
					Canv
					Mobile
				Sustainers Programs	
The tools we are using were created for this era					WebPledge/Email
				Major Gifts	

			Telemarketing	
		Auctions		Events
			Database maintenance	
		Acquisition Mail		
	Renewals			
Pledge Drives				

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LET'S NOT OVERLOOK THE OBVIOUS

Legacy practices still work!

- They are (for now) more convenient than online or mobile giving.
- We know how to measure them. They are fairly predictable.

**GREATER
PUBLIC**



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