



Are your Friends holding you back?

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Individual giving to the arts and culture sector is on the rise. The oft-quoted 'Private Investment in Culture' Survey valued individual giving at £245m in 2014/15, meaning it accounts for over half of all private investment to the sector. With corporate support diminishing and ever-greater competition for support from trusts and foundations you can expect this growth to rise as more and more organisations start turning to individual supporters for help.

Individual giving comes in lots of shapes and sizes – from a small number of committed supporters making transformational gifts (either during their life or through a gift in their Will) to building an army of passionate supporters who each give smaller amounts. This latter group can take many forms – one-off appeals, crowdfunding campaigns, donation boxes and the “ol’ faithful” of museum fundraising – the Friends or Membership scheme.

From the largest national companies to the smallest, volunteer-run museums, the Friends scheme has become a fundraising staple. While the specific rewards of membership may change, the premise is usually the same – a Friend pays a monthly or annual subscription in return for a package of benefits.

The problem is, just because something is popular doesn't mean that it is right. In fact, many of the Friends schemes I see are inappropriate, inefficient and inhibiting. Ultimately, they are not fit for purpose.

So, how do you know whether a Friends scheme is right for your organisation?

Friends Like These

Before we go on, I should clarify – there are times when a Friends scheme is appropriate. The types of membership scheme offered by Tate, the Donmar Warehouse and Glyndebourne are examples of schemes that are fit for purpose.

Membership schemes are, by their nature, transactional – the member is buying a package of benefits that can range from free tickets and priority booking to newsletters and exclusive events. At the point of asking someone to become a Friend you are asking them to make a ‘value for money’ judgement – is the package of benefits worth (at least) the amount I am being asked to pay?

The memberships of the three organisations above work because they enable the member to overcome a barrier that would otherwise prevent them from accessing the culture on offer.

In the case of the Donmar Warehouse and Glyndebourne, that barrier is availability. Both organisations have a reputation for quality and relatively small theatres. The result is they regularly perform to full, or near-full, houses. (Ticket sales at Glyndebourne during the Festival regularly average over 94%). The demand for tickets exceeds the number of tickets available. A membership that offers priority booking has obvious value for people keen to guarantee their seat for the performances they want to see.

For Tate, the barrier is financial. Each year, the four sites offer a diverse programme of temporary, ticketed exhibitions. Buying a ticket to every exhibition could end up being costly. A membership card gets you into every exhibition. If I know I am going to visit more than a certain number of ticketed exhibitions each year, the membership represents value for money. It is cheaper than the cost of buying individual tickets.

Memberships can also bring other benefits to an organisation. As a result of my Tate membership I go and see exhibitions that I probably wouldn’t otherwise pay to see. For an organisation that aims to increase the public’s understanding and enjoyment of art this is a positive result. For some organisations, the discount I get in the shops and cafes might mean I actually end up spending more per visit than I would without the discount. (I’d like to think I am not so easy to influence, but the large number of unopened exhibition catalogues and posters suggests otherwise...).

A membership scheme also gives you a structure for communicating with your most loyal attenders, providing additional channels to promote your work while also providing a vehicle to thank them for their support.

In the right circumstances, a Friends scheme is a very effective way of generating income.

Toxic Friends

However, a large number of Friends schemes are set up in a way that makes it almost impossible for the organisation to fundraise effectively. Here are five conditions where a Friends scheme probably isn't the best approach for your organisation:

1) There is no demand for the benefits you can offer – the membership schemes above work because the benefits meet a need. However, many schemes offer benefits that have little or no value to the member. For example, if I know I can walk up five minutes before the start of a performance and buy a ticket in the price band I want, a membership scheme offering me priority booking has no value.

Similarly, offering an annual membership based on priority booking for a touring company that only visits my local theatre for two nights of the year is unlikely to be attractive (especially as the local theatre probably has a similar offer that offers priority booking for all shows across the year).¹

Remember – with a transactional scheme you are selling people benefits based on the perceived value for money. Before launching a transactional scheme, ask yourself – is there really a demand for the benefits you can offer? If people don't want to pay for the benefits on offer, **don't make the benefits the thing you sell.**

2) The cost of delivering the scheme makes it inefficient – membership schemes can be expensive to run, usually requiring staff time to administer, marketing activity to promote the scheme and the costs (or loss of income) of offering benefits. If you are sure that a transactional scheme is the most appropriate approach for your organisation you need to be sure that you are going to see a profit from it – either directly, or by using the membership scheme as a first step on a longer supporter journey.

One of the ways you can make your scheme particularly expensive to deliver is to create new, artificial benefits to incentivise the scheme (usually because there wasn't demand for anything else you could offer). Again, if you haven't got a transactional offer that motivates people, this is probably not the right approach for you.

3) You only have one proposition at one price point – different people engaging with your organisation will all have a different capacity to give – for some an annual gift of £25 would be a serious commitment. Others could give £2,500 without thinking. If your individual giving programme consists of one ask at one level you are probably not fundraising efficiently – especially if the amount you ask for is lower than the average gift people would make if you didn't specify an amount.

¹ If you are thinking “That's exactly what our scheme looks like and we have lots of members, thanks very much!”, I would politely suggest they are giving in spite of the scheme, not because of it. See reason 5 for more details...

At a number of organisations I've seen membership schemes priced at £5 and £10 a year. I love the fact that this means that everybody can play a role in supporting the organisation. However, if that is the only proposition you are offering people, you are selling yourself short. Even with the apparent sector standard of £25 a year I am certain that there will be a significant body of people who – when presented with the right proposition – could and would do more to help.

4) It is going to inhibit your individual giving – not everybody that supports your work has the same level of commitment. The most efficient and effective individual giving schemes offer opportunities for those supporters looking for a relationship with the organisation to get more involved. In doing so, their commitment to the cause grows which, in turn, leads to larger, more frequent gifts.

However, transactional schemes alone rarely provide opportunities for progression of this nature. Within this framework, getting people to upgrade usually requires you to offer a more attractive package of benefits – most likely at an increased cost to the organisation.

By having a uniform ask and a uniform identity across your membership you also make it very difficult to distinguish between a benefits-driven member (someone who gives because it is good value for money) and the committed supporter (who gives because they love your museum and who would do more if you asked). A transactional offer on its own is likely to make it nigh-on impossible to identify your most committed supporters, preventing you from building personal relationships and limiting your ability to secure major gifts.

5) It doesn't match the supporter's motivation – I've saved the most important reason until last. Most Friends schemes are set up because that is what the organisation has seen other people do, rather than because that is what their potential supporters are looking for.

There are lots of reasons that people to give to charitable causes. Receiving benefits for personal gain is just one of them. The most ineffective schemes are the ones that impose a transactional proposition on the people that want to support because they love your work and just want to help. These are the people that give because they believe in what you do and want to help you do more of it.

It is a failing of museum fundraisers (or their organisations) that many feel the only way people will support our work is if we offer incentives for doing so. This shows a lack of faith in both the quality and the value of the work we provide, and the generosity of the committed individuals that love what we do.

I have seen countless examples of people wanting to give philanthropically being forced into transactional schemes because it is the only proposition available. In forcing them into a membership scheme you are denying them the chance to build a deeper relationship around a shared passion, while also wasting huge chunks of their gift providing them with benefits they don't want.

Friends with benefits? Or looking for commitment?

Your best prospects for individual giving (at any level) are people with an existing connection and commitment to your museum and your work. In deciding what individual giving approach is most appropriate you should always start with your potential supporters' interests and needs. Never launch a Friends scheme just because you have seen other museums taking that approach...and certainly don't do it just because it's what you've always done!

Before you design the scheme, take time to understand what motivates those people closest to your organisation. What excites and inspires them about your work? What makes them angry, sad or fearful? What would they change if they could?

If you decide that a transactional scheme is the most appropriate for your organisation, go for it! However, don't be afraid to offer your members the chance to also support in a philanthropic way. Glyndebourne invites members to support its Annual Fund appeal, making donations to support the organisation's work. Tate recently asked members to help support the conservation of *Audrey and her Goats* – a painting by Arthur Melville which was due to be displayed at Tate Britain. In doing so, both organisations enabled their members to meet other motivations they might have. For those that donated, it enabled them to signal that they had a greater level of commitment than the average member and that they might be looking for a deeper relationship.

If you decide that a transactional scheme is not appropriate for your organisation, don't panic! The lack of incentives doesn't mean there is no hope for you. It just means you have to change what you are offering. Rather than selling a package of benefits, you can sell the chance to make a difference. The chance to support an organisation they care about in responding to exciting opportunities and overcoming challenges. The chance to fulfil their own needs and to feel great while doing it.

A small number of committed supporters giving philanthropically can make a huge difference to your organisation. And the great news is there are people out there who want to help. You just need to show them that there is a need for their support, show them how they can help and then show them how the world is better place because of their gift.

**Giving money to get value-for-money feels ok.
Giving money to change the world feels amazing.**

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Our areas of expertise include developing fundraising strategies, building individual giving and legacy programmes and helping organisations to identify their best prospects.

Our experience includes raising funds for a wide range of arts and culture organisations, including opera houses, historic buildings, theatres, orchestras, music festivals, museums and art galleries.

**Contact David today to find out more about our work and to discuss how
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