



Branson Theatre Industry Study
Theater and Show Owner/Operator Survey
Analysis

Branson/Lakes Area Chamber of Commerce and CVB

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Introduction

This report presents the results of Branson's Theater and Show Owners and Operators Survey, conducted by Sound Diplomacy in collaboration with the Branson/Lakes Area Chamber of Commerce and CVB. All current theaters and shows in Branson were invited to participate.

The survey's primary objective was to understand the factors that impact the success of a live theater and show owner/operator. Based on this information, Sound Diplomacy can identify opportunities and provide recommendations for the future success of Branson's theater industry.

This report explores:

- Theater General Characteristics
- Theater Administrative Aspects
- Theater Financial Aspects
- Theater Audience/Programming Characterization
- Theaters' Own Perception of their Ecosystem

Theoretical Framework

Theaters and show operators are very important actors within the performing arts scene in every geographical demarcation. To better understand how they fit into the overall ecosystem of the performing arts, it is important to consider the value chain of the performing arts - from the creation of the show idea to how the audience consumes and perceives the show in an organization, such as a theater. This helps understand the steps that are taken from the conception of a creative idea, to the performance and then to the audience, and recognizes the additional supporting agents that surround the activity of the actors involved in the core activities of the performing arts value chain.

Figure A shows the steps that are involved in the performing arts. The **first step** is the conceptualization of the performing arts creative idea. The people involved in this step are mainly creative individuals such as creative directors, actors, choreographers, music composers, artists, festival curators, playwrights, designers, production and technical workers in a theater or creative producers.

The **second step** is the production or materialization of the idea into a show. This involves casting actors, dancers, and musicians; the design of scenery and wardrobe, pre-marketing, hiring of technicians and performers, and rehearsing.

The **third step** is the distribution which consists of how the performing arts show is presented and communicated to an audience. It considers the marketing strategy and channels defined to reach the target audience. The main individuals involved in this part of the chain are ticket-selling companies, theaters, artist agents, tour managers and commercial producers.

The **fourth step** is the delivery mechanism used to reach the audience. This mainly constitutes the type of infrastructure used for the performing arts show to take place. These are very diverse and can differ in size and location. Amongst the most common infrastructure locations are theaters, clubs, open air theaters, etc.

The **last step** is the moment when the audience experiences the performing arts show. It is defined as the consumption of the creative expression. The main participants of this step are the audience and the actors, musicians or performers. During this step the audience can also provide feedback of the performance via printed or digital reviews by critics (professional or non-professional), blogs or word of mouth.

Figure A. Value Chain of Performing Arts Sector



Theaters can participate in any or all of the steps, depending on the level of involvement they have with the initial idea. Considering that several Branson theaters and shows are family-run businesses, their level of involvement in almost all steps is very high. Not only can they participate in all the steps, but they are key receptors of the input provided by other stakeholders that surround the Performing Arts Sector:

- **Education:** for all the individuals that participate throughout the value chain, there are educational institutions that can provide the relevant knowledge or skills needed to ensure a high quality performance (from the creators, administrators, legal advisors, marketers or other people involved).
- **Professional Support and Development:** there are individuals or organizations that provide additional support to the people in the chain, aiming to protect their rights, such as agents, unions, sector communities or groups, copy-right organizations or institutions that support the creative exchange.
- **Development of the audience/market:** here are specialized organizations and individuals that can play an active role in helping the performing arts sector to generate a bigger audience or developing a new target audience. Such organizations can be festivals, business conferences and schools.
- **Financial support and investment:** the performing arts are a traditionally high receptor of governmental or private aids via tax benefits, grants or donations. These can become a very important source to finance performing arts activities.
- **Strategic development:** there are some public and private organizations that carry out research or sector studies while developing strategic input for the sector. With the input they provide, anyone that is an active participant of the performing arts sector can benefit by gaining a broader perspective and adapting strategic recommendations to strengthen the sector.

The success of theaters and show operators¹ is therefore dependent on many interactions amongst several people within the value chain, as well as other stakeholders that impact their activities.

Methodology

Based on the theoretical framework of the performing arts, the primary goal of the study was to identify the main factors that determine the success of theaters and show operators in Branson. An online survey was developed by Sound Diplomacy in collaboration with the Branson / Lakes Area Chamber of Commerce & CVB and distributed to local theaters, show owners and operators by the Chamber.

The survey was approximately 15-20 minutes long and conducted from 12/18/19 to 1/31/20. No incentive was provided to the participants. A total of 24 responses were collected. Of those, 7 were show operators who lease a theater where they perform their show, 5 were theater owners who perform only their own shows at their theater and 12 were theater owners who both perform

¹ For the purpose of this study, success is defined as increase in income, revenue and a high percentage of occupation.

their own shows and also lease their venue to other show operators. A total of 44 shows were represented in the survey.

The survey questionnaire was organized into the following sections:

Aspect	Details
Live Theater Ecosystem Role	<p>The questions included in this section aimed to divide the respondents into four categories: show operators who lease a theater to perform their shows; theater owners who only lease the venue to other shows; show operators who perform only their own shows but don't own a theater; or theater owners who both perform their own shows and lease the venue to other show operators as well.</p> <p>In addition, there were questions that investigated the employment structure of the organization.</p>
Theater Information	This section explored venue characteristics, such as audience capacity; sources of revenue, such as food and alcohol; and infrastructure investments.
Show Information	This section inquired into the characteristics of the various shows that are performed at theaters. It included questions about the number of shows operated, genre of show music, audience age, etc.
Business Financials	This section tried to better understand the financial structure of the theaters. It explored different sources of income (tickets, food, alcohol, grants, tax-rebates), the types of costs incurred, the types of investments made and revenue.
Audience & Promotion	This section examined how theaters and shows promote themselves.
Grants Information	This section inquired about grants and tax benefits that organizations have received. It further explored the reasons why organizations have not received or applied for them.
Professional Opinion	This section delved into perceptions of Branson's live theater ecosystem and desired areas of support.

Based on live theater ecosystem role and provided information, the data was processed to reveal:

1. Characterization of theaters and show operators in Branson.
2. Identification of significant variables that impact the financial success of theaters and show operators in Branson.

Executive Summary

Below is a summary of key insights from Branson's Theater and Show Owner and Operator Survey:

Overview:

- Most of the surveyed theaters in Branson are on the larger size, with an overall average capacity of 1,183. The majority of them have a high level of full-time employees resulting in high fixed costs.
- In general, the surveyed theaters invest in their infrastructure every year. The investments are mainly focused on sound infrastructure.
- All of the surveyed theaters sell food mainly in the form of concessions. Their main source of revenue is ticket sales. Most are not interested in selling alcohol because they feel that it doesn't align with their audience's values. They believe that selling alcohol could tarnish their image as a clean family-friendly place and doing so doesn't align with their company values.
- The average number of hosted shows is two with no particular differences amongst segments. The most popular show format is variety shows (32%) with Country music (48%) and Christian & Gospel music (39%) - in line with the findings from the general survey, which revealed that performers/musicians mainly work in those show formats.
- Branson's live theater audience consists mainly of baby boomers (born between 1946 and 1964) who primarily attend in couples (47%).
- 'Theater owners that present only their own shows' have all the control over their content and programming, making them the segment with the highest average number of performances per show (176), higher number of tickets sold per show (330) and higher average occupation (50%). This segment indicates that their success is mainly driven by moving to a smaller theater space, investing in new theater productions (costumes, staff, choreographers) and changing their ticket-selling strategy.
- Overall, the average occupation per show is 41%. Furthermore, most reported a perceived decrease in ticket sales over the past five years. Together this indicates a high potential to increase income for all theaters/shows.
- On average, all theaters/shows change their show content either annually or every 2 years.
- In general, the main channel used to sell tickets is third-party ticket sellers (33%), with the exception of 'theater owners that present only their own shows' who do so via advances or online sales (33%). As seen in the general survey, music fans tend to use online/social media to find shows, therefore the strategy of 'theater owners that only present their own shows' is more in line with audience behavior. Additionally, 'theater owners who present only their own shows' are more active in online promotion.

- None of the theaters/shows have received any grants or tax rebates, mainly for lack of knowledge of what options are available to them. This reveals an opportunity for organizations that drive these stimuli to devise new communication strategies.
- The aspects that rate the lowest on the theater and show owners and operators' perspective are the public transportation to theaters within Branson (average rating of 1.8 out of 5), the laws and regulations for third party ticket sellers (1.6 on average) and availability of funding support (1.5 on average). Branson leadership may want to consider prioritizing these areas of improvement.

Main drivers for increased occupation:

- Genre indicated: Whenever the indicated genre was Bluegrass, occupation tended to increase.
- Changes implemented in sales strategy: if during the past 5 years the organization decided to work closer with third party ticket sellers, the occupation percentage of the show decreased in many cases. This indicates that third party ticket selling partnerships should be revisited to establish stronger mutual benefits.
- Changes in overhead costs: if the organization had a significant decrease of costs (e.g., wages, marketing, theater/show investments, etc.) during the past 5 years, the occupation percentage of the show often decreased. On the flip side, if the organization had a significant increase of costs (e.g., wages, marketing, theater/show investments, etc.) during the past 5 years, the occupation percentage of the show often also increased. This indicates that investing in the organization could result in higher occupation, even if it means higher overhead cost.
- Marketing: if the organization experienced a very positive impact from investing in marketing or from changing their marketing strategy in the past 5 years, the occupation percentage of the show often increased. This indicates that marketing plans and marketing investments pay off.
- Customer outreach: if the organization used their customer information database every week, the occupation percentage of the show usually increased. This indicates that regularly engaging with your target audience pays off.
- Type of segment: whenever the show is from a theater owner that presents his own performances but also leases the venue, the occupation rate tends to decrease. While it is not entirely clear why, it could possibly be linked to their closer dependency on third party ticket sellers, seeing how they are the segment with the highest ticket sales via this channel.

Detailed Analysis

Characterization of the Theaters and Show Operators

Below is a general overview of the 24 respondents that completed the survey in Branson.

General Characteristics

Respondent Type (theater owner/operator, show operator or theater owner/operator which also leases the venue)

The characterization of respondents starts with Figure 1, which shows that half of the 24 respondents (50%) are people that Own & Lease, meaning they own the theater, produce their own shows there but also lease their venue for other show operators. Twenty-nine percent of the respondents are show operators, who do not own a theater and 21% of respondents own the theater and operate only their own shows there.

This shows that some theaters in Branson are resourceful and willing to search additional sources of income (besides presenting their own shows) where they are not always involved in the creation and production steps of the value chain.

Figure 1. Distribution of Responses by Segment Type



It is important to note that the total 24 responses account for 19 theaters and 44 shows, meaning that each response doesn't have a 1:1 relationship with the number of theaters. This is due to the fact that some show operators that present their shows in a theater replied to the survey and are accounted for as one response, while another show operator who presents their show in that same theater is accounted for as one response as well. Their responses are accounted for separately, but take place at the same location.

All respondents define themselves as white, non-hispanic or latino and 71% are male versus 29% female. With regards to age, Figure 2 shows that respondents mainly belong to Generation X, but the age distribution between segments (respondents that are show operators only, theater owners only and theater owners that also lease their premises) is not homogeneous. For show operators, the most predominant age range is baby boomers, while theater owners are equal parts baby boomers and millennials. On the other hand, theaters that are owners and lease their venue to other shows as well predominantly belong to Generation X.

Nevertheless, it is important to note that the above does not fully characterize the entire theater industry since this data is only representative of the survey respondents and not the average age of the entire workforce within the organization.

Figure 2. Respondent Type, by Segment Type

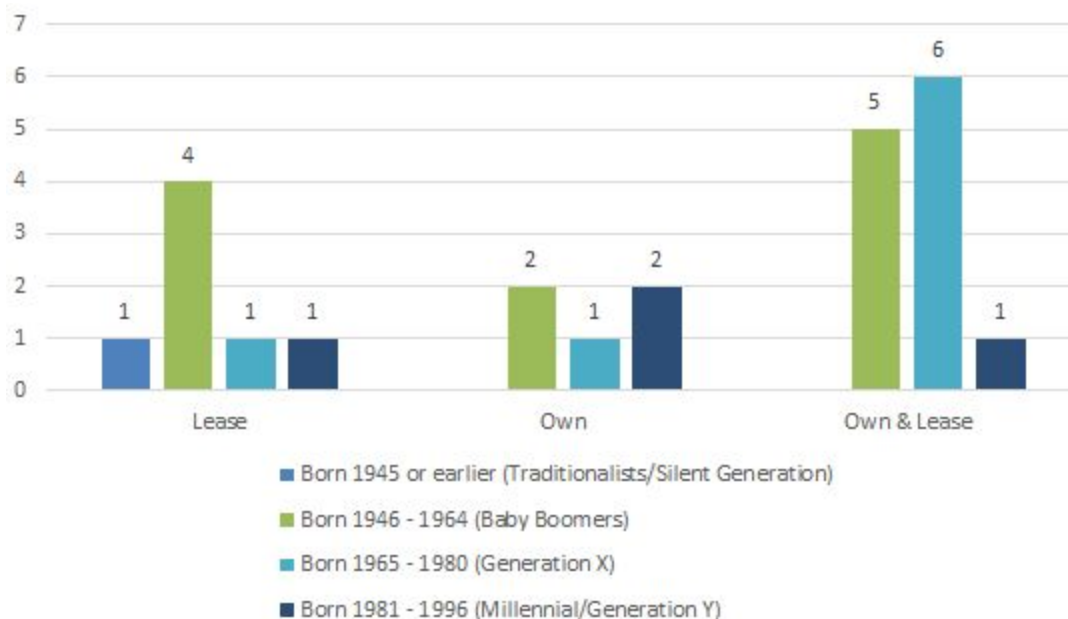
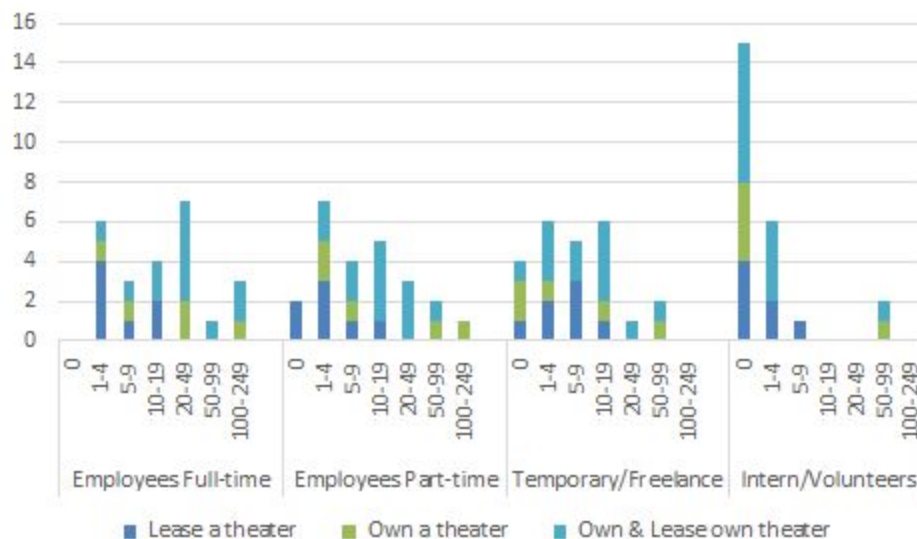


Figure 3 below shows the employment in the organizations per respondent type. ‘Show operators who lease a theater’ tend to have more full-time employees (mainly 1 to 4), followed by having equal parts part-time employees and temporary/freelancers (also around 1 to 4 each), but mostly no interns or volunteers.

In comparison, ‘theater owners who only present their own shows on their premises,’ have mainly full-time employees (ranging from 20 to 49), a few part-time employees (1 to 4), and hardly any temporary workers/freelancers or interns/volunteers.

Finally, ‘theater owners who present their own shows and also lease their theater to other show operators,’ have mainly full time employees (ranging from 20 to 49), followed by some part-time employees (from 10 to 19), with a similar number of temporary workers/freelancers (10 to 19), but no volunteers/interns.

Figure 3. Employment Rates by Segment Type



Theater Size (small, medium, large and extra large)

Branson theaters can be characterized by their audience capacity. In order to contextualize the size of the venue, we classified them as small, medium, large and extra large theaters.²

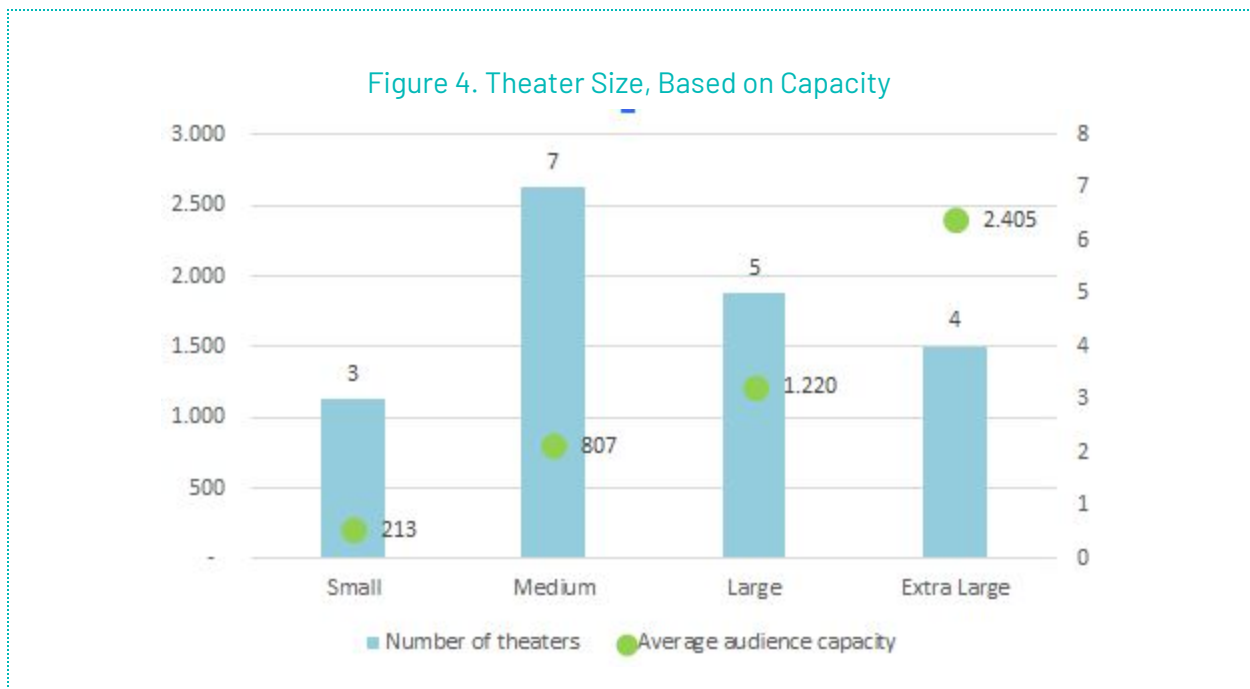
As previously mentioned and because the survey targeted both theater owners and show operators, some show operators provided details of the same theater as other show operators, who also present their shows at the same place. Hence, when analyzing the data, it is important to remove any duplicated information from the theaters that were mentioned multiple times. This avoids giving them more weight than the others.

Taking the above into consideration, the sample of theaters is reduced from 24 to 19.³ Under this scope, the average theater capacity in Branson is 1,183, with the smallest theater capacity being 180 and the largest being 3,200. Based on this, the classification of theater capacity can be divided into small, medium, large and extra large theaters.⁴ Figure 4 shows that most of the theaters in Branson are medium sized theaters with an average capacity of 807, followed by large with an average of 1,220, extra large theaters with an average of 2,405 and small theaters with an average capacity of 213.

² Some respondents didn't provide the details of venue capacity. For this reason we replaced the answers provided by the respondents with the official 2018 capacity data from the Chamber of Commerce. For the responses where a theater name was not provided, the value of the capacity stated in the survey was used.

³ Note that 2 theaters appear as being leased by show operators and the actual owners of those theaters did not reply to the survey, hence follow up questions targeting only theater owners don't include those theaters in scope, bringing the total theater sample to 17.

⁴ Theaters with capacity under 350 are considered small, 350-999 a medium capacity, a capacity between 1,000-2,000 is large, and 2,000+ is extra large.



All of the theaters are accessible for people with disabilities.

We also looked at employment trends. Half (50%) of extra-large theaters from the sample have between 50 to 99 part-time employees and 75% have full-time employees (some with 5-9, others with 20-49 and others with 50-99 full-time employees). The majority (75%) do not have any interns/volunteers.

A big proportion of large sized theaters (40%) have between 20-49 full-time employees, as well as a large proportion of part-time employees (40% of large sized theaters have between 10 to 19 part-time employees and 40% have between 20 to 49). Forty percent reported not having any interns/volunteers.

Medium sized theaters' employee structure shows that 57% have several full-time employees (20 to 49), with 29% of them having between 5 to 9 part-time employees and another 29% having between 10 to 19 part-time employees. Forty percent of medium sized theaters have very few temporary/freelance workers (between 1 to 4) and more than half (57%) state that they don't have any interns/volunteers.

Lastly, small sized theaters show a less homogeneous employment structure. Three quarters of them have full-time employees but some have between 1 to 4, others between 5 to 9 and still

others between 10 to 19 full-time employees. Regarding part-time employees, the majority (67%) have very few (1 to 4) and 66% have temporary/freelance workers (33% have between 1 to 4 and 33% have between 10 to 19). Most of them (67%) don't have any interns/volunteers.

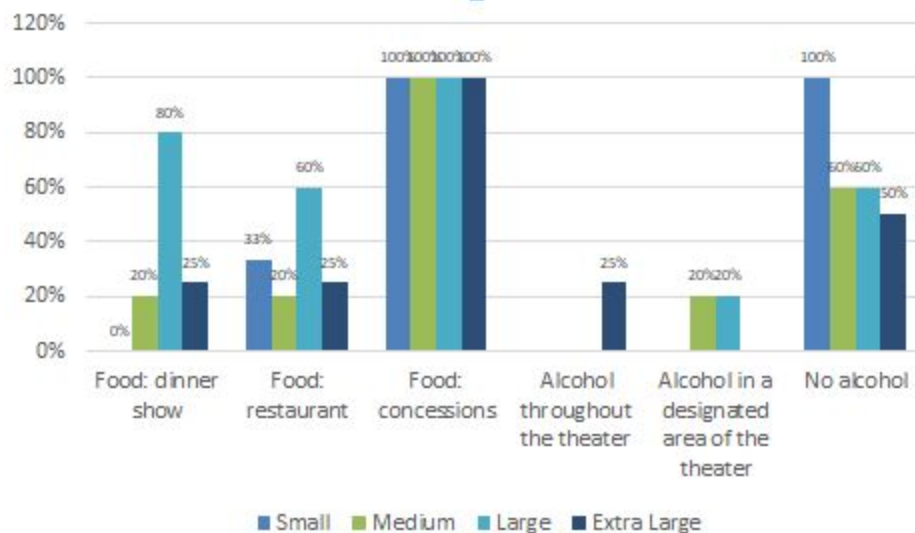
Summarizing the above, extra large theaters tend to have a higher number of full-time employees and part-time employees compared to the other sized theaters. And the small theaters have considerably fewer. Opposite to this, smaller/medium sized theaters show having more temporary/freelance workers, while extra-large sized have none. Nevertheless, all of the theaters, regardless of size, tend to not have any interns/volunteers.

Theater Specific Information

Based on the theater size specifications, the sale of food and alcohol was analyzed. With regards to food, all of them sell food via concessions, regardless of the size of the theater. Large sized theaters tend to diversify their food offering more by also offering dinner shows (80% of large sized theaters) or having a restaurant on site (60%).

Most theaters do not sell alcohol, with small theaters being the least likely to do so (100% don't sell it, compared to 60% of medium sized, 60% large and 50% extra large theaters).

Figure 6. Food and Alcohol Sales in Theaters

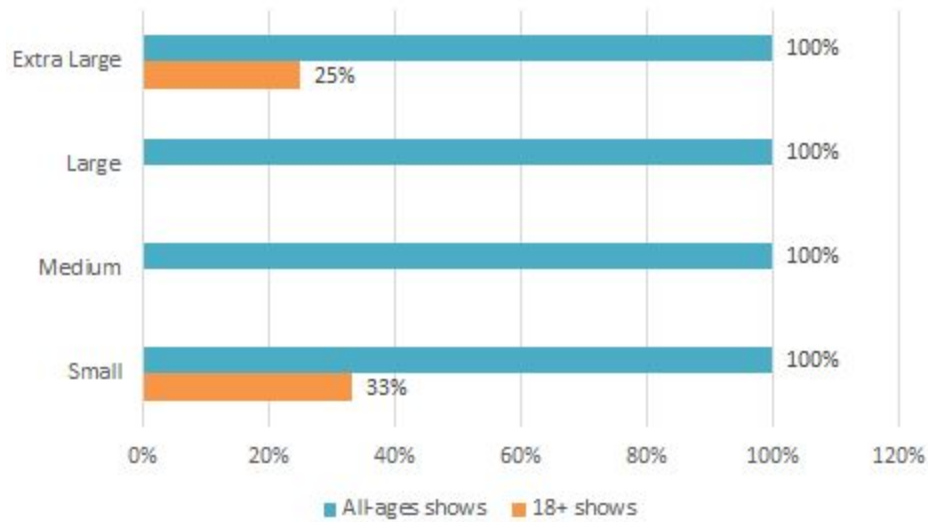


The trend of theaters not selling alcohol is mainly driven by the reasons shown in Figure 7. Small theaters believe that doing so would reduce their audience appeal, take away their clean family-friendly appeal and wouldn't align with their company values. Medium sized theaters (60%) are mainly concerned they would lose their image of being a clean, family-friendly place if they sold alcohol, same as 60% of large theaters (60% of whom also believe the audience would not like it). Extra-large theaters' primary concern (50%) is that selling alcohol doesn't align with their company values.



The reasoning mentioned above may be tied to the fact that all theaters, regardless of size, host shows for all-ages, whilst only 25% of extra-large and 33% of small theaters have 18+ shows (see Figure 8).

Figure 8. Types of Shows Hosted by Theaters



It is also important to understand how often theaters invest in improving their premises. Figure 9 shows that regardless of theater size, the majority of them invest every year, with a few small theaters (33%) investing every 2 to 3 years and some large and extra large theaters (20% and 25%, respectively) only investing every 6 to 10 years.

Figure 9. Frequency of Investments

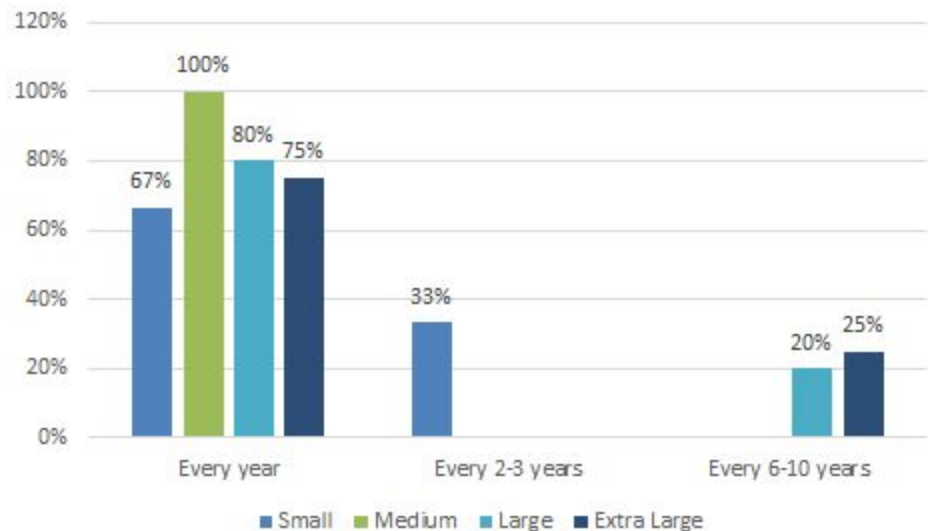
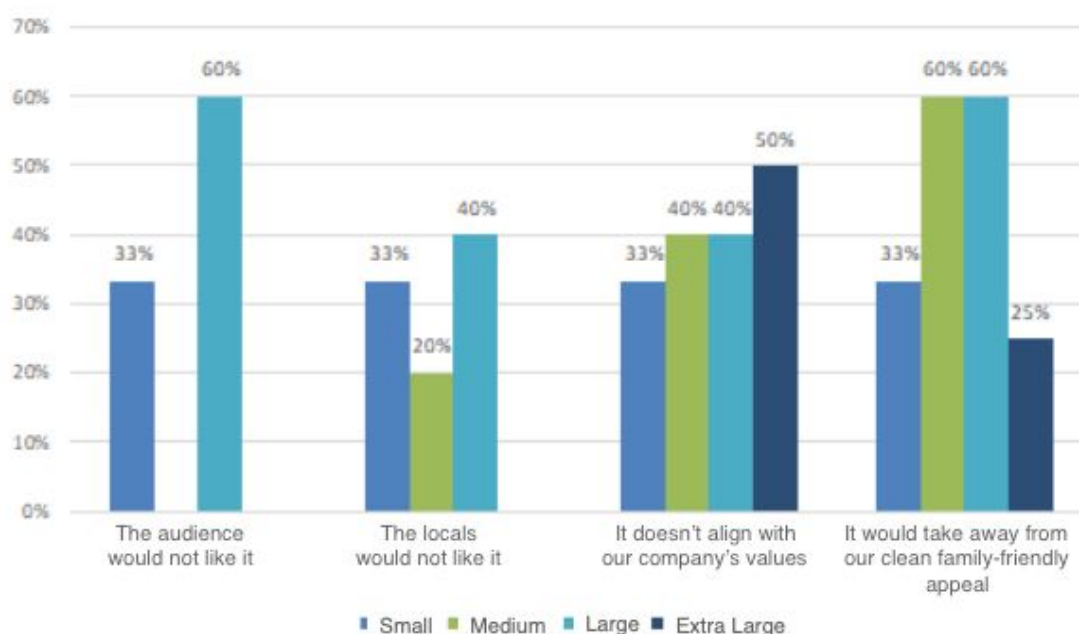


Figure 10. Type of Theater Infrastructure Investments of the Past 3 Years

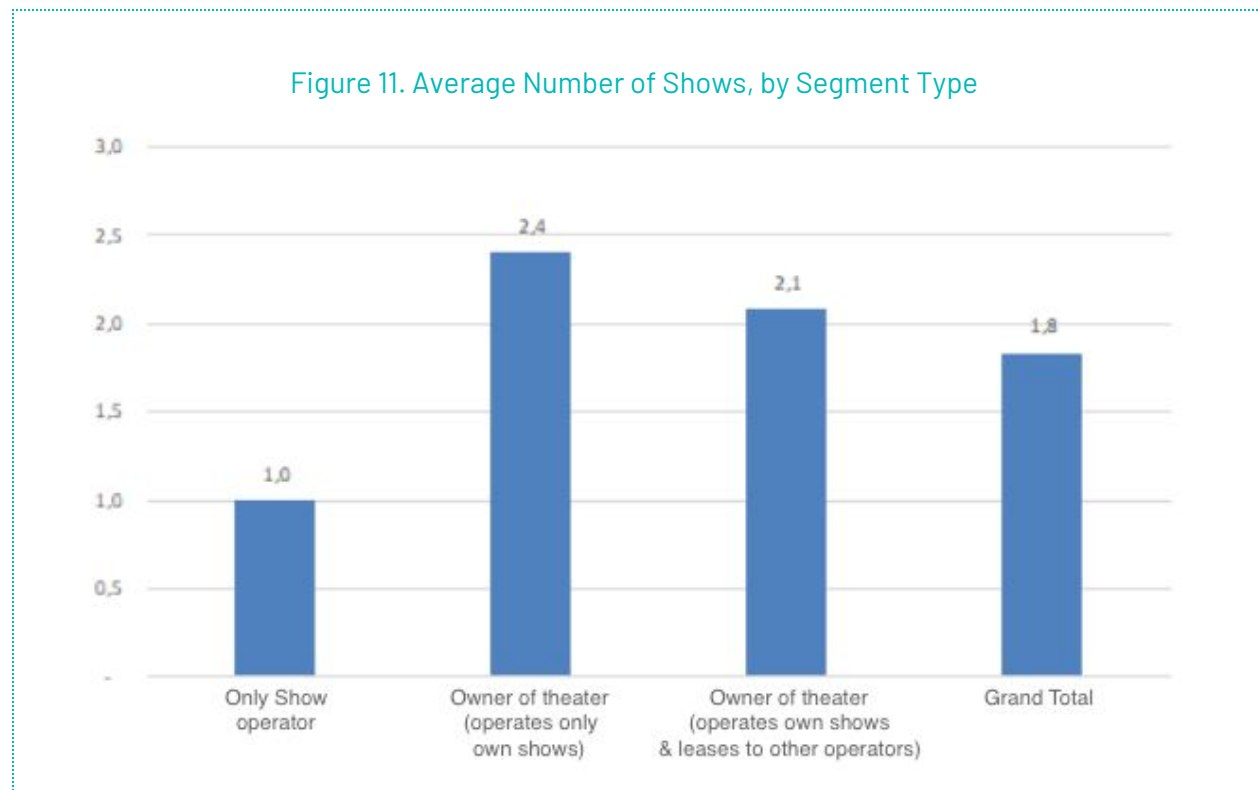


Most of the investments are sound infrastructure improvements (Figure 10), with nearly all theaters having done so in the past 3 years. It is noticeable that extra-large theaters have invested in more diverse aspects of their infrastructure compared to the rest, such as new seat upholstery (50%), new seats (50%) and new carpet (75%). Amongst “other” types of investment were new air conditioning, painting the venue, refinishing floors, expansion of stage, installing a stage lift or new video equipment and dining furniture.

Show Information

Figure 11 shows the average number of shows hosted by each segment (‘show operators’, ‘theater owners that operate only their own shows’ and ‘theater owners that both operate their own shows but also lease the space to other operators’) and by theater size. The average number of shows hosted is 1.8. ‘Show operators that don’t own a theater’ have an average of only one show, while ‘theater owners who only operate their own shows’ host an average of 2.4

shows and 'theater owners who operate their own shows and also lease the space to other show operators' host an average of 2.1 shows.

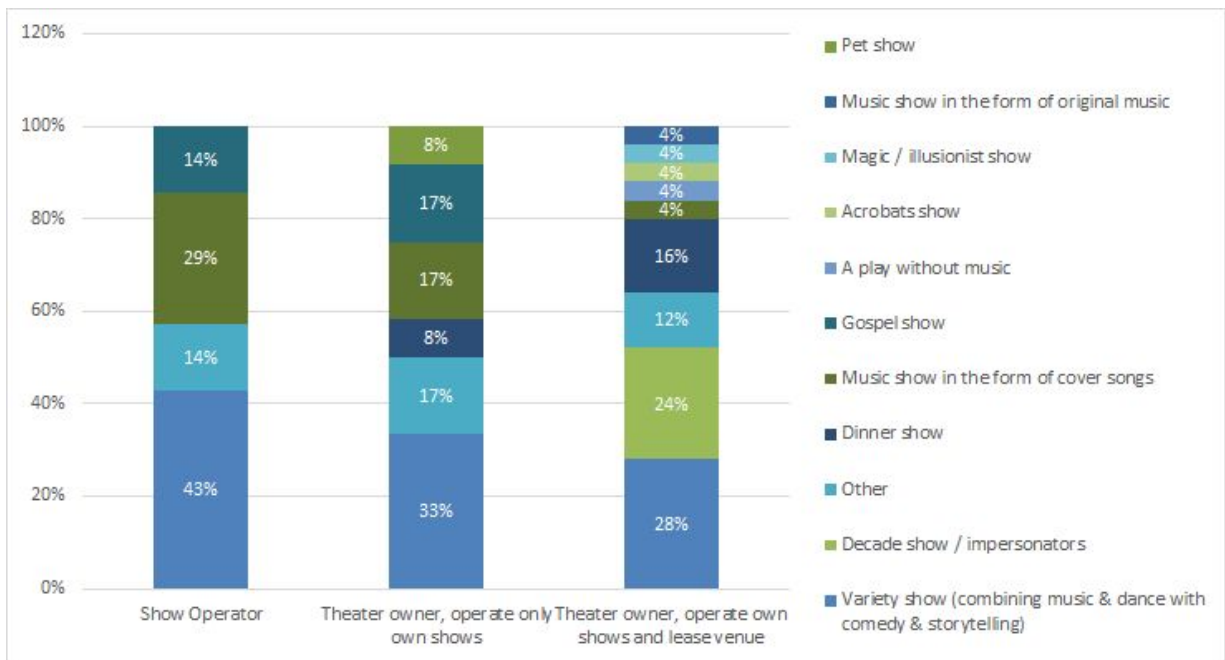


The survey also gathered information about all of the shows of the segments. Overall, the show details below are based on a total of 44 shows.

The shows come in different formats. Figure 12 shows the main types of show formats, classified by segment type ('show operators,' 'theater owners that operate only their own shows' and 'theater owners that both operate their own shows but also lease the space to other operators'). The most popular show format is variety shows, which combine music & dance with comedy and storytelling. All segments feature this format.

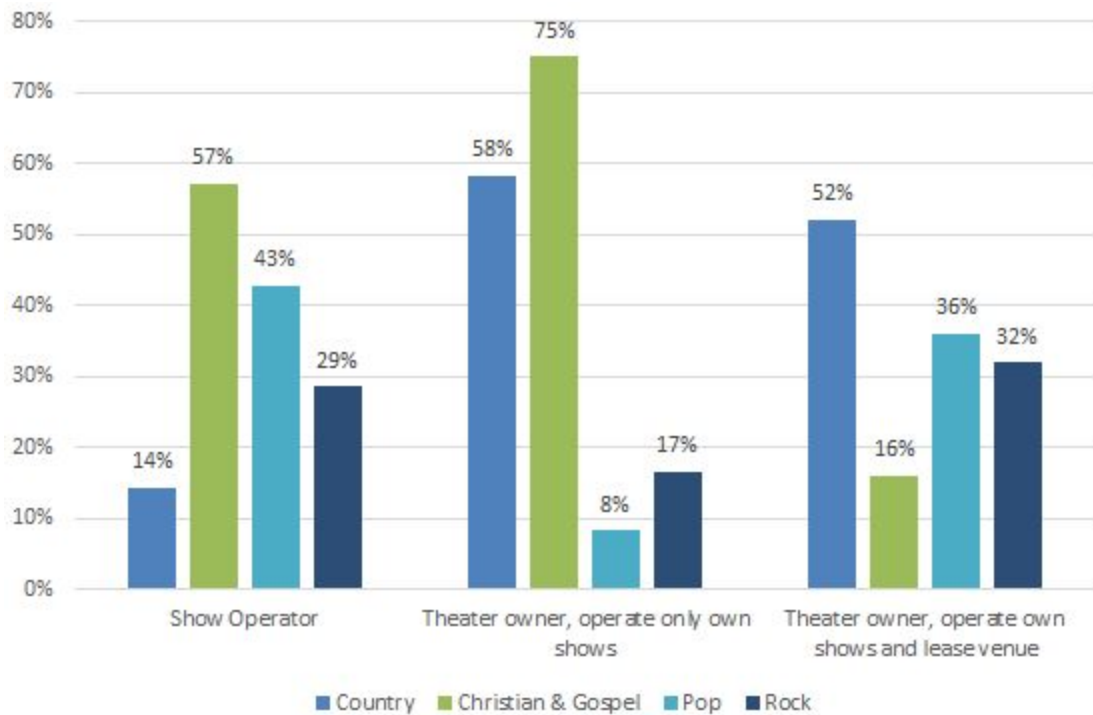
Not surprisingly, ‘theater owners who present their own shows and also lease the space to other shows’ have the largest variety of show formats - from presenting plays without music to music shows that present exclusively original music.

Figure 12. Show Formats, by Segment Type



Show music genre also varies. Figure 13 shows that in general, the most popular genres are Country (48%) and Christian/Gospel (39%). Country music (52%) is the most popular show music genre of ‘theater owners that operate their own shows and also lease to other shows,’ followed by Pop and Rock (36% and 32%, respectively). For ‘owners that only operate their own shows,’ the two most popular genres are Country (58%) and Christian-Gospel (75%). Christian/Gospel (57%) is also the most popular for ‘show operators who don’t own a theater,’ followed by Pop and Rock (43% and 29%, respectively).

Figure 13. Show Music Genre, by Segment Type



Baby boomers are the primary show audience across all segments: ‘show operators who lease a theater but don’t own it’ (41% baby boomers), ‘theater owners who present only their own shows in the venue’ (51%) and ‘theater owners who present their own shows but also lease to other show operators’ (38%). The generations that follow are Generation X and traditionalists. This shows that Branson’s theater audiences are generally older, with the lowest average audience percentage being millennials and Generation Z.

Figure 14. Estimated Audience Age, by Segment Type

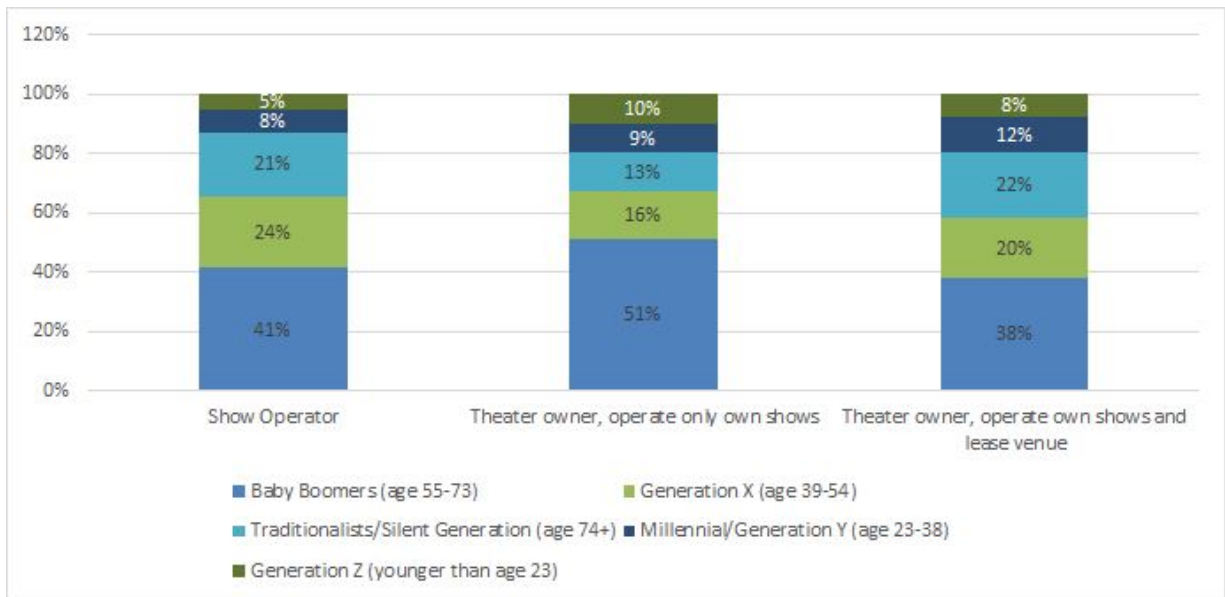
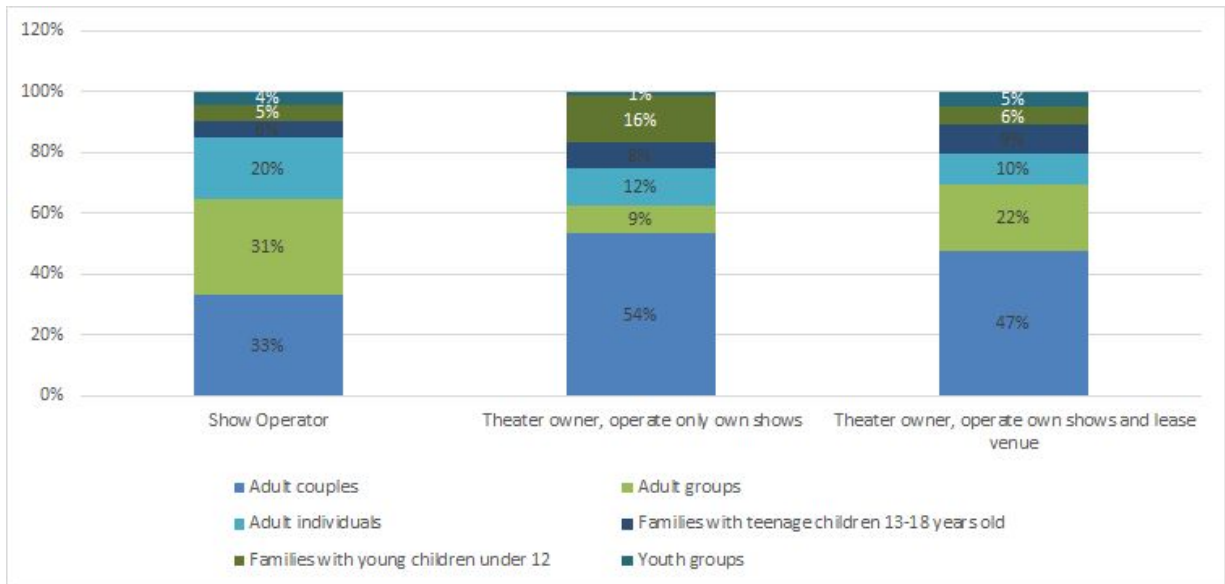


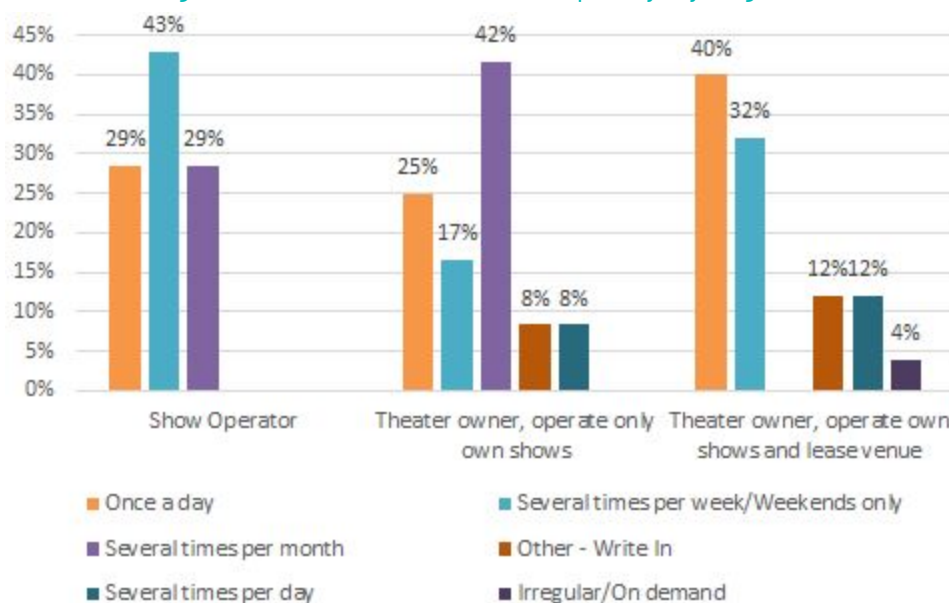
Figure 15 corroborates the above finding, showing that most of Branson’s show audience is made up of adult couples (47%), followed by adult groups (20%) and adult individuals (12%). This distribution is similar across all segments. The only segment with a higher percentage of a younger audience (16% families with young children under 12) are ‘shows run by theater owners who operate only their own shows.’

Figure 15. Show Audience Composition, per Segment Type



Regarding show frequency, Figure 16 shows that there is a difference between segments. ‘Show operators who lease a theater’ mainly present their shows several times per week/weekends only (43%), while the show frequency of ‘theater owners who only present their own shows in their venue’ do it mainly several times per month (42%). ‘Theater owners that both present their own shows and lease their theater to other shows’ tend to present their shows once a day (40%).

Figure 16. Show Presentation Frequency, by Segment



Business Financials

Various characteristics of a show can contribute to its financial success. For the purpose of this study, financial success is defined by show occupation rates (as a proxy), meaning the higher the percentage, the higher the profitability and perceived popularity of the performance among the audience.

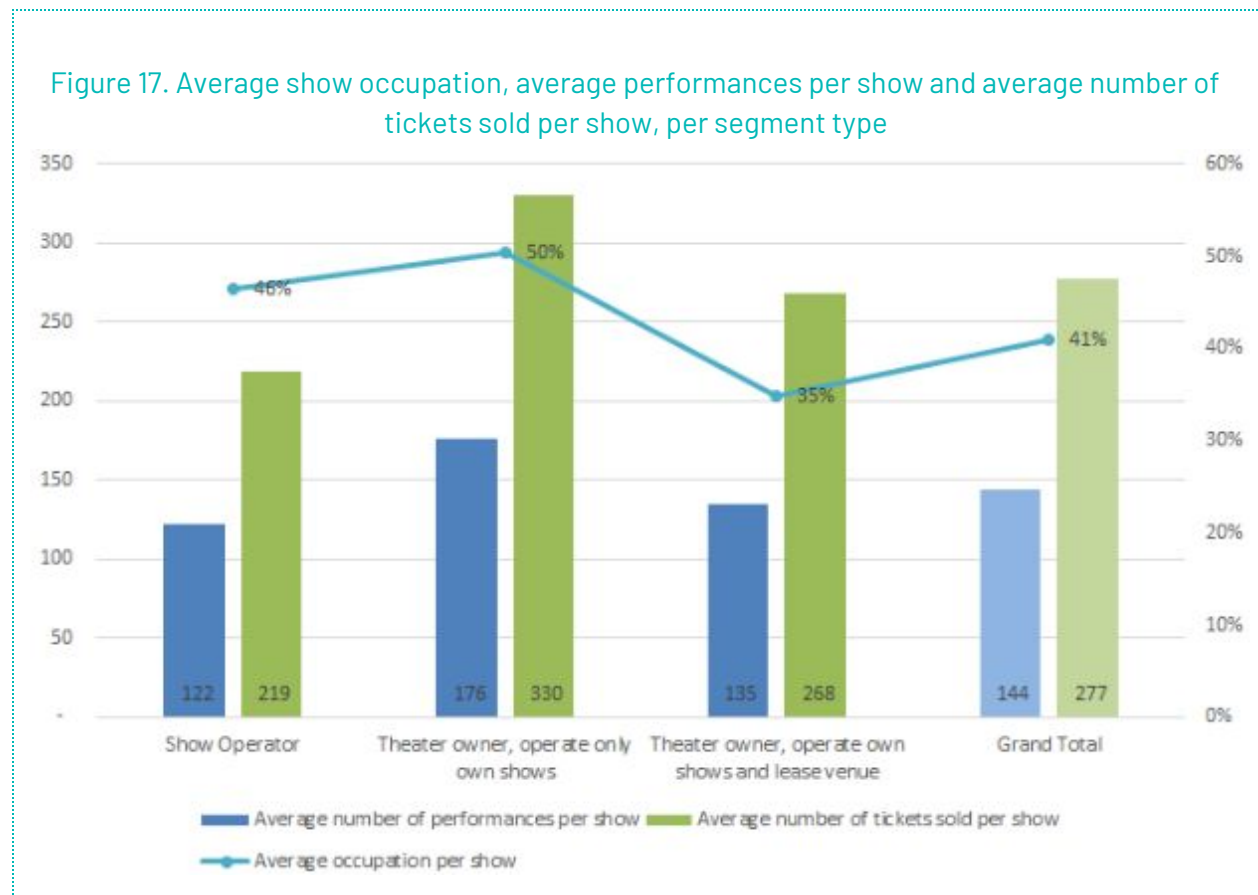
Figure 17 shows the average number of performances per show in the last year. The ‘theater owners who only operate their own shows’ are the ones with the highest average number of performances per show (176). Next are ‘theater owners who present their own shows and also lease the space to other operators,’ with 135 average shows per year, while ‘show operators who lease a venue’ are last (122).

This information makes sense considering that ‘theater owners who use their venue only for their own shows’ have more control over deciding how often they present their shows.

In line with the above findings, a similar trend is visible in Figure 17, which shows that the number of tickets sold per show is highest for ‘theater owners who only present their own shows’ (330),

followed by 'theater owners who also lease their venue to other shows' (268) and then last for 'show operators who lease a space' (219).

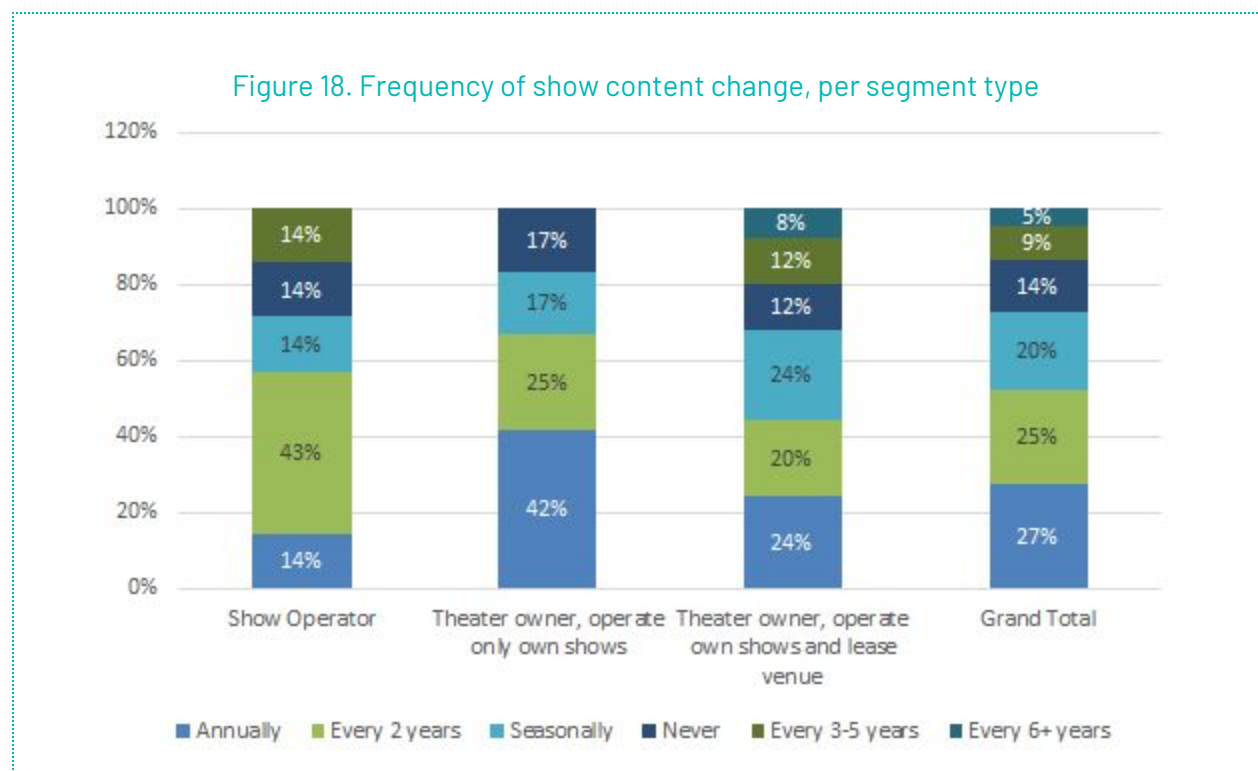
The average overall occupation per show is only 41% - less than half. This indicates a big potential to increase revenue for show operators and theater owners. As Figure 17 indicates, the segment with the highest average occupation are 'theater owners who present only their own shows,' while the 'theater owners who both present their own shows and also lease the venue to other shows' have the lowest occupation.



There is a substantial average ticket price difference between 'theater owners that only present their own shows' and the other two segments. The average ticket price for 'theater owners who only present their own show' is \$16, almost half the price of the other two segments (\$33 per performance for 'theater owners that present their own show and lease the venue to others,' and \$28 for 'show operators who lease a venue').

Figure 18 shows the frequency of how often the three different segments change their content and transform it into a new production (show overhaul with all new music/comedy/acts/choreography/technology/etc). One in four change their content/production annually or every two years (27% and 25% respectively), and one in five do so seasonally (20%). However, it is also important to note that nearly one in seven never change their content/production (14%).

This distribution is not the same among the three different segments. ‘Show operators who lease a space’ change their show every two years on average (43%), while ‘theater owners who only present their own shows’ do it annually (42%). Yet, ‘theater owners who present their own shows and also lease their venue to other shows’ are more difficult to predict: 24% change it annually, 20% every two years, 24% seasonally and the remaining 32% either never change it or do it every 3+ years.



We also wanted to look at historic data going back five years. Overall, the number of performances per show have remained about the same in the past five years (45%). This number is higher for ‘theater owners who only present their own shows’ (67%), followed by 44% of ‘theater owners who present their own shows and also lease the venue to other shows.’ However, for ‘show operators who lease a space,’ the number of performances have gone down:

57% of them state a significant decrease (more than 25%) of the number of performances per show in the past 5 years.

With regards to ticket sales per performance in the past 5 years, most of the theaters reported a decrease. The segment with the highest overall reported decrease in ticket sales are 'theater owners who operate only their own shows' (75%), followed by 'theater owners who present their own shows but also lease the venue to other show operators' (60%). Only 25% reported an overall increase in ticket sales in the past 5 years.

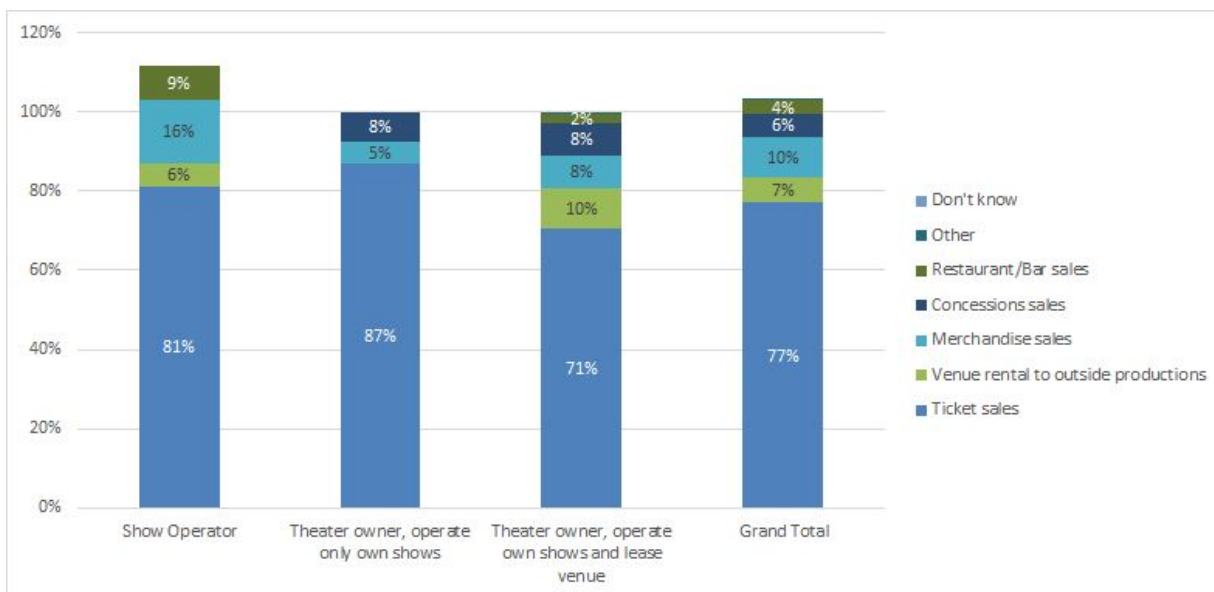
The above shows that 'theater owners who present only their own shows' are the segment with better occupation rates, higher number of tickets sold per production and higher number of performances per show. Yet they also report the lowest average ticket price and the largest reported decrease in ticket sales in the past 5 years.

We also wanted to better understand what channels theaters and shows use to sell tickets (Figure 19). Overall, the main channels used are third-party ticket sellers (33%), followed by box office walk-ups (27%) and group sales (21%). When looking at the different segments, 'theater owners who also lease their space to other shows' have a similar distribution, with 43% selling tickets through third party ticket sellers. On the other hand, 'show operators who lease a space' sell the majority of tickets via groups (35%), while 'theater owners who present only their own shows' mainly sell tickets via advances or online (33%), followed by box office walk-ups (30%).

Figure 19. Ticket Sales per Channel, per Segment

Figure 20 shows that the main revenue source of all segments is ticket sales (77% on average). However, shows and theaters also have other sources of revenue besides just ticket sales. As expected, ‘theater owners that also rent their space to other shows’ have the most diversified revenue portfolio. On average, 71% of their revenue comes from ticket sales, 10% from venue rentals to outside productions, 8% from merchandise sales and 8% from concession sales. Only a small 2% comes from restaurant/bar sales. In comparison, ‘theater owners who only present their own shows’ rely mostly on ticket sales (on average 87% of their revenue), 8% on concessions sales and 5% on merchandise sales.

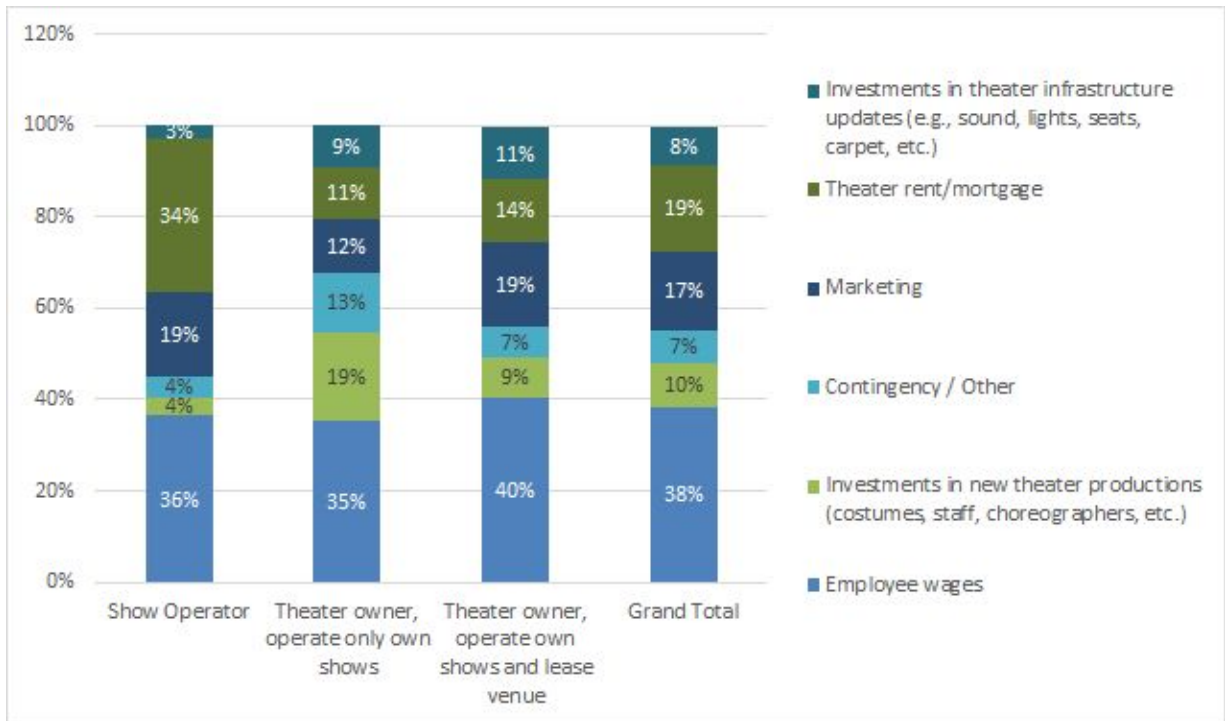
Figure 20. Source of revenue per month, per segment



We also wanted to understand how the theaters and shows are spending their budget. As demonstrated in Figure 21, employee wages are the primary expense. This is in line with earlier findings, which revealed that all segments highly depend on full-time employees (refer to Figure 3). Another high cost is the theater rent/mortgage, which is particularly high for 'show operators who lease a theater' (34% of the total expenses on average). Lastly, marketing is also a fairly big expense for all segments (on average 19%).

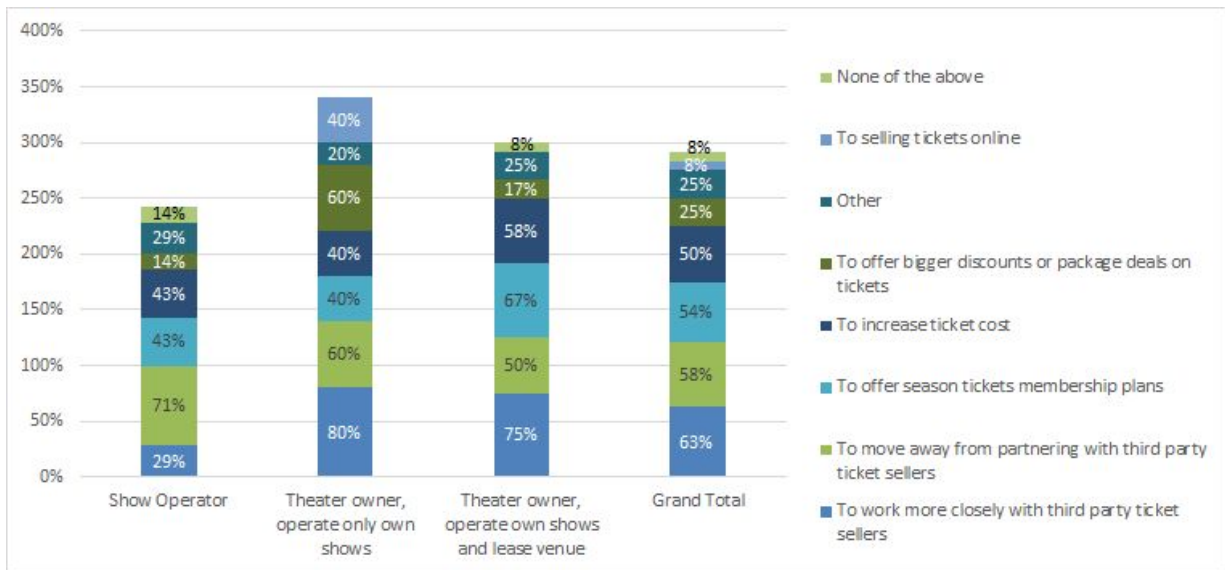
It is important to note that 'theater owners who only operate their own shows,' on average spend 19% of their budget on investments in new theater productions. This is linked to the fact that they are the segment which changes their shows most frequently (refer to Figure 18).

Figure 21. Expenditure of budget per year, per segment



All of the segments have changed their ticket selling strategy in the past five years in one way or another (Figure 22). Most frequently, they have chosen to work more closely with third party ticket sellers (80% of ‘theater owners who only produce their own shows’ and 75% of ‘theater owners who also lease their space to other shows’). Other popular strategies were offering season tickets or increasing ticket cost.

Figure 22. Ticket Selling Strategy Changes in Past 5 years, per Segment

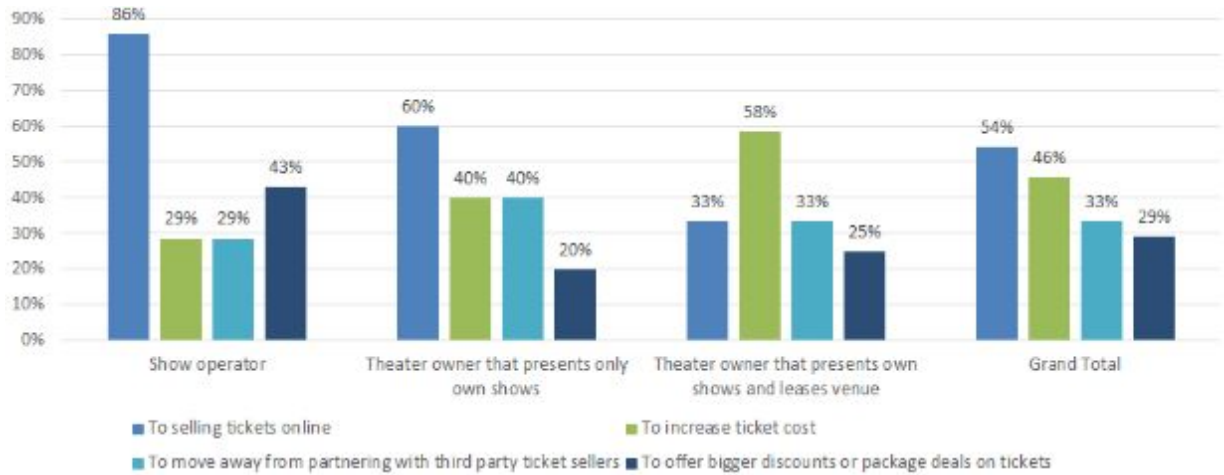


In contrast, 71% of ‘show operators who rent a space’ have chosen to move away from partnering with third party ticket sellers in the past five years.

We also asked if theater owners and show operators planned to change their ticket selling strategy in the next three years (Figure 23). ‘Theater owners who only present their own shows’ are the only ones plan to increase their online ticket sales. As shown in Figure 23, this strategy was predominantly used by ‘theater owners who only present their own shows.’

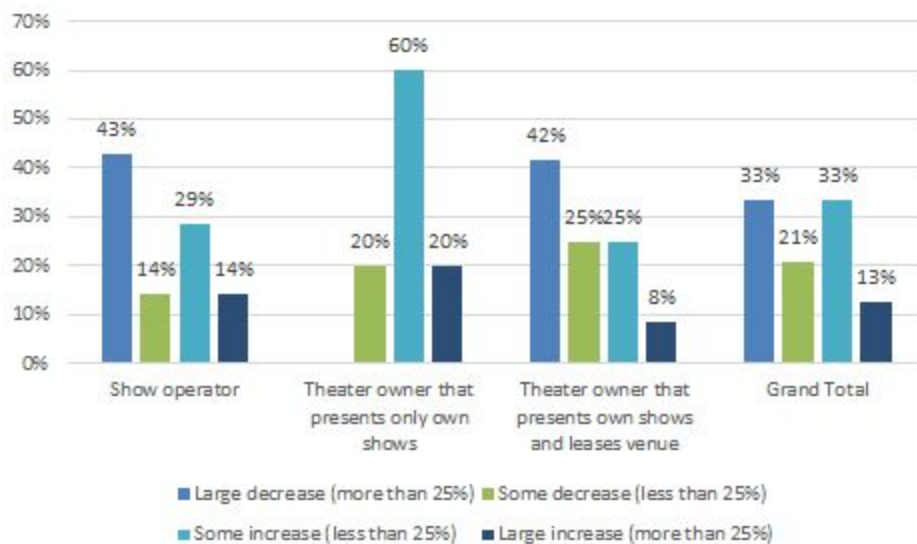
The other two most popular strategies that segments plan to adopt in the next three years is to either increase ticket price and/or move away from partnering with third party ticket sellers. The latter will be a big change, if actually implemented, seeing how third party ticket sellers are currently the main ticket selling channel being used (refer to Figure 19).

Figure 23. Ticket Selling Strategy Changes in the Next 3 Years, per Segment



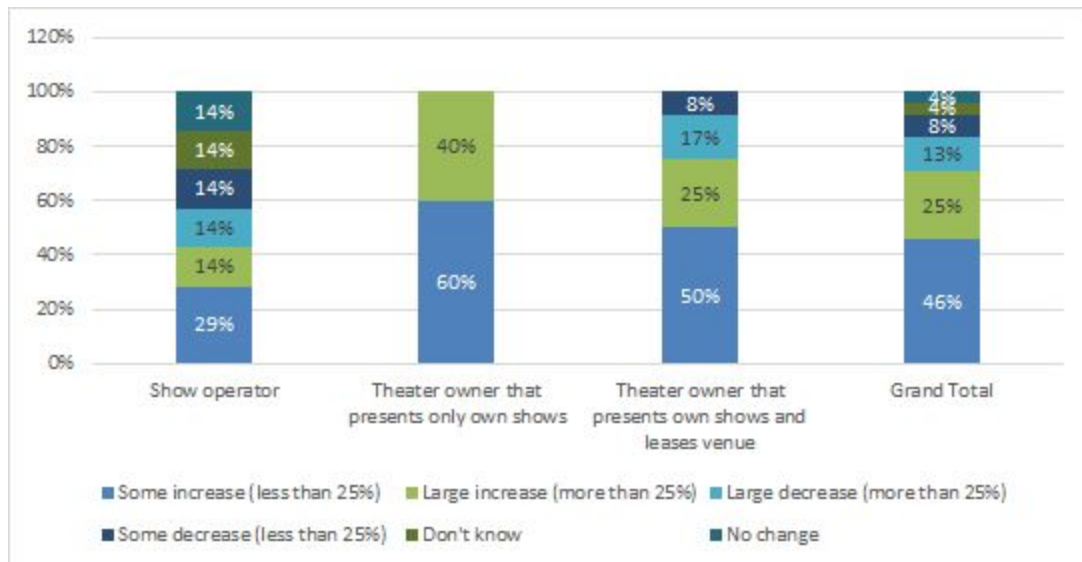
When asked about business revenue changes over the past five years (Figure 24), ‘show operators who lease a venue’ and ‘theater owners that also lease their venue to other shows’ reported a significant decrease (43% and 42%, respectively). On the other hand, ‘theater owners who only present their own shows’ saw some increase in revenue (60%).

Figure 24. Change in Revenue in the Past 5 years, per Segment



Costs have also increased for all segments during the past five years, particularly for theater owners (Figure 25).

Figure 25. Change in costs in the past 5 years, per segment



However, the theater industry remains optimistic. When asked about expected revenue changes in the next three years, most of them believed their revenue will either increase somewhat or increase significantly.

Survey participants were further asked what factors impacted their financial success the most in the past five years.⁵ Investing in new theater productions (costumes, staff, choreographers, etc) is the overall winner with a total average rating of 3.8 and weighted average rating of 3.3. Other categories positively impacting are investments in marketing (3.3) and investing in changing their

⁵ In some cases the category was not considered applicable as a factor to impact the financial success of the organization, hence, the average weighted rating provides insights on the overall total rating per category, considering how many respondents provided a rating for that specific category. The calculation is obtained by multiplying the total rating and the percentage of respondents that provided a score of 1, 2, 3, 4 or 5 (or equivalent to 'Total rating' * (1 - 'responses of not applicable').

marketing strategy (3.1). However, when analyzed per segment, we found that some factors had a stronger positive impact than others.

As shown in Figure 26, ‘theater owners who only operate their own shows’ provided more positive ratings than the other two segments. They perceived the following categories as the ones that have more impact: investing in new theater productions (4.6), changing their ticket selling strategy (4.4), investing in marketing (4.2) and changing their marketing strategy (4.0).⁶

For ‘theater owners that host their shows and also lease the venue to other show operators,’ the highest ranked categories are investing in new theater productions and investing in theater infrastructure updates (both with 3.6). While for ‘show operators’ the highest ranked category is increasing focus on merchandise sales (3.4) and investing in new theater productions (3.2).

⁶ For ‘theater owners who only host their own shows,’ the highest rated category is moving to a bigger theater space (5.0). However, since only 8% of the organizations considered this category as applicable, we don’t consider this to be the most relevant category (see footnote 5).

Figure 26. Average Rating of Factors that Impacted Financial Success in the Past 5 Years, per segment type (1 = very negative; 5 = very positive)



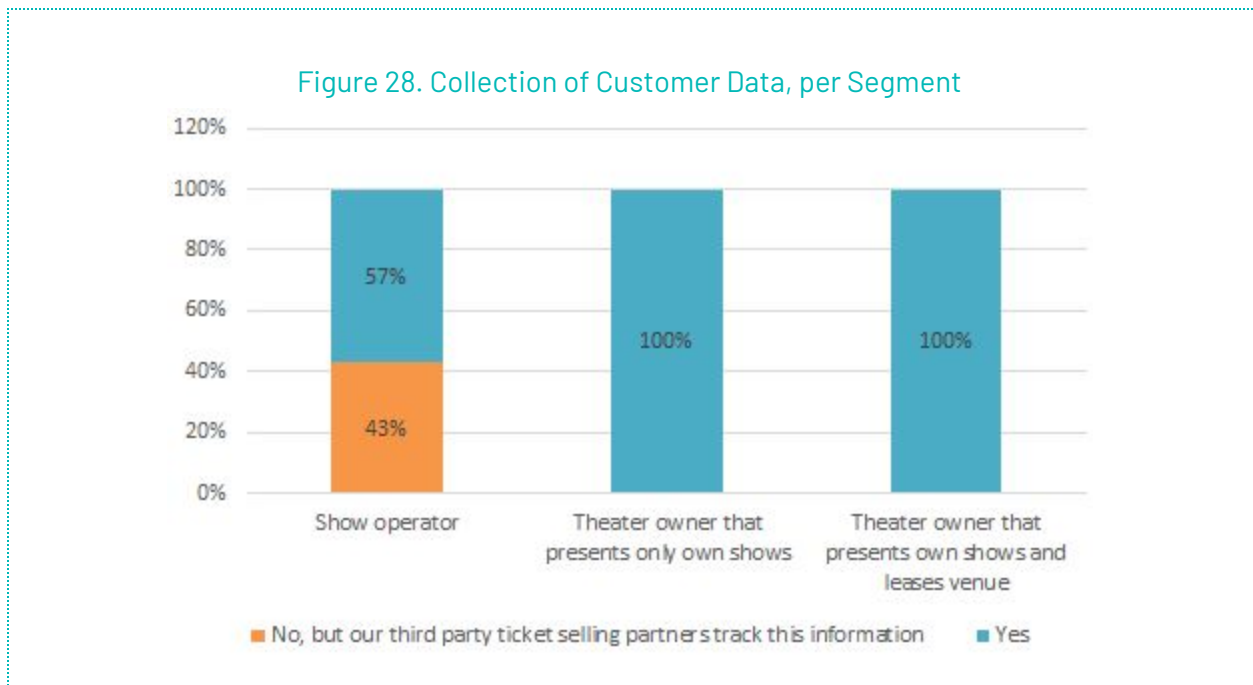
The above is also in line with respondents' plans for their top three investments in the next three years. As shown in Figure 27, the most desirable investment across all segments is marketing (75% of all respondents), followed by changing their marketing strategy.

For theater owners who operate only their own shows but also for those who lease to other shows, another very popular investment category is new theater productions. On the other hand, show operators, plan to mainly focus on changing their ticket selling strategy (43%) and increasing merchandise sales (43%).

Audience & Promotion

As seen in the previous section, it is evident that respondents intend to improve their marketing strategy and invest in marketing. In order to improve marketing, an essential information source is the collection of customer data. Currently, all theater owners claim to collect this data themselves (Figure 28). On the other hand, only 57% of show operators do so, the other 43% say that their

third party ticket selling partners collect this information instead. This could imply that nearly half of show operators who lease a venue do not have access to their customer data themselves.



We also asked those who collect their customer data themselves how frequently they use it to reach out to their customers. Show operators are the ones using it the most frequently, with 75% of them stating they use it quarterly/seasonally. Theaters, on the other hand, are not so active. Sixty percent of ‘theaters who only present their own shows’ claimed they never use their customer data, and 50% of ‘theaters owners that also lease to other shows’ only use it annually.

Figure 29 shows how show operators and theaters promote their theaters or shows. Most use a variety of ways, but the most popular were theater websites (96%), followed by social media posts and brochures/rack cards.

It is noticeable that ‘theater owners who present only their own shows’ are more active online, with all (100%) of the respondents using the theater’s website, social media posts, social media advertising and online search engine optimization.

Figure 29. Categories to Promote Shows/Theater, per Segment Type

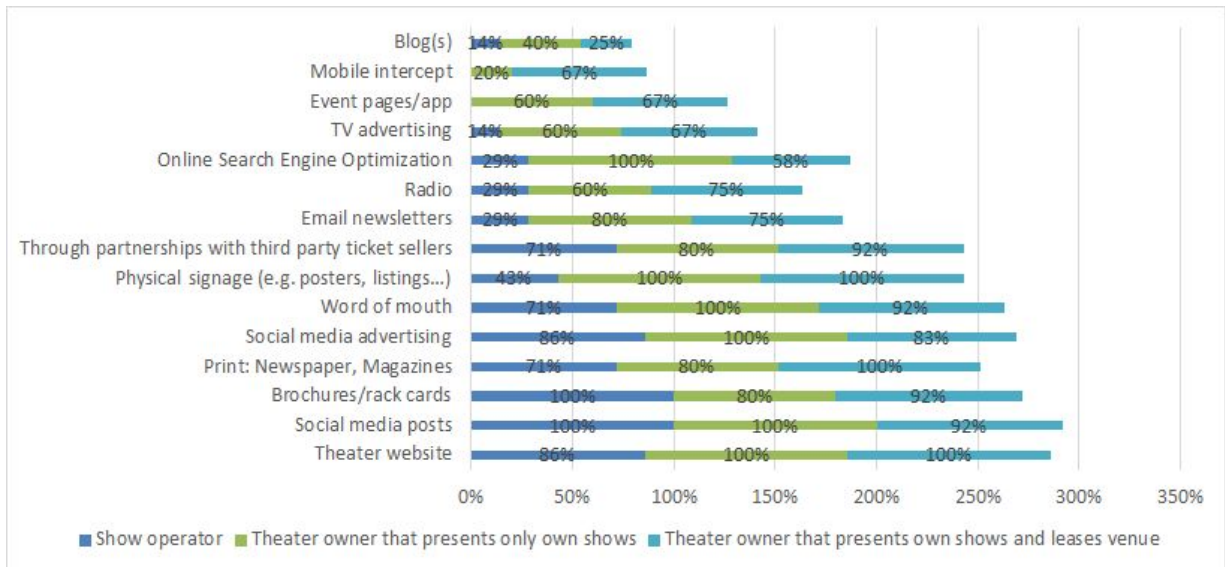
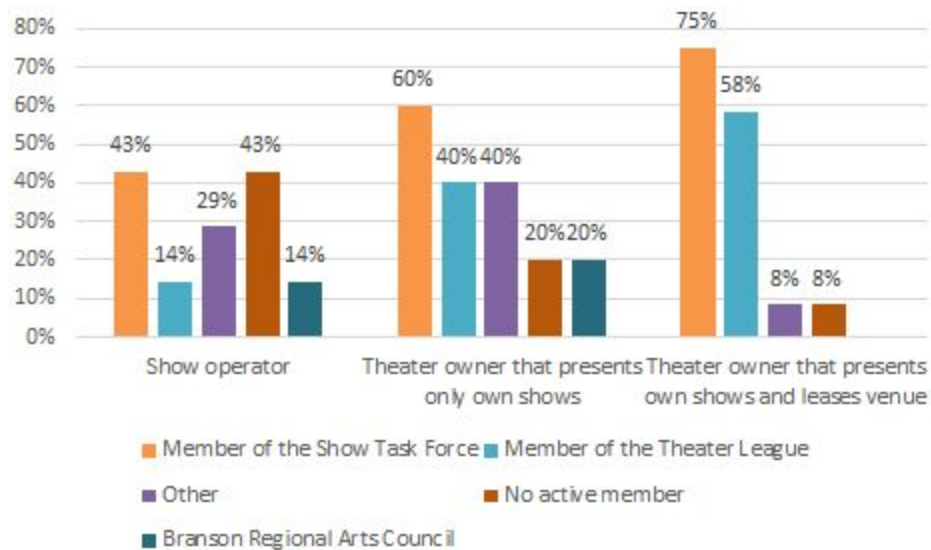


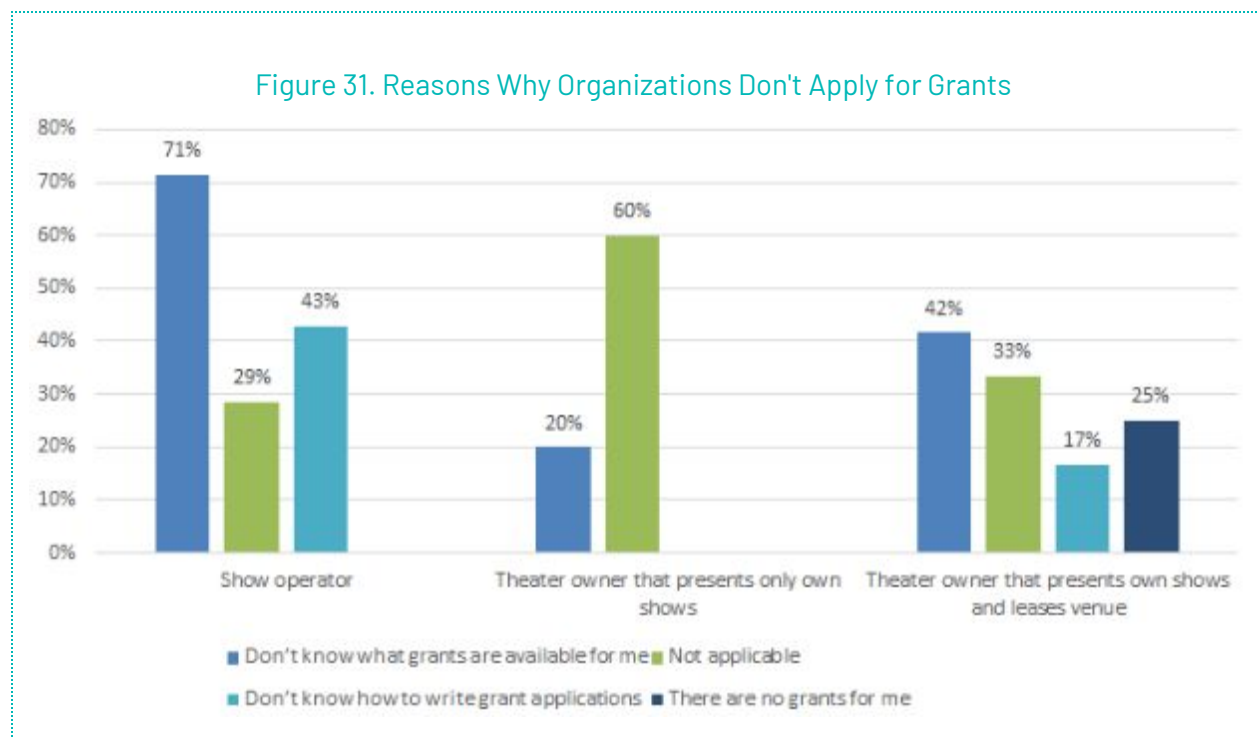
Figure 30. Memberships to Organization/Advisory Board that Support the Live Theater Industry in Branson



Finally, as part of the community engagement beyond their audience, most of the theaters and show operators are active members of organizations or boards that support the live theater industry in Branson. Figure 30 shows that most are members of the Show Task Force and many are members of the Theater League (primarily theater owners).

Grants Information

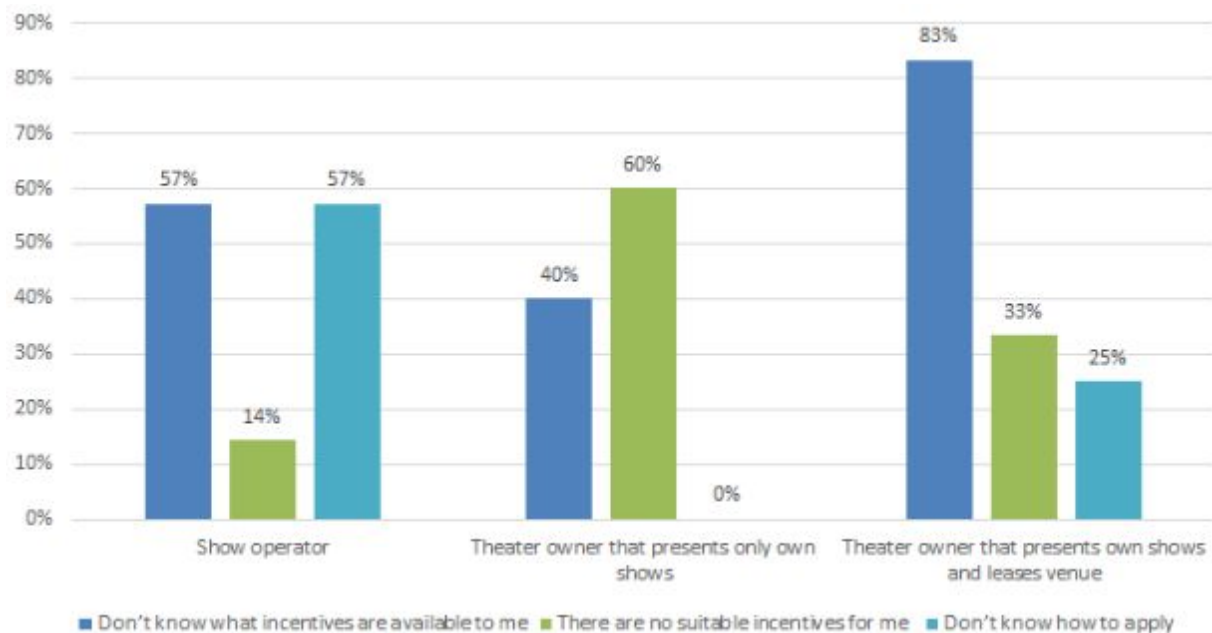
In Branson, the majority of organizations have not received any grants/funding (excluding tax incentives) for their live theater/music related activities. Only 20% of 'theater owners that only present their own shows' have received any. According to Figure 31, the main reasons for not applying for grants is that organizations don't know what grants are available to them. This particularly applies to show operators, where 71% stated this as the main reason for not applying. In addition, the show operators segment mentioned a lack of knowledge of how to write grant applications.



With regards to tax rebates or incentives, none of the surveyed organizations had received any. The main reasons why are shown in Figure 32, which are very similar to the reasons why

organizations don't apply for grants. They don't know what incentives are available to them nor how to apply for them. In addition, the tax rebates/incentives they know are not suitable for them.

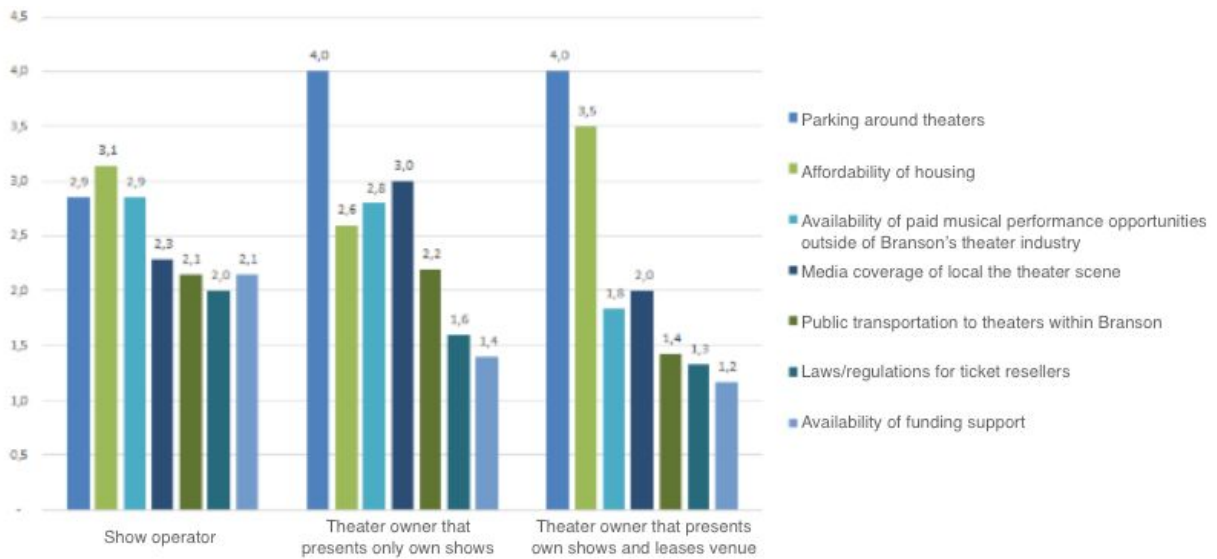
Figure 32. Reasons why Organizations Haven't Received any Tax Rebates or Incentives for their Live Theater/Music Related Activities



Professional Opinion

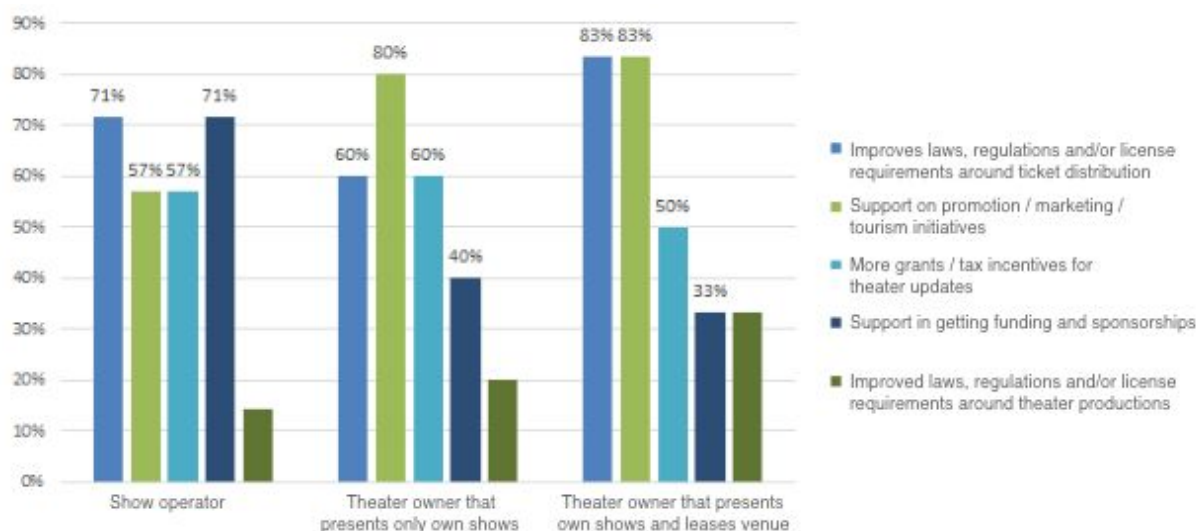
The respondents were also asked about their professional opinion about the live theater sector in Branson (Figure 33). The parking around theaters was rated the highest (rating of 3.7 out of 5), followed by affordability of housing (3.2 on average). The aspects that were rated the lowest include public transportation to theaters within Branson (1.8 on average), the laws and regulations around third party ticket sellers (1.6 on average) and availability of funding support (1.5 on average).

Figure 33. Professional Rating of Different Aspects of the Live Theater Sector in Branson, by Segment



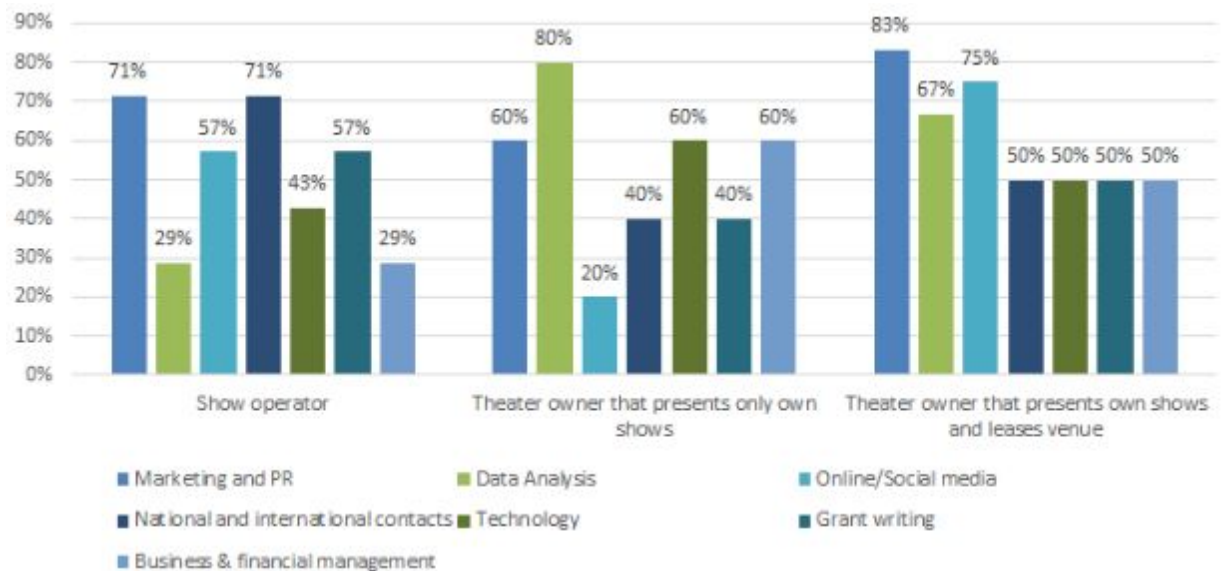
Based on the above findings, organizations will likely expect city/government support on some of those issues. Figure 34 shows that organizations would like improved laws, regulations and/or license requirements around ticket distribution (75% of organizations), further support on promotion/marketing/tourism initiatives (75% of organizations) and more grants/tax incentives (54% of organizations).

Figure 34. Desired Increased City or Government Support, by Segment



In addition, organizations also recognize that they require improvement of their skill set. The types of skills and knowledge they would like to improve differ by segment. Figure 35 shows that ‘show operators’ would like to learn more about marketing and PR and national and international contacts (71% each). ‘Theater owners that only present their own shows’ would like to learn more about data analysis (80%). Lastly, ‘theater owners that both present their own shows and also lease their venue to other operators,’ expressed they would like to improve their marketing and PR skills (83%) and knowledge about online/social media (75%).

Figure 35. Desired Skill and Knowledge Improvements, by Segment



Identification of Significant Variables that Impact the Financial Success of Organizations

Business financial success is generally assessed by analyzing certain variables such as income, costs, revenue, and debt levels. However, in the context of this survey, financial success will be defined by using a proxy variable. Below is the proxy variable:

- Average show occupation: this variable indicates the percentage of audience attendance of a show. The higher the level of occupation, the higher the sale of tickets, hence a higher level of revenue is assumed. This assumes that the cost to produce a show doesn't increase when there is an additional attendee.

The significance was calculated by running multiple regression models to understand the relationship between the dependent variable (DV) occupation, and several independent variables (IV), such as the genre of the shows, number of tickets sold, amongst others.

Below are the variables that have a significant impact on show occupation:

Type	Variable	Impact	Significance
General	The show is from a theater that presents its own shows and also leases the venue to other shows	Negative. If the show is from a theater owner that presents its own shows and also leases the venue, the % of occupation might decrease.	0.018
Show	Music Genre of the Show is Bluegrass	Positive. If the show's genre is Bluegrass, the % of occupation could increase.	0.024
Show	Show audience percentage is Adult Couples	Negative. When the show audience percentage of adult couples increases by 1%, the % of occupation can decrease.	0.010
Show	Changes in the number of performances in the past 5 year	Negative. When there has been a significant decrease in the number of performances of the show in the past 5 years, the % of occupation of the show can decrease.	0.048
Financial	Changes implemented in sales strategy in the past 5 years: work more closely with third party ticket sellers	Negative. If during the past 5 years the organization decided to work closer with third party ticket sellers, the % of occupation of the show can decrease.	0.049
Financial	Changes implemented in sales strategy in the past 5 years: offer bigger discounts or package deals on tickets	Negative. If during the past 5 years the organization decided to offer bigger discounts, the % of occupation of the show can decrease.	0.017
Financial	Significant decrease in revenue of the organization in the past 5 years	Negative. If the organization had a significant decrease in revenue during the past 5 years the % of occupation of the show can decrease.	0.008

Financial	No change in revenue of the organization in the past 5 years	Positive. If the organization had no change in revenue during the past 5 years the % of occupation of the show can increase.	0.001
Financial	Significant decrease of costs of the organization in the past 5 years	Negative. If the organization had a significant decrease of costs during the past 5 years the % of occupation of the show can decrease.	0.046
Financial	Some increase of costs of the organization in the past 5 years	Positive. If the organization had some increase of costs during the past 5 years the % of occupation of the show can increase.	0.028
Financial	Very positive impact of business success if organization invested in marketing in the past 5 years	Positive. If the organization had a very positive impact when investing in marketing in the past 5 years, the % of occupation of the show can increase.	0.015
Financial	Positive impact of business success if organization changed their marketing strategy in the past 5 years	Positive. If the organization had a positive impact when changing marketing strategy in the past 5 years, the % of occupation of the show can increase.	0.010
Promotion	Weekly use of Customer Information Database	Positive. If the organization uses their customer information database every week, the % of occupation of the show can increase.	0.045
Promotion	Quarterly/seasonally use of Customer Information Database	Negative. If the organization uses their customer information database only quarterly/seasonally, the % of occupation of the show can decrease.	0.010

Next Steps

In addition to this Theater and Show Owner/Operator Survey, Sound Diplomacy collected feedback from community stakeholders and visitors through two additional surveys: One addressed specifically to all citizens (directly related to the live theater industry and audiences) and another one addressed to past Branson visitors. The results of these three surveys inform the social and economic context of the live theater ecosystem in Branson. Sound Diplomacy will prepare a Survey Key Insights document, which will summarize the findings of all three surveys, revealing themes that have emerged throughout the research. Findings from all three surveys will guide our final strategic recommendations. They will be summarized and presented with other research as part of the final report.