

# Applying Value-Based Pricing for Museum Growth

Providing management with confidence in the value of the science museum

## Situation

- A science museum was about to re-open its doors after a three-year period of repair and renovation.
- Prior to closing the museum had experienced a long-term gentle decline in attendance numbers.
- Could a reasonable ROI be delivered for the substantial work that had been done on the museum? Specifically, Pricing Solutions needed to make recommendations about:
  - Setting admission price for the science museum
  - Adjusting admission prices for the companion museums
  - Adjusting parking cost
  - Setting membership fees
  - Whether special exhibits should be included within the admission price or as a surcharge

## Approach

### 1. Competitive Analysis & Kick-Off

Conducted desk research to review prices charged by other museums (by visitor segment) for attendance, membership, special exhibits and parking.

### 2. Museum Site Visits

the goal was to anticipate the needs of visitors, particularly around accessibility and parking.

### 3. Quantitative Research amongst Museum-goers

Conducted primary research to understand the usage and appeal of the museums within a competitive set of museums.

tested five price levels with monadic samples matched by age

Used predictive analytics to explore which segments were most likely to be interested in each museum.

### 4. Qualitative Research amongst Members & Final Recommendations

Pricing Solutions' final recommendations included:

Recommended new admission price and membership fees (and opportunities to increase value)

Recommended parking fees

How to structure pricing for special exhibitions.

## Results



Museum membership increased more than three-fold, and overall operating revenue is approximately **85% over target** for the entire year.

