



**Association of
independent
Museums**

Helping Heritage
Organisations Prosper

Success Guide Successfully Setting Admissions Policy and Pricing





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Success Guide Successfully Setting Admissions Policy and Pricing

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Whether to charge for admission to a museum and, if so, what pricing strategy to use, are key decisions, requiring careful consideration. Charging for admission can be a divisive subject that attracts strong views within organisations and across the sector. In spring 2016, AiM commissioned research to help each museum find the right policy for its circumstances and make evidence-based decisions about their charging structure.

The findings of this research have now been used to develop this guidance for UK museums; both to support their decision-making process and to assess how a change might affect them in the future. If you are currently charging and considering making the switch to free admissions – or vice versa – this guide will support you to make informed decisions based on examples and case studies from museums that responded to the AiM survey on admissions and pricing.

This guidance document summarises the key findings around the impact of different charging positions and identifies key lessons and issues for museums to consider when reviewing their own charging position. This guide is structured around each of these four topics:

- General guidance for all museums around charging for admissions
- Thinking about charging for admission?
- Thinking about moving to free admission?
- Already charge? Guidance for changing your pricing

General guidance for all museums around charging for admissions

What were the main research findings?

The overall aim of the research was to understand the experience of museums that have moved from free admission to charging, or charging to free admission, or to 'hybrid' models and to investigate different pricing strategies and their impact. The research examined the impact on visitor numbers, diversity of visitors, income (including secondary spend and spontaneous donation), visitor satisfaction, quality of visit and reputation and relationships. The research also helped to identify key lessons learnt to share with other museums. Main findings from the research included:

- The overall picture with regard to charging is much more complex than often assumed; for example, one in three independent museums are free-entry and one in three local authority museums charge for admission.
- There is no direct link between the diversity of audiences and whether a museum charges for admission or not, with the pattern in terms of social mix being very similar. However, such a finding needs to be understood in the context that the general social mix of museum visitors is not always representative of the wider social mix within their communities.
- Donations are more affected by a range of other factors than by whether museums charge for admission or not.
- There is no consistent relationship between levels of secondary spend and whether a museum charges admission, with other factors having much more influence. However, some evidence has emerged showing visitors to charging museums are more likely to have visited the shop (or used on-site catering), than visitors to free-entry museums.
- Dwell times are typically longer for museums that charge for admissions.
- The process of charging creates a focus for the visitor welcome and captures information about visitors. Where museums are free entry, alternative approaches are required for these elements.
- In making any changes it is especially important to communicate clearly with stakeholders and the local community about the reasons for the changes and to ensure that staff are positive and confident in explaining them to visitors.

One in three independent museums are free-entry and one in three local authority museums charge for admission

What should you consider about your approach to charging for admissions?

- Two key aspects for all museums are about understanding *your offer* and understanding *your audience* in considerations around your approach to charging.
- Think about questions such as: What attracts visitors to your museum? How long do they stay? What type of people visit your museum? How often do they visit? What attracts repeat visits?
- A range of wider factors should also to be considered, for example, the likelihood of charging can be influenced by:
 - The visitor economy in the area (museums in areas with a 'key' or 'significant' visitor economy are more likely to charge than those in 'moderate' or 'minor' areas).
 - The importance of the museum as an attraction in the area ('key attraction' museums are more likely to charge than 'significant', 'moderately significant' or 'minor').
 - The level of competition for attracting visitors (museums in 'very' or 'moderately' competitive areas notably more likely to charge than those in less competitive areas).
- The issues around public opinion and perceptions to be recognised. This includes the perception that museums

are free which can be challenging when thinking about charging. Addressing such perceptions through effective communication is important.

- Communication and messaging is key – including communicating the need or reasons for any change.
- Publicise any charges and offers clearly internally and externally. Communicate with staff and volunteers about why changes are happening and include other stakeholders in your plans
- Where possible, any decisions around changing strategy and/or changing price should be based on evidence/data about visitors. Good data and user research is very important in informing decisions about charging.
- Irrespective of your current or potential charging position consider the role of donations. Give consideration to the development and implementation of a pro-active strategy around encouraging donations.

Publicise any charges and offers clearly internally and externally. Communicate with staff and volunteers about why changes are happening and include other stakeholders in your plans.

How will your charging policy fit in with your museum's overall mission, purpose, strategy?

What should you ask your Trustees to consider about charging admissions?

The overarching charging and pricing policy for your museum should be underpinned by due consideration by your Trustees or governing body in relation to their role and responsibility for setting the strategy of the museum and delivering public benefit.

The types of issues that should be considered at the governance level include:

- How your charging policy fits with your museum's overall mission, purpose, strategy?
- How your charging policy fits with your financial needs and goals, including the need for income independent of significant funders?
- Whether free admission or charging coupled with discounts and incentives, best meets your aims for visitor numbers and visitor diversity?
- What the impact of any decisions you make around charging for admissions will have on the perception and reputation of the museum with visitors, stakeholders, funders and your local community?



Picture courtesy of Brighton Museum

Thinking about charging for admission?

The potential impacts of moving from free to charging

If you are thinking about making the move from free to charging, these key research findings will help to shape your planning and can inform you about the possible impacts of introducing admissions at your museum.

- Museums that have moved from free to charging most commonly report that this has a negative impact on overall visitor numbers, with some reporting notable decreases in visitors, especially in the number of local visitors.
- Museums that have moved from free to charging typically report that this has had no impact on the mix and diversity of visitors, although data on social mix can be limited for some museums, especially when they were free.
- All of the museums that have moved from free to charging report a positive impact on admissions income, and for some this has been a substantial level of income which has strengthened the overall financial position of the museum.
- Spontaneous donations commonly decreased when moving from free to charging, although such decreases are more than compensated by increases in admissions income. Many museums report that factors other than charging have a greater influence on donations.
- Whilst a mixed picture emerged about the impact of charging on secondary spend, there is evidence that visitors to paid admission sites are more likely to visit and buy from the shop, or use on site catering, than those to free admission sites. However, the stronger influence of factors other than charging on secondary spend – most notably the quality of the retail and on site catering offer – was noted by many.
- Some museums noted that overall secondary spend had not changed whilst visitor numbers had decreased – suggesting that the visitors lost when moving from free to charging may be those who typically did not make any secondary spend when visiting.
- Museums that have moved from free to charging for general admissions report that this had both positive and negative impacts on relationships and reputation.
- Whilst there is typically an appreciation from stakeholders about the need to increase income, museums can experience a negative reaction from the local community as a result of moving from free to charging, with communication and planning being key elements in mitigating such reactions.

There is evidence that visitors to paid admission sites are more likely to visit and buy from the shop, or use on site catering, than those to free admission sites

What should you consider when moving from free to charging?

The diversity and flexibility of your pricing strategy

The research found a diverse range of pricing strategies being adopted, which typically reflect the common types of visitor; for example, adult, child or family tickets are most common and within these pricing categories some museums offer further flexibility such as age related charges for children or charges for different size and types of family. Being able to offer diversity and flexibility around pricing can be important in attracting visitors to your museum and can also help to counteract any concerns around accessibility for particular groups.

Pricing can be complex!

One pricing issue to consider is the potential complexity of pricing. Given the potential range of tickets and offers as well as Gift Aid and/or voluntary donation options, some museums found that such a range can be administratively burdensome for the museum and complex for the potential visitor. There are recent examples of museums simplifying their pricing structure, making it easier to implement and easier to understand for everyone.

What other pricing strategies could you use?

Additional pricing strategies that you can consider include discounts or free entry for groups, friends, specific types of individual, local residents. In addition, other incentives and

offers such as annual passes, season tickets, free repeat visits, and joint ticketing can be offered. Other pricing innovations include discounts for online ticket purchasing or discounts with particular offers/voucher schemes and reduced rates or free entry on certain days or times of the week or year, as well as innovative models such as 'pay what you think'.

The pitfalls of low pricing

When setting prices, it is important to balance any considerations about keeping prices down (to help accessibility) with not undervaluing the offer (by creating perceptions of low quality). Whilst it is important to provide value for money when introducing charging, this does not mean low pricing, but rather ensuring pricing reflects the quality of the museum/offer and that this message – about the quality and value of the visit – reaches visitors. Price benchmarking information is included later in this guidance.

Be selective with your pricing comparisons

When looking at other museums as comparators to help inform the setting of prices, make sure you select relevant comparators. Comparing with appropriate (which may be local rather than national) attractions is important, especially where your museum visitors are typically local or day visitors. It may be that the most relevant comparisons are not other museums elsewhere in the



Country, but are other visitor attractions in your area.

The challenges of public perception

The museums that have faced some of the greatest challenges are those that have moved from free to charging for general admissions – with the perceptions and attitudes of visitors (especially local visitors) proving to be a notable challenge. Whilst going low on price when introducing charging can appear appealing, museums that introduced an admission charge note that the challenge around this occurs irrespective of the price charged – so keeping the price low does not necessarily reduce this challenge, and can cause issues around perceptions of low price equating to low quality.

The financial cost of introducing charging

It is important to appreciate the operational cost of introducing charging (e.g. staff training, new equipment, new systems), and make sure you fully scope out these costs as part of any decision to move to charging for admissions, including ensuring that you have the processes and systems in place for collecting Gift Aid on admissions. This will be important in ensuring that pricing is set at a sufficient level to cover the operational cost of charging and/or provide a sufficient financial return for your museum from such a change. Make sure that due consideration is given to any VAT implications of moving from free admissions to charging for

admissions, and seek appropriate advice about these.

It's all about people...

Charging for admissions can provide the opportunity for your museum to better understand your visitors – through more front-of-house engagement, receiving informal visitor feedback, and collecting visitor data via ticketing information. It is important to provide training and support for staff on any changes around charging. This includes developing staff confidence and also staff attitudes and approaches towards the communication of the introduction of charging to visitors.

And good timing!

In planning any changes, it is important to ensure that there is a sufficient lead-in time to implement any changes.

Communication is key

The importance of communication cannot be overstated when moving from free to charging for admissions. This includes communication with visitors to publicise charges and offers clearly, and to initially explain the move to charging; communication with staff/volunteers to ensure they understand why charges are being introduced and how to implement the change; and communication with stakeholders/governing body, especially where they have a decision-making role or influence on charging.

"People tend to stay longer when they've paid for entry – although we do also have season tickets which enable shorter more frequent visits."
Survey respondent

Case studies of museums that moved from free to charging



Cyfarthfa Castle Museum
& Art Gallery

Cyfarthfa Castle Museum and Art Gallery moved from free to charging in 2014 and increased the scope of pricing in 2015 with the aim of generating income. The museum feels that potential visitors who knew the museum was previously free are more likely to be put off visiting by the charge. Lessons include the importance of 'getting the message out there' and ensuring local people understand why there is now a charge. Also keeping the same charge for a sustained period of time, and promoting the value of the museum to visitors is important.



The Lightbox in Woking

The Lightbox in Woking has a continuous programme of temporary exhibitions, and went from charging for these exhibitions when it opened in 2007, to free in 2009, and introducing a charge of £5 for an annual pass 2014, whilst maintaining free access to its permanent galleries throughout this period. Ahead of the move to reintroduce charging in 2014, The Lightbox researched its options in detail, and found that the annual pass scheme was the best approach for them, as it promoted increasing return visits and Gift Aid could be claimed. At the same time, The Lightbox also increased the cost of friend's membership by the amount of the pass, and included it as part of the membership card, with no complaints. The Lightbox benefited by being transparent about the transition to charging, and by working hard with all community projects it is engaged with to ensure key groups were not alienated.



Brighton Museum & Art Gallery

Brighton Museum & Art Gallery went from free to charging for non-residents in May 2015, and have found that whilst visitor numbers have markedly dropped, dwell time and spend per visitor have increased. Brighton Museum found that the quality of their visitor data collection as a free museum was not detailed enough for charge based business planning, and the fall in visitor numbers was greater than anticipated (data quality has significantly improved through more detailed visitor engagement). Brighton learned that although residents go free, the perception that your museum charges impacts on numbers. Ideally, a long lead in time is advisable to better communicate the change, as is supportive programming, especially aimed at local audiences.

Thinking about moving to free admission?

The potential impacts of moving from charging to free

If you are thinking about making the move from charging to free, these key research findings will help to shape your planning and can inform you about the possible impacts of removing admissions at your museum.

- The vast majority of museums that have moved from charging to free report that this has a positive impact on overall visitor numbers, with some reporting a more than doubling of visitors, especially a greater number of repeat visits, and more 'casual' visits with shorter dwell times.
- Museums that have moved from charging to free present a mixed picture in terms of the mix and diversity of visitors, with 'no impact' and 'positive impact' being reported in equal numbers. Whilst data on social mix can be limited for some museums, those reporting a positive impact particularly noted more local visitors.
- The vast majority of museums that moved from charging to free reported a positive impact on spontaneous donations as a result. The extent to which this increase in donations makes up for the loss of admissions income varies from museum to museum – some experience a net gain in income whilst others are worse off financially.
- A mixed picture emerged about the impact of moving from charging to free on secondary spend. In many cases, museums reflected that other factors influenced the level of secondary spend, especially the quality of the retail and catering offer. Although one of the more frequent positive impacts reported by free museums is an overall increase in visitors, leading to an increase in overall sales.
- There is limited data on dwell time from museums that have moved from charging to free, but most reported no impact, and those that reported a positive impact typically related this to shorter, more frequent visits rather than an increase in the dwell times per visit.
- Museums moving from charging to free reported positive impacts on relationships and reputation with stakeholders, local community and friends and members. In particular, moving to free admissions helped to develop stronger and better links with the local community – encouraging access, and raising the profile of the museum.

The vast majority of museums that have moved from charging to free report that this has a positive impact on overall visitor numbers

What should you consider when moving from charging to free?

Easier to implement

Moving to free admissions for your museum can be easier to implement than charging for admissions. Offering free admission has a lower operational cost than charging for admissions, and it does not face the practical barriers that charging for admissions can present for some museums – depending on the number of access points to the museum, the layout of the museum.

Finance and income generation questions to ask

Make sure that due consideration is given to any VAT implications of moving from charging for admissions to free admissions, and seek appropriate advice about these. Providing free admission can offer other income generation opportunities, but you need to be well organised and prepared to positively exploit such opportunities or opportunities can be missed.

Increased focus on donations

There is the potential to focus on donations as an alternative source of income to admissions income when moving to free admissions, and some (smaller) museums have done this successfully. Where this has been achieved, the museums have developed a strong donations strategy, including the effective use of donations boxes and training for staff and volunteers in 'making the ask' of visitors.

In general, museums feel that they are in a better position to make the ask on donations and are more effective at it when admission is free – but this does not happen automatically. A pro-active approach and strategy around donations is still required.

Also, whilst donations can increase when moving to free admissions, the experience of some museums is that donations do not cover lost admissions income, so this needs to be considered when thinking about moving to free admissions.

Marketing is crucial

It is important to effectively communicate, market and promote any change from charging for admissions to free admissions – make sure potential visitors know the museum is now free admission.

Secondary spend can increase – but...

In terms of secondary spend, whilst a frequently reported positive impact by free museums is an overall increase in visitors leading to an increase in overall secondary spend, other factors (especially the quality of the retail and catering offer) have greater influence on the level of secondary spend than whether the museum charges or not. Make sure your offer is good enough to capitalise on the opportunity.

"Many visitors comment on being pleased not to have to pay and lots of families visit as groups. I think it encourages repeat visits from local residents."
Survey respondent

Positive public perception?

Offering free admissions can be very attractive to visitors, especially local people. It may chime with a perception that museums are or should be free. One challenge for museums that move to free admissions is that there can be a loss of front-of-house interaction with visitors – resulting in less engagement with staff (and less data about visitors).

Where museums move to free entry, alternative approaches

are required to ensure these elements are not lost, and there are examples where this has been achieved, but it requires additional efforts by the museum.

Ensure that your museum is prepared and able to cope with the anticipated increase in visitors from moving to free admissions – and the resulting demand on services and facilities such as the café, toilets, car parking and audio-guides.



Picture courtesy of Tullie House Museum and Art Gallery

Case studies of museums that moved from charging to free



Elgin Museum

Elgin Museum moved from charging for admissions to free entry in 2013 aiming to make the museum more accessible. The museum managed to arrange corporate sponsorship support to help offset the lost admissions income initially. As well as seeing visitor numbers almost double, Elgin Museum emphasised that the implementation of a pro-active donations strategy (including effective use of donation boxes, building on good practice guidance) helped to offset much of the lost admissions income, which alongside the ongoing sponsorship has put the museum in an improved financial situation as well as leading to far greater connections and engagement between the museum and the local community due to free admissions – exemplified through the increases in the number of children visiting the museum.



Derby Museums Trust

Derby Museums Trust recently investigated introducing charging at one of their sites and found that introducing charging at this venue would result in a net increase of income at a level that the Trust felt it was not worth pursuing, reinforcing the Trust's position on free entry. The Trust plans to continue with free entry, raising income from donations (which the Trust feels is easier to do when a museum does not charge), secondary spend and conferencing.



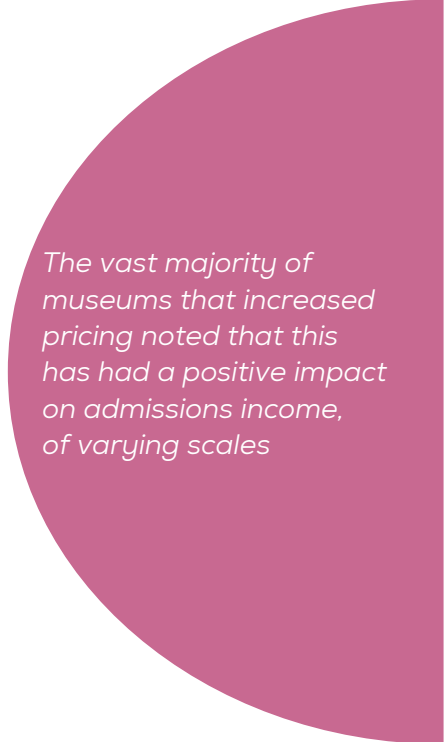
Cannon Hall Museum

Cannon Hall Museum near Barnsley is a free admission museum, with previous experience of charging for admissions. Key lessons around maximising income whilst offering free admission include being prepared and able to exploit retail opportunities, being up front and proactive around seeking donations, ensuring staff are trained in 'making the ask', and understanding your audience (collect and use visitor data).

Already charge? Guidance for changing your pricing

Even if you already charge admissions, take care when changing your pricing. These are some of the impacts to be aware of.

- Museums that already charged and increased the scope or scale of their pricing in recent years typically report that the increase in pricing did not have an impact on visitor numbers.
- Similarly, the vast majority of museums that increased prices reported that this had no impact on the mix and diversity of their visitors. Most museums noted very little change in visitor mix at all, with some museums offering specific activities – for example, outreach – or incentives such as special offers to counteract any potential impacts.
- The vast majority of museums that increased pricing noted that this has had a positive impact on admissions income, of varying scales.
- Almost three-quarters of museums that increased pricing noted that it had no impact on spontaneous donations – pointing out that other factors were more important in terms of the level of donations.
- More than half of museums that increased charging reported that this had no impact on secondary spend – with more than one-quarter reporting positive impacts, with such positive impacts being supported by other evidence.
- Museums that increased pricing are the least likely to report this has affected their reputation and relationships with stakeholders, local community or friends and members. There is typically an appreciation from stakeholders about the rationale for increasing pricing and strengthening the financial position of the museum.
- Many museums use a change in the visitor offer such as a substantial redevelopment, a new gallery space, the opening of a new exhibition, or a smaller scale change in the offer, to support an increase in price, helping to reduce any potential negative impacts – simply putting the price up without any change in the offer is more likely to result in negative impacts for your museum.



The vast majority of museums that increased pricing noted that this has had a positive impact on admissions income, of varying scales

"We run bi-yearly open weekends to ensure we are targeting free vouchers for admission to less affluent areas of [our city] based on the indices of deprivation. This therefore means we can maintain a diverse mix of visitors to the Museum."
Survey respondent

What should you consider when changing your pricing?

Many of the issues, considerations and lessons around moving to charging set out earlier in this guidance also apply to increasing your pricing. Other things to think about when changing your pricing include:

A diverse and flexible pricing strategy

Including relevant use of discounts, other incentives and offers, and pricing innovations. Give due consideration on pricing levels and strategies to help counteract any concerns and issues around accessibility for particular groups.

A need for balance

A balance needs to be achieved between a diverse pricing strategy and any potential complexity of pricing. Also think about the administrative burden and confusion for staff and visitors that this can cause. You also need to balance considerations about keeping

prices down, to help accessibility, with not undervaluing the offer (by creating perceptions of low quality).

Changes take time

Consider the operational cost of changing charging such as staff training, new equipment, new systems and ensure pricing is set accordingly. Sufficient provision of training and support for staff on any changes around charging. Ensure that there is a sufficient lead-in time to implement any changes. Communicate pricing changes to visitors so they know they are happening and why they are being introduced.

Price must reflect quality

Ensure pricing reflects the quality of the museum/offer and that this message – about the quality and value of the visit – reaches visitors. Make relevant use of comparators when changing prices: good comparisons may not be other museums elsewhere, but other visitor attractions in your area.



Picture courtesy of The Historic Dockyard Chatham

Benchmarking

In terms of benchmarks for pricing, and wider factors that can influence the level of pricing, analysing average general admission adult prices against other factors found:

- The current average price for an adult ticket for general admission is just less than £6 with a notable range of prices underneath this average – from less than £1 to £20+.
- The current average price for a child ticket for general admission is almost £3, and again the range of prices underneath this average is notable – from free to £14.
- The current average price for a concession ticket for general admission is just over £5 with a notable range of prices underneath this average – from less than £1 to £20+.
- The current average price for a standard family ticket for general admission is almost £19 and the range of prices underneath this average is from £4 to £60+.
- There is little difference between average prices by type of museum – whilst independent museums are more likely to charge than local authority museums, the average prices for both types are very similar.
- The more significant the visitor economy is to the local area the lower the average price.
- The more important the museum is as an attraction to the local area, the higher the average price it charges.
- There is a pattern of higher average prices relative to the size of the museum (in terms of visitor numbers) i.e. the larger the museum the higher the average price.
- Average prices are higher for museums in the south of England (i.e. London, South West of England and South East of England) than for other areas across the UK.

The more significant the visitor economy is to the local area the lower the average price

Case studies of museums that have changed their pricing



Tullie House Museum & Art Gallery

Tullie House Museum and Art Gallery increased the level and scope of charging in 2014, opting to charge for all special exhibitions rather than just some, and also creating a separate charge just for these exhibitions (an all-inclusive rate was the previous offer). The changes led to a more consistent pricing strategy, and did not affect visitor numbers, which remained fairly constant, nor did it affect the mix of visitors. Income from admissions increased, with other income (donations and secondary spend) remaining constant or increasing due to other factors.



Tenby Museum and Art Gallery

Tenby Museum and Art Gallery amended their admissions charging policy in recent years (letting children go free, removing the concessionary rate, and increasing adult prices). These changes were intended to increase the museum's appeal to families and children, as well as improve the museum's financial position. Since the changes, total visitor numbers have increased slightly, and the number of paying visitors has also been sustained. The changes also led to a simplified pricing strategy, which has been of benefit to both museum staff/volunteers and visitors as it is easier to understand and communicate. Tenby Museum emphasised the importance of effective communication with both visitors and all other stakeholders when implementing any changes around admission pricing – including strong and effective messaging about the financial position of the museum.



The Historic Dockyard Chatham

The Chatham Historic Dockyard Trust increased their annual pass adult tickets in 2016, based on significant product improvement, increasing both the visitor experience and dwell time as well as to support a strategy of targeted discounting (directly online through their website) and half price deals for events with an annual pass, and a 'kids go free' online offer during the summer. The Trust emphasised the importance of researching options, the importance of income-yield (i.e. total income from admissions) relative to visitor volume, and the need for clear and honest messages and communications.

Research Background

The Association of Independent Museums (AiM), in partnership with Arts Council England (ACE) and the Museums Archives and Libraries Division (MALD) of the Welsh Government, commissioned DC Research Ltd to carry out a research study into the impact of charging for admissions on museums. The work was in the spring and early summer of 2016.

The overall aim of the research was to understand the experience of museums that have moved from free admission to charging, or charging to free admission, or to 'hybrid' models, and to investigate different pricing strategies and their impact,

including impact on: visitor numbers; diversity of visitors; income (including secondary spend and spontaneous donation); visitor satisfaction/quality of visit; and reputation and relationships, as well as identifying lessons learnt to share with other museums.

The research underpinning this guidance included a detailed review of previous research and literature about the impact of charging for admissions on museums, a sector-wide survey of museums across the UK (a total of 311 replies were received), visits to 20 case study museums to assess in-depth the impact of charging for admissions, and a range of one-to-one consultations with key museum stakeholders.



Picture courtesy of Tenby Museum



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