

# THE IMPORTANCE OF ACCURATE ATTENDANCE PROJECTIONS TO THE RIGHT SIZING AND SUSTAINABILITY OF BUILDING PROJECTS

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# Main External and Internal Factors that Influence Museum Attendance Levels

## External:

- State of the economy
- Weather
- Competition

## Internal:

- Product/Visitor Experience – exhibitions, public and educational programs
  - positive word of mouth attracts first-time visitors;
  - great experience builds repeat visits
- Place/Site/Appeal of the Building
- Price/ Admission Charges/Marketing Expenditures

# Attendance Projections Influence....

- Size and allocation of spaces within a museum building
- Selection of a site and determination of parking needs
- Staff levels and even salaries
- Admission charges
- Estimates of visitor-generated income such as admissions and retail
- Other....

# What Happens When Attendance Projections Not Accurate

- Unrealistically high projections can lead to:
  - Over-building
  - Rejecting good potential site
  - Over-staffing
  - Over-charging on admissions
  - Unachievable projections of visitor-generated income
  - Architects and exhibition designers and other consultants on the project made to look bad
- Underestimating attendance projections doesn't help because leads to under-building, under-staffing and under-charging

# Consequences of Under-Performing on Attendance Projections: Actual Headlines

“Art Museum Director Forced to Resign, Low Attendance Cited”

“New Natural History Museum Called ‘White Elephant’”

“Science Center Cuts Staff as Attendance Lags”

“Zoo Appeals for More City and Private Funds”

“Fundraiser to Help Rail Museum Get Back on Track”



Do Museums Under-Perform or are  
Attendance Projections Just Unrealistic?

# A Reasonable Definition of Accuracy for Attendance Projections

- Existing museum: +/- 10 to 15%
- New museum: +/- 15 to 20%

Attendance and other projections (operating revenues and expenses) may be done internally by staff but most funders want projections to be independent and objective and usually done by consultants





# Benchmarking is the Main Tool Used to Project Attendance Levels

- Benchmarking Against:
  - Historical Attendance Figures for Museum if Exists and is Expanding
  - Attendance Levels of Comparable Museums in Other Cities
  - Attendance Levels of Museums in the Same City

*But if the reported attendance figures are inaccurate then the benchmarks are wrong!*



# Some Museums Over-Count Visitors

Ways to Over-Count Include:

- Double or triple counting same visitor to permanent and temporary exhibitions, large format theater, other
- Including more than on-site or in-museum visitors
- Counting as visitors those only using the retail store or café or even staff, volunteers and delivery people on infrared counters
- Other...

*No uniform definition of what constitutes a visitor leads to inaccurate benchmarking data and thus inaccurate attendance projections for those using the data*

# Why Don't All Museums Report Attendance Accurately?

- Perceptions that other museums are not reporting attendance accurately
- The need to meet Board and funder expectations, whether realistic or not
- The need to outperform predecessor staff
- Pressure to show that attendance-generating initiatives are working
- Other....

# Important Way to Get Accurate Attendance Projections is to...

Encourage All Museums to Report their Attendance Accurately

- “*The Importance of Accuracy in Attendance Reporting*” (Ted Silberberg, International Journal of Arts Management, 2005)

Objective to break the cycle of exaggeration and inaccuracy, but continues today almost as much as a decade ago

# Projections Must be Based on Clear and Reasonable Assumptions

Assumptions emerge from both consultant recommendations and client direction :

- Site strengths and weaknesses
- Features of the building
- Nature of the visitor experience
- Admission charges, operating schedule and other operational issues
- Staffing levels
- Marketing expenditures
- Other....

# Consultant Recommendations Build Upon...

- Learning from experience of comparables
- Analysis of resident, school and tourist markets
- Community and client consultation
- Working with architects, exhibition planners and other consultants
- Judgment and substantial experience

Role of consultants to recommend but client finalizes assumptions then consultant prepares independent projections



**NATURAL HISTORY  
MUSEUM OF UTAH**

Rio Tinto Center | The University of Utah



# **The Importance of Accurate Attendance Projections: the New NHMU Case Study**

March 17, 2014



# UMNH in the George Thomas Building





# UMNH in the George Thomas Building



65,000-90,000 visitors

# UMNH in the George Thomas Building



87,000 sf with 24,000 sf exhibits



# UMNH in the George Thomas Building



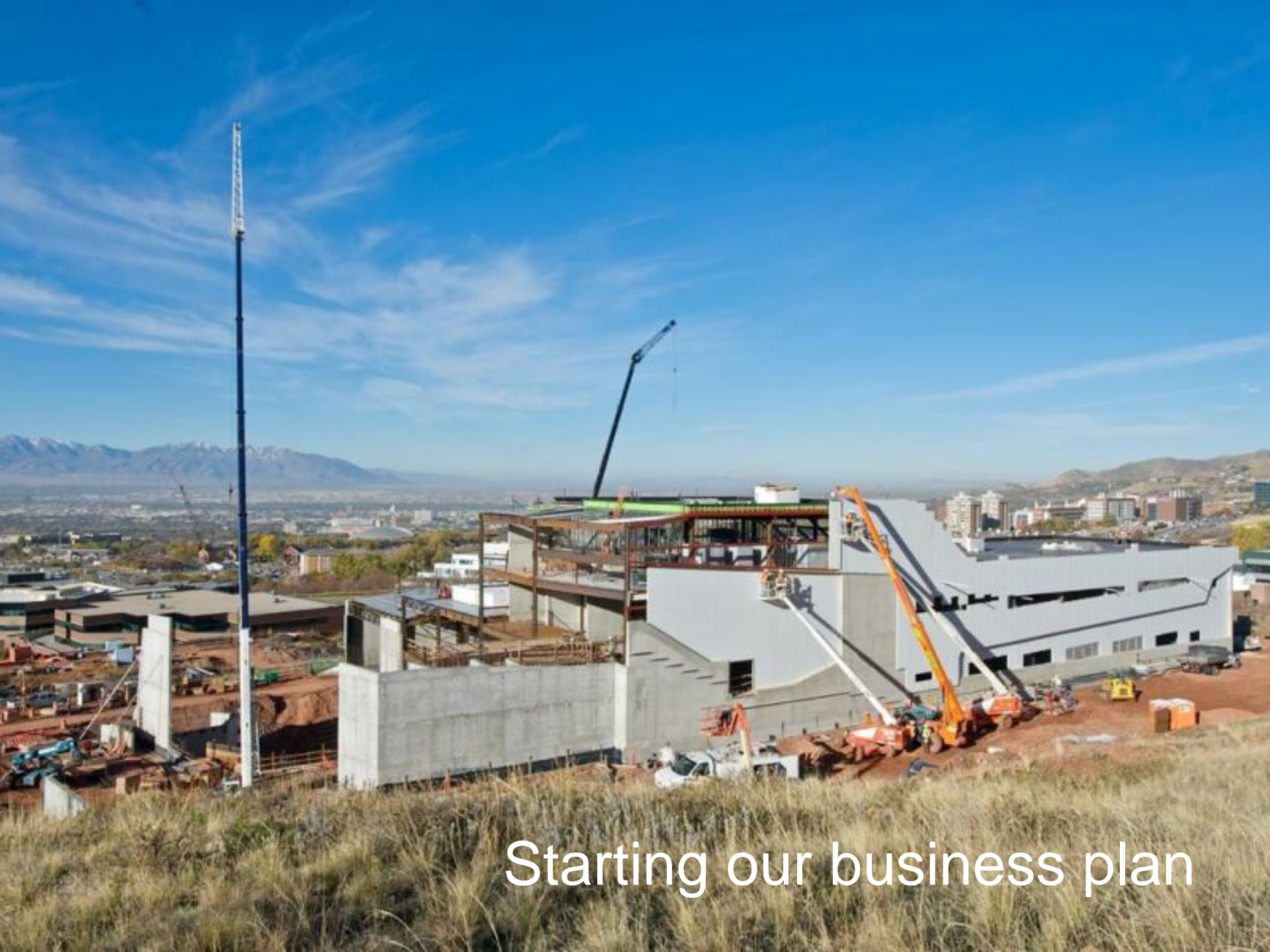
Limited visitor amenities

# UMNH in the George Thomas Building



12 parking stalls, good public transit





Starting our business plan



# Comparables Analysis



# Estimate the quality of the experience



Collections Wall in the Canyon



Estimate  
operations  
and  
maintenance  
costs



Heidjens light sculpture, Canyon

Staffing: FT or PT?





Opening:  
November 17,  
2011







The Experience



# Opening Year



Entrance Plaza



# Opening Year



265,000 projected

Entrance Plaza



# Opening Year



265,000 projected  
341,321 came

Entrance Plaza



# Opening Year



265,000 projected  
341,321 came  
29% over projection

Entrance Plaza



Membership: 3500 projected



Sky Terrace



Membership: 3500 projected  
4996 joined



Sky Terrace



Membership: 3500 projected  
4996 joined  
43% over projection



Sky Terrace





Retail  
Sales



Classrooms



# Meeting Rooms



Community Room



# Event Rentals



The Canyon



# Ratio of Paid to Free/Indirect Paid





Second Year:





Second Year: 210,000 projected





Second Year: 210,000 projected  
241,218 came





Second Year: 210,000 projected  
241,218 came  
15% over projection





Membership: 3000 projected



Land Exhibition

Land Exhibition



Membership: 3000 projected  
3680 members



Land Exhibition

Land Exhibition

Membership: 3000 projected  
3680 members  
23% over  
projection



Land Exhibition

Land Exhibition





# NATURE UNLEASHED

INSIDE NATURAL DISASTERS

Member Preview May 24



**NATURAL HISTORY  
MUSEUM OF UTAH**

Rio Tinto Center | The University of Utah

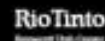
This exhibition and its national tour were developed by The Field Museum, Chicago.



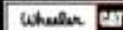
National Tour Sponsor



Local Presenting Partner



Major Sponsors







NATURAL HISTORY MUSEUM OF UTAH  
RIO TINTO CENTER THE UNIVERSITY OF UTAH

Programs

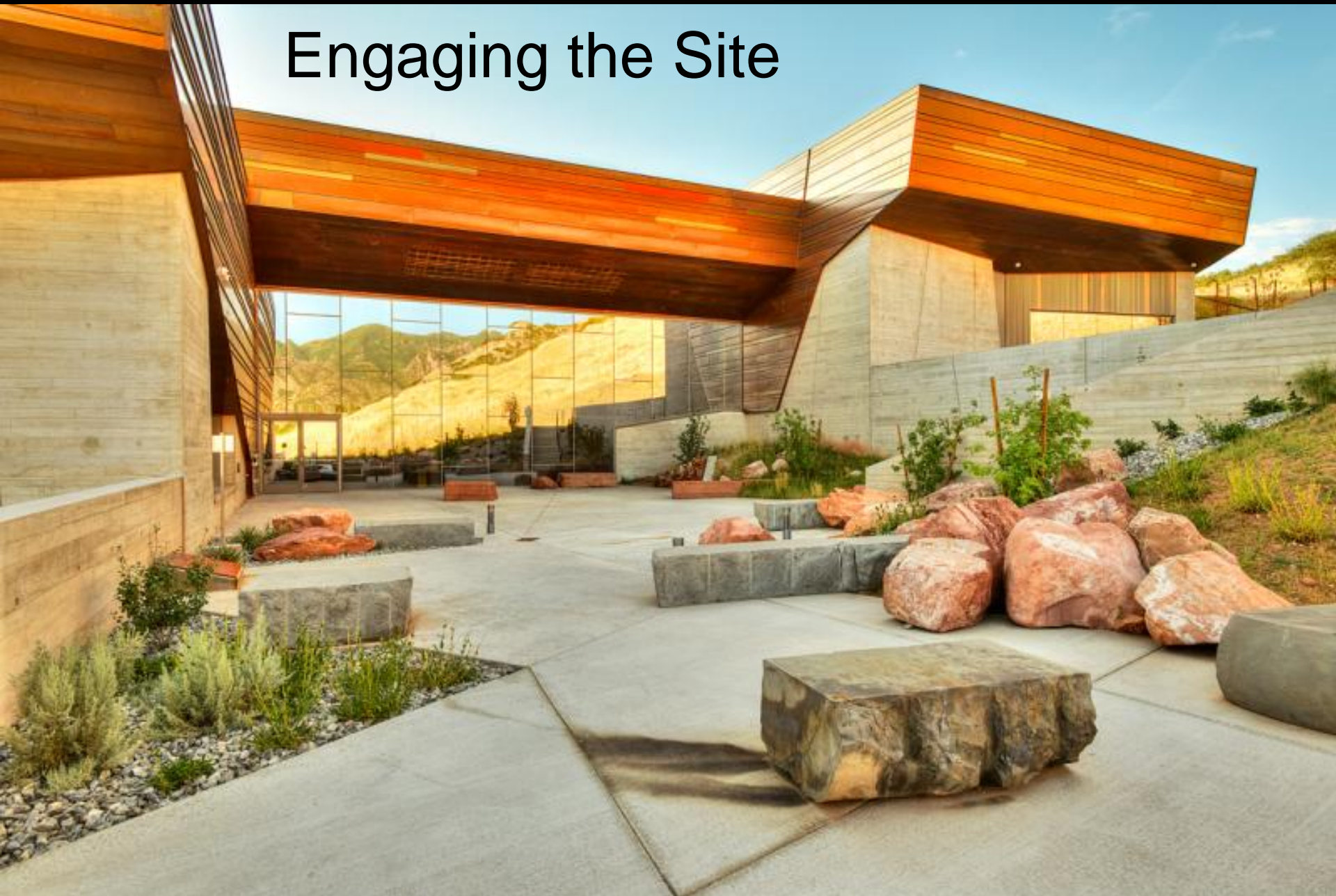


# Keeping up Appearances





# Engaging the Site





And now back to Ted...





How to Project Attendance for Expanded  
or New Museum: **Assume Expanded**



# Requirements of the Analyst Preparing Projections

- Independence... The objective is accurate projections not to make the boss/client happy
- Objectivity... Don't fall in love with your own ideas
- Realism ... Recognize that the projections must be achievable
- Judgment... Experience to consider implications of qualitative factors that may affect attendance because every formula has its weaknesses
- Thick Skin... Folks will disagree. Indicator of good projections if some believe projections are too high while others believe they are too low!

# Attendance Projections Must be Built Upon...

- Analysis of existing and potential markets, including internal and external interview process
- Benchmarking against experience of specific museum types, comparable museums elsewhere and others in the same city
- Clear and agreed assumptions
- Sound judgment and experience





Methods to Project Attendance

# To Project Attendance Start with Quantitative Analysis: Extrapolation from Existing Museum

Visitors per sq. ft. Exhibition Space in Existing Museum  
Applied to Exhibition Space in Expanded Museum.

- Total accurate, on-site visitors = 100,000
- Total exhibition sq. ft. = 10,000
- Visitors per sq. ft. exhibition space = 10.0
- Assumed exhibition sq. ft. after expansion = 15,000
- Apply 10.0 visitors per sq. ft. space to 15,000 sq. ft. leads to attendance estimate of **150,000 visitors**



# Quantitative Analysis: Ratios from 5 Comparable Museums in Other Cities

Visitors per sq. ft. Exhibition Space Applied to Exhibition Space in Expanded Museum.

- Mid-point of median and average attendance figures for five selected comparables = 200,000
- Mid-point of median and average size of exhibition space for five selected comparables = 15,000
- Visitors per sq. ft. exhibition space = 13.3
- Apply 13.3 visitors per sq. ft. space to 15,000 sq. ft. for expanded museum leads to rounded attendance of **200,000 visitors**

# Quantitative Analysis: Ratios from Comparable Museums in Other Cities

Visitors per 1,000 MSA Population Applied to MSA Population for Expanded Museum (Penetration Rate).

- Mid-point of median and average attendance figures for five selected comparables = 200,000
- Mid-point of median and average size of MSA populations for five selected comparables = 1,250,000
- Visitors per 1,000 MSA Population = 133.3
- Apply 133.3 visitors per 1,000 MSA population to 1,250,000 population for expanded museum leads to rounded attendance of **167,000 visitors**



# Quantitative Analysis: Ratios from Comparable Museums in Other Cities

Visitors per 1,000 Overnight Tourists Applied to Overnight Tourists for Expanded Museum.

- Mid-point of median and average attendance figures for five selected comparables = 200,000
- Mid-point of median and average size of overnight tourists for five selected comparables = 8,500,000
- Visitors per 1,000 overnight tourists = 23.5
- Apply 23.5 visitors per 1,000 overnight tourists to 7,000,000 overnight tourists for expanded museum leads to rounded attendance of **165,000**

# Quantitative Analysis: Other Methods

- Ranking How Expanded Museum Would Rank Relative to Other Museums in Same City
- Ratio of Visitors per Sq. Ft. Exhibition Space for Museums of the Same Type from Latest Comprehensive Surveys of:
  - American Alliance of Museums
  - Association of Art Museum Directors
  - Association of Children's Museums
  - Association of Science-Technology Centers



# Quantitative Analysis: Averaging the Methods Used

- Extrapolation from Existing Museum: 150,000
- Exhibition Space Ratio from Comparables: 200,000
- Population Ratio from Comparables: 167,000
- Overnight Tourist Ratio from Comparables: 165,000
- Ranking Against Museums in Same City: 140,000
- Ratio from Exhibition Ratio from Survey: 175,000

**Average from Various Methods Used: 166,000**

# Qualitative Analysis: Factors Suggesting Higher or Lower Attendance

- Site: parking availability/cost, access by public transportation, synergy with nearby attractions
- Building: size, amenities, attractiveness, features, including opportunities for rentals/events visitors
- Visitor Experience: appeal to various market segments
- Market: education and income of resident population, curriculum links, tourism trends
- Operations: admission charges, operating schedule, marketing expenditures
- Competition

Leads to adjusted attendance estimate



# Variations of Attendance by Year

- Generally Year 3 is a stabilized attendance year, typical of other years unless there is a phased project
- Year 1 often 15-25% higher than stabilized attendance year
- Year 2 lower than opening year and sometimes lower or higher than Year 3

# THANK YOU.

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Your Questions and Experiences