# The Impact of Virtual Programs on Revenue Generation for Cultural Organizations

Results from a comprehensive survey conducted in January 2021 on how museums and cultural organizations are generating and diversifying their revenue streams through the use of digital and virtual programs.

CUSEUM

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# Introduction

Due to the disruptions caused by COVID-19, a surge in digital initiatives and programs have sprung up in museums and cultural institutions across the world. Since March 2020, we have witnessed the rapid acceleration of digital priorities, which has transformed content, strategy, and infrastructure at cultural institutions faster than ever before. Now, more than one year after the initial 2020 lockdowns began, the importance of digital remains undisputed.

The pandemic served as a forcing function, elevating digital strategy, online content, virtual experiences, and social media to become key pillars of museum engagement. In the midst of the temporary closures, capacity limitations, and concerns over public safety that have characterized the COVID-19 era, these digital avenues have been some of the only ways to engage, educate, and inspire the public. While many of us are anticipating the full return of onsite experiences at our most beloved cultural institutions, we must also acknowledge that many elements of our "new normal" are here to stay. Indeed, we expect digital and hybrid modes of engagement to play an even greater role than ever in the years to come.

Concurrently, traditional revenue channels from ticketing, programs, events, food and beverage sales, and onsite gift shop purchases have taken a significant hit. As museums find themselves in financial turmoil, digital has revealed its potential to recover some of these losses. As organizations experiment with a wide range of virtual programs, they are also exploring new ways to monetize these offerings. More than a year into the pandemic, many cultural institutions have successfully leveraged digital initiatives to diversify their revenue streams and rebound after the financial devastation brought on by COVID-19.

Here at Cuseum, we've been committed to researching the impact of digital programs and platforms in the cultural sector since 2014. For the past 7 years, our team has been following emerging trends, technologies, and techniques that have the potential to transform how museums function and serve the public today and in the future. Beyond our belief in the power and necessity of digital to engage audiences, we are also exploring how digital might contribute to the financial success and sustainability of cultural organizations.

In this moment, the importance of diversifying revenue streams has never been clearer, and we believe it is vital to examine the possibilities of digital programs as a part of this equation. With this in mind, many new questions have emerged: How many organizations are monetizing digital programs?

What types of virtual initiatives are bringing in the most revenue? What is the return on investment for digital programs? And, do organizations plan to continue these programs after COVID-19 is under control?

In an effort to understand this shift towards revenue generation via digital and virtual channels, the Cuseum team launched the first-ever study of revenue generation through virtual programs in the cultural sector. With over 500 survey participants across Art Museums; Children's Museums; History Museums & Landmarks; Parks, Gardens & Nature Centers; Science Centers & Natural History Museums; and Zoos & Aquariums, this study examines seven types of virtual programming, various pricing models, and the impact of such initiatives on revenue generation at different types and sizes of cultural organizations.

> ***"Today's museum [...] must develop and manage a highly diversified portfolio of revenue streams to ensure institutional stability."***
>
> *— Association of Art Museum Directors[1]*

The goal of this report is to answer some of these questions, identify any trends and commonalities across different types of digital programs, and explore their potential return on investment. We acknowledge that this research is preliminary, and monetizing digital programs at all is still an emerging phenomenon. With this in mind, we hope that this report — its data, findings, and expert perspectives from the field — is insightful and helps guide you and your organization through these uncharted waters.

[1] Association of Art Museum Directors, "Revenue Generation: An Investment in the Public Service of Art Museums," June 1, 2007, *https://aamd.org/sites/default/files/document/REVENUE%20GENERATION%2006_2007_clean.pdf.06_2007_clean.pdf*

# Methodology

This report is based on a January 2021 survey of over 500 cultural professionals on "The Impact of Virtual Programs on Revenue Generation for Cultural Organizations."

**The breakdown of survey participants is as follows:**

## What sized institutions were surveyed?

88% Small

10% Medium

2% Large

**Of 533 respondents, 495 provided quantifiable data for this question.

## The classification of organizations by size is determined based on total staff and operating budget:

| Size | Operating Budget | Staff |
|---|---|---|
| Small | Under $5 million | Under 25 staff members |
| Medium | Between $5-$50 million | Between 25-500 staff members |
| Large | Over $50 million | Over 500 staff members |

***This data was self reported by respondents, and cross-checked against the IRS Form 990 where applicable.

A further breakdown of the data by annual attendance can provide additional context about the survey pool.

## Annual Attendance

4% Under 1,000

20% 1,000 - 10,000

15% 10,000 - 25,000

15% 25,000 - 50,000

11% 50,000 - 100,000

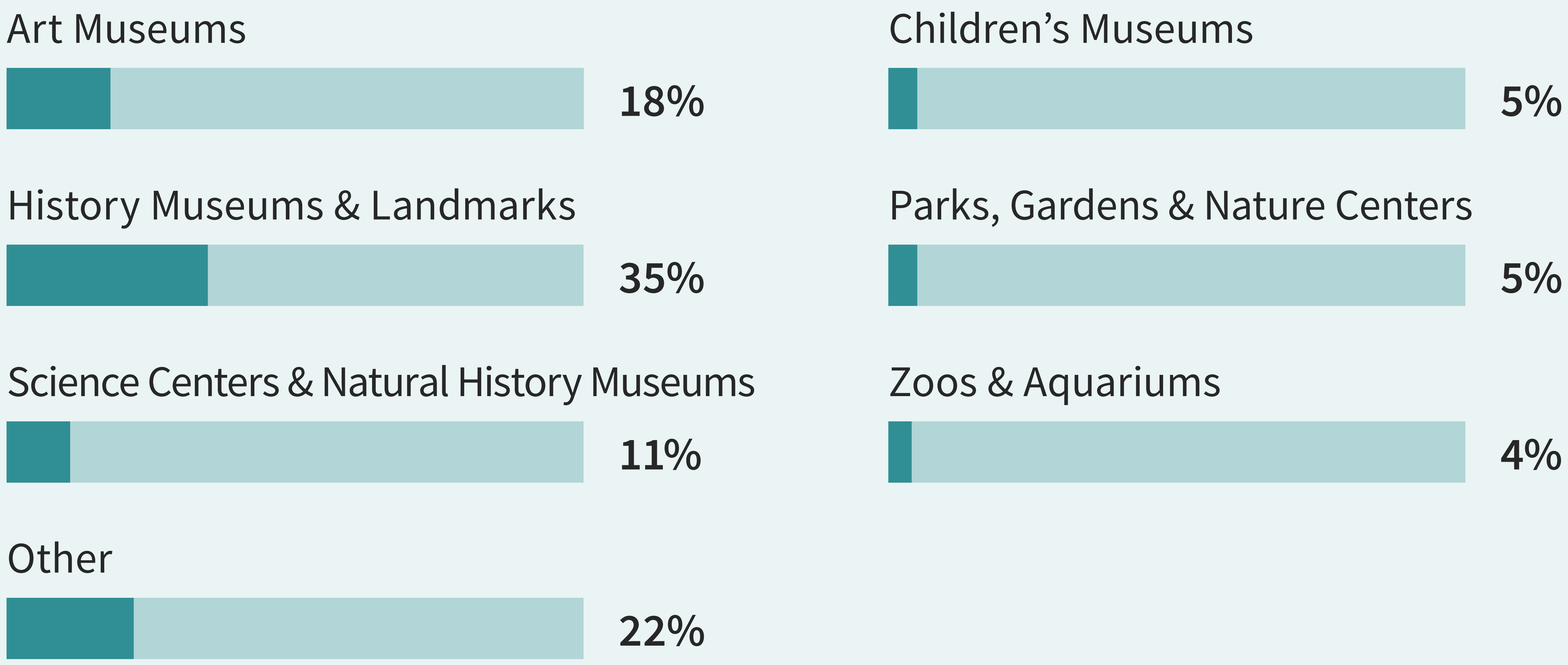
17% 100,000 - 250,000

9% 250,000 - 500,000

10% Over 500,000

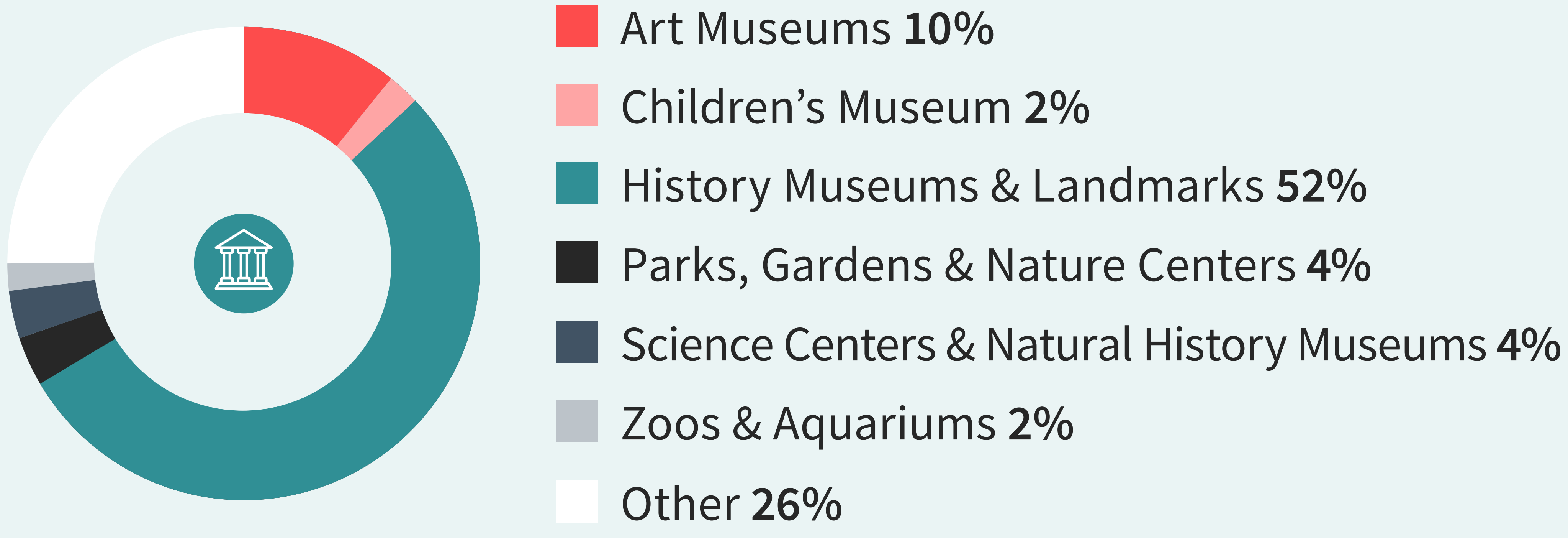
**The data also represents cultural professionals across a range of organization types.**

## Type of Organization




The distribution of respondents by museum discipline is in general alignment with the latest 2015 data by the Institute of Museum and Library Services. While the distribution is not identical, it falls within reasonable concentrations. Additionally, the concentration of museums by discipline from greatest to least aligns across both data sets, with History Museums & Landmarks forming the majority.

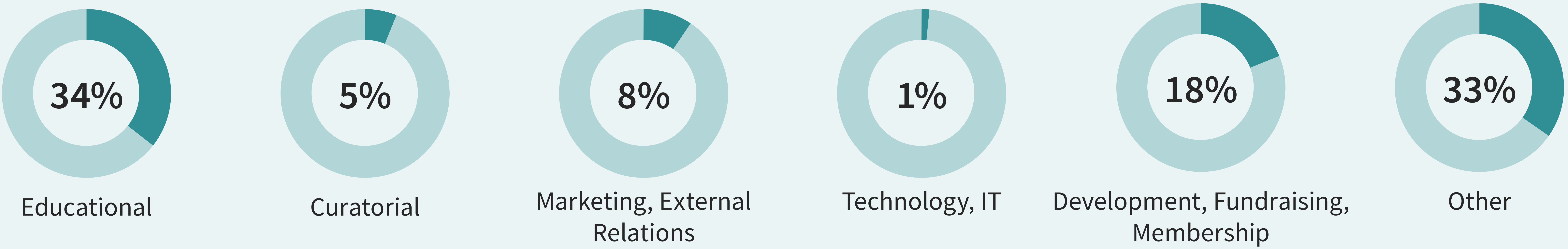
## National Level Percentages of Museums in US from MUDF 2015




* Respondents who chose to respond with "other" typically were institutions that consisted of multiple types (art and science for example) or were institutions that focused on other areas such as performing arts.

**Lastly, survey respondents represent the following types of departments:**

## Department



**The survey respondents were asked to report on their organization's virtual programs in the following seven categories:**

- Virtual Tours
- Virtual Summer Camps
- Virtual K-12 Programs
- Virtual Art Classes
- Virtual Classes & Events
- Virtual Galas
- Virtual Animal Cameos*

*Zoos & Aquariums Only

**For each category of virtual program, respondents indicated:**

1. Does your organization offer this type of virtual program?
2. What is the mode of payment for this type of virtual program?
3. How many people attend on average per program?
4. How many hours of staff time are invested per program?

**This report will break down survey results based on each type of program, as well as indicate the average, median, and highest attained return on investment (ROI) for each category of virtual program.**

# How many cultural organizations are offering digital programs?

Before examining the monetization of digital programs, it is important to first understand the swift turn to digital by the cultural industry at large. Indeed, it is in the context of the rapid expansion of virtual programs that digital revenue streams emerged.

Of the 500+ museum professionals surveyed, approximately **92% said that their institution offers some kind of digital programming.**

**Do you offer virtual programs?**


What accounts for the soaring popularity of digital programs? In Spring 2020, when the first wave of COVID-19 lockdowns swept through the United States, virtual programs initially emerged as a stopgap solution to temporary closures. As institutions prepared for weeks or months of lockdown, we witnessed the arrival of new social media initiatives and online activities, powered by the #MuseumFromHome hashtag.

Soon after this first wave of online activity, two phenomena emerged, changing the course of virtual engagement. First of all, it became apparent that the COVID-19 pandemic would have far more wide-spanning effects than the initially projected two-week lockdown. As extended closures and onsite restrictions became the new normal, museum professionals began to recognize virtual engagement not as a short-lived improvisation, but as a more long-term requirement to stay relevant. As institutions began to envision virtual programs as a long-term fixture of their offerings, rather than an ephemeral stand-in for onsite engagement, digital considerations quickly became an important strategic focus for museums.

Secondly, many institutions began to witness the unprecedented success of digital programs, beyond the scope of their original purpose. Apart from keeping audiences sufficiently engaged during short-term lockdowns, many museums began to see virtual programs as a way to reach new audiences, make offerings more accessible, and experiment with novel modes of engagement. Thus, outside their role of filling a gap amidst lockdowns, cultural professionals began to imagine digital programs as a more permanent component of their offerings, with their own unique benefits.

For example, digital programs have allowed many museums to cultivate vibrant national and international audiences:

> *Digital programming has worked well for us. We're reaching more people than when we do the events inside the museum. We're also finding that we're getting a bigger audience nationally and internationally. I'm very hopeful that we're bringing in new people who were not aware of us who would want to visit us too.*

**John Echeveste**
CEO @ LA Plaza de Cultura y Artes

Due to the enormous success of digital, many museum leaders are envisioning a hybrid future, where virtual modes of engagement will remain an enduring part of programming, alongside more traditional in-person offerings:

> *I think we have all learned from this experience that digital programming allows us to reach a much broader audience, and it will be impossible to go back to producing only onsite programming in the future.*

**Elizabeth Gessel**
Director of Public Programs @ Museum of the African Diaspora

In the same vein, virtual has increased the accessibility of programs for many institutions, enabling those who are unable to physically enter or travel to a museum to enjoy their offerings. Such realizations have prompted a larger reimagining around the future role of digital.

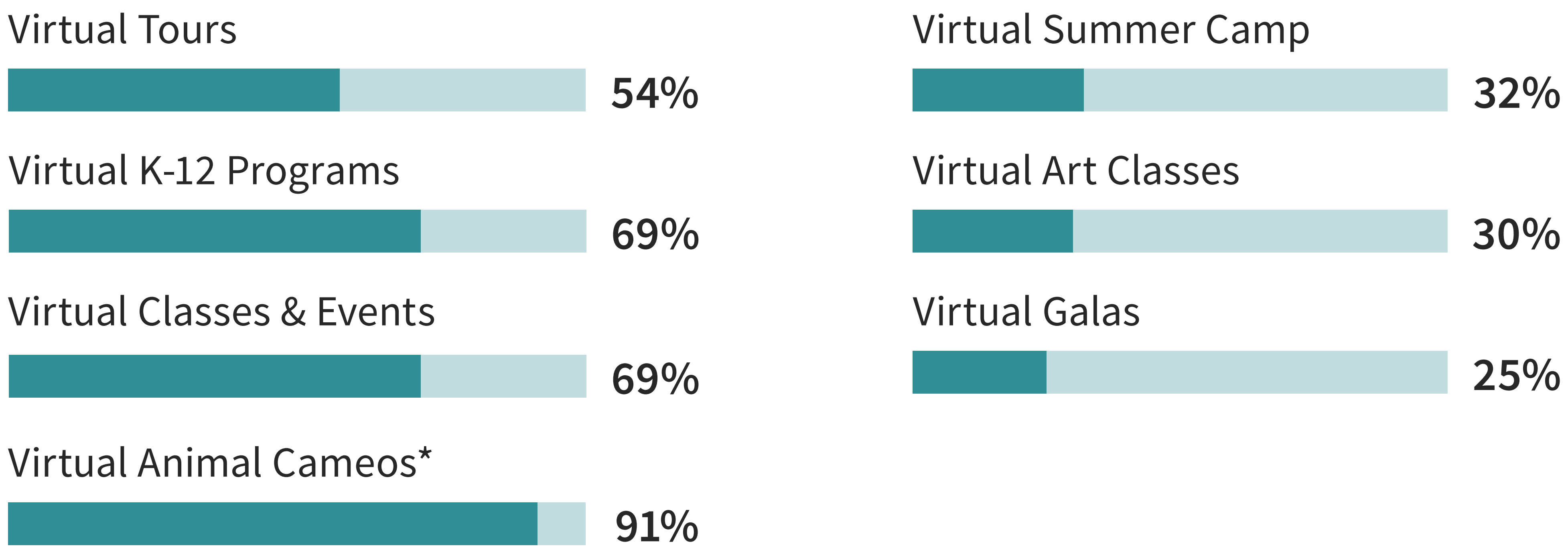
> *Museums should be a digital-first organization. When you think of digital-first, that number [of audience members] immediately expands.*

**Jack Ludden**
Senior Strategist and Innovation Specialist @ Balboa Park Online

Many museum leaders have recalibrated their long-term goals to embrace digital. For example, research firm Ithaka S+R published a study in November 2020 based on their Art Museum Director Survey, which included data collected before March 2020 and the escalation of the pandemic. Pre-COVID, only 40% of museum directors considered it "highly important" that museums currently "provide digital experiences for audiences who do not visit the physical museum."[2] Just over a year later, it's without any doubt that these numbers would be significantly higher.

Digital museum offerings are diverse in type and mode, variations that this report will analyze. A brief snapshot reveals that as of 2021, Virtual K-12 Programs, as well as Virtual Classes & Events, are the most popular virtual initiatives offered across all types and sizes of cultural organizations

## Does your organization offer the following types of virtual programs?




* for Zoos & Aquariums Only

Moving forward, it's likely that audience feedback, participation and engagement rates, community impact, and return on investment will influence how organizations prioritize virtual programs, and what types of initiatives they develop.

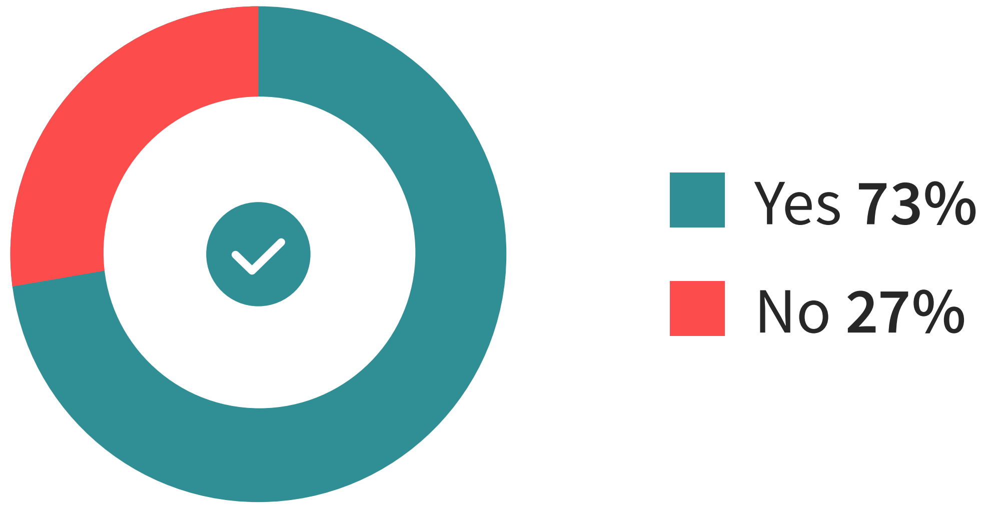
[2] Sweeney, Liam and Jennifer Frederick, "Ithaka S+R Art Museum Director Survey 2020," *Ithaka S+R*, last modified Nov 12, 2020, https://doi.org/10.18665/sr.314362.

# Are cultural organizations monetizing digital programming?

This invites the next question: are cultural organizations monetizing and generating revenue from digital programming? And if so, how?

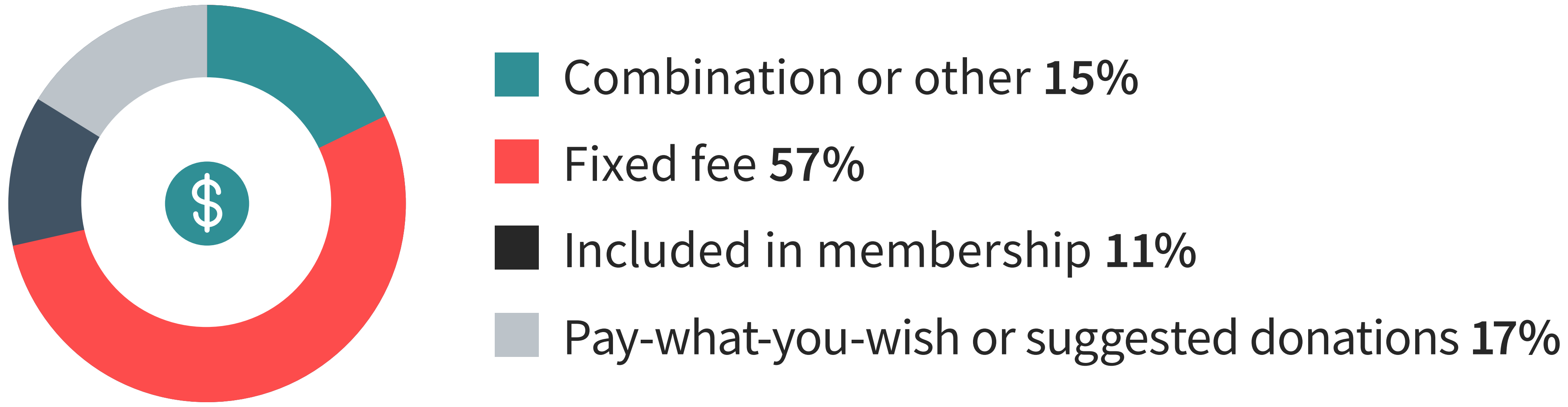
Overwhelmingly, organizations are monetizing digital programs in some capacity. Of the approximately 92% of survey respondents who noted that their organizations are offering virtual programs, 73% are also charging for them in some way.

## For any of your virtual programs, do you charge any sort of fee, suggested donation, pay-what-you-wish pricing, or offer these programs as a benefit that is included in the price of membership?



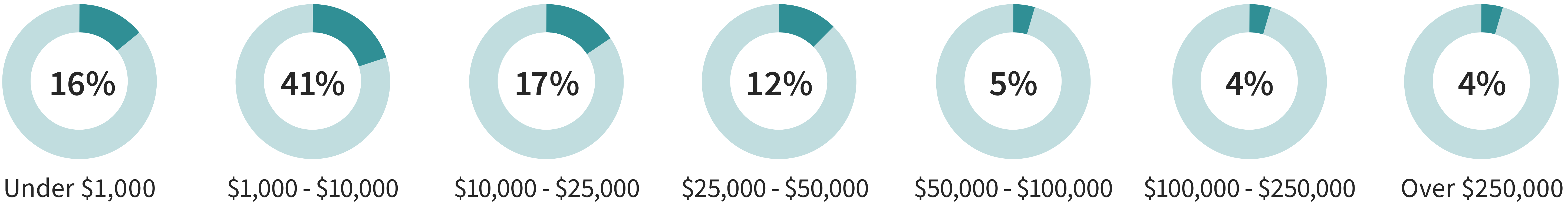

The mode of payment used by institutions can vary. While overall, over 57% of monetized virtual programs charge a fixed fee, many institutions use other payment methods, including pay-what-you wish pricing or including virtual programs in the price of membership.

## Methods of Payment for Virtual Programs (Aggregated Across All Program Types)




In the following pages, this report will offer a further breakdown of payment modes, pricing, staff time invested, and return on investment for seven types of virtual programs. When examining these data points, it's important to note that digital monetization is still in its early phases. At this time, it is unlikely that any cultural organizations have offset or recouped their COVID-19 losses through digital revenue streams, and the majority of cultural organizations (57%) expect to generate $10,000 or less from virtual programs in 2021.

## What is the total projected revenue your organization aims to generate from all of your virtual programs in 2021?



That being said, early trends can play a critical role in helping organizations assess the potential returns on investment of various digital programs and determine how to create value digitally.

***Moreover, 25% of surveyed organizations expect to generate over $25,000 from virtual programs in 2021, and 8% anticipate over $100,000 in revenue, which is no small feat.***

As museums seek to diversify their revenue streams going forward, engage more expansive audiences, prioritize accessibility, and ensure financial sustainability, these early numbers may offer new insights to industry leaders.

> *"We need to look at building the quality and value into digital experiences that people will pay for. We know from the entertainment industry that people will pay for what they value. It is not a bad thing when museums have to rethink, 'What do people value about us?' Not everybody is going to be able to visit our historic sites, but we need their buy-in on their continued preservation. There are so many cultural sites in this world that need people's advocacy and support for their continued existence. And what better way to do that than through the internet and through building our digital assets?"*

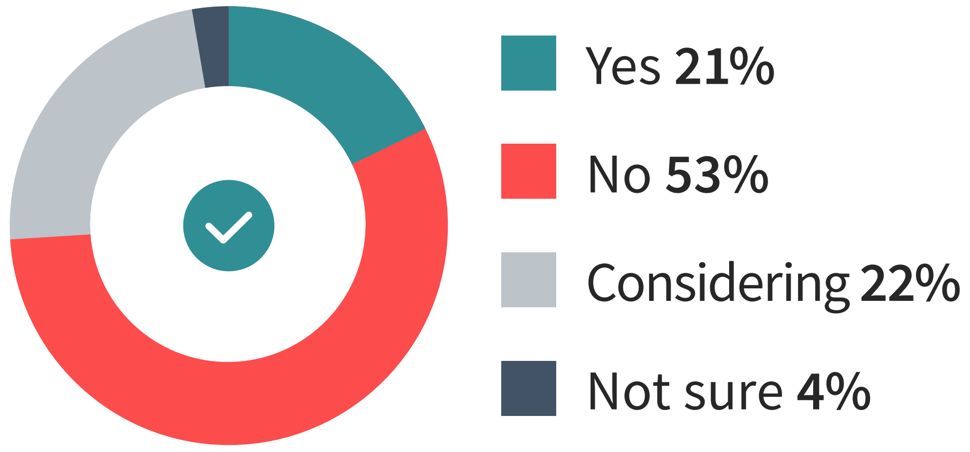
**Ellen Busch**
Director of Historic Sites Operations @ Texas Historical Commission

As organizations continue to experiment with virtual programs and the body of available data increases, they will be able to refine their goals and make more data-driven decisions about which virtual programs to invest in. This report is intended to serve as a starting point to an evolving body of research that will be necessary to develop best practices and recommendations for the development and monetization of virtual initiatives.

## This rise of virtual membership

While the return on investment calculations in this report will rely on data based on programs that charge a fixed fee, it is important, too, to give ample consideration to the rise of virtual membership. In addition to charging separate fees for virtual programs, many cultural organizations have chosen to incentivize membership with a range of virtual offerings. There are many strategies that membership leaders have deployed to transition their membership programs into the digital age and offer new value to members. These include virtual member events, special online content for members, virtual member appreciation weeks, and even fully-fledged virtual membership levels.

***Is your organization offering any type of virtual membership level and/or virtual membership benefits?***




Approximately 43% of surveyed cultural organizations are either already offering or considering offering virtual membership benefits in the future.

According to Robbie Baxter, membership expert in the commercial and nonprofit worlds, organizations leveraging a membership model already "enjoy more predictable and smooth cash flow, and greater loyalty." In light of this, it makes sense that organizations are harnessing membership as a way to effectively monetize virtual offerings.

> *"The silver lining for my organization in the pandemic is that we pivoted our programming to digital in the early days and through our marketing efforts have expanded our audience beyond the DC metro area. While we will eventually go back to producing in-person programs for our local audience and membership, we will continue offering programming virtually and see a digital membership as a way to retain and nurture our national audience."*

**Marybeth Kelley**
Director of Programs @ Smithsonian Associates

It's likely the virtual modes of membership will play an important role in scaling virtual programs in a financially sustainable way.

**For more information, download our 2021 Report: 100+ Membership Leaders Share Their Priorities For Digital Transformation in Museum Membership**

[3] "Defining the Membership Economy – 7 Questions with Robbie Kellman-Baxter," Jan 26, 2016, *https://www.ariasystems.com/blog/defining-the-membership-economy-7-questions-with-robbie-kellman-baxter/.*

# Are digital revenue streams a priority for the future?

From activating new audiences to deepening engagement and transcending geographical barriers to participation, the rise of virtual programs has been one of the biggest silver linings of COVID-19. At the same time, it now appears that in-person engagement opportunities may once again be safe and feasible in 2021. Does that mean the end of virtual programs?

The data suggests quite the opposite. Moreover, revenue generation through digital and virtual programs appears to be an urgent or vital priority for 2021 and beyond. **Nearly half (49%) of surveyed museum professionals agreed that this was a pressing concern for the year ahead at their organization,** with another 31% saying "maybe/unsure." This large share of surveyees who reported uncertainty about their organization's digital future may also be reflective of the diverse pool of respondents who participated in the survey, who span many departments and position levels, and may not be directly involved in setting financial priorities. This means that the share of organizations investing in digital may be higher than it appears. As Smithsonian Secretary Lonnie Bunch declared in February 2021, "The past 12 months, especially, have been a lesson in how the Smithsonian can serve our public. We can grow our digital capabilities to reach new audiences."[4]

### At your organization, is revenue generation through digital/virtual programs an urgent or vital priority for 2021 and beyond?

Yes **49%**
Maybe/Unsure **31%**
No **19%**

With these numbers top of mind, this report will examine seven modes of virtual engagement and their potential to generate revenue across different categories of cultural organizations.

[4] Lonnie Bunch, "Secretary Lonnie Bunch on the Year Ahead for Museums," January/February 2021, *Smithsonian Magazine*, https://www.smithsonianmag.com/smithsonian-institution/museums-we-trust-180976528/.

# Virtual Tours

Virtual Tours are some of the earliest forms of digital programs in museums and cultural institutions. Since the late 1990s and early 2000s, Virtual Tours have grown in popularity and have evolved into how we use and experience them today. They initially began as produced, scripted, and edited recordings that could be bought or viewed on a TV programming station.

Virtual Tours were one of the first modes of online engagement to emerge amidst the COVID-19 pandemic, partially because a number of museums already had these types of experiences available prior to lockdown. Today, organizations may offer both pre-recorded and live-streamed Virtual Tours. For example, the Guggenheim, The Jewish Museum, Carnegie Museum of Art, 9/11 Memorial Museum, Harvard Art Museums, and Nelson Atkins Museum are just a handful of organizations offering Virtual Tours. Interest in Virtual Tours has spiked during the pandemic - in fact, daily views of videos with 'museum tour' in the title increased 60% as of August 2020, which suggests a heightened consumer demand for this type of virtual content.

> *"This fiscal year, we are reaching 20% more adults than we were the previous fiscal year."*
>
> **Jane Lavino**
> Sugden Chief Curator of Education
> @ National Museum of Wildlife Art

Overall, **over half (54%) of respondents noted that their organization offers Virtual Tours.** Unsurprisingly, Art Museums were the type of organization most likely to offer Virtual Tours, at nearly ¾ (74%). Tours have proven an effective way to reach audiences, with some organizations citing heightened engagement, even through lockdowns.

[5] Gina Shalavi, "What pandemic video trends reveal about consumer needs," *Think With Google*, Aug 2020, *https://www.thinkwithgoogle.com/consumer-insights/consumer-trends/pandemic-and-consumer-behavior-trends/.*

# Virtual Tours

## Do you offer this Program?

Yes 54% No 46%

### Do you offer Virtual Tours:

**Art Museums**
- Yes 74%
- No 26%

**Children's Museums**
- Yes 10%
- No 90%

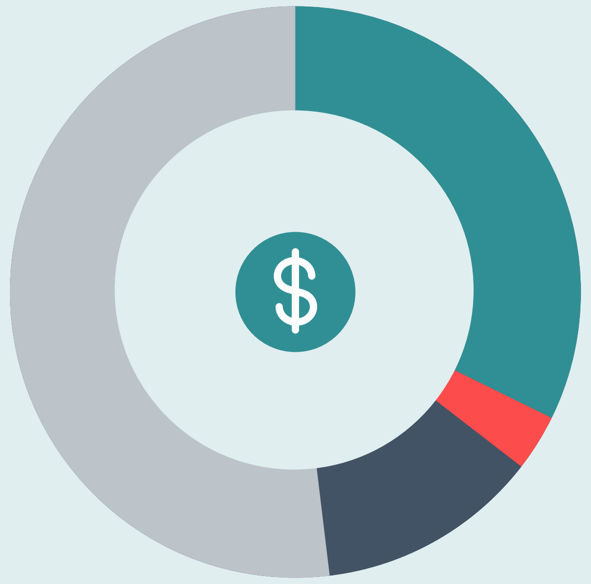
**Parks, Gardens & Nature Centers**
- Yes 50%
- No 50%

**History Museums & Landmarks**
- Yes 55%
- No 45%

**Science Centers & Natural History Museums**
- Yes 36%
- No 64%

**Zoos & Aquariums**
- Yes 55%
- No 45%

### Method of Payment



- Fixed Fee 31%
- Membership 4%
- Pay-What-You-Wish 13%
- Combination/Free/Other 52%

**Attendance Per Program**

| | |
|---|---|
| Under 10 | 13% |
| 10 - 30 | 55% |
| 30 - 50 | 16% |
| 50 - 100 | 4% |
| 100 - 250 | 6% |
| 250 - 500 | 2% |
| Over 500 | 1% |

**Price Per Program**

| | |
|---|---|
| Under $10 | 55% |
| $11 - $15 | 7% |
| $15 - $20 | 8% |
| $21 - $25 | 2% |
| $26 - 50$ | 7% |
| $50 - $100 | 11% |
| Over $100 | 8% |

**Staff Hours Per Program**

| | |
|---|---|
| Under 5 | 37% |
| 5 - 10 | 32% |
| 10 - 15 | 10% |
| 15 - 20 | 8% |
| Over 20 | 13% |

## What is the Return on Investment for Virtual Tours?

Overall, Virtual Tours appear to require minimal staff time (69% require 10 hours or less). Moreover, pre-recorded tours may have the potential to serve as a passive stream of income. There is also a large disparity in which types of organizations offer Virtual Tours: while 74% of Art Museums do, only 10% of Children’s Museums, 36% of Science Centers & Natural History Museums, and approximately half of History Museums & Landmarks; Parks, Gardens & Nature Centers; and Zoos & Aquariums do the same. While some materials are easier to digitalize, there may be potential for other types of cultural organizations to create and monetize Virtual Tours.

# Virtual Summer Camps

Summer camps are some of the oldest programs in the United States. In Summer 2020, with many organizations still closed or facing restrictions, museums of all kinds launched Virtual Summer Camps. There are countless examples of such programs from Art Museums, Science Centers & Natural History Museums, Children's Museums and more, including the **Children's Museum of Pittsburgh**, **KID Museum**, **Bass Museum of Art**, **Arizona Sonora Desert Museum**, **Utah's Hogle Zoo**, and **Brevard Zoo**.

Overall, **nearly 1/3 (32%) of respondents noted that their organization offers Virtual Summer Camps.** Overwhelmingly, Zoos & Aquariums were the organizations most likely to offer Virtual Summer Camps, followed by Science Centers & Natural History Museums. In terms of pricing, Virtual Summer Camps tend to bring in significantly less revenue than the average in-person day camp. For example, the average weekly rate for in-person day camp ranges from $199 to $800,[6] whereas 90% of Virtual Summer Camps offered cost $200 or less per session.

> *"We're moving summer camps all virtual and charging a fee. The pricing decision was based on feedback that we got from current registrants. We asked, compared to what they would pay for a regular camp experience, what they would be willing to pay if we did it all virtual. A lot said, 'Between a quarter and a half of the cost.' With this new structure, we are offering a scholarship in the form of pay-what-you-can format. So still trying to keep it accessible that way."*
>
> **Michelle Mileham**
> Director of Education @ Tracy Aviary

[6] Megan Leonhardt, "The average parent expects to pay almost $1,000 for child care this summer," *CNBC*, June 20, 2019, *https://www.cnbc.com/2019/06/19/the-average-parent-expects-to-pay-almost-1000-for-summer-child-care.html.*

# Virtual Summer Camps

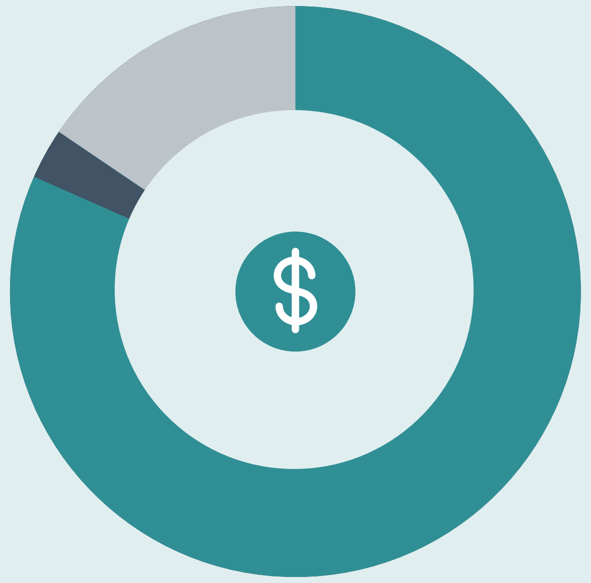
## Do you offer this Program?

Yes 32% No 68%

### Do you offer Virtual Summer Camps:

| | Yes | No |
|---|---|---|
| Art Museums | 28% | 72% |
| Children's Museums | 30% | 70% |
| Parks, Gardens & Nature Centers | 32% | 68% |
| History Museums & Landmarks | 26% | 74% |
| Science Centers & Natural History Museums | 47% | 53% |
| Zoos & Aquariums | 70% | 30% |

### Method of Payment



Fixed Fee **81%**

Membership **0%**

Pay-What-You-Wish **4%**

Combination/Free/Other **15%**

| Attendance Per Program | | Price Per Program | | Staff Hours Per Session | |
|---|---|---|---|---|---|
| Under 10 | 30% | Under $50 | 37% | Under 5 | 11% |
| 10 - 25 | 50% | $50 - $100 | 32% | 5 - 10 | 20% |
| 25 - 50 | 9% | $100 - $200 | 21% | 10 - 15 | 12% |
| 50 - 100 | 7% | $200 - $300 | 8% | 15 - 20 | 17% |
| Over 100 | 4% | Over $300 | 4% | Over 20 | 41% |

## What is the Return on Investment for Virtual Summer Camps?

When examining the data, it appears that Virtual Summer Camps have a very high potential value. That being said, they also require quite a lot of staff time: the majority (58%) require over 15 hours per session. Beyond that, there are many questions about how popular a Virtual Summer Camp might be when traditional, in-person summer camps are once again available. This is one type of virtual offering that is likely to function better in the physical realm, since it is a form of childcare. As a result, Virtual Summer Camps may not be future proof. With these uncertainties and the greater investment of time required, conducting a market study and/or investing in marketing these programs could be important in ensuring their success.

# Virtual K-12 Programs

## including field trips

Museums have a long-standing history working with schools in their communities, and it is not unusual for cultural institutions to have one or more staff members devoted specifically to K-12 or youth programs. Whether through partnerships with schools, museum field trips, or after-school activity programs, museums and cultural institutions play an active role in community education.

Since the start of the pandemic, schools across the country have been operating in virtual and hybrid formats. As a result, museums and cultural organizations have been creating virtual programming and educational resources that will support schools, teachers, students, and parents throughout the pandemic. For example, **International Spy Museum**, **Denver Museum of Nature and Science**, **Detroit Historical Society**, **Whitney Museum**, and **Pennsylvania Academy of the Arts** are just some of the cultural organizations offering virtual field-trips, K-12 resources, and more.

Overall, **over 2/3 (69%) of respondents noted that their organization offers Virtual K-12 Programs,** and they were most common at Zoos & Aquariums, Children's Museums, and Science Centers & Natural History Museums.

# Virtual K-12 Programs including field trips

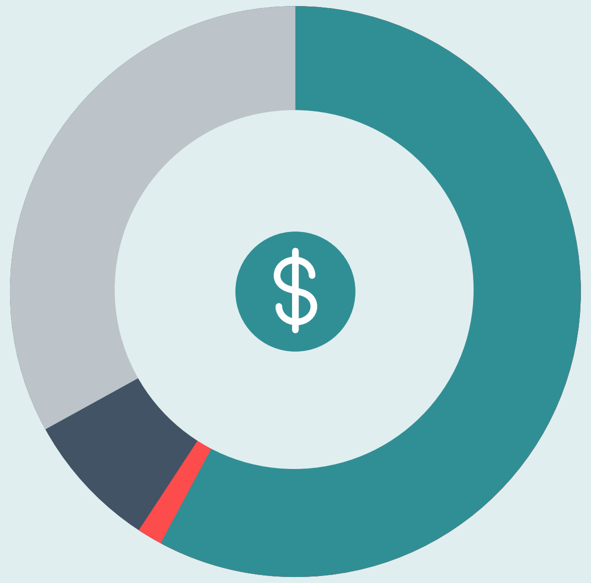
## Do you offer this Program?

Yes 69%  No 31%

### Do you offer Virtual K-12 Programs?

| | Yes | No |
|---|---|---|
| Art Museums | 74% | 26% |
| Children’s Museums | 89% | 11% |
| Parks, Gardens & Nature Centers | 57% | 43% |
| History Museums & Landmarks | 65% | 35% |
| Science Centers & Natural History Museums | 82% | 18% |
| Zoos & Aquariums | 90% | 10% |

### Method of Payment




- Fixed Fee **58%**
- Membership **2%**
- Pay-What-You-Wish **6%**
- Combination/Free/Other **34%**

| Attendance Per Program | | Price Per Program | | Staff Hours Per Program | |
|---|---|---|---|---|---|
| Under 10 | 4% | Under $10 | 24% | Under 5 | 33% |
| 10 - 25 | 47% | $10 - $25 | 7% | 5 - 10 | 30% |
| 25 - 50 | 37% | $25 - $50 | 12% | 10 - 15 | 13% |
| 50 - 100 | 7% | $50 - $100 | 26% | 15 - 20 | 8% |
| Over 100 | 4% | Over $100 | 25% | Over 20 | 15% |

## What is the Return on Investment for Virtual K-12 Programs?

Overall, Virtual K-12 Programs demand minimal staff hours (63% require less than 10 hours per program), and they also serve as a consistent revenue stream. Virtual K-12 Programs are also tried-and-true for the long-term: well before the pandemic, institutions like the Denver Museum of Nature and Science and the International Spy Museum had been successfully monetizing virtual K-12 activities, lessons, and field trips (the International Spy Museum has been doing this successfully for nearly a decade!). With these factors in mind, Virtual K-12 Programs are likely to outlive the pandemic and are worth considering as a more long-term revenue stream.

# Virtual Art Classes

Pre-COVID, many cultural organizations (beyond Art Museums) offered a variety of art classes in person. Throughout the pandemic, organizations have begun offering these in virtual formats. For example, **The Met**, **Cleveland Museum of Art**, **Denver Art Museum**, **Montclair Art Museum**, and **Toledo Museum of Art** are just a few examples of organizations that have launched such online events.

Overall, **nearly 1/3 (30%) of respondents noted that their organization offers Virtual Art Classes, with Parks, Gardens & Nature Centers; Art Museums; and Children's Museums** most likely to have such virtual programs.

# Virtual Art Classes

## Do you offer this Program?

Yes 30% No 70%

### Do you offer Virtual Art Classes?

**Art Museums**

Yes 70%
No 30%

**Children's Museums**

Yes 100%
No 0%

**Parks, Gardens & Nature Centers**

Yes 41%
No 59%

**History Museums & Landmarks**

Yes 8%
No 92%

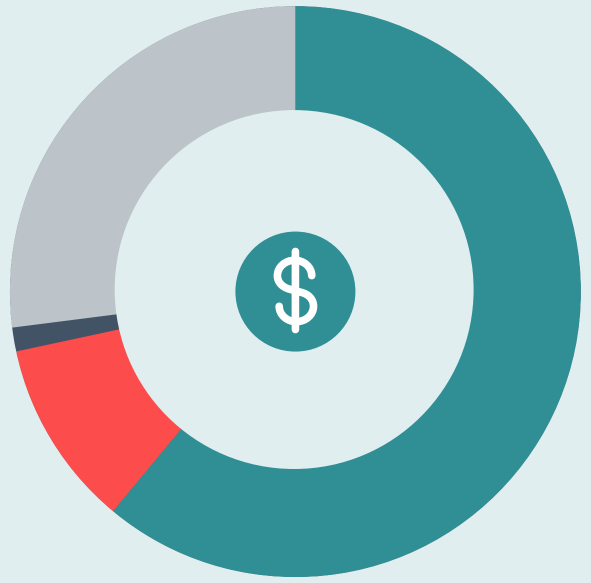
**Science Centers & Natural History Museums**

Yes 18%
No 82%

**Zoos & Aquariums**

No 10%
Yes 90%

### Method of Payment



- Fixed Fee **61%**
- Membership **9%**
- Pay-What-You-Wish **2%**
- Combination/Free/Other **28%**

**Attendance Per Program**

| | |
|---|---|
| Under 10 | 29% |
| 10 - 25 | 52% |
| 25 - 50 | 11% |
| 50 - 100 | 5% |
| Over 100 | 3% |

**Price Per Program**

| | |
|---|---|
| Under $10 | 29% |
| $10 - $25 | 25% |
| $25 - $50 | 20% |
| $50 - $100 | 11% |
| Over $100 | 15% |

**Staff Hours Per Program**

| | |
|---|---|
| Under 5 | 31% |
| 5 - 10 | 33% |
| 10 - 15 | 18% |
| 15 - 20 | 11% |
| Over 20 | 7% |

# Virtual Art Classes

## What is the Return on Investment for Virtual Art Classes?

Like K-12 programs, Virtual Art Classes require minimal staff time (64% take 10 hours or less per class). Additionally, Virtual Art Classes are hands-on in nature, even when conducted virtually. This means they have the capacity to combat screen fatigue and overcome some of the recent engagement challenges associated with strictly digital events. Like Virtual Tours, these may also benefit from being pre-recorded, to minimize the demands on staff and provide long-term value as a passive stream of income.

# Virtual Classes & Events

Beyond art classes, many cultural organizations have chosen to create other Virtual Classes & Events, many of which are multi-sensory remote experiences that connect an online lecture or lesson with a tangible experience. For example, we've witnessed the emergence of **“Cocktails with a Curator”** at **Virginia Museum of Fine Arts** and the **Frick Collection**, **virtual cooking classes** at the **National Czech and Slovak Museum** and **Cummer Museum**, **virtual yoga classes** at **Utah Museum of Fine Arts** and **Santa Paula Art Museum**, and **virtual birthday parties** at **IMAG History & Science Center**. This is just a sampling of the many types of creative virtual programming that cultural organizations have spearheaded.

Several anecdotes suggest that Virtual Classes & Events have the potential to generate enormous sums of revenue. At the **Barnes Foundation**, as of February 2021, “The live online classes proved incredibly popular, and have raised more than $600,000 since their launch last March—more than double the revenue that in-person classes generated in 2019.”

Overall, Virtual Classes & Events are a popular mode of engagement, with **over ⅔ (69%) of surveyed organizations offering these programs.** Parks, Gardens & Nature Centers were the organizations most likely to offer them, followed by Children's Museums, History Museums & Landmarks, and Science Centers & Natural History Museums.

[7] Naomi Rea, “Museums Are Selling Virtual Classes and Tours to Boost Revenue During the Pandemic. Here's What They've Learned About What Works,” *Artnet*, Feb 17, 2021, *https://news.artnet.com/art-world/museums-digital-content-revenue-1944362.*

# Virtual Classes & Events

## Do you offer this Program?

Yes 69% No 31%

### Do you offer Virtual Classes & Events?

**Art Museums**
Yes 32%
No 68%

**Children's Museums**
Yes 70%
No 30%

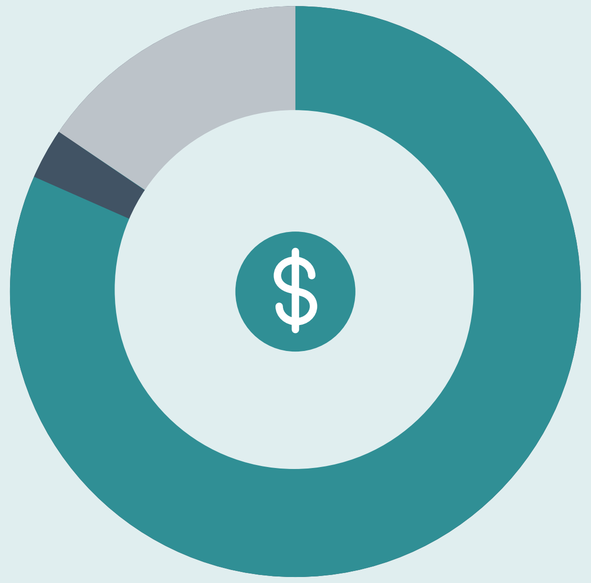
**Parks, Gardens & Nature Centers**
Yes 95%
No 5%

**History Museums & Landmarks**
Yes 65%
No 35%

**Science Centers & Natural History Museums**
Yes 62%
No 38%

**Zoos & Aquariums**
Yes 35%
No 65%

### Method of Payment



Fixed Fee 32%
Membership 8%
Pay-What-You-Wish 21%
Combination/Free/Other 41%

### Attendance Per Program

| | |
|---|---|
| Under 10 | 13% |
| 10 - 25 | 31% |
| 25 - 50 | 19% |
| 50 - 100 | 22% |
| Over 100 | 17% |

### Price Per Program

| | |
|---|---|
| Under $10 | 45% |
| $10 - $25 | 35% |
| $25 - $50 | 11% |
| $50 - $100 | 5% |
| Over $100 | 4% |

### Staff Hours Per Program

| | |
|---|---|
| Under 5 | 18% |
| 5 - 10 | 31% |
| 10 - 15 | 22% |
| 15 - 20 | 15% |
| Over 20 | 12% |

## What is the Return on Investment for Virtual Classes & Events?

The majority of Virtual Classes & Events had strong attendance, with 58% reporting 25 or more participants. They also require a fair amount of staff time: almost half (49%) took more than 10 hours per class. Like art classes, virtual events are likely to have long term appeal, since activities like cooking and yoga are very hands-on despite being virtual. Furthermore, innovative companies like MasterClass have been offering virtual classes, including art classes, since 2015, which offers further validation that the future of such classes is bright. Masterclass also saw subscriptions rise tenfold on average during parts of the pandemic, with subscribers spending double the time on the platform as they did previously.[8] This explosive growth suggests that consumers are becoming accustomed to the notion of paying for virtual classes. With this in mind, the potential return on investment appears to be promising.

[8] Carina Chocano, "What Is MasterClass Actually Selling?" *The Atlantic*, Sept 2020, https://www.theatlantic.com/magazine/archive/2020/09/what-is-masterclass-actually-selling/614200/

# Virtual Galas

The pandemic has caused museums and nonprofits to cancel or postpone their big fundraisers and galas, which are often responsible for raising *thousands* or even *millions* of dollars in revenue. According to Artnet, “special events can constitute as much as 20 percent of a museum’s operating budget.”[9] In response, some museums planned Virtual Galas instead. **ICA Boston**, **Children’s Museum Houston**, **Newport Art Museum**, **San Diego Children’s Discovery Museum**, and **Zoo New England** are just a few of the organizations that have held online galas.

Online galas can still be glitzy events. For example, the **The Museum of Arts and Design** (MAD) held a virtual edition of its annual MAD Ball in October 2020, “with a characteristically genre-spanning program: a DJ set by Timo Weiland, a song performed by Rosanne Cash, and a performance by the Alvin Ailey American Dance Theater.”[10] Other organizations have even been able to reimagine traditional components of a gala by delivering gourmet food and drink to their patrons’ homes. For example, the **Newport Art Museum** delivered a catered dinner, Pinot Noir, sparkling wine, and fresh flowers to virtual guests for their “Gala at Home.”

With some virtual tickets going for thousands of dollars, and many Virtual Galas including silent auctions and sponsorship opportunities, such events have already raised significant funds for many organizations.

For example, the **San Diego Children’s Discovery Museum raised over $33,000 at their September 2020 Virtual Gala**. According to Rebecca Brickman, Director of Development at New York museum and exhibition space The Drawing Center, **the organization’s reimagined Virtual Gala** “earned a net revenue of roughly $477,000 after the museum paid $35,000 to a video production team.” For context, the 2018 in-person gala yielded $521,000. Similarly, **the Museum of Arts and Design’s Virtual Gala** “met its reduced funding goal of $800,000,” whereas a typical funding goal for an in-person event would be $1.5 million.[11]

At the ICA Boston, **former Director of Development Katie Mayshak shared** that the Virtual Gala was able to yield the same revenue as an “real life” gala: *“With this being virtual, our donors were excited about the idea that a program that would have just been 400 guests that evening was able to be shared globally with over 7,000 audience numbers. In the end, we were successful in retaining just about 100% of the revenue for the gala.”*

At surveyed organizations, throwing a Virtual Gala was only a moderately popular mode of engagement, with **¼ (25%) of respondents reporting that their institution had thrown a Virtual Gala.** They were most popular at Art Museums, followed by Zoos & Aquariums.

9 Taylor Dafoe, “Arts Organizations Are Reinventing the Traditional Black-Tie Fundraiser… by Bringing It to Your Couch,” *Artnet,* Nov 16, 2020, *https://news.artnet.com/art-world/black-tie-gatherings-paused-arts-organizations-embraced-gala-boxes-virtual-events-making-money-1923571.*

10 Taylor Dafoe, “Arts Organizations Are Reinventing the Traditional Black-Tie Fundraiser… by Bringing It to Your Couch,” *Artnet,* Nov 16, 2020, *https://news.artnet.com/art-world/black-tie-gatherings-paused-arts-organizations-embraced-gala-boxes-virtual-events-making-money-1923571.*

11 Isabelle Bousquette, “Museums turn to virtual galas to fill critical fundraising gaps,” Oct 18, 2020, *Medium, https://medium.com/8-million-stories/museums-turn-to-virtual-galas-to-fill-critical-fundraising-gaps-e0fb21fde342.*

# Virtual Galas

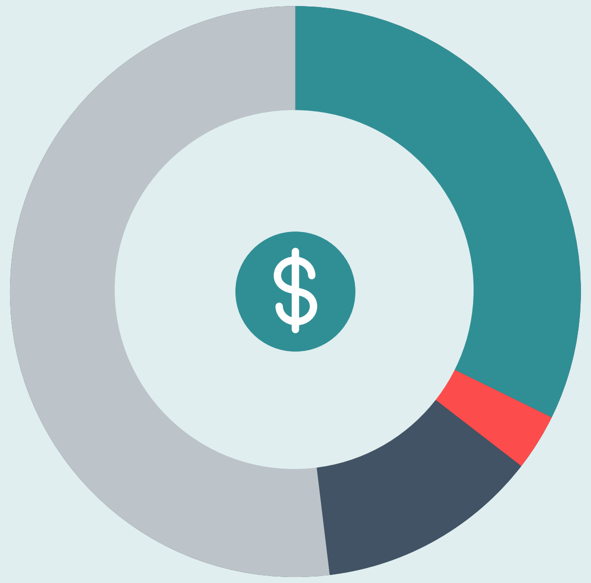
## Do you offer this Program?

Yes 25%    No 75%

### Do you offer Virtual Galas?

| | Yes | No |
|---|---|---|
| Art Museums | 39% | 61% |
| Children's Museums | 25% | 75% |
| Parks, Gardens & Nature Centers | 27% | 73% |
| History Museums & Landmarks | 16% | 84% |
| Science Centers & Natural History Museums | 16% | 84% |
| Zoos & Aquariums | 35% | 65% |

### Method of Payment



- Fixed Fee **54%**
- Membership **2%**
- Pay-What-You-Wish **23%**
- Combination/Free/Other **20%**

| Attendance Per Program | |
|---|---|
| Under 100 | 24% |
| 100 - 250 | 49% |
| 250 - 500 | 15% |
| Over 500 | 12% |

| Price Per Program | |
|---|---|
| Under $50 | 24% |
| $50 - $100 | 20% |
| $100- $200 | 29% |
| $200 - $300 | 13% |
| Over $300 | 16% |

| Staff Hours Per Program | |
|---|---|
| Under 5 | 0% |
| 5 - 10 | 2% |
| 10 - 15 | 2% |
| 15 - 20 | 7% |
| Over 20 | 88% |

## What is the Return on Investment for Virtual Galas?

By far, Virtual Galas bring in the greatest revenue of any event, and show the highest return on investment. While they require significant staff hours and planning, traditional galas can often require even *more* resources, from space rentals and caterers to printed invitations, in addition to the extensive staff time. Moreover, the value of glitzy galas has been a source of debate for some time. According to Artnet News "some museum leaders say that the temporary pause on galas may also encourage institutions to become more inventive with their fundraising, and may precipitate lasting change to a model that, they believe, is long overdue for a rethink."[12]

Could this be the beginning of a major transformation in museums' traditional philanthropic model? Given the strong return on investment for virtual events of this nature, museums may be considering the value of virtual fundraisers *beyond* the pandemic era, as well as engage in a more serious reckoning about the future of glamorous in-person galas. That said, many of the institutions had already secured sponsorship and sold tickets for their 2020 galas prior to their virtual reimaginings. Thus, the question stands: will major donors continue to participate in Virtual Galas even after in-person possibilities can resume? This is a major consideration as museums plan for future philanthropic events.

[12] Taylor Dafoe, "Museums Have Long Relied on the Money They Raise at Glitzy Galas. What Can They Do Now That the Party's Over?" *Artnet,* May 26, 2020, *https://news.artnet.com/art-world/galas-always-inefficient-form-fundraising-will-moment-yield-new-model-1869846.*

# Virtual Animal Cameos

**Zoos & Aquariums Only**

For cultural organizations with living collections, like Zoos & Aquariums, featuring animals on virtual channels has proven to be an enormous success throughout the pandemic. The **Elmwood Park Zoo was one of the first organizations to pioneer this** in April 2020. With everyone turning to Zoom for virtual meetings, birthday parties, and happy hours, the Zoo decided to offer anyone a chance to have animals "Zoom in":

> *We came up with the idea of having cameos in meetings, birthday parties, or things along those lines. We were talking with our volunteers and how much they missed the animals, and we know everybody is already on Zoom. We said, 'Well, could we Zoom people in to see the animals?' This became an opportunity for us to keep people connected to the zoo and keep our education going, while still having the opportunity to raise some revenue. In less than a month we booked at least 150 programs, raising a nice little chunk of revenue for us while the zoo is not getting any other revenue. And it's keeping us relevant.*

**Laura Houston**
Director of Education @ Elmwood Park Zoo

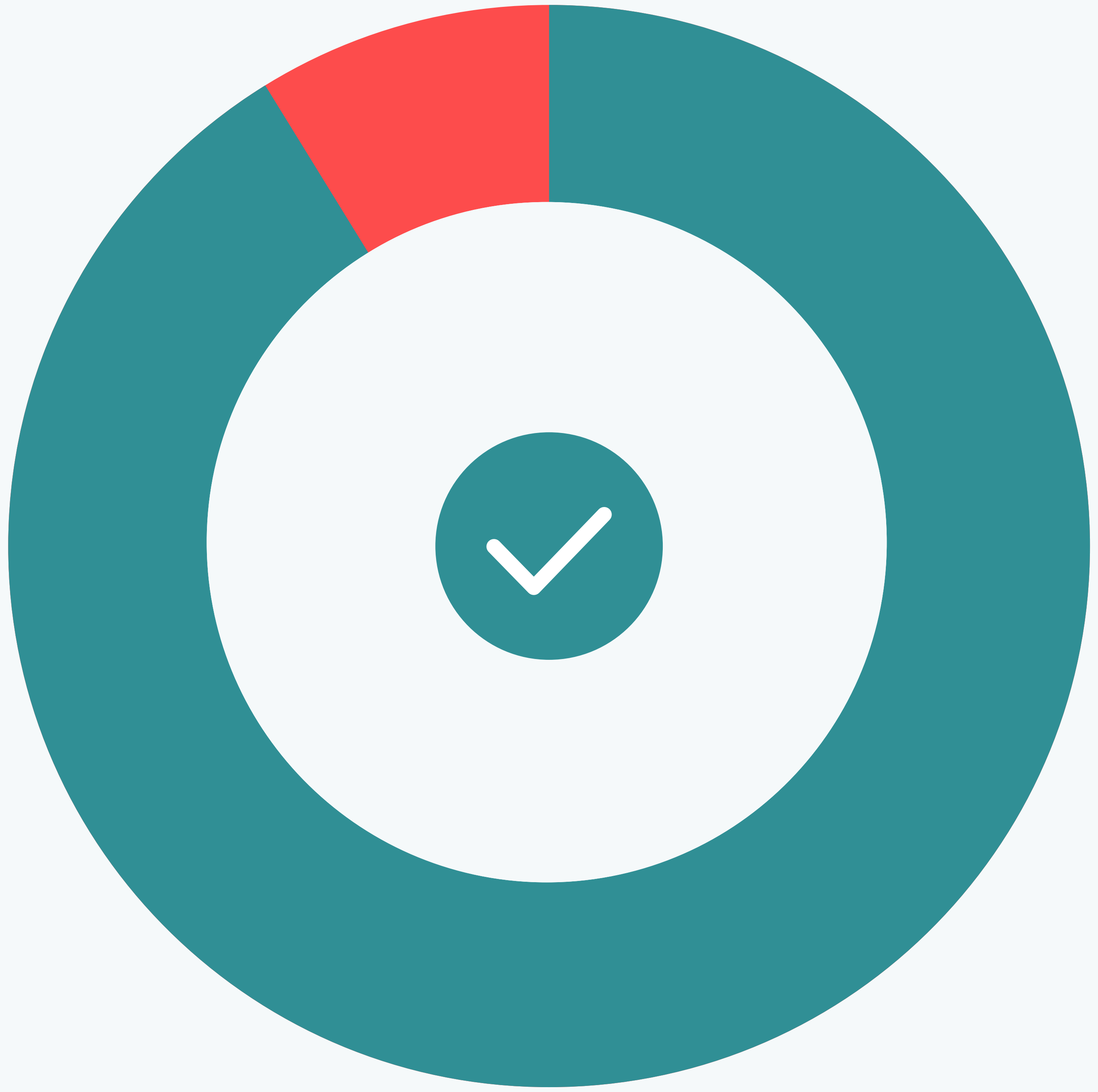
Organizations like, **Phoenix Zoo**, **Dallas Zoo**, **Houston Zoo**, and **Greater Cleveland Aquarium** have also created live encounters.

Survey data also suggests that these are enormously popular programs at Zoos & Aquariums. Of the 23 such institutions represented in the survey data, **91% of organizations indicated that they were offering Virtual Animal Cameos,** and the vast majority charged a fixed fee.

# Virtual Animal Cameos

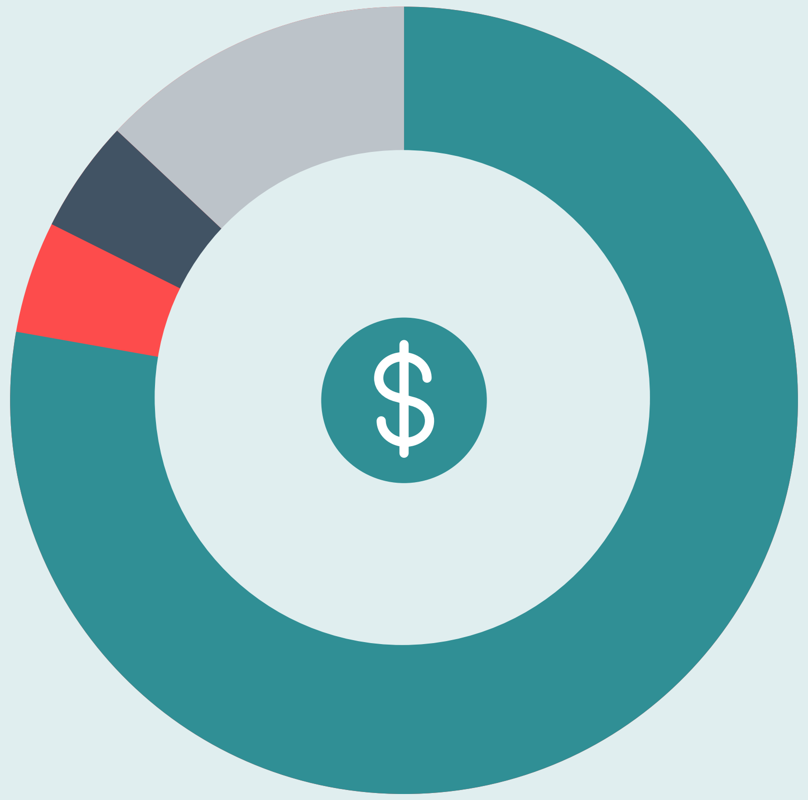
Zoos & Aquariums Only

## Do you offer this Program?



Yes **91%** No **9%**

## Method of Payment



- Fixed Fee **78%**
- Membership **4%**
- Pay-What-You-Wish **4%**
- Combination/Free/Other **13%**

### Attendance Per Program

| | |
|---|---|
| Under 10 | 26% |
| 10 - 25 | 26% |
| 25 - 50 | 17% |
| 50 - 100 | 4% |
| Over 100 | 9% |
| Varies | 13% |

### Price Per Program

| | |
|---|---|
| Under $10 | 9% |
| $10 - $25 | 4% |
| $25- $50 | 26% |
| $50 - $100 | 22% |
| Over $100 | 9% |
| Varies | 26% |

### Staff Hours Per Program

| | |
|---|---|
| Under 5 | 57% |
| 5 - 10 | 35% |
| 10 - 15 | 4% |
| 15 - 20 | 4% |
| Over 20 | 0% |

## What is the Return on Investment for Virtual Animal Cameos?

For Zoos & Aquariums, there is little doubt that Virtual Animal Cameos are a sound investment. The overwhelming majority (92%) require less than 10 hours of staff time to prepare, and institutions can easily charge $100+ for a single encounter. Moreover, most of these encounters last 15 minutes or less. At the Phoenix Zoo and Dallas Zoo, which have leveraged the platform Cameo, the encounters last less than 5 minutes, and often just a minute. This means that organizations may be earning as much as $25 per minute through cameos.

Additionally, Virtual Animal Cameos can serve as an easy but effective way for Zoos & Aquariums to generate interest from visitors, corporations, and other potential sponsors who may not otherwise be aware of the institutions. Many Zoos & Aquariums already ask patrons to sponsor their animals, so these types of virtual initiatives can help cultivate additional sponsorships. As a result, it is likely that live virtual encounters will outlive the pandemic.

*The rising adoption of Cameo by Zoos & Aquariums is particularly noteworthy, since it offers a streamlined way to monetize animal encounters. With its easy-to-use platform, built-in distribution marketplace, and payment processing capabilities, using Cameo can be both low-cost and sustainable for organizations. Overall, Cameo has seen explosive growth in 2020, with revenue spiking 400 percent in the first half of 2020.[13] While organizations are not limited to using Cameo and similar platforms to achieve success, it may be worth considering for Zoos & Aquariums looking to simplify the fulfillment of virtual animal encounter requests.*

[13] Lynette Rice, "How Cameo is booming in the pandemic era," *Entertainment Weekly*, Jan 28, 2021, *https://ew.com/celebrity/cameo-booming-pandemic-era/*.

# Key Findings & Trends

When analyzing virtual program types with respect to the size and type of institution, there are a number of fascinating trends to consider:

## Virtual Tours

Smaller organizations (with a staff of 50 or less) tend to offer Virtual Tours with lower fees ($15-$25 cost per person) and boast greater attendance numbers. On the flip side, larger organizations (with a staff of 50-500) offer tours with generally higher fees (typically $30-$50 cost per person), and experience lower attendance. These higher attendance rates ultimately result in *higher revenue per staff hour invested,* which suggests offering lower cost Virtual Tours might lead to greater revenue for this type of programming.

Unfortunately, the survey pool did not include enough data points from large organizations with 500 or more staff members, making it impossible to draw accurate conclusions for this size of museum.

When examining results by organization type, Art Museums proved to be the most successful by far: they averaged $1,500 in total revenue per Virtual Tour and boasted slightly higher attendance rates, as compared with the overall pool of respondents. In contrast, all other organization types averaged revenue between $450 and $900 per Virtual Tour and experienced slightly lower attendance rates. Parks, Gardens & Nature Centers struggled particularly with Virtual Tours , perhaps because visitors are attracted to these organizations precisely for their *outdoor* offerings that can not be easily replicated online.

> “*On average, Art Museums brought in as much as 3x more revenue per Virtual Tour than all other types of cultural organizations*”

# Virtual Summer Camps:

When examining Virtual Summer Camps, the data failed to demonstrate any clear relationship between organization size and revenue earned. However, it appears that organizations which invested 15-20 hours per summer camp session and priced them between $100-$150 per session attained the greatest revenue overall, as well as the *highest revenue per staff hour invested.* The summer camps with the highest attendance rates and highest revenue earned were hosted by History Museums & Landmarks, Science Centers & Natural History Museums, and Zoos & Aquariums. Art Museums and Children's Museums generated revenue to a much lesser extent. Once again, Parks, Gardens & Nature Centers had both the lowest attendance rates and revenue across all organization types.

> ***Virtual summer camps brought in an average of $3,032 per camp session.***

# Virtual K-12 Programs:

Overall, the data on Virtual K-12 Programs is homogenous. That being said, organizations that invest 5-10 hours of staff time per program and price programs between $50-$100 appear to maximize returns. Overall, Art Museums and Children's Museums yielded the lowest revenue for these types of programs - below $1,000 on average per event. On the other hand, Parks, Gardens & Nature Centers; Science Centers & Natural History Museums; History Museums & Landmarks; and Zoos & Aquariums priced K-12 programs between $60-$85 on average, which led to much higher returns: between $2,000-$4,000 on average per event. It's important to note that these figures correspond to programs that are held for an entire class, and the sizes of these classes usually ranged between 25 and 40 students. On average, each program takes approximately 5-15 hours of staff time to prepare and execute.

# Virtual Art Classes:

Like for K-12 programs, the data on Virtual Art Classes is homogenous. Most organizations devote 5-10 hours of staff time per virtual class, and most classes were priced between $25 - $50 per person. By far, the most popular art classes were those offered by Art Museums, *with 4x the attendance of those hosted by other types of organizations.* This is due perhaps to the perceived disciplinary expertise and quality of program offered by Art Museums in their area of specialty. Art Museums also charged a higher fee for their art classes - $53 per person on average, while Parks, Gardens & Nature Centers averaged $48 per person. This stands in contrast to other organization types, which priced such classes between $12-$30 per person, on average. As a result, Art Museums, along with Parks, Gardens & Nature Centers, attained the highest revenue from Virtual Art Classes. On average, each program takes approximately 5-10 hours of staff time to prepare and execute.

> *"Art classes offered by Art Museums boasted 4x higher attendance than art classes offered by other types of cultural organizations."*

# Virtual Classes & Events:

Like for K-12 programs and art classes, the data on Virtual Classes & Events is relatively homogeneous with respect to organization size. The attendance fee ranged, on average, between $15 to $30 per person, and overall revenue per program ranged from $700 - $1600. There was a moderate correlation between organization size and attendance: smaller organizations (with a staff of 50 or less) had average attendance of 38-51 people per program, whereas larger organizations (with a staff of 100 to 500) had an average attendance of 60-70 people per program. In general, larger organizations with greater staff resources tend to have bigger audiences, more visitors, and more members, who they are able to reach through exhaustive marketing and social media efforts. This may account for the higher attendance rates at Virtual Classes & Events produced by larger organizations. On average, each program takes approximately 8-13 hours of staff time to prepare and execute.

# Virtual Galas:

When it comes to Virtual Galas, there is a clear correlation between organization size and revenue generated. Smaller museums (with a staff of 25 or under) offered lower entry prices (approximately $100 per person) and experienced lower attendance rates (around 150 attendees, on average), resulting in lower revenues overall (we can estimate around $15,000 on average). Meanwhile, mid-sized organizations (with a staff of 25-100) had entry fees ranging from $150 to $250 per person, resulting in average revenues of $40,000. Lastly, larger organizations (with a staff of 100-500) had prices ranging from $200 to $250 per person, resulting in revenues ranging widely, from $20,000 to over $120,000! Across all organization types, galas yielded an average revenue over $20,000. On average, a Virtual Gala takes approximately 20-30 hours of staff time to prepare and execute.

> *Even small museums (with a staff of 25 or under) averaged $15,000 of revenue from Virtual Galas.*
>
> *Larger museums (with a staff of 100-500) yielded as much as $120,000 of revenue from Virtual Galas.*

# Virtual Animal Cameos:

For these programs, we only analyzed responses from Zoos & Aquariums (23 respondents). Overall, there is a strong correlation between organization size, attendance and revenue. Small to medium organizations (with a staff of 25-100) tend to have attendance rates of 20-25 people per animal encounter, whereas larger organizations (with a staff of 100-500 people) have double the attendance - between 40-55 people on average. On average, these programs take approximately 5-8 hours of staff time to prepare and execute.

> *Zoos & Aquariums may be uniquely poised to create long-term digital revenue streams by continuing to offer live animal encounters in the virtual realm.*

## Highest ROI By Program Type

| Program type | Highest Revenue | Highest ratio of revenue to staff hours | Highest ratio of attendance to staff hours invested | Highest reported price (revenue/attendance) |
|---|---|---|---|---|
| Virtual Tours | $21,000 | $1,500 | 47 | Over $100/person |
| Virtual Summer Camps | $56,250 | $2,250 | 25 | $750/student for a 1-week camp |
| Virtual K-12 programs | $9,000 | $3,000 | 25 | $245/student |
| Virtual Art Classes | $18,000 | $720 | 13 | Over $100/art class |
| Virtual Classes & Events | $18,000 | $720 | 50 | Over $100/class or event |
| Virtual Galas | $210,000 | $8,400 | 24 | Over $350/person |
| Virtual Animal Cameos | $11,250 | $1,520 | 50 | Over $100/session |

## Average ROI By Program Type

| Program type | Average Revenue | Average revenue/hour invested | Average number of attendees/Hour invested | Average price (revenue/attendance) |
|---|---|---|---|---|
| Virtual Tours | $1,020 | $131 | 5 | $25 |
| Virtual Summer Camps | $3,032 | $195 | 3 | $103 |
| Virtual K-12 programs | $1,845 | $384 | 6 | $61 |
| Virtual Art Classes | $855 | $103 | 3 | $43 |
| Virtual Classes & Events | $1,095 | $86 | 6 | $22 |
| Virtual Galas | $31,847 | $1,336 | 10 | $151 |
| Virtual Animal Cameos | $1,394 | $277 | 7 | $49 |

## Median ROI By Program Type

| Program type | Median Revenue | Median revenue/hour invested | Median number of attendees/Hour invested | Median price (revenue/attendance) |
|---|---|---|---|---|
| Virtual Tours | $200 | $25 | 5 | $10 and under |
| Virtual Summer Camps | $1,140 | $75 | 1 | $50 and under |
| Virtual K-12 programs | $1,350 | $169 | 5 | $50 - $100 |
| Virtual Art Classes | $324 | $47 | 2 | $10 and under |
| Virtual Classes & Events | $375 | $41 | 3 | $10 and under |
| Virtual Galas | $27,000 | $840 | 7 | $100 - $200 |
| Virtual Animal Cameos | $684 | $86 | 5 | $10 and under |

# Conclusion

Almost halfway through 2021, most cultural organizations are now reopened to the public, and it seems possible that in-person programs and events will once again be possible in the calendar year. Yet, even as organizations move through the phases of reopening, many are planning to continue virtual programs, both to engage audiences and recover lost revenue from the pandemic era. Many museums will be trying to balance the return to traditional onsite engagement while continuing to produce relevant virtual content, and we can anticipate the future of engagement will be hybrid - that is, having both physical *and* digital aspects. Indeed, what was once a *secondary* channel of interacting with audience members is likely to remain a critical part of engagement strategy.

> As Will Cary, Chief of Business Strategy and Analytics at the Barnes Foundation said, *"Generating revenue where we can from our digital programs allows us to broaden the scope and reach of our educational mission, and that revenue also enables us to sustain and grow the amount of free programming we are offering."*

**As museums consider which virtual programs have the potential to become a long-term fixture of their offerings, as well as serve as a revenue stream beyond the pandemic, there are a number of considerations:**

## 1 Return on Investment.

How much revenue can be generated from the program, and how many resources are required? Would it be possible to develop a standardized tour, class curriculum, or event format that is easily replicable, allowing you to limit the staff resources for future programs? Can programs be pre-recorded and monetized to serve as a passive stream of revenue? Which programs are the lowest lift, with the highest reward?

## 2 Unique Value.

Does the virtual program offer unique value, equal to or more than what could be offered in-person? Will audiences continue to participate virtually when in-person is an option? For programs like Virtual Summer Camps, which are likely to function better in person, this is an important consideration.

## 3 Future-Proof Potential.

In the same vein, does this virtual program have value beyond the pandemic? A handful of cultural organizations have managed to scale virtual programs like K-12 classes and field trips, and have been offering them on virtual platforms for years. What pandemic-era virtual offerings have this potential?

# Conclusion continued

While digital programs are not yet delivering large amounts of revenue for the majority of institutions, they have enormous potential to be scaled. Overall, the findings of this study demonstrate that most of the programs researched here do not require large amounts of time and resources to be implemented, suggesting they hold enormous promise for future monetization.

> As Laura Lott, President and CEO of the American Alliance of Museums, emphasized in her opening remarks at AAM's 2019 Annual Meeting, *"First, museums will be much better positioned to inform, inspire, and enrich our world if they have healthy balance sheets. And second, long-term financial sustainability is everyone's responsibility."*[14] Diversifying revenue streams with digital can play a major role in ensuring financial sustainability.

**In our new normal, now is the time for museums to consider how their digital content and other unique offerings can keep them connected to audiences while also contributing to their bottom line.**

[14] Laura Lott, "Financial Sustainability Is Everyone's Responsibility," *Alliance Blog,* May 29, 2019, *https://www.aam-us.org/2019/05/29/financial-sustainability-is-everyones-responsibility/.*

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Cuseum conducted a survey in January 2021 with professionals from different types of cultural organizations. We received a total of 531 responses. 483 of these responses were from organizations which offered some type of virtual programming, and from those, 354 organizations also charged for their virtual programs in some way. This report uses data from the responses of these 354 cultural organizations which are monetizing their virtual content and breaks down these results based on each type of program, as well as indicates the average and median return on investment (ROI) for each category of virtual program. It is important to note that for each subsection on virtual program type, the data reflects the share of respondents from the total (n=354) which offered and monetized each specific program type, rather than the total survey pool. The sample sizes for each program are as follows: Virtual Tours (n=194), Virtual Summer Camps (n=115), Virtual K-12 Programs (n=247), Virtual Art Classes (n=106), Virtual Classes & Events (n=246), Virtual Galas (n=86), and Virtual Animal Cameos (n=23). Due to the reduced sample size for Virtual Galas and Virtual Animal Cameos, these findings should be treated as exploratory and might be improved upon with further research. Moreover, the survey was conducted using ranges for prices, attendees, and staff hours invested. As a result, the reported return on investment calculations serve as estimations rather than actual figures. Ultimately, as this report contains data that was provided by various sources through a survey, Cuseum makes no claim or guarantee of any kind about the accuracy, reliability, or completeness of the data. This report is for general educational purposes only, and we hope it serves as a valuable resource.