Value Pricing and the Cultivation of Public Trust

November 2, 2022

Members are the lifeblood of many children’s museums. They are loyal patrons who trust museums to provide playful learning opportunities for their children, often complementing trips to the zoo or aquarium. But when children “age out,” families may turn to other cultural institutions and start to reconsider the value of their membership. Understanding value seekers’ calculations can help children’s museums cultivate trust through transparency.

In this Trends report, we look at what membership pricing and attendance data can tell us about children’s museums. We focus on what museums might want to think about when attempting to stabilize their membership base, and on how to forge trusting relationships with prospective members.

National data related to membership pricing has been of particular interest to the ACM leadership community in recent years, especially as it relates to post-pandemic operations. Prompted by a specific request from an ACM member, this report contributes to these ongoing discussions. We used data from the Spring 2022 targeted ACM member survey and collected additional information from member museum websites. We developed a dataset from 90 children’s museums to see if there were differences in membership costs between small, medium, and large museums. We also compared admission prices across these categories and calculated a “pay less” point—that is, the number of times a family of four would need to visit in order to make the purchase of an annual membership a cost-saving act.

Our analysis yielded two main findings. First, even though admission prices and membership costs are highest for large museums, the number of single visits needed by a family of four to “pay less” is lower for these museums than it is for their small and medium-sized counterparts. Second, we confirmed that admission prices and membership costs tend to rise in parallel, which means that even though base admission prices may be determined based on local cost of living concerns, ACM members can still compare their rates to other children’s museums. Taken together, these findings can help children’s museums determine how to align pricing decisions with the needs and interests of value-seeking visitors—that is, those who purchase memberships based on a calculation of savings.
ACM Trends #6.1

In Spring 2022, the ACM Trends Team circulated a survey to ACM member institutions requesting data on attendance, admission prices, membership costs, and other operations. After supplementing this data with information gleaned from member websites in August 2022, we assembled a dataset of 90 museums (30 of each size). We summarize the data in Table 1 below.

Table 1. Admission Prices and Membership Value by Museum Size, for a Family of Four

<table>
<thead>
<tr>
<th></th>
<th>Small (n = 30)</th>
<th>Medium (n = 30)</th>
<th>Large (n = 30)</th>
<th>All (N = 90)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average admission</td>
<td>$29.80</td>
<td>$40.60</td>
<td>$59.20</td>
<td>$43.19</td>
</tr>
<tr>
<td>Average yearly</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>membership</td>
<td>$112.00</td>
<td>$138.00</td>
<td>$151.00</td>
<td>$134.28</td>
</tr>
<tr>
<td>Average # of visits</td>
<td>3.88</td>
<td>3.52</td>
<td>2.62</td>
<td>3.33</td>
</tr>
<tr>
<td>equal to a membership</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Admission Prices and Membership Costs

Table 1 compares admission and membership prices for a family of four at small, medium, and large museums. Admission prices are based on the general admission price for adults and children. When prices for adults and children were different, a family of four was calculated with two adults and two children.

We calculated these figures for a two-adult, two-child family on account of current US Census data (which shows that the average US family contains 3.13 people), and because this aligns with demographic research showing that a plurality of mothers in the US today report having two children (Pew Research Center, 2015).

The bottom row in Table 1 presents the average number of times a family of four would need to pay admission before achieving cost-savings through a membership purchase. The fourth column illustrates the mean cost across all size categories—which is an appropriate way to calculate averages in a dataset like this one, as it contains few outliers.

Clearly, the larger the museum, the higher the membership and admission costs for a family of four. Nevertheless, the number of visits needed for a value-seeker to “pay less” for multiple visits through a membership is lower (2.62) for large museums than for their small (3.88) and medium-sized (3.52) counterparts.

On the next page, Figure 1 presents data from the bottom row of Table 1 as a “box and whiskers” plot. To create this, we “normalized” pricing data to show membership costs (for a family of four) as a multiple of admission costs for each children’s museum. The “box” part of the plot illustrates the middle half of the data (in other words, where 15 of the 30 museums in each size category sit), while the “whiskers” indicate those museums where prices are higher or lower than their peers.

When a museum stands alone compared to others, the box and whiskers plot expresses this with dots, considered outliers. When multiple museums lie in the same range, this is indicated by a line placed above the box. The line in the middle of the box illustrates the median, or the exact middle of all of the data in that category. We can see from those lines that medium-sized and small museums tend to be near one another. To see how many visits a family of four would need to make before generating savings through the purchase of a membership, look at the Y-axis, which plots the ratio of membership costs to visit price. This data can be used as a foundation for making decisions about membership pricing, especially in connection with data on premiums.

ACM Trends Reports

The Association of Children’s Museums (ACM) is the world’s foremost professional member service organization for the children’s museum field. We leverage the collective knowledge of children’s museums through convening, sharing, and dissemination. ACM has partnered with Knology to create the ACM Trends Reports. Knology is a nonprofit that produces practical social science for a better world.

ACM Trends Reports are commissioned on behalf of our membership to help advance the work of this community. They seek to draw attention to emerging issues and opportunities for elevating the field, and help our members use data to become more accountable to their mission and fiscal responsibilities. A product of collaborative efforts to collect data, the Trends Reports are an effort to support ongoing, accessible dialogue. Our objective is for this approach to be an equitable and inclusive way for museum professionals to contextualize our work and use data to produce effective outcomes.
We also collected data on additional benefits provided with museum memberships—for example, discounts for rentals or birthday parties (n = 60), member-only events (n = 53), and reciprocal admission to other ACM (n = 24) or ASTC (n = 13) member institutions. Most museums offer these in some form; 8 out of 10 small museums, 9 out of 10 medium-sized museums, and all large museums indicated additional membership benefits. The total number of additional benefits did not appear to be related to a higher value of memberships.

One benefit, however, did have a significant effect on "trips to match cost." Offering a discount on space rentals, after accounting for museum size, was related to higher membership costs. Though some have suggested that early access or discounts on summer camps are perceived as an incentive for families who can afford summer camp experiences, our analysis did not provide any evidence that the benefit is related to higher or lower membership prices.

Key Takeaways
People purchase museum memberships for different reasons. These purchases provide a reason for frequent visits—which not only benefits children but can also help museum leaders advocate for children's access to the healthy spaces of learning and discovery children's museums provide. For some, a membership is a value-seeking purchase, one made through a consideration of future costs, benefits, and savings. Value-seekers become members because they want museum-going to be a regular part of their children's lives. These pricing data
tell us that museums anticipate four visits a year by their value-seeking members, setting prices that justify at least four or more visits in a membership year.

For others, purchasing a membership may not be driven by monetary concerns. They may simply want to invest in an institution that is doing good work, or to support a local institution that is good for children. Some individuals may purchase memberships to build social capital, because they want to support an organization whose values they identify with, and because they want their membership to reflect something about who they are. They may also become members because they want to encourage their grandchildren, nephews, nieces, or other relatives to visit them, or because they want to provide gifts to families with children. These “affinity members” may also care less about free admission than about membership perks, premiums, or about symbolic value—for example, discounts on birthdays or group tours, reciprocal admission at other ACM member museums or other cultural institutions, access to priority registration, exclusive programs, or behind-the-scenes content.

In other words, value is a complex, multidimensional thing. When thinking about those who see the primary value of a museum as its price, children’s museum leaders can also consider how decisions related to pricing might impact the perceived trustworthiness of their institutions. As ACM Trends #5.3 discussed, in order to cultivate public trust, museums need to demonstrate competence, reliability, sincerity, integrity, and benevolence. During the height of the pandemic, many museums demonstrated benevolence through refunds or by pro-rating existing memberships. At present, some museums are considering increased fees to recoup pandemic-related monetary losses. Doing so may risk the trust built through the pandemic, especially as cost-of-living increases may make more members value-seekers.

Being transparent for value-seekers can present direct evidence of a museum’s sincerity and integrity. A savings calculator created by the Children’s Museum of Atlanta allows a value-seeker to determine how much savings a membership might generate by comparing the costs of this to those incurred through multiple single-admission visits. When added to the membership page of an institution’s website, this type of calculator can help those planning a visit to understand that the institution cares about their pocketbooks. By demonstrating integrity and sincerity, calculators can be used to counteract impressions that price increases show a lack of benevolence.

About This Research

Data for this report was collected through: (1) an online survey distributed by ACM in April 2022; (2) a review of ACM member institutions’ websites. This dataset contains information from 90 current ACM member museums.

Our analysis used the size categories developed in ACM Trends Reports #1.1 and #1.7. We use these categories because institutional size predicts a range of outcomes for children’s museums. We note that museums offer many types of reduced priced tickets or free admission, and some unique premiums that were not used in this analysis.

References

