

GUEST PANEL DISCUSSION

TO RECEIVE QUESTIONS FROM THE FLOOR

PANEL MEMBERS:

Tony Halling,	MOTAT	<u>Chairman</u>
Dave Hinman,	THS	
John Radcliffe,	AETM	
Ian Stewart,	MOTAT	
Jim Walker,	OERM	

FLOOR:

Can I have general ideas or views from the panel? At the moment, at our museum in Sydney, the only income in regard to the operation of the trams is through the fares we collect on the trams just like it was in the old days. Something that we always like to emphasise with our passengers is that we are trying to recreate as best we can, in the circumstances at the present time, what it was like in the old days with the conductor swinging along the foot-board collecting the fares and hanging on for dear life etc. At our new site, when we move to it, there is a fair bit of thought being given to the set-up regarding revenue. It looks like we are going to have to have some sort of admission charge. I would personally like to see us still retain the basic system of fare collecting on the trams. Maybe the system could be that we have an admission charge which would, say, cover one or two rides. I would also like to see a system where we could have a lower fare for additional rides so that the conductor is still seen to be doing his job and the passengers are still handing over the money and receiving their ticket in exchange for additional rides in the trams. What is the view of the panel from their own experiences in the past, the present and the future?

JOHN RADCLIFFE:

I think you have got to look at the situation of what business you are in and I believe in maximising the amount of money that you can "extract" from your customers because if you don't do that then you will have hardly any money in your own pocket which is basically how we all start. We went through this exercise at St Kilda and you may recall that on the opening day the conductor was provided with a bag and a heap of tickets and told that it was 40c for admission and the first ride and 20c per ride thereafter. That has a lot of complications; firstly, the conductors do have to handle a lot of money - a lot of small change - they are fiddling around a lot and it takes a long time to get through the car, particularly if the car is crowded. We have had odd occasions when we have had over 100 people on a tram and that's not the time to be collecting money off the passengers over a 2km trip! Therefore, what we did was to move away from that concept to charging a higher first initial trip on the tram and certain subsequent rides were free and our present position is that we are running a museum which, among other things, entitles you to unlimited rides on the tram.

JOHN RADCLIFFE continued:

Firstly, if you are selling a bigger package then you can hit them for a bigger slice whether they use it or not. Secondly, if you continually put your hand out for a bit more money for a bit more service, you tend to produce a bit of a negative vibe and I believe it's better to hit them for a decent amount in the first place. You are not running a charitable institution, you are running an entertainment body of some kind and so you want to set a decent fee.

I believe you should be able to offer something more than a tram ride so that you can justify a reasonably high charge and that is why we have a number of exhibits and displays etc. We believe when you are running a museum with a tramway attached most people would take at least one ride. Value for money is a measure of how much time they think they get for what they pay. For example; by the council opening a free playground at the other end of the line it has extended what people get for their money at no expense to us. They are, therefore, on the site for probably an hour longer and they come back on the tram. They have a nice afternoon and feel happy about the service, have parted with two dollars - all of which we get!

Now, the second point you have raised is the sensation in trading in tickets on the trams. In a sense, I suppose, we go through a bit of a charade here because everytime you ride on the tram, you hand over your ticket which you bought at the gate or, if you got on at the other end of the line, you hand out the ticket you bought off the conductor. Your first ticket is punched one way and if it's a return ticket, then it is punched the other way. When you have had it punched in both directions, the next time you ride you show him this ticket punched twice and they give you another ticket. So, in fact you are exchanging the tickets and you are not exchanging the money which makes the exercise much simpler. Whilst, in a sense, it is a charade it cuts out all the change because your basic money is in \$1 and \$2 notes so you are not having to deal with "pennies and halfpennies". You still have part of the sensation of a conductor going through the tram doing something but most of what he has actually done is not up to very close audit.

I think you want to put your attention particularly on income maximisation and that is perhaps really more important than precision of recreation of the original function you are now performing is running a museum as well as running a tramway. I think we should recognise that there is an additional function which we are performing which is over and above what the original tramway operators were formed for and we should charge accordingly.

JEEP HALLING:

I was in Christchurch a fortnight after Ferrymead decided to charge an admission fee for their bottom area and the complaints there were from people who came in last week for nothing and had now to pay! They didn't put a very high fee - 25c I think - and one of the embarrassments of this world is, if you start on a low fee, you have a hell of a job getting a respectful one when you feel you are worth it.

FLOOR:

Yes, I think that is right. When you open on a new sight set a good high fee and offer a quality product.

DAVE HINMAN:

Just a follow up from where Jeep left off with Christchurch:-
For many years the tramway was the only thing operating at Ferry-
mead on a regular basis and we got to a bit of a financial strife
about 1977 and the Ferrymead Trust decided they would have to
charge a gate fee. So we put a fence around the whole site and
eventually came up with a proposal where we had a combined gate
and ride fee built in the one using a tear off ticket. This is
now very much out of date because it really only allowed you to
have a tram or train ride and a look at the "Hall of Wheels".
It forgot about everything else that is also open. I think there
the initial reaction was that here we are all of a sudden charging.
That has been accepted over the years and is still a reasonably
modest charge. We find that administratively, it has some diff-
iculties. We have to have conductors to collect these combined
tickets. They don't look in the least like a tram ticket and as
such there is no souvenir for people to take home. It is a design
issue which we have yet to solve. If we don't collect these
tickets then we don't get paid by the "Trust" for the passengers
we carry. There is definitely an incentive to collect every ticket.

The other thing is that it entitles the person to one ride there
and back. It might be one by train and one by tram or both by one
mode. If anybody wants a ride additional to that, theoretically
they have to pay a cash fare. Now again, I think our organisation
is not quite "with it" in this area. We found that generally our
conductors today don't know how to handle cash and they don't know
how to handle way-bills. On the odd occasion when we get people
riding more than once, we tend to ask for a donation and sometimes
we don't even have tickets available! Now again that is something
in our organisation I think we should sharpen up on. But one lesson
we have learned since we have tried to charge cash is that it's a
whole new learning game for a new set of conductors who, years ago,
knew how to do it. Today they don't because all they have to do
is pick a ticket and put it in the bag and so on.

We still have the atmosphere to a degree but I think it would be
better if we had what looked more like a tram ticket. The idea
John has in Adelaide seems to work reasonably well. I don't know
how you get on for accounting in terms of passenger numbers. We
place some value on that and are able to do it from our voucher
system.

JOHN RADCLIFFE:

We just do it from the tickets because people get a ticket for
every return ride and even if they don't pay, they still get a
ticket which are all numbered so that there is no problem in
accounting for it.

The only other way is, perhaps, to sell tokens before people get
on the trams and let them hand in the token each time they want a
ride and to go and buy another one if they want another trip.

IAN STEWART:

If you want to bring more money into the museum then charge for
entry to the museum and increase exhibits to try and show the public
the actual workings of the tramway. You will probably have certain
duplicates - controllers, for example, mount them up, let the
children play with them. I know some will say that they will get

IAN STEWART continued:

on a tram and try to do the same but I think you have got to take that risk.

I remember going to an exhibition - the Centenary Exhibition in Wellington - and in the Railway Court they had a carriage-truck all set up which showed the workings of the brake cylinder and a brake valve and any member of the public could come along and see the brake valve going on and off. We have ideas of doing that sort of thing here at MOTAT. There are plenty of gongs to bang. I know it will drive everyone mad, but you have got to get the public along and if you can cater for the children to take part then the parents will come with them and that brings more people into the museum.

At MOTAT we still run the ticket system as it was. That is mainly because we run externally to the museum. There was a system where they got a composite ticket but it did not work satisfactorily and nobody seemed to know whose fault it was.

The other idea with this bogie set-up is to have the wheels on rollers and a controller using very low voltage to activate them.

JOHN RADCLIFFE:

What this is really about is the interaction between the visitors and the exhibits. At the Ontario Science Centre in Toronto you can let you kids go on their own. I think you want to design it in such a way that if parents can let their kids go then the exhibits must at least be operable and that the kids are able to do certain things with them. Hopefully, the parents are able to operate them as well. That's a fairly good test!

In contrast to that, there is one in Ohio that I went into last year and the kids were bored in two hours because all they could do there was push buttons and turn lights on and off the panels. There was no physical relationship to the sort of thing they were doing and seeing. This illustrates the point that I think Ian is making.

I remember seeing in the now closed Edinburgh Transport Museum what was in effect a model of a tram driver with a set of controllers and brakes on a truck and when these were operated you could actually see what happened to the truck. I think we ought to be able to set up that sort of thing in our museums one of these days.

FLOOR:

In the early days at MOTAT, one of our members came up with the idea that we should have live weekends advertised and we sent out free tickets to schools - bundles of them. When they came to the museum they got a free tram ride and of course the children went home to their parents with all these free tickets (at the time we were only charging 2c a ride) and of course it brought the parents in the gate and we used to get crowds in that way. A lot of them came in through these free tram tickets.

"Puffing Billy" runs many publicity stands on that basis - "a free child ticket is an adult ticket" - all sorts of promotions like Junior Football League. Many of them are from just members of other clubs, societies or activities that publish something. They will put a voucher in anywhere where they will get publicity.

FLOOR continued:

i.e. "Tear out this voucher", "Entitles one free child ticket".

JOHN RADCLIFFE:

There is a maritime museum in Newcastle which spreads around the countryside a number of free tickets saying, "Free ticket entitles you to free admission to the Newcastle Maritime Museum", and from a business point of view that is good stuff because what they don't realise is that admission to the museum is free anyway!

When you go to Disneyland or any of these megabuck amusement parks, you pay to get in but you don't leave empty handed. We figure that we should get an equal amount from other things - from the pop machine, from the bookstore, from postcards, from whatever. We want them to take home something as well and we have it strategically located so that while people are waiting they will just go inside and get something. We charge a \$3 all day pass. We treat that as admission but hardly anybody comes in and leaves with nothing. It used to be a problem when people would send their kids on a ride without their parents.

TONY HALLING:

The former Assistant Director of Motat did a survey of some of the American Museums and I understand every organisation that is trading properly expects to make \$8 out of every person who comes through the gate (other than their admission fee) either in lollies or whatever.

JOHN RADCLIFFE:

In Australia, there is a "Historic Tourist Park Association" composed of organisations like Sovereign Hill, Swann Hill, Old Sydney Town etc. They exchange financial information between each other not only on their current charges which vary from about \$4 to \$7 per head, but also on the level of additional expenditure on souvenirs, lollies, etc. They are trying to get several dollars off every customer. This can also be affected by how you operate. Maybe you have certain areas where your expensive books are - a "browsery" - where children are not allowed. There are a whole lot of psychological approaches to handling these marketing issues. There are a whole lot of worthless things that people will buy to take home as souvenirs which have high mark-ups on them. Now, we could have something different. We should have tramway oriented kinds of things and I believe we could market some of those. Crich does that reasonably well. This whole question of supplementary marketing is an important issue.

JIM WALKER:

We still have museums that are very, very conservative or even against having what they think is foolishness which is income producing - things like books, postcards, pins, tee-shirts. Let me assure you that if any of you have been to these high-powered amusement parks, the first and last thing you see is a giant display where kids "have to have one" or they will throw a fit! They don't have to be junk either. They can be new things or period things. Aside from the lack in some of these places of something else to do when we get off the tram we often get asked the question, "What do we do now? Will we go home?" The supplementary income has got to be at least one or two times what you get for just a

JIM WALKER continued:

tram ride. Most of the museums in the U.S. now realise that the tramway museums and the volunteer groups will never do capital incentive things from this income. Instead they hope that it will pay for the operation and a little more of it and that they are not going to be able to build new car barns or do acquisitions from this source.

JOHN RADCLIFFE:

Another part of this is to make sure the visitor cannot get out of the museum unless he walks through the sales outlet. That is a fairly standard arrangement in many museums. It applies at one end of the line at St. Kilda but not at the other. You have got to be quite clear about this. People are more inclined to buy when they are leaving because they like what they have seen but is also important that they know that there is a sales outlet there when they come in so that it is imprinted on their minds in case they want to know about it when it is time to go. You do have to be quite hard about this psychologically.

FLOOR:

Can I change the subject somewhat? With or without naming names or places, from the museums in our area that you, Jim Walker, have seen, are there any particular things that you have seen us doing that you think we should not be doing or, conversely, are there any things that you have seen in American Museums that you think we should be picking up and doing because of their success and that might carry across to here? For instance, can I just go back to the subject of the souvenir shop. I have been involved in discussion with the Ferrymead Trust for some time about our souvenir shop - (a) whether it is in the right place and (b) whether it is selling the right things. I personally think that you should "hit" them when they come in and when they go out. But there is a contrary view that, particularly on a larger site, it is also a good idea to have other selling places throughout the site and there is also the possibility that by the time they go out the gate again they have spent all their money. Therefore, you should perhaps have the selling areas well into the middle of the site to "get" them before they, in our case, spend it on icecream and other things rather than souvenirs.

It is a slightly different situation where you have a number of people on the same site all trying to grab the same tourist dollar I have to admit, but some of you will have seen our souvenir shop. It is at the entrance. We used to have it in the "Hall of Wheels" down on site partly for administrative convenience because there was somebody manning the hall there. Our souvenir sales are still not high as they should be and it may be in part, not so much the location, but the layout within the location. I think that is fairly important.

You will notice here at MOTAT, I think it has been revamped over the years, that not only is it in the right location but the public has to physically pass through the shop area itself as they go out of the museum. Now in our situation, we have not got that. We have had the argument where either you have an open-plan situation where people can walk right through in supermarket style or where it is all behind closed displays which is what we have but we are

FLOOR continued:

looking at opening it up along the lines of MOTAT. Maybe there is the possibility of losing a little bit of stock.

JOHN RADCLIFFE:

Perhaps that is something you are going to have to look at. There is another aspect of this too. For example, at one museum there is a good example of a commercial operation which has very high levels of showmanship. They charge a good fee and it has four or five components which you can buy component tickets for and it also has a large number of sales outlets which are basically flogging all the same stuff. What they are doing quite clearly is trying to present the material consistently to the customer so eventually the customer gives in and buys the souvenir to keep. Now, in a commercial operation, that is not that easy to do because every extra outlet that you open is one more person to be employed.

In our case, of course, it may be one more volunteer to have his arm twisted so that, whilst there is a volunteer problem, there isn't necessarily a commercial problem with the additional income that you may generate. So there may be some opportunity, depending on what your set-up is, if you are basically using volunteer staff to run the operation, to have more than one outlet with more or less the same range of goods which can increase your income.

FLOOR:

"Puffing Billy" apply that principle. They have a strict hierarchy in the manning of their various kiosks (because they have the complication of kiosks at the stations) plus, in the case of Belgrave, a supplementary kiosk separate from their main kiosk. Obviously, their first priority is to get the main kiosk at the starting end of the line open; their second priority is to get the one at the other end open where people are staying over; then they start with the other ones - the intermediate station ones and then the supplementary ones within the location. That certainly seems to get over that problem when you haven't got your ten volunteers to man the site. You have a hierarchy - as long as you man the one at the gate where you are collecting fares you can open basically and then if you have got the extra staff, you can open these extra locations. In many museum cases that may mean perhaps you have got something set-up in the tram you run down the other end, or you have got a waiting shelter at the other end you can open up when and if you have got the staff and volume to justify it.

JOHN RADCLIFFE:

Another approach would be as seen at Crich and other English museums - a relatively high percentage of sales is postcards so you have little kids of five trying to buy postcards and blocking up the works. Now, both the York Railway Museum and Crich installed postcard machines so you drop your two-bob in a slot and you pull a handle and out it comes. They do, in fact, remove part of the business which is small return for a lot of effort out of the shop, to allow you to get on with a higher profit margin. Also they represent an additional impulse response especially if you should have it next to a display (the postcards being of the display).

BOB LOGAN:

I'd like to point out here, "Don't bully the kids". If you take the two bob off the kids and they don't get much for it, then they will go home and tell Dad, "They robbed me of my two bob. I'm not going back there anymore!" So, in five year's time when Dad says, "Come on, we'll go and have a look at that exhibition there" and he says "No, no they took my two bob off me there. I'm not going back there anymore". Don't forget, these kids are our future customers.

FLOOR:

On postcards, specifically, in the cases where we have not had the conductor working flat out, certainly an impulse buy of a postcard of any specific tram is something that can often be handled by the conductor. I recognise that if you have 100 people jumping on the tram then you can't do that. We have found it to be very successful though. It depends on the nature of your operation as you say.

JIM WALKER:

I'd say that the size of the museum or the way that it is going to grow and the self-esteem of the people that run the museum is scaled by whether they apologise for taking money from the public or they simply say to themselves, "We intend to make something of this". If they try to get just a little bit out of each person and sell three postcards and perhaps a couple of other little nic-nacs, then they will always be small. They are as small as they think! If they think big, within reason naturally, if they think of themselves as worthwhile and have a self-esteem and they indicate this to the public by professionalism as volunteer and not as the amateurs we used to be. Let's face it, I would guess almost everyone here has had at least five years in the industry, some ten, some twenty. We are not amateurs anymore. We are professionals!

BOB LOGAN:

Perhaps, plastic bags with a picture of a tram or loco is the thing. Pop slow moving articles in these grab-bags and sell them at an inflated price and you have got them every time! This idea makes them think they are getting something for nothing, say, half a dozen postcards and a picture or map of the location and the kids will go to school and say, "Look what I got at MOTAT for \$1!"

FLOOR:

This is the psychology you need. Now, if you go to a museum and you have a pile of books on the counter, then they may think they had better buy one. If you only have one they will think that they had better not embarrass anyone by taking an interest in it!

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At this point the discussion was terminated.