

## All The World's A Potential Stage: Delivering Performing Arts Content Online

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Since Richard Wagner pioneered the concept of *gesamtkunstwerk* or “total art” in the 19th century, the performing arts have been on a mission to create immersive experiences for their audiences. The rise of the Internet era tantalizes us with the possibility of reaching geographically diverse audiences in ways that are at once more immersive, more immediate, and more interactive. To paraphrase a famous playwright, all the world's a potential stage. So how should we approach this opportunity to introduce our theater, music, opera and dance to new audiences?

At POP, a digital agency based in Seattle, we have worked with dozens of arts organizations around the world, including the Royal Opera House, Sydney Opera House, and New York City Ballet, to help them grow revenues and engage with their patrons. Recently, POP was commissioned to survey 3,092 self-described opera and ballet fans in the US, UK, and Japan as part of an effort to understand the economics of digital content distribution.

Based on our findings from that survey, as well as knowledge gained from work with a variety of other arts organizations, this article will discuss how the right combination of content strategy, digital marketing, and customer-centered design can help arts organizations create a successful, sustainable digital content program.

### The Audience for Digital Content

Before attempting to deliver digital content to arts audiences, the first question to be asked is whether significant demand exists. In our survey, 74% indicated they'd like to attend opera and/or ballet more often than they do. The top two reasons cited for not attending more were costs and lack of time<sup>1</sup>.

If these patrons could access that content on the web for less money than the cost of a ticket, and on their own schedule instead of the fixed 7PM curtain time associated with seeing a live show, there may be an opportunity to increase revenue and engage with a much broader, worldwide audience.

Even more promising for arts organizations, increased online art consumption does not appear to diminish audiences' consumption of live art. In our survey, 81% of respondents said that such an offering would not replace their in-person experience. A 2009 NEA report<sup>2</sup> found similar results and concluded, “arts participation through media appears to encourage — rather than replace — live arts attendance.”

### Distribution Partnerships

If we acknowledge that there is in fact an audience for digital arts programming, the first question we should ask ourselves is: how will they find it? Like the Mechanicals in *A Midsummer Nights' Dream*, we can't put on our show until we create our venue. Defining a distribution strategy represents the first major decision point in a digital distribution strategy: whether to partner with a content aggregator or attempt to connect with consumers directly.

In recorded media, the producer and the distributor are traditionally separate entities, representing two distinct skill sets: the creation of new work on one hand, and the aggregation of audiences on the other.

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<sup>1</sup> From a survey of 3,092 attendees or fans of opera and ballet in the US, UK and Japan conducted by POP between Dec. 17, 2012 and January 3, 2013.

<sup>2</sup> National Endowment for the Arts (2009). *Audience 2.0: How Technology Influences Arts Participation*. Available at: <http://www.nea.gov/research/new-media-report/New-Media-Report.pdf>

Labels such as Atlantic Records discovers and produces a new recording artist, while record shops and radio stations distribute the music of dozens of record labels.

For the most part, large distributors – from iTunes to Netflix to Comcast – specialize in acquiring massive libraries of content and getting it in front of as many eyeballs as possible. The ones that offer monthly subscriptions, such as Netflix, Hulu, and Pandora, are like the dinner buffet at a Las Vegas casino: there's something for everyone, and we all eat too much. In that light, it's not surprising that the digital subscription customer, like the buffet customer, might consume more media overall than someone paying a-la-carte. That means a producer may make more money putting their content through a distributor than they would going alone, even accounting for the distributor's fees.

Indeed, many arts organizations have successfully partnered with distributors. The New York Philharmonic has made its recorded content available for purchase and download through iTunes. For around \$150, you can subscribe to a season, which download automatically to your computer or mobile phone soon after the performance. The Metropolitan Opera distributes recordings on XM/Sirius satellite radio. The Royal Opera House has made a substantial library of educational and behind the scenes videos available on iTunes' education channel, iTunes U.

To date, however, the most visible digital distribution channel for live performance has been the cinema. The Metropolitan Opera and the Royal Opera House have taken this approach, as have theaters such as New York's Roundabout (with "The Importance of Being Earnest") and the Royal National Theatre (Danny Boyle's "Frankenstein"). Finally, the BBC and the Royal Albert Hall have partnered to distribute the popular BBC Proms concerts to cinemas in Australia, New Zealand and South Africa.

A good distribution partner has several benefits. Distributors like iTunes have huge marketing budgets that attract eyeballs to their platform. Customers are already familiar with the distributor's user interface. The distributor likely also has the customer's credit card on file, simplifying billing. Finally, distributors take care of the technical hurdles, including video encoding, digital rights management (DRM), and hardware platform support – they'll make sure the content plays on everything from TVs to tablets.

### **Selling Direct-to-Consumer**

Despite the advantages of a distribution partner, many arts producers are choosing to go directly to the consumer. From self-published Amazon Kindle books to the stand-up comedy of Louis C.K., the Internet is giving artists new ways to distribute content directly to their audiences. As Andy Baio, the former CTO of Kickstarter, recently argued, "we're at the beginning of an *indiepocalypse* — a global shift in how culture is made, from a traditional publisher model to independently produced and distributed works."<sup>3</sup>

Two examples of direct distribution in the arts world include the Met Opera's Met Player, which provides a-la-carte or subscription access to recorded operas, and The Berlin Philharmonic's Digital Concert Hall for video recordings of classical music performances. Outside of the arts, prominent sports leagues such as Major League Baseball have started to digitally distribute their content directly to fans via paid subscription services.

Successful direct-to-consumer offerings share several traits. First, their content is hard to substitute. If you're a baseball fan in the United States, Major League Baseball is quite literally the only game in town. Likewise, Louis C.K. is so beloved by his fans that they'll go out of their way to get his work instead of satisfying themselves with whatever's on Comedy Central. In general, though, if your audience is already

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<sup>3</sup> Baio, Andy. *The Indiepocalypse*. Available at: <http://waxy.org/2013/01/indiepocalypse/>

paying \$200 per month for a cable subscription, an Internet subscription, a smartphone, and a Netflix membership, forking over another \$5 or \$10 for yet more content can be a significant barrier.

Second, they have a direct digital communication channel to their fans, either via email or social media. For example, Louis C.K. has 1.8 million followers on Twitter. This direct channel allows content providers to make their fans aware when new content is available and inform them of things like special offers.

Third, direct-to-consumer offerings are often offered as a compliment to other distribution channels. HBO offers its content through cable and satellite providers, but also creates a direct connection with its HBO GO app and DVD sales. ESPN offers online streaming, but also makes its content available in most cable packages. Louis C.K. builds a name for himself on HBO and elsewhere.

Finally, they offer a constant stream of new content. MLB subscribers can look forward to a few new games to watch each time they log-in. HBO GO users can expect new episodes of their favorite TV shows. And the BBC iPlayer offers dozens of new segments each week. Nothing's more disappointing than to make the effort to log in only to see the same stuff you saw last time.

### **An App for That?**

Screens are proliferating. Networking provider Cisco estimates that there are 12.5 billion "connected devices" in the world today, and roughly 2 billion people on the Internet; meaning that the average internet-connected person has 6.25 connected devices<sup>4</sup>. In my house, for example, there are at least nine devices capable of streaming Netflix content. Attempting to deliver content to this cornucopia of devices through apps and websites can be an expensive proposition. Nonetheless, app development is essential for the success of most direct-to-consumer content offerings.

What devices, then, should we build experiences for? Customer research can provide understanding. POP's own survey revealed that 41% of self-described opera and ballet fans in the US owned a game console in their house, while just 15% owned a tablet. On the other hand, comScore finds that 55% of tablet owners have a household income in excess of \$75,000<sup>5</sup>, which may indicate a willingness to spend more on digital content.

Choosing the right platform requires constant attention to the raft of new devices that enter the market each year. Amazon's Kindle Fire, for example, likely was not on anyone's radar in 2010, but has since emerged as a major tablet platform. Similarly, an arts organization may spend significant amounts of money encoding its videos in a particular format or rights-protection scheme, only to find out that this format is incompatible with the hot new smartphone. Each platform must be evaluated in terms of the size of the potential installed base of users, the complexity of developing applications, and the revenue potential.

### **Creating Great Content**

The digital content an organization creates and distributes is a reflection of the organization's brand. It should be programmed like any other stage, with thoughtful consideration of the content and its intended

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<sup>4</sup> Evans, Dave (2011). *The Internet of Things: How the next evolution of the Internet is changing everything*. Cisco Internet Business Solutions Group. Available at: [http://www.cisco.com/web/about/ac79/docs/innov/IoT\\_IBSG\\_0411FINAL.pdf](http://www.cisco.com/web/about/ac79/docs/innov/IoT_IBSG_0411FINAL.pdf)

<sup>5</sup> ComScore (2012). *Tablet Users Skew Older and Towards Upper Income Households*. <http://www.comscore.com/2012/06/tablet-users-skew-older-and-towards-upper-income-households/>

audience. It may be necessary to dedicate a full-time member of the artistic department to programming and acquiring content for digital distribution.

A continuous stream of new content will give audiences a reason to come back (this is especially important when considering a subscription model). One option might be to release a series of videos one month at a time. Alternatively, it may make sense to create classes (“an introduction to Schubert”) that keep viewers returning.

There’s more to content than full recordings of two-plus-hour performances. POP’s survey revealed that nearly 70% of respondents said they would pay for simulcasts, compared to 50% who indicated they would pay for pre-recorded content. In addition, 43% of respondents said they would pay for behind the scenes interviews and related content.

### **Marketing and Revenue Generation**

For some arts organizations, distributing content online may not be a revenue-generating activity. It might support other revenue generating activities (such as educational programs), or it might be a way to extend their brand beyond the confines of their city or region. In those cases, organizations should opt for philanthropic funding or sponsorship. However, many organizations see digital content as a potential new revenue stream contributing to their bottom line.

For organizations in the latter camp, there are myriad revenue generation strategies to consider, from advertising to subscriptions to pay-per-download. Each involves a series of strategic trade-offs. For example, free, ad-supported content may require more substantial infrastructure to handle more downloads, but a pay-per-download strategy might require employing DRM to prevent unauthorized copying.

If an organization chooses to pursue a pay-per-download or subscription strategy, their mission will be to earn every sale. Having good customer relationship management (CRM) and web analytics tools is essential, as is actively cultivating email lists and social media accounts. It may be necessary to dedicate a full-time employee to direct-to-consumer digital marketing. This person should have a promotional calendar that is continually revised as new sales data is available.

Part of cultivating a successful social media presence is giving fans the tools to promote your content. That means easy sharing on social networks, yes, but it might also mean rewarding the most fervent fans, providing them with a chat room or other discussion forum, or perhaps helping them organize viewing parties in their home. It’s vital to know who your hard-core fans are and reward them appropriately.

Finally, the content must be appropriately tagged and discoverable by search engines. Via the invaluable Google Trends, we’ve estimated that roughly seventy-five thousand worldwide searched the web for a *La Bohème* in a single month. What percentage of those users would have spent \$10 to watch it right there, had they found what they were looking for?

### **In conclusion: Choose Wisely, Iterate Often**

In summary, while providing two billion global Internet users with access to an arts organization’s catalog of work is tempting from both mission-fulfillment and revenue-enhancing perspectives, it must be approached thoughtfully and intentionally. An organization that simply flips on a video camera and uploads a clip to YouTube is likely to be disappointed. Likewise, tossing the back catalog up on the web may generate a few dollars in the short term, but is unlikely to provide sustained growth. Successful digital content producers know their digital audience and program for them as intentionally as they would their physical stage.

Any arts organization seeking to attract a significant online audience for digital content should consider five basic steps:

1. *Find your audience*  
Many arts organizations define their audiences by geography, income or age segments. Technology removes this limitation. Of the world's 2 billion Internet users, who will be most interested in what you have to offer?
2. *Identify a distribution strategy*  
Partnering with a distributor like iTunes or Amazon limits your risk, but it also limits your ability to have a direct relationship with your audience. Understand where your audience is currently shopping for digital content and what devices they tend to own before making a decision. Before you decide to self-distribute, make sure that you have the capacity to handle the customer support and marketing responsibilities that come with being a direct distributor.
3. *Corral your content*  
Content is still king. Ensure that your content is relevant to your audience, that you have secured the necessary rights distribute it, and have a steady stream of new product in the pipeline.
4. *Create a marketing plan*  
Without the benefit of a beautiful concert hall and marquee in the middle of downtown to attract eyeballs, how will your audience find all this great content? Search engine optimization (SEO), email marketing and social media will be key to a cost-effective customer acquisition and retention strategy.
5. *Measure and adapt*  
Version 1.0 will not be perfect. Measure every click and download, test and adapt your approach often. Don't be afraid to iterate. Unlike live performance, digital content can be purchased for as long as you make it available.