

**The Impact of Technology on the Arts:
The New Media Mix for Creating a More Vital and Robust Audience**

By Robert Friend

Direct mail has always been an essential tool for driving ticket buyers to the box office. For years, the season subscription brochure was an essential component of many theaters' marketing and sales campaigns. These pieces were designed with one primary objective: to generate advance cash flow.

Printing and mailing costs have always dominated our marketing budgets. Whether arts managers were unveiling a new subscription promotion or the launch of a single ticket sales effort, the formula was pretty standard – direct mail, press, electronic and print advertising – all to create a media mix that produced the required flurry of ticket sales. We survived on our subscription revenue and hoped that the risky, “slothful, single ticket buyer” would ensure our financial prowess in the Board Room.

Those of us in arts administration also came to understand the behavior of the consumers in our communities. Some were willing to commit to a fixed set of events and performances. These patrons were our core audience and we depended on their dedication to the arts as a major factor of our success. On the other hand, we also understood the many facets of our audience. We knew that, dependent upon an event, there was a sub-core secondary audience that had the capacity to deliver extraordinary financial results. These affinity-based audiences had a direct connection to a particular program. And, it was imperative that these market segments were exploited in order to meet our financial objectives. Whether gender-based, age-specific, ethnic, or religious, our reach into these powerful communities could make the difference in achieving and surpassing our targeted sales goals.

Whether dealing with our core or secondary markets, we reached them through a media mix of tried and true direct sales activities that we hoped would deliver our message and result in lines at the box office and phone banks busy serving ticket buyers.

With the terrorist attack on September 11, 2001 the cultural fabric of America was severely wounded. In that single moment at 8:46 am, everything that had been routine for our audiences was fundamentally altered; everything that we knew about our audiences and our ability to market to them was turned upside-down.

What had once been a performing arts market that survived based on advance sale strategies, was now a community held hostage by audiences that had made a fundamental shift to “last-minute buyer” status, as their core values for home and family became their primary focus.

This phenomenon caused theatre managers and arts marketers to re-invent themselves in order to re-invigorate what has become a more discriminating audience. Helping along the way has been the extraordinary growth of new technologies that have quickly become the new arsenal of tools for today's arts marketer.

With the sky-rocketing costs associated with producing and delivering a direct mail sales program, the stringent controls now impacting telemarketing sales efforts, and the increasing costs associated with print and electronic media, non-profit performing arts

operations have been forced to look to new tools and technologies to deliver their core sales message.

In the last five years, arts marketers have started integrating these new technologies into their marketing and sales campaigns by replacing or enhancing traditional sales programs with more efficient and cost-effective technology-based sales initiatives. Because performing arts organizations have always wrestled with an aging audience, the residual impact of using new technology has provided growth of younger audiences.

From the use of email, now a vital tool in the arts marketing and sales process, to streaming video, blogs, online social networking, the explosion of the digital mobile markets, and interactive online brochures, arts organizations now have a myriad of new ways in which to reach, entice, and secure audiences. These avenues of information delivery help us take advantage of a new generation of impulse buyers and allow us to create powerful branding statements in a mega-growth environment. And, if harnessed properly, these new tools have the ability to make a significant impact on our bottom line.

First, some simple statistics: According to Pew Internet Research, more than 150 million Americans are currently using the Internet, spending on average 5 to 6 hours online daily. And even more Americans are routinely using mobile technology. According to Nielson, of those utilizing this new technology, more than 90% send emails on a daily basis, while more than 80% use the web to research products and services.

Not surprisingly, one of the largest segments of new technology users is The Millennial. The Millennials (or Echo Boomers) are children between the ages of two and nineteen, born to America's largest and wealthiest market segment, The Baby Boomer, who began using new technology after entering their adult years. According to Forrester Research, Echo Boomers represent the largest percentage of users currently participating in the social media market and are the fastest growing market segment using mobile technology.

It is important to note that SMS (Text Messaging) has become a breakthrough communication medium which now surpasses email as the major mode of communication. According to CTIA, the International Association for Wireless Communication, more than 240 billion text messages were sent in the year ending June 2007, with 81% of the US market connected to the wireless market.

Why are these facts relevant? Because as arts marketers, we must embrace these technology portals and creatively identify ways to use these tools so that we can reach this powerful, vibrant and important new audience.

Harnessing the Power of New Technology

In the quest to connect with our audience, arts marketers will always be drawn to old habits; the personal appeals of direct marketing and direct advertising. Whether we like it or not, this conventional approach still defines the basis of our sales message and gets the word out in a generic fashion to a rapidly changing marketplace.

However, it would be safe to assume that most theatres and performing art centers have made the commitment to use new technology in order to reach this powerful global

market. The concern that many arts managers and Boards must consider is whether their marketing team is carefully and accurately managing the power of this medium. Because this is a fairly new environment, many arts operations may not be appropriately staffed to harness this new technology for their online programming activities.

The 2004 BusinessWeek article, *The Vanishing Mass Market – New Technology. Product proliferation. Fragmented media. Get ready: It's a whole new world*, referred to the fact that “not even X-Box is likely to ever match the ubiquity of the Big Three networks in their prime.” And Eric Schmitt of Forrester Research added that “Monolithic blocks of eyeballs are gone. In their place is a perpetually shifting mosaic of audience microsegments that forces marketers to play an endless game of audience hide-and-seek.”

Well, it is a whole new world! And, it requires arts marketers and arts managers to creatively recruit new personnel to handle this new frontier, particularly those individuals in the Millennial or “EchoBoomer” generation with an affinity to the performing arts.

Budget aside, having the proper group of people managing and creating your interactive online presence will have a direct impact on the bottom line effectiveness of your sales activities.

Match the Pitch and the Portal with the Prospect

At the core of any marketers planning process is a conversation about the audience. We must know who our primary and secondary audiences are and we need to understand their demographic and psychographic profile in order to effectively reach them with our messages. To that end, it has been proven that the more personal the message is to any single market segment, the higher the response we will enjoy.

So, how can we use new technology to successfully reach our affinity-based market segments?

One way new technology can have a high impact is to develop highly personal and targeted communication initiatives that drive these affinity market segments to online stores for impulse ticket purchases and brand interaction.

An important note: An active web environment in today's online market is an essential tool for marketing and sales operations. If your performing arts organization does not have a vested interest in consistently maintaining your online presence, including effective ticketing and contributions components, then your operation will experience challenges in growing its audience base for the future. I contend that every arts organization should annually set aside a line item in its budget for the enhancement of its website and new technology in order to stay competitive in an ever-growing and increasingly active online market.

Exploiting the online sales portal to drive secondary affinity-based market segments to specific performances and events is where online technology can become an extremely powerful tool. Here are some functional examples of ways in which to reach these audiences and “match the pitch with the prospect” through your online web sales portal:

- **Media Affinity** – Develop media partnership programs with primary local media companies to drive their core affinity audience back to your online sales portal with special offers. Here is an example:

A performing arts venue is preparing the on-sale for a blockbuster contemporary artist. Your core audience has had its opportunity to purchase tickets. Prior to launching the general sales effort, the marketing director negotiates \$10,000 of on-air media visibility for the event with the local contemporary rock radio station. In return, the station will receive the standard complimentary tickets for on-air giveaways and a media sponsorship status for the event. In addition, the venue agrees to allow the radio listener base to log onto or join the radio stations interactive listener website for discount access to the event in advance of the general public. Listeners simply click on the special event icon and are driven directly to the venue's online ticketing portal where they are able to purchase tickets.

This is a win-win promotion. The radio station gets a positive association with a major event, special benefits for their interactive listener-base and they are thrilled as it provides tremendous value to their core affinity listener base. In addition, through the promotion they were able to sign up more than 3,000 new listeners to their web portal. The performing arts venue wins because they are able to direct an online sales offer to a built-in affinity audience. The end-result is an extraordinary public pre-sale for the event, tremendous visibility, heightened awareness, and good will with a strategic partner that is and will be an important part of the venues ongoing marketing strategy.

- **Corporate Affinity** – You have a corporate sponsor that provides significant financial support to your annual operation. They have hundreds, perhaps thousands, of employees who, by association, may have an interest in what you are presenting at your theatre. As a sponsor, the corporation receives a small block of complimentary tickets for top sales people, executives and administrators. However, the line employee typically gets nothing.

Normally, employee communication for the event would occur through the corporate Human Resources or Employee Recreation office where posters are displayed and tickets are sold. It is a passive sales process and has limited effect, particularly for less known artist events and events.

With an online affinity-based marketing effort, a special hyperlink can be set up on the corporate intra-net that directs employees to the venues ticket sales site allowing them to purchase tickets at a special corporate “filtered” discount that only the employees of that corporation will have access.

Here is the best news. At the end of the season, the ability to produce a report that provides a breakdown of the number of tickets purchased by each corporation allows the arts organization to confirm corporate employee involvement, reinforce the benefits of a synergistic relationship, and make a case for an ongoing sponsorship relationship.

Whether this strategy is set with a media partner, a corporate partner or even a community group, such as marketing student discount tickets through the online campus portal at the local College or University, or providing special online offers to members of the local Historical Society, the impact can be enormous. And, the efficiency for your operation is enhanced because all of these sales are executed electronically through the online ticketing web portal.

It takes a Village

In the 1990's the web became a battleground for community access. By the millennium, the dot com bubble had burst and only a handful of web portals remained as the proliferation for Internet-based communities began to take shape. Emerging were several powerhouse social networking entities— MySpace, FaceBook, and YouTube — that have become some of the fastest growing online portals.

According to Eric Schmidt, Google's CEO, "The internet is helping to satisfy our most fundamental human needs—our desire for knowledge, communication and a sense of belonging."

Social Networking and the emergence of online streaming video technology has become the "Furby" of the New Millennium. They have created broad-based community meeting rooms that allow web congregants to digitally interact with other online users, locate people with their same interests and extend their personal network. Whether it is the teen phenomenon of MySpace, the Business environment of LinkedIn.com, or the global streaming video portal of YouTube, these social network communities have come to stay and have quickly become as accepted as some of the leading brands of our youth.

As consumers, we are at the center of the Internet's content creation. Take, for instance, Wikipedea where we, as consumers, can alter the definition of any word or concept in the human language. As Mr. Schmidt has stated, we have a strong need to access and provide information through our desire to belong. I was at a recent high school talent show and the number of video cameras, cameras and video cell phones that were documenting the evening was astounding. I am sure that the evening's highlights and bloopers have already made the email in-boxes of a majority of the student body and that YouTube will soon have a Talent Show video excerpt for the entire online world to view.

Let's face it, in this new world of technology our privacy has been breached. I was recently at the IAAM Performing Arts Managers Conference in Phoenix where a very interesting conversation ensued among managers – How do we monitor cell phones, video cell phones, camera phones and video cameras in our theatres and performing arts centers? Do we create stringent policies and police our audiences rigorously? What happens when our artists, unbeknownst to us, invite our audiences onstage for picture taking opportunities? Where do we draw the line? Do we take the traditionalist approach and ban these devices from our theatres? Or, do we embrace what has already been espoused as one of the fastest growing vertical markets and use this technology to our advantage?

As a marketer, I am all for embracing the technology. Obviously, contracts and protocol still rule. We certainly can't permit video and cameras to be used during a Tchaikovsky concert. On the other hand, think of the viral marketing potential if you are able to exploit

this technology and have fans download their favorite photos and videos to an interactive community blog on your website. It provides for awareness and ongoing interaction, well after the performance.

We are becoming more and more virtual in the way in which we operate our lives. As a society we are screaming for access and attention. Arts marketers need to tap into this world. Many theatres have created their own FaceBook pages, which direct viewers back to their site or their online ticketing portal.

Creation of online blogs and interactive brochures within your web portal that include streaming video of upcoming events or performances, or even interviews with major artists, have become an integral part of any marketing directors branding effort. The creation of interviews, discussions or dramaturgical Podcasts that can be downloaded to iTunes and exported to your local MP3 player or iPod is becoming an extremely effective solution. In fact, many performing arts organizations are taking the “green” approach to venue management as far as eliminating paper communications altogether and placing their entire marketing efforts online.

Given our busy lives and the limitations on our leisure time, we only want information that is of importance to us as individuals. We download what we want and need into private digital information portals and we use our time to read, listen and view our world, whether on a commuter train, while driving or even exercising.

So, is your arts operation firmly implanted on the technology bandwagon? Are you using new technology to further your brand? Or, are you stuck in a traditionalist approach to new audience generation?

It is time to consider the actions necessary to move your operation into the digital marketing age. The obstacle is not one of budget. The resources are sitting in your offices and in your communities. With the commitment and leadership of your Board and your community, new technology will propel your arts organization into a world of new possibilities.

Google’s CEO Eric Schmidt believes that “The internet is much more than a technology—it’s a completely different way of organizing our lives... The lesson is compelling: put simple, intuitive technology in the hands of users and they will create content and share it. The fastest-growing parts of the internet all involve direct human interaction.”

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**Market Share of US Internet Visits to Top 20 Social Networking Sites
February 2007***

Rank	Name	Domain	Market Share
1	MySpace	www.myspace.com	80.74%
2	Facebook	www.facebook.com	10.32%
3	Bebo	www.bebo.com	1.18%
4	BlackPlanet.com	www.blackplanet.com	0.88%
5	Xanga	www.xanga.com	0.87%
6	iMeem	www.imeem.com	0.73%
7	Yahoo! 360	360.yahoo.com	0.72%
8	Classmates	www.classmates.com	0.72%
9	hi5	www.hi5.com	0.69%
10	Tagged	www.tagged.com	0.67%
11	LiveJournal	www.livejournal.com	0.49%
12	Gaiaonline.com	www.gaiaonline.com	0.48%
13	Friendster	www.friendster.com	0.34%
14	Orkut	www.orkut.com	0.26%
15	Live Spaces	spaces.live.com	0.18%
16	HoverSpot	www.hoverspot.com	0.18%
17	Buzznet	www.buzznet.com	0.18%
18	Sconex	www.sconex.com	0.14%
19	MiGente.com	www.migente.com	0.11%
20	myYearbook	www.myyearbook.com	0.11%

Note - data is based on custom category of 20 of the leading social networking websites ranked by market share of visits, which is the percentage of traffic to the site, based on Hitwise sample of 10 million US Internet users. The percentages represent the market share of visits among the websites within the custom category.

[Source: Hitwise](#)

Wireless Quick Facts				
Mid-Year Figures				
Topic	Jun-07	Jun-05	Jun-00	Jun-95
Wireless Subscribers	243.4M	194.4M	97M	28.1M
Wireless Penetration (% of total U.S. population)	81%	66%	34%	11%
Wireless-Only Households (% of U.S. Households) ¹	12.80%	7.70%	N/A	N/A
Direct Carrier Jobs	257,000	225,000	159,000	61,000
Wireless Carrier Payroll (Direct Carrier Wages) ²	\$13B	\$12.2B	\$1.8B	\$1.7B
Annualized Total Wireless Revenues	\$134.7B	\$110.3B	\$46.9B	\$18.6B
Annualized Wireless Data Revenues	\$19.2B	\$8.5B	\$139.4M	N/A
Annualized Incremental Capital Investment	\$23.6B	\$19.8B	\$9.9B	\$5.6B
Minutes of Use	1.95T	1.26T	194.95B	31.5M
Monthly SMS Messages	28.8B	7.2B	12.2M	N/A
Annualized Yearly SMS Messages	240.8B	57.2B	N/A	N/A
Cell Sites	210,360	178,025	95,733	19,844
E-911 Calls (Per Day) ³	291K	260K	139K	55K
<p>K=Thousand M=Million B=Billion T=Trillion</p> <p>1 - Wireless Substitution: Early Release of Estimates from the 2006 National Health Interview Survey, National Center for Health Statistics, May 14, 2007. 2 - BLS Series data. 3 - CTIA Wireless 9-1-1 and Distress Calls.</p>				

Source: CTIA