

Transforming Arts Organizations Worldwide

Demystifying Digital Monetization

March 29

Agenda for Today's Conversation

01

Assessing
the
situation

02

Defining
What We
Want To
Achieve

03

Fine-
Tuning
Pricing and
Packaging

04

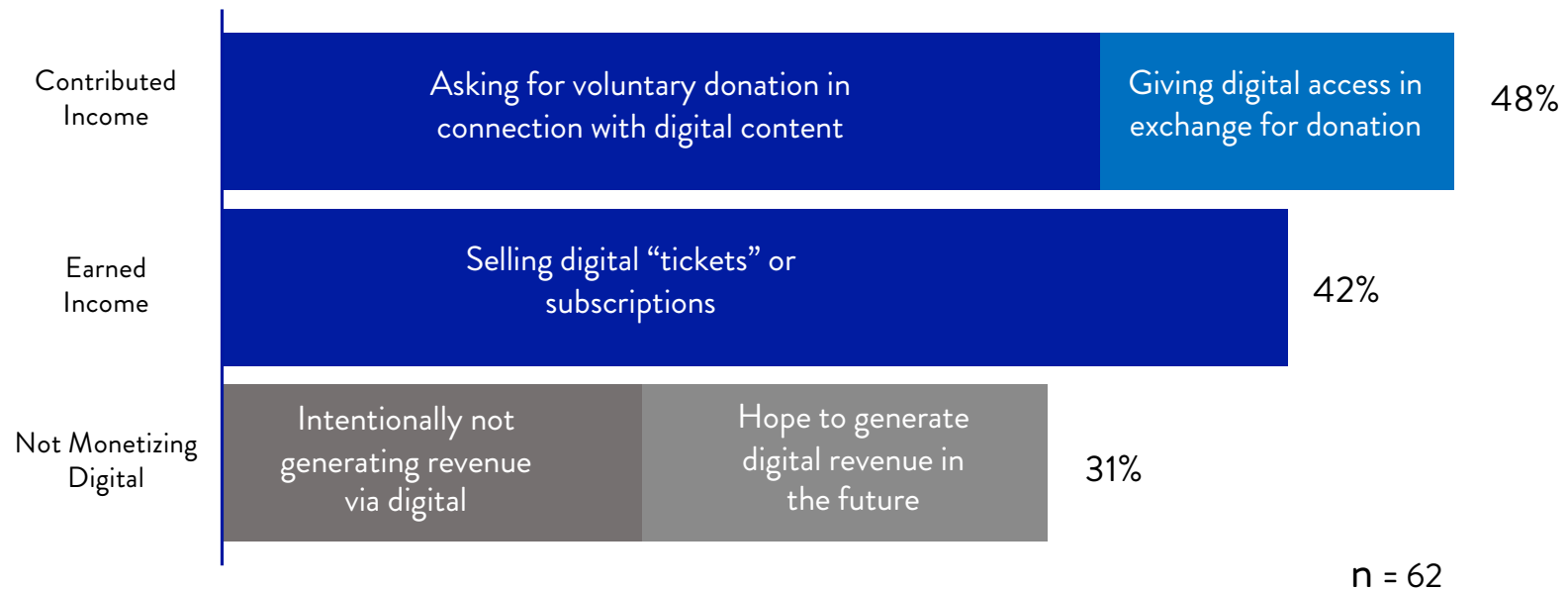
Aligning
Technology
Choices with
Objectives

05

What Should
We Take
Beyond the
Pandemic

Most Arts Organizations Are Trying to Monetize Digital

Focus of Monetization Activities by Arts Organizations



Source: ABA's Arts Organization Coronavirus Response Benchmarking Survey, October 2020

We Have So Many Questions

Top Questions

- Who's able to get a lot of views, and what content are they using?
- How can we re-use content for different purposes and to appeal to different audiences?
- How are organizations charging, and is anyone making money?
- Have organizations had more success charging for content individually or bundling it?
- Is it worth acquiring high-end equipment, or are we better off renting (or foregoing it altogether)?
- What are the pros and cons of different third-party platforms for sharing our content?
- What's worth continuing when we return to in-person performance?
- Is there anything new we should focus on when we return to in-person?

What's In Today's Session

- Audience considerations
- Packaging, pricing decisions
- Video streaming platform choices
- How audiences may change when we return to in-person

We provide frameworks, case studies and examples that reflect the current state of digital in the arts

What's - Not - In Today's Session

- Production details like camera and production costs
- Content questions like successful length and quality bar for content
- Educational content ecosystems topics
- Union negotiation tactics

Our Slack channel and peer sessions are great places for these questions

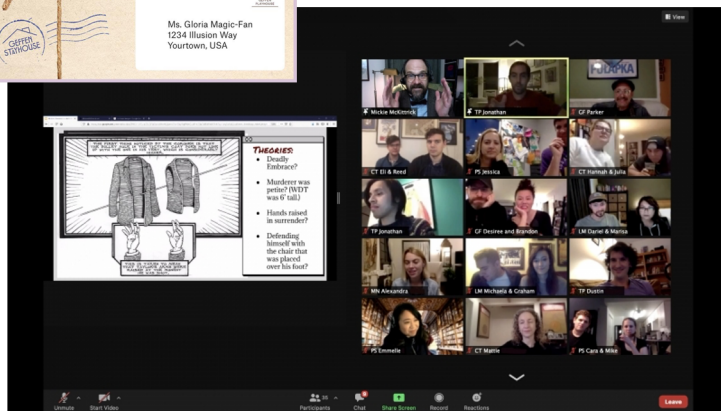
Our Wildest Aspirations

Two organizations have succeeded in their digital efforts in ways we all hoped for

GEFFEN PLAYHOUSE

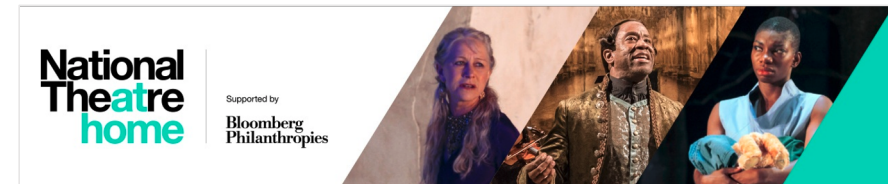


- Digital first
- Full connective experience
- Ticket sales in seven figures



National Theatre

- Monthly/annual subscription or pay-per-view
- Large archive plus monthly new releases
- 15MM viewers, >25,000 donations in 16 weeks



Unmissable theatre, whenever you want it

The all-new National Theatre at Home is a streaming service offering unforgettable British theatre available to watch any time, anywhere.

You can choose to subscribe, or pay for a single play.

Watch National Theatre Live recordings, filmed in high definition for cinema to capture all the twists and turns, laughter and heartbreak. Plus, for the first time ever, we're releasing a treasure trove of plays from the National Theatre Archive.

[Visit National Theatre at Home](#)

Subscribe today and enjoy:

- New plays every month, so there's always something new to look forward to.
- Unlimited access. Watch whatever you want, whenever you want with no time-limits.
- Watch at home or on-the-go, on any internet browser or through the National Theatre at Home app, available on iOS, Android, Amazon Fire TV and Roku TV.
- Early access to new titles and exclusive behind-the-scenes content.

Share the magic of theatre with friends and family.

National Theatre at Home is your theatre, any time, anywhere.

[Start watching](#)

The Hard Reality

1. Not Break-Even

During the pandemic, few organizations will see direct revenue from digital that exceeds costs.

However, digital value propositions have helped to retain subscription and contributed income.

2. Donation Success

For most organizations, donations have proven to be the biggest monetization success.

Many have been pleasantly surprised about the number of donors reached through digital channels.

3. Audience Learning

Earned revenue efforts are unlikely to generate significant income in the near term.

They do provide some income, however, along with data about what audiences want and value.

4. Improving Economics

The future of digital monetization looks much brighter when digital revenues need only provide incremental revenue rather than replace huge portions of lost revenue.

5. Future Value

Future digital value propositions may be just as likely to be have indirect path to revenue:

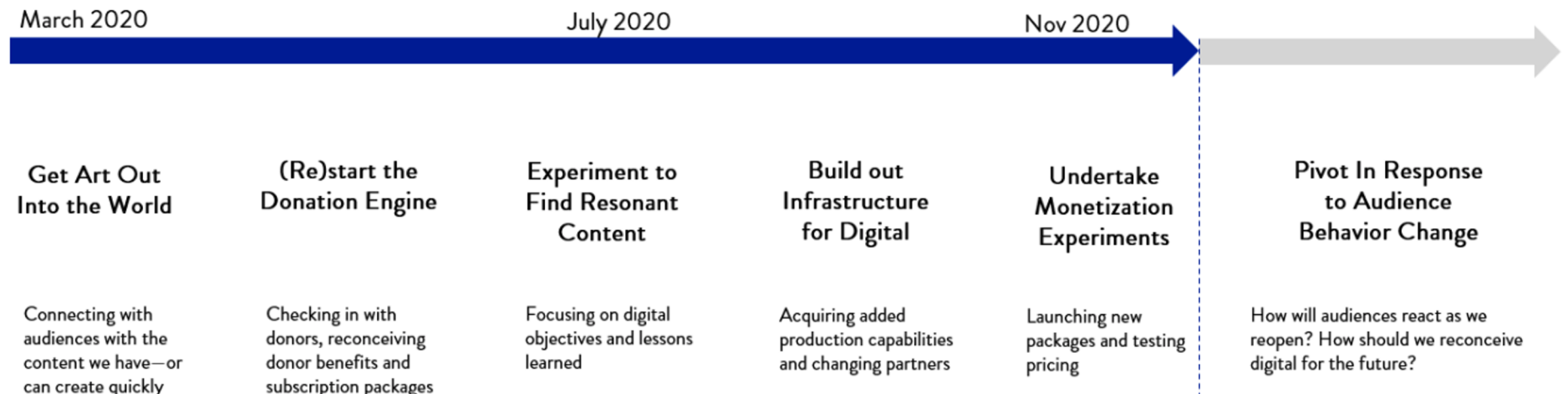
- Finding new audiences
- Engaging donors
- Building brand loyalty

AMS Audience Report—March 2021

90%

...say that online programs will play a small role or no role in their cultural life once facilities open.

Keeping One Eye on the Horizon



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Your Target Audience Drives Your Monetization Approach

	Who	Why	How		
	Target Audience	Monetization Objective	Content	Packaging & Pricing	Distribution
	Single ticket buyers	Earned income from tickets	Live individual performances	Premium ticket prices	<ul style="list-style-type: none"> • Zoom • Audience lists
	New audiences	Earned and contributed income	Newsletter, classes, films, digital events	Free membership + add-ons	<ul style="list-style-type: none"> • YouTube and Zoom • Membership lists
	Existing subscribers	Earned income from retention of subscription revenue	Digital season of individual performances	Subscription package	<ul style="list-style-type: none"> • JW Player • Subscriber list

A Little Give For A Lot of Get



Members provide just a few pieces of information to join...

Membership Sign-Up Process

Don't miss out

Become a FREE member today and you'll hear about our latest films, tours, events & classes, and ways to support us.

First Name	Last Name
Email Address	

You can unsubscribe via a link in each email or by logging into your account. View our [privacy policy](#).

Let us know your interests so we can send you more relevant updates, offers and information.

PERFORMANCE

- Family shows
- Films
- Performances on stage

CLASSES

- Adult classes
- Associates
- Dance health programme

SUPPORT

- Ways to support SB

...and gain access to a suite of benefits

1 Member-only film releases & events

AVAILABLE FROM THURSDAY 25 FEBRUARY

This film follows four dancers as they explosively intertwine and interact on a dark and empty stage, reflecting the labyrinth of sound and changing tempos created by the drums.

Dark Full Ride was first performed on stage as part of the 2013 Edinburgh International Festival and was filmed in a Covid-safe environment in December 2020.

As a Member, you don't have to do anything to view *Dark Full Ride*! A viewing link will be sent to this email address around 5pm on Thursday 25 February 2021.

To ensure you're always first to hear about our films, log in and update your interests [here](#).

2 Backstage magazine & email updates



3 Access to purchase ballet classes

Class
Improvers Ballet

Please sign up for free Membership to be able to book.

Only after hitting "Subscribe Now" are members then asked to select their interests and also provide their address, phone number, and consent to receive emails.

Along with the free content, membership creates direct pathways to ticketed classes and donation-based films. This link is one benefit of a freemium model, which can help shift free users into paying customers.

Membership as a Community, Not a Transaction

① From the first email members receive, it's clear they are becoming part of a community, creating a more emotional – and less transactional – connection to the company.

② The authentic tone, with friendly and conversational language, conveys there is a genuine desire to make a personal connection with each new member.

SCOTTISH BALLET

LATEST NEWS
WHAT'S ON
SBTV

Welcome to our world

WELL, HELLO THERE!

You've joined our free membership programme, and we're really chuffed to welcome you into the Scottish Ballet community.

This means you have access to exclusive films, events and classes, and we'll be keeping you up to date with all our news. You'll also receive a digital subscription to Backstage, our company magazine, and special perks from our pals.

We're Scotland's national dance company. Based in Glasgow, we aim to bring the best of ballet to audiences at home and abroad, promoting Scotland's pioneering spirit far and wide. Right now we're busy making some incredible films to share with you – find out more below.

CAN WE GET TO KNOW YOU A WEE BIT BETTER?

If you haven't already, please take a moment to complete your online account. That way you'll be ready to book whatever takes your fancy, and we can send you more of the stuff you're into.

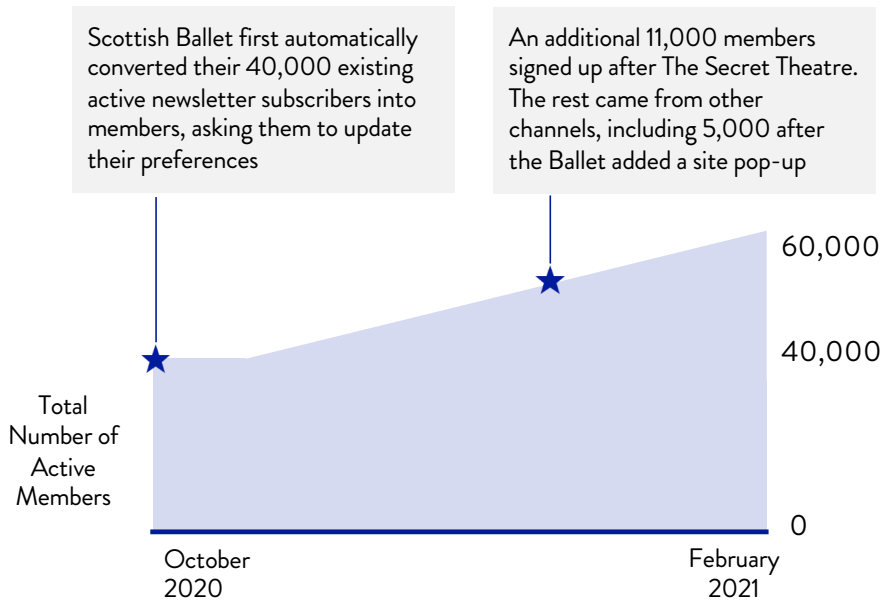
COMPLETE YOUR ACCOUNT

③ The request for data is bookended by two descriptions of what the member will get out of the program, keeping the emphasis on the “what I get” more than the “what I give.”

Off To A Fast Start

Active* Membership Growth

*Active members are members who regularly open communications and interact with content. 60,000 active members – and growing – demonstrates that members see value from their membership.

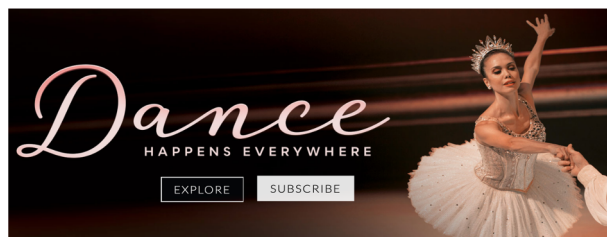


Impact of Membership on Programs

The Secret Theatre	50% of viewers donated, with the most common donation of £10
Online classes & events	Significant increases in revenue (compared to live) due to higher capacity and lower costs to execute
Donor acquisition	Active conversion of free members into paying 'Friends' after each event using targeted messaging

Revenue generation increases are largely due to digital being much more scalable

PNB's Pricing Anchors From Live Subscription



Digital Subscription \$190

- 6 performance events with a mix of new and archival video
- All bonus content: exclusive behind-the-scenes footage, interviews, galleries, etc.

Designed for existing subscribers who had renewed before the COVID-19 pandemic hit

Price set at lowest price level for live subscription

Performances designed to match the cadence of an in-person season.

Digital Plus Single Ticket \$39

- All base level content
- Exclusive behind-the-scenes footage, interviews, galleries, and other content
- Access to additional archived productions

Approximately one third of single ticket buyers chose this option

Digital Single Ticket \$29

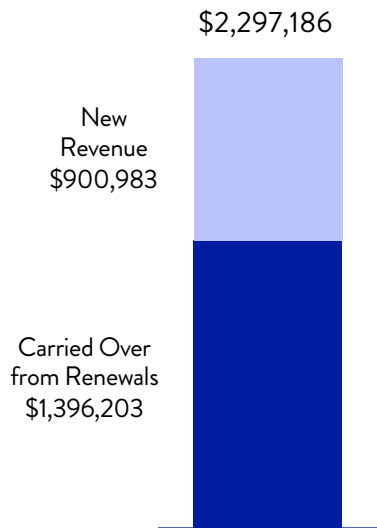
- Access to 1 performance event during the viewing window
- Informal welcome to the event

Approximately two thirds of single ticket buyers chose this option

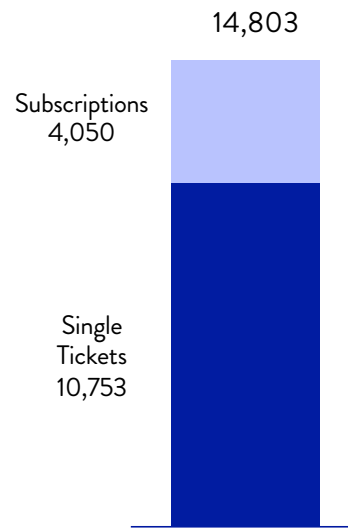
Off to a Strong Start



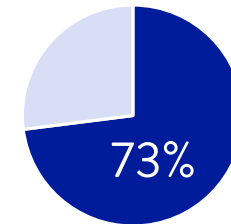
Digital Revenue
Reps I-III & Digital Nutcracker
10/2020 - 2/2021, USD



Digital Patrons
Reps I-III & Digital Nutcracker
10/2020 - 2/2021

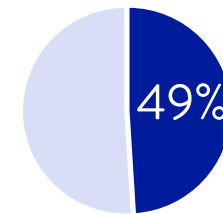


Audience Completion Rate of Primary Content*



*Includes Archival Footage, New Productions

Audience Completion Rate of Premium Content**

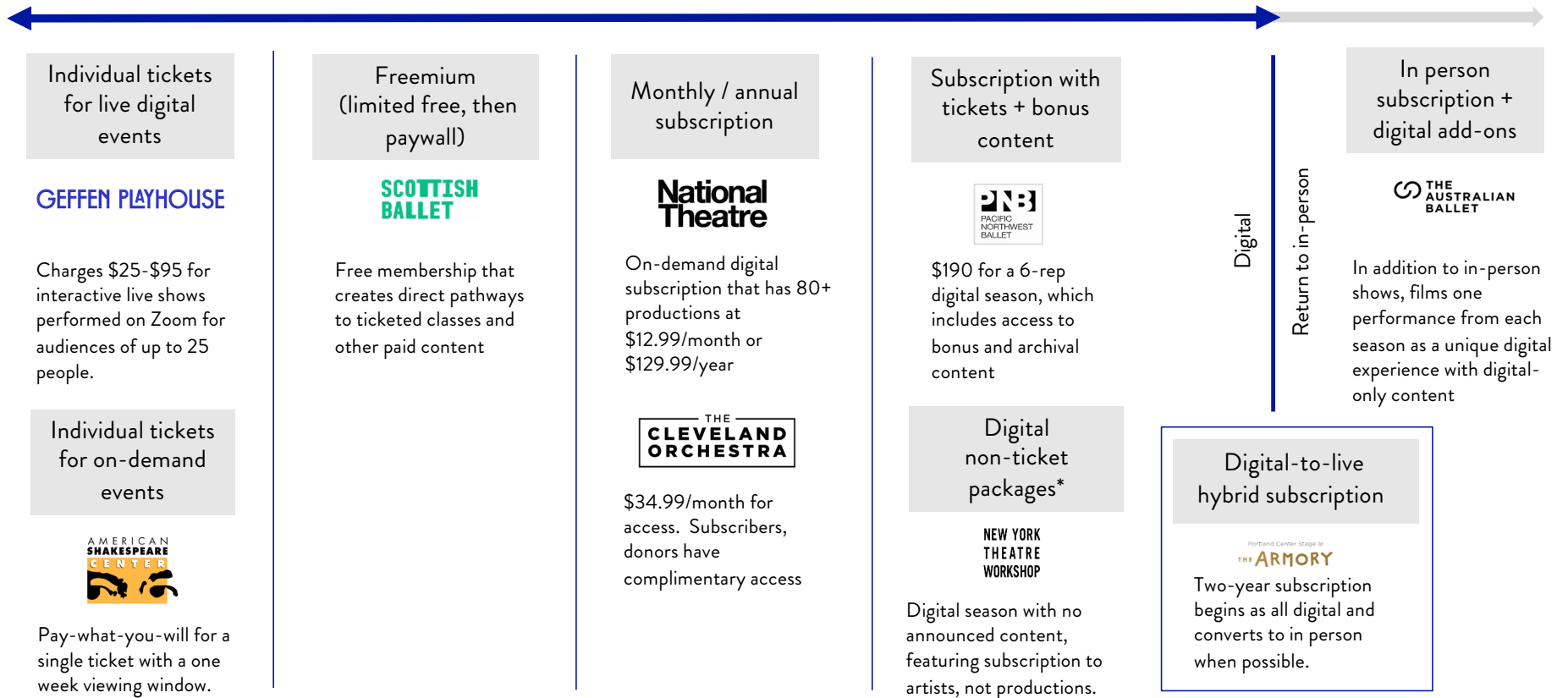


**Includes Interviews, Galleries, Additional Archival Content

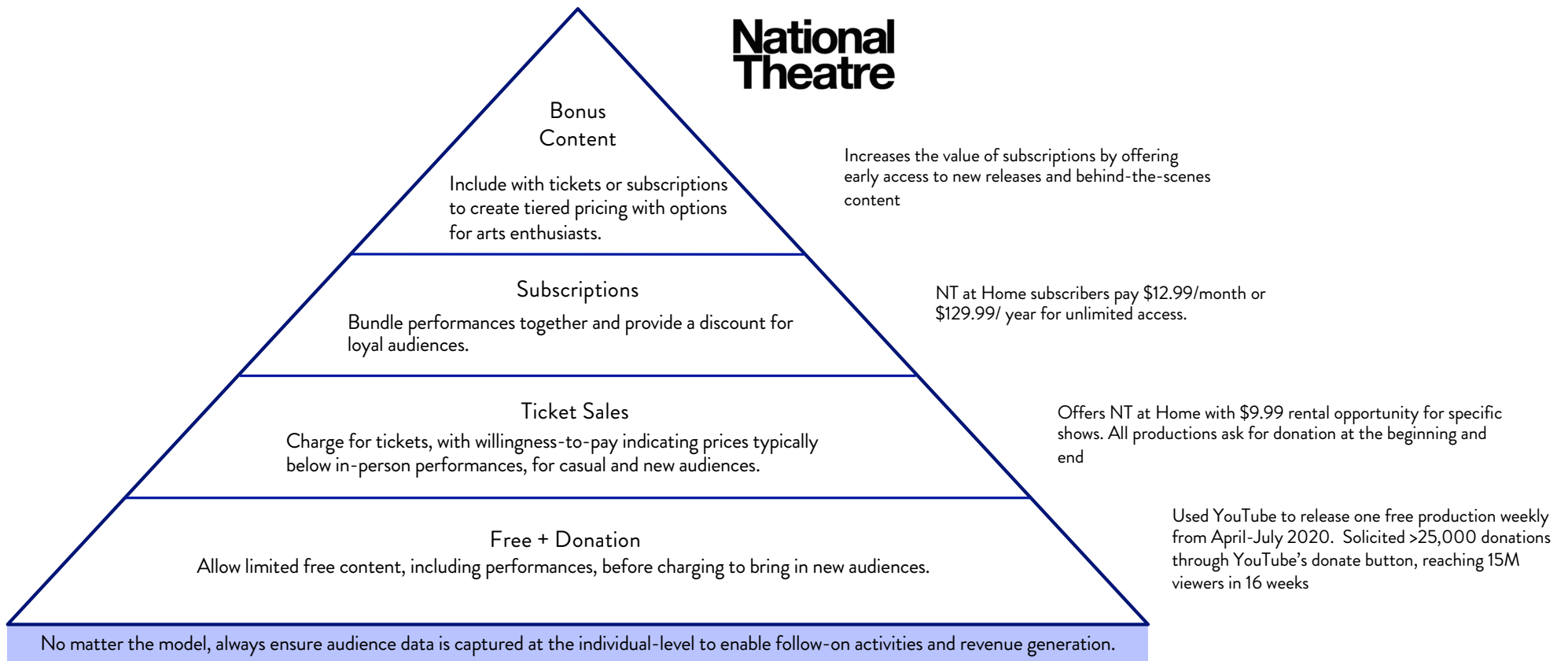
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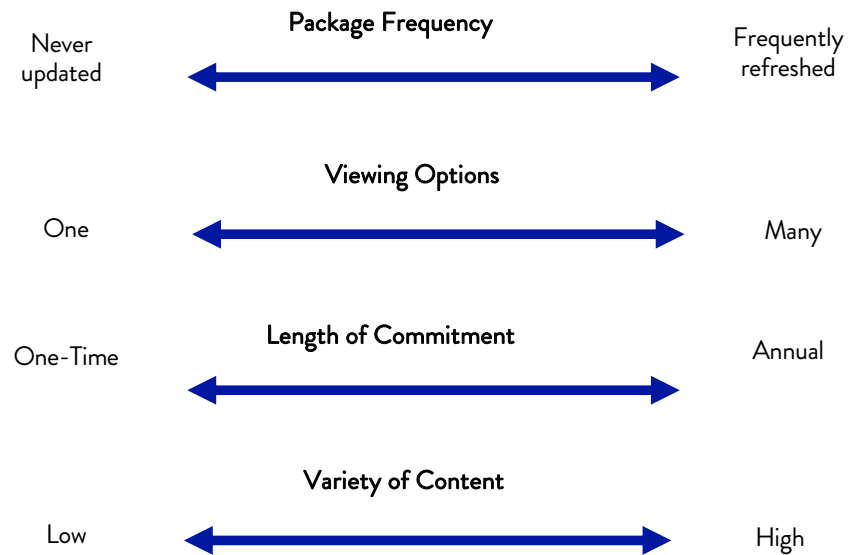
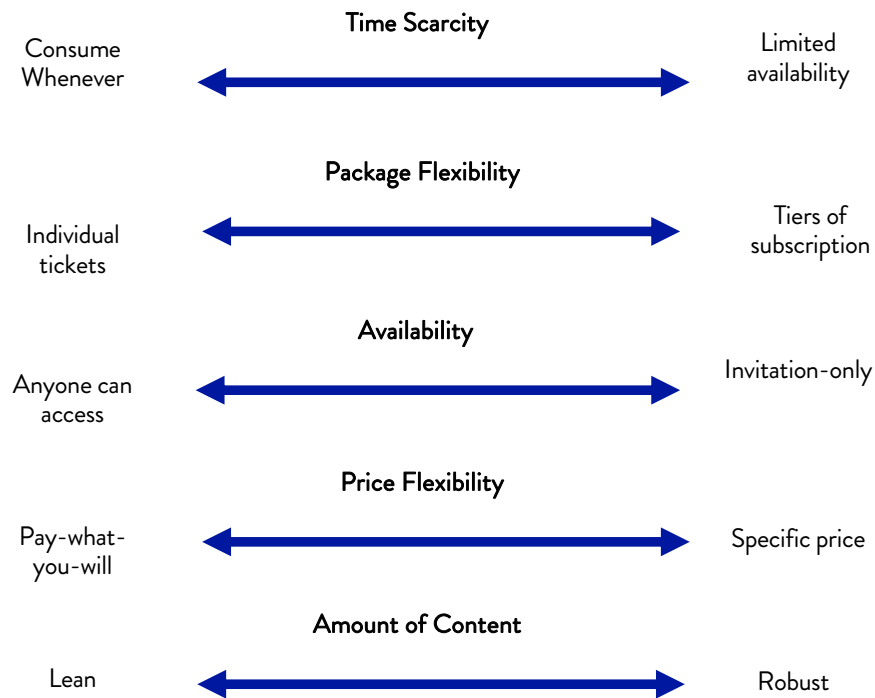
Common Digital Packaging Models



Always Use Models in Combination to Maximize Revenue



Elements of Packages



The Importance of Test-and-Learn

You are unlikely to land on the correct package elements right from the beginning. See how Philadelphia Orchestra used test-and-learn techniques to understand audience preferences for content, paywall and pricing.

What Can Pricing Research Tell Us about Pricing in the Pandemic?

Decoy Pricing

Creation of a pricing option whose primary purpose is to highlight the better value of another option results in more sales of the higher-price option.

The Power of “9”

Prices that end in 9 are selected more frequently than both more expensive and less expensive alternatives.

The Power of Three

When given three options framed as increasing quality, most people buy the middle option, regardless of price.

Anchoring

People pay more when they are exposed to higher numbers (or luxury context) before making decisions to buy, even if those numbers aren't associated with price.

The Right Conditions for Pay-What-You-Will

- Low marginal cost
- Fair-minded customer
- Product that can credibly be sold at wide range of prices
- Strong relationship between buyer and seller
- A very competitive marketplace

Freemium

Freemium plans can convert more customers, but dropout at higher rates and many continue to use for free.

Pay What You Will

Allowing customers to pay what they will can in some cases result in a high gross if customers identify with the seller.

Pay What You Will + Suggested Price

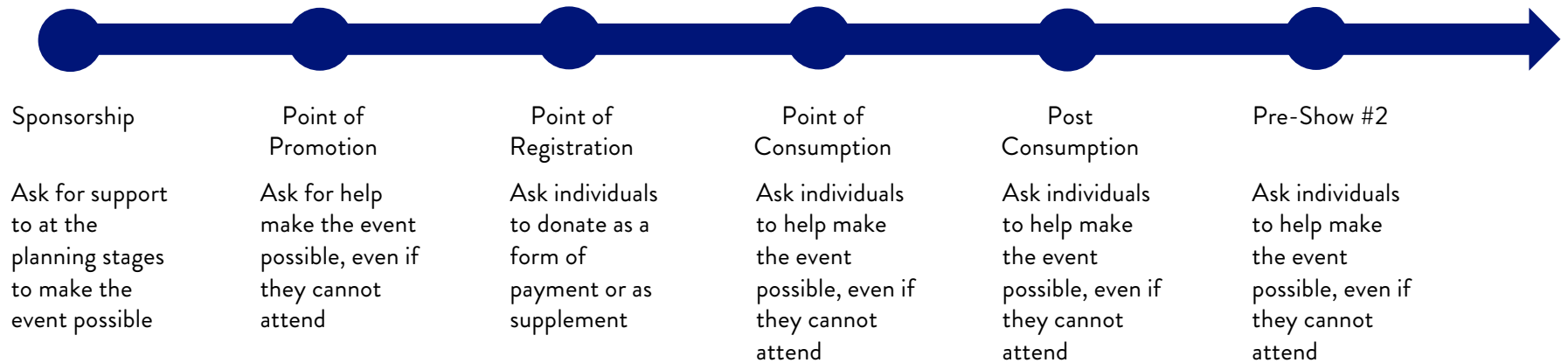
This combination yields higher revenue, but less over time than standard pricing options.

Pay What You Will + Donation

In many settings, this combination yields more total revenue than either “fixed price” or standard “pay what you will.”

Source: <https://cxl.com/blog/pricing-experiments-you-might-not-know-but-can-learn-from/#:~:text=Lots%20of%20entrepreneurs%20struggle%20with%20pricing,&text=Also%2C%20it's%20worth%20remembering%20that,Right%E2%80%9D%20can%20actually%20exist>.

It's (Almost) Never a Bad Time To Ask for a Donation



Donations may be the only thing you can do depending on your union agreements

Clever Ways Organizations Have Framed the “Ask”

Connect Ask with Concrete Situations



American Shakespeare Center offers a sliding scale from \$15 to \$100 with phrasing to “Pay the price that works for you. When you choose your price, please consider the number of people who might be watching with you.”

Create A Mindful Decision with an Auto-Populated Amount



Scottish Ballet customers were obliged to enter “£0” if they did not wish to donate as they completed the registration process.

Integrate the Ask into the Performance at Moments of Higher Giving Openness



Van Gogh Museum’s virtual exhibits place donations buttons near book clubs and live Q&A sessions to replicate the immersive experience of an in-person visit.

Frame the Ask as a Live Performance Ritual

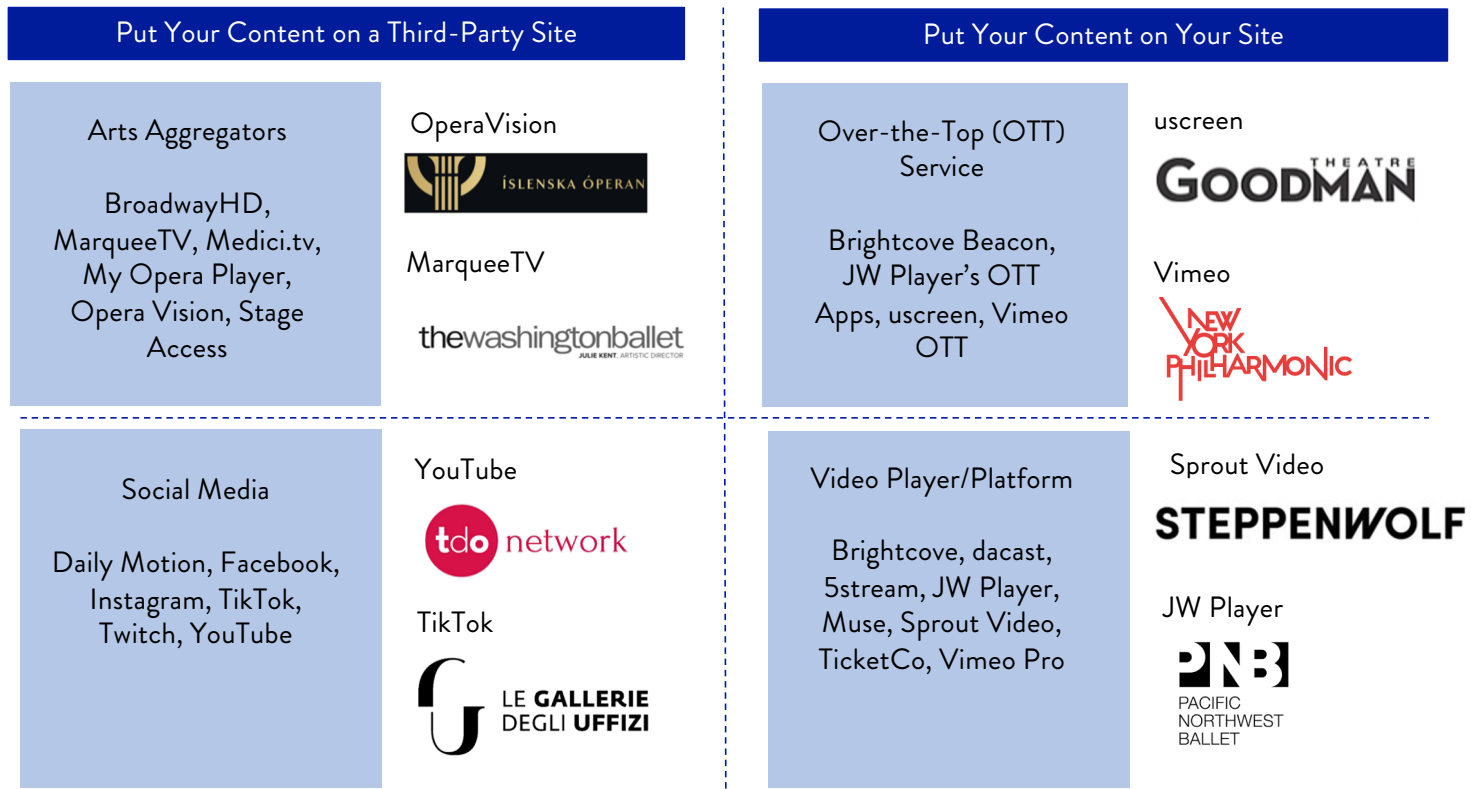


National Theatre frames their request for a donation after their digital productions as a “form of applause,” which has been effective messaging.

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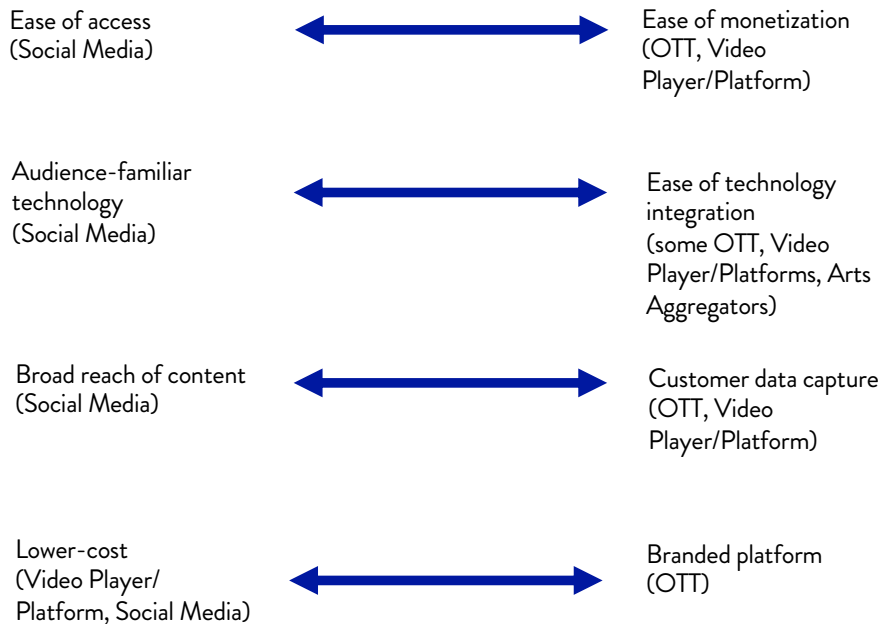


Key Categories of Video Streaming Platforms

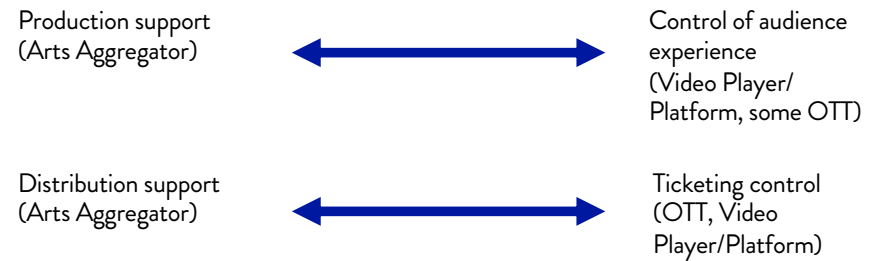


Common Trade-Offs Between Platforms

Audience-Friendly vs. Organizational Benefit



Expert Support vs. Control



Staying In the Driver's Seat During Platform Searches



Platform Considerations

- Ease of Technology Integration: Ticketing software, CRM
- Ticketing Control: Control over ticketing structure, prices
- Customer Data Capture: Type of data captured, how data is shared
- Level of Support: Level of technical, consultative services
- Customization/Branding: White-label, ability to modify to suit specific needs
- Cost: Total cost to partner, including implementation costs
- Reach of Content: Built-in audience size, how audiences will become aware of it
- Control of Audience Experience: Includes areas like live vs asynchronous, performances vs bonus content, experience components, limits on geography/time
- Ease of Use: Steps audience members take to use, familiarity with platform, integrated into website
- Ease of Monetization: Ability to fully monetize using any/all models, flexibility in packaging options
- Production and Distribution Partnership: Level of collaboration and combined efforts with production, marketing and distribution of content



Step 1: From the List of Standard Platform Considerations, Draw Up Your Requirements List

- Have a team discussion using the considerations as a starting guide to surface previously unknown requirements and encourage healthy debate
- Answers to questions about considerations (e.g., 'Is ease of technology integration important to us?') turn into platform requirements
- Address the trade-offs that will have to be made to get critical requirements
- Create a list of 'must haves' and 'nice to have', as well as 'must not haves' requirements



Step 2: Use Your Requirements List as a Checklist When Talking to Platform Vendors

- When speaking with each vendor, have requirements list handy and use it take notes for each requirement
- Use the requirements list to guide the conversation to ensure all your requirements are covered and avoid the vendor steering the conversation to focus on their strengths
- Enables an apples-to-apples comparison between vendors, as you can compare your notes from each vendor conversation

Video Platform Takeaways



1. Put Content on a Third-Party Site

2. Leverage Technology to Put Content on Your Site

	1. Put Content on a Third-Party Site				2. Leverage Technology to Put Content on Your Site			
	Social Media		Art Aggregator Platform		Over-the-Top (OTT) Service		Video Player/Platform	
	YouTube	Facebook	MarqueeTV	Stage Access	Vimeo OTT	uscreen	Sprout Video	JW Player
	Increased opportunity for audience expansion and development due to existing user base and/or broad reach				Increased control of arts organization to define the purchase and viewing experience			
Notable Feature	<ul style="list-style-type: none"> Playlists 	<ul style="list-style-type: none"> Share button 	<ul style="list-style-type: none"> Post-production support 	<ul style="list-style-type: none"> Revenue sharing, content ownership 	<ul style="list-style-type: none"> High-quality streaming 	<ul style="list-style-type: none"> Integrated payment, CMS 	<ul style="list-style-type: none"> 30-day free trial 	<ul style="list-style-type: none"> Plug-in player
Strengths	<ul style="list-style-type: none"> Familiarity with Ease of use Broad community 	<ul style="list-style-type: none"> Part of daily routine Broad community Connected to social marketing efforts 	<ul style="list-style-type: none"> In the company of world-class art organizations Built-in arts audience Highly collaborative Range of ticketing options 	<ul style="list-style-type: none"> In the company of world-class art organizations Built-in arts audience Highly collaborative Joint marketing 	<ul style="list-style-type: none"> Building out arts segment Tessitura integration White-label product with seamless website integration 	<ul style="list-style-type: none"> Has many features built-in; limits need for API integration Flexible uses Tessitura integration Arts org experience Easy-to-use 	<ul style="list-style-type: none"> Platform is easy to use Clear pricing model Flexible uses 	<ul style="list-style-type: none"> Tessitura integration Arts organization experience In combination with JW Player OTT apps, flexible uses
Limitations	<ul style="list-style-type: none"> Monetization limitations Crowded space Hard to collect audience data 	<ul style="list-style-type: none"> Monetization limitations Hard to search/find content Hard to collect audience data 	<ul style="list-style-type: none"> Best for high-production value Part of a larger group of arts orgs 	<ul style="list-style-type: none"> Best for high-production value Part of a larger group of arts orgs 	<ul style="list-style-type: none"> Little one-off customization Support is largely technical Arts organization responsible for marketing, distribution 	<ul style="list-style-type: none"> Support is largely technical Arts organization responsible for marketing, distribution 	<ul style="list-style-type: none"> Support is largely technical Arts organization responsible for marketing, distribution 	<ul style="list-style-type: none"> Requires technical resources to implement Arts organization responsible for marketing, distribution
Others	Instagram, TikTok, Daily Motion, Twitch		Medici.tv, BroadwayHD, My Opera Player, OperaVision		Brightcove Beacon, JW Player's OTT Apps		Brightcove, Vimeo Pro, dacast, Muse, TicketCo, 5stream (also has production)	

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It's Not Whether, but How

Challenges Too Great

Where will we find our future audiences future audiences?

How do I appeal to younger generations?

How do we compete with health and human services causes for donor attention?

How do we innovate the artform without risking our (fragile) finances?

Opportunities Too Tempting

Sizing new audience markets and encouraging trial

Testing the appeal of innovative or non-traditional content

Enhancing the attendance experience (especially for younger audiences)

Expanding the reach of community engagement activities

Capabilities Too Valuable

Videography, editing, production

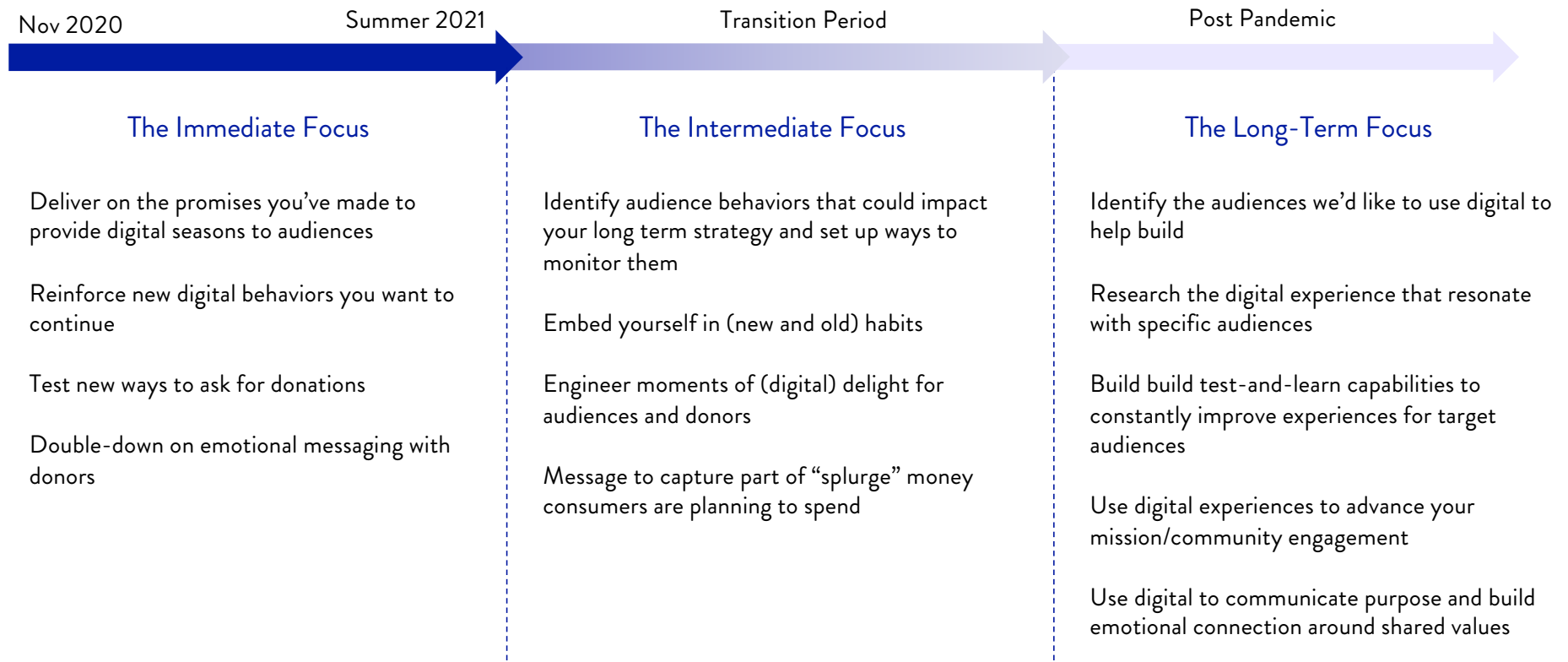
Digital emotional connection

Platform selection and management

Audience preference testing

Digital rights negotiation and partnerships

Three Distinct Digital Phases Coming Up



The Australian Ballet: A Lasting Hybrid Model

What Was It?

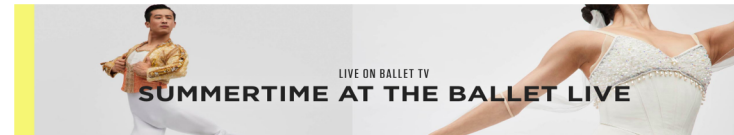
A stream of the live performance of *Summertime* at the Ballet was presented as a unique live stream experience.

How Did They Do It?

- 3-4 cameras, filmed once during a live show
- Streamed on a microsite via 5Stream
- Received support via corporate sponsorship

What Did They Charge?

Tickets were \$25, with a 10% discount for subscribers.



Live on Ballet TV offered the opportunity for ballet fans to get an in-depth, inside look at a performance - much like televised sports - including:

- Pre-show talks with ballet experts
- Interviews with dancers fresh off the stage
- Pre-recorded behind-the-scenes videos during intermission

In 2021, for the first time ever we are live streaming a performance direct from the venue, with **Live on Ballet TV** - an exciting new way to experience The Australian Ballet in real-time from anywhere, **supported by our Principal Partner Telstra**.

Ballet fans across the world can get front-row seats to watch our upcoming performance of *Summertime at the Ballet* streamed LIVE from MCA, Melbourne Park. Watch the performance from the comfort of your own home and enjoy bonus commentary from David Hallberg and guests, as well as live interviews and behind the scenes footage exclusive to the live stream.

Summertime at the Ballet will be live streamed on Sunday 28 February at 11.45am AEDT. The stream will be available to watch LIVE or at your convenience over the following 48 hours.

The live stream can be accessed by any device without needing to download any software or applications and can be cast to a Smart TV. Full information will be provided along with your link to view, 48 hours before the stream begins.

The company framed the livestream as a virtual seat to the performance. This gave the viewer the feeling they have their own seat in an audience, providing a more concrete and exclusive value.

Audience members had flexibility in watching, either live or for 48 hours after, allowing for all viewing habits to be accommodated

The Right Questions Depend on the Audiences We Seek

	Digital As Stand-Alone Experience		Digital As Complement To Live			
Audience	<p>Global Arts Lovers</p> <p>Arts fans who have adapted to digital productions and continue consumption</p>	<p>Access Seekers</p> <p>Loyal audiences who would have foregone the live experience due to age, location or ability</p>	<p>Current/ Emerging Donors</p> <p>Enhancement to subscription or thank you for donors</p>	<p>Subscribers/ Members</p> <p>Enhanced subscription packages with additional flexibility, content variety</p>	<p>New Local Audiences</p> <p>Supplementary content that can encourage a sense of welcome to encourage in-person attendance</p>	<p>Non-Afficionados</p> <p>Supports the audience motivation (e.g., digital discussion groups, family guides, special group tours)</p>
Questions	<p>Can our brand compete globally?</p> <p>How much digital consumption will continue?</p>	<p>How large is our digital-only audience?</p>	<p>Will digital attract new donors?</p> <p>Can digital increase contribution amount among donors?</p>	<p>Does digital content encourage subscription purchase post-pandemic?</p>	<p>Do certain kinds of digital consumption encourage live attendance better than others?</p>	<p>Do digital experiences improve stickiness?</p>

We Can Help You Plan Your Digital “Offsite”



Team Offsite Agenda

