



# How the culture sector can best respond to the challenges of the digital age

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## Cultural experience within the digital environment

**From consumer to customer.** While it is unusual for the Forum d'Avignon to refer to 'culture' and 'consumers' in the same breath, this latest study by Kurt Salmon – which has shared a close partnership with the Forum since it was first set up – highlights the fact that culture lovers overwhelmingly wish to be treated as informed, active customers. *"Being well versed in e-commerce practices,"* notes Kurt Salmon partner Philippe Pestanes, *"they expect to benefit from practical perks (loyalty schemes, preferential prices, e-tickets, etc.) when they 'consume culture'."*

**This economic relationship is increasingly relevant,** with sociologists such as Jean Baudrillard, Jean-François Lyotard, Yves Michaud, and Gilles Lipovetsky long arguing that *how* culture is consumed is just as important as the act of purchasing it. According to Yves Michaud, contemporary culture *"conflates and blends the aesthetic and the aesthetic, that which pertains to art and that which pertains to the senses."* Michaud believes consumers feel they are immersed in an 'ambient' experience that flows through the entire cultural ecosystem: from easy booking and payment to the management of visitor numbers and flows; from ease of access to quality of information and refreshments. Surrounded by an e-commerce dynamic based on user-friendliness, comparability and interactivity, cultural players have a powerful incentive to deliver the same levels of service, support, and innovation.

**From expectation to requirement.** What was once simply a practical demand (people interviewed by Kurt Salmon stated that visitor numbers, for instance, are an integral part of the museum experience) becomes a game-changer in the fiercely competitive culture sector. Amid an enormous number of leisure options available (many of them free) and the increase in distinctive and unique pursuits, all require innovative thinking and ingenuity to stand out from the crowd. This *hyper-choice*, as Kurt Salmon terms it, is causing anxiety among a burgeoning group of consumers who feel 'e-lost'. Players in the culture sector are now beginning to tackle the challenge this changing landscape presents. Kurt Salmon's recent survey focused on the obstacles that *hindered* consumer respondents from accessing culture rather than on cultural

practices *per se*. Responses from some 4,000 people in France, the United Kingdom, the United States and urban China shed significant light on the perceived importance of complementarity between physical and digital cultural experiences at both individual and collective levels

**There is no substitute for the original work.** The culture sector can no longer hide behind what economists call the weak 'elasticity' of its offerings. While it is true that the Louvre, the MuCEM, the Hokusai exhibition at the Grand Palais and the latest Stephen King novel are hardly interchangeable, it is also true that facilities, access conditions, quality of experience, and exchanges on social networks have the power to alter (or, indeed, damage) the appeal of any cultural output. This is most clearly seen with films and music, whose shelf life can be limited to a few days.

Kurt Salmon's study provides specific solutions to this enduring challenge. These include moving beyond the 'bestseller' model, offering personalized recommendations, pushing 'all-inclusive' subscription schemes with 'no hidden costs', and promoting enhanced, 'on-demand' content.

**Public engagement, both before and after an experience, plays a key role** in the appeal of the cultural ecosystem. However, this appeal is not simply about a particular institution such as a museum, festival venue, or performance. It encompasses the location, the digital infrastructure, and the tourist and refreshment offerings available. As our case studies demonstrate, much effort has been made to interact with and reach out to the public through digital technology. Increasingly, organizations are helping prepare their audience in advance of their visit while also delivering deeper insight and knowledge both *in situ* and externally. Such an approach is fundamentally transforming the public's relationship with and access to cultural events and activities. While survey respondents are clear that they do not wish to be told what and how to feel, this shift towards greater engagement and interactivity is creating more enjoyable and shared cultural experiences, which is – and this gives cause for hope – an essential component of any cultural output.

\* *Le nouveau luxe : expériences, arrogance, authenticité, Stock, 2013*

**Authors' note:**

Our research and the interviews we had the opportunity to conduct among professionals in the sector enabled us to produce detailed case studies on **Digital Theater**, the **Dallas Museum of Art**, the **Metropolitan Museum of Art**, **Leankr**, and **BitLit**. This document includes only a selection of key findings from these case studies. They can be viewed in full on the Kurt Salmon website. To access them, simply scan the QR codes at the end of the document.

Digital technology has already transformed many of our day-to-day cultural experiences. Whether seeking out a **book or a song** recommended online or enjoying an exhibition to the full, armed with knowledge from online content and a pre-booked entry slot to avoid the queues. Your favorite **music** is instantly accessible and shared on all your devices while social media has made discovering new content and cultural outlets easier than ever. While it is likely that these changes are still in the early stages, **in many respects, the world of culture has been at the forefront of what is today commonly known as ‘digital transformation’.**

Many cultural organizations have responded to consumers’ rising expectations and have allocated resources to digital transformation, not only to meet market demand but also to attract advertisers and sponsors. However, an analysis of the initiatives in play poses a number of questions: What is the point of having 100,000 Twitter followers? Who downloads an application every time they’re going to see a new show, exhibition, or film? Do we need or want a second screen while watching a television program? Why give up the pleasure of reading a physical book to do so on a screen? Does offering content in a different format really enhance the experience?

The purpose of this study, and the exclusive international survey we conducted, is to provide insight into how the public’s expectations, obstacles, and habits in the cultural sphere are developing. It also examines the changing nature of the obstacles that hinder access to culture. **From instant access to hyper-choice and innovation, our study reveals that the digital age has made us more demanding, demands that are often shaped by habits drawn from the world of mass consumption and e-commerce.**

**While we accept that culture is not a ‘product’ like any other,** our behavior and expectations demonstrate that the cultural and creative industries must respond to a number of new demands. Consumers are seeking greater service, support, and reassurance in a world characterized by abundance and multiplicity – of content, formats, devices, distributors, players, and more.

It is only by fully understanding these trends that players in the sector will be able to develop a strategy to address them. Such a strategy will rejuvenate audience mix, diversify revenue streams, devise new offerings, and make effective use of social networks. Cultural organizations need to invent new economic models based on multi-support, monetization of data, and trailblazing in emerging areas.

**In order to fulfill these new ambitions, it is essential that they embrace the – chiefly internal – need to reform. From reviewing the role of marketing and the tools used to transforming how the public is accommodated and their needs are met, cultural organizations must establish an infrastructure to enable this process.**

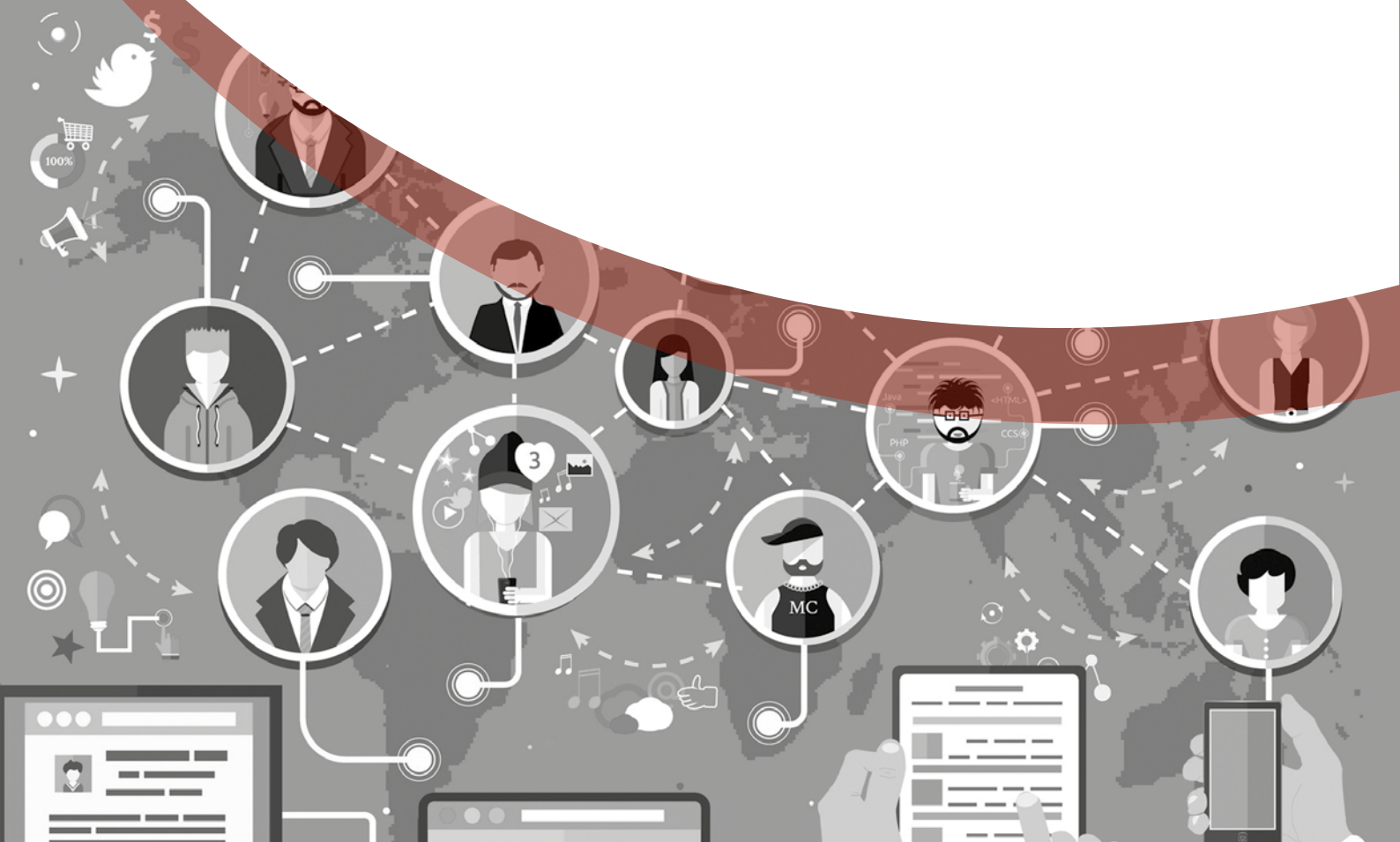
In short, they must accommodate digital technology, review both the allocation of resources and work processes, and engender management commitment to innovation – and the freedom to fail.



# Instant access, hyper-choice, innovation: how culture is being consumed differently in the digital age

At 17, the average French teenager:

- Consumes most of their music via streaming or digital media
- Goes to the cinema every three weeks but watches three pirated films per month
- Watches two and a half hours of television per day
- Reads at least one book every two months
- Claims to attend concerts as often as they visit museums



Barely a decade ago, these consumption habits were a distant prospect: film pirating was the preserve of the most technologically literate, streaming hardly existed at all and online news outlets were still in their infancy. Clearly, cultural practices have evolved at a staggering rate due to digital technology. **Now accustomed to the services available in the digital world, ‘citizen-consumers’ are eager for similarly enhanced offerings and services when they consume cultural experiences.**

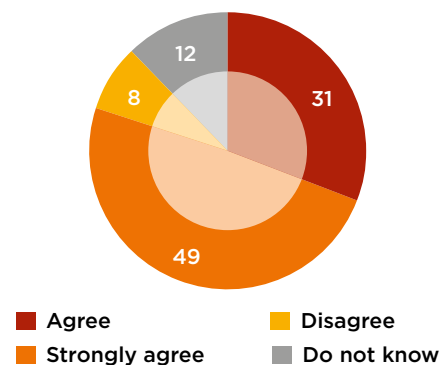
To investigate these conclusions further, we conducted a survey of 4,000 people over the age of 15 and geographically spread as follows: 1,000 in urban China, 1,000 in the USA, 1,000 in France, and 1,000 in the UK. We asked them about their habits, expectations, and disincentives in the realm of cultural ‘consumption’, with specific reference to books, museums, cinema, performance arts, and audiovisual media.

## ● Faced with hyper-choice in the digital age, consumers feel ‘e-lost’

In the digital era, the sheer number of cultural distributors, influencers, and other curators has left the public facing an unprecedented array of offerings in terms of cultural goods and services. Paradoxically, 80% of those surveyed see this ‘hyper-choice’ as a factor holding back their access to culture, giving rise to the concept of consumers who feel ‘e-lost’.

In addition, almost 40% of those we surveyed expressed the feeling that they lack information regarding cultural goods, or said they had trouble identifying cultural products likely to suit their tastes, with these concerns relating both to traditional cultural outlets and online purchase platforms.

Do you feel your cultural consumption is held back by a surfeit of choice at the point of sale (physical or online)? (%)



1- Source: Kurt Salmon survey carried out in June 2014 on the cultural habits of a representative sample of 1,000 French people aged 15 to 25

2- Source: Kurt Salmon survey carried out in April 2014 on a representative sample of 4,000 people in

France, the UK, the USA and China. Respondents were asked about their habits, expectations and dislikes in the realm of cultural ‘consumption’, with reference to books, museums, cinema, performance arts and audiovisual media. See Appendix 2 for more details on the methodology employed

- Service quality is a high priority, with expectations having been raised by e-commerce and mass consumption – but cultural experiences are charged with emotions that consumers wish to keep personal

Has culture become a ‘product’ like any other? It would be tempting to answer yes, given that **83% of the people we interviewed expect practical or promotional benefits similar to those available in other industries when they consume cultural goods**: for example, loyalty rewards, preferential prices, paperless exchanges, distance purchasing, etc.

More surprisingly, however, the public expressed a **clear desire to consume cultural**

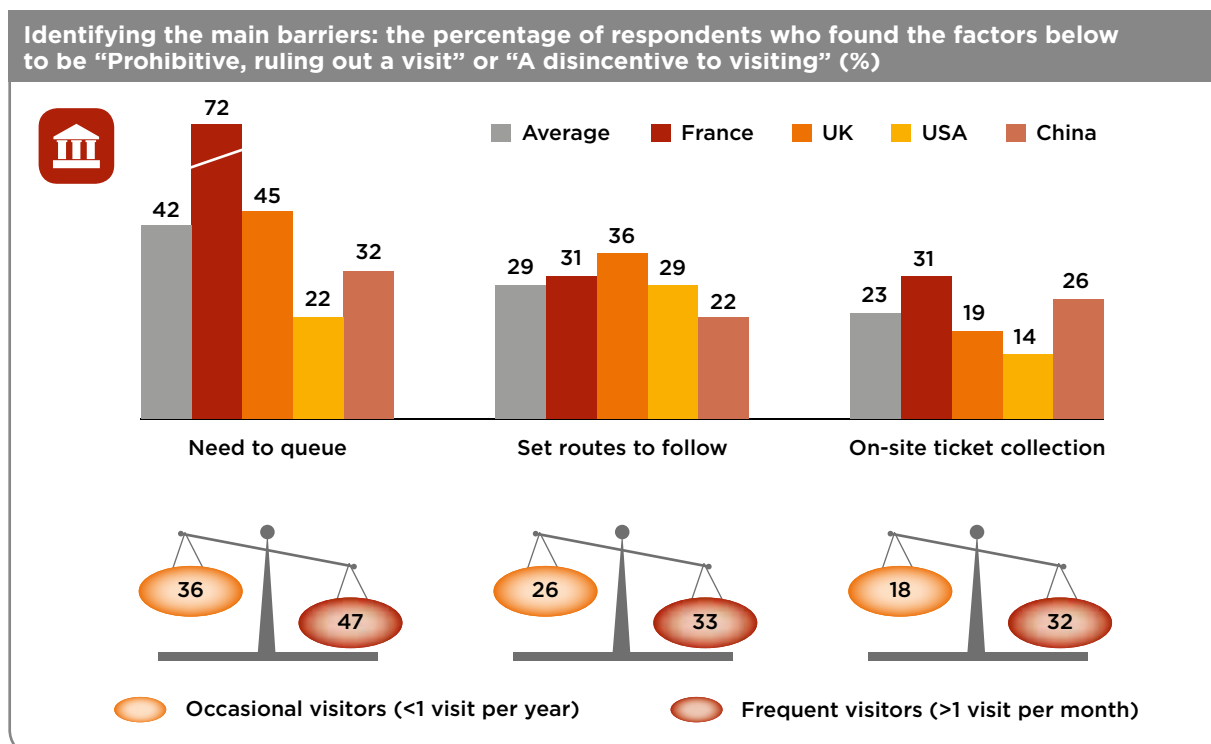
**experiences while ‘disconnected’, unwilling for others to tell them what or how to feel**: 55% of those surveyed stated that sharing the experience with their social network in real time would devalue it. In a similar vein, 48% prefer not to be loaned a connected device (tablet or smartphone) while visiting a museum.

Thus, **the proliferation of support materials designed to enrich cultural experiences is a phenomenon that has been rejected by the public.**

- When it comes to museums, books, live performances, and cinema, the major barriers are practical – but expectations are now framed by digital experience

This is particularly true for museums: unsurprisingly, the greatest barriers uncovered by our survey were the **need to queue**,

**mentioned by 72% of French respondents** (whereas only 12% highlighted exhibition content as a disincentive), a lack of freedom





in the choice of route to follow (31%), and the need to collect tickets on-site (31%). Indeed, the more often people visit museums, the more significant these factors become: problems relating to visitor numbers, opening hours, or set routes through exhibitions were a disincentive for 27% of occasional visitors (less than one museum visit per year), against 37% of frequent visitors (one museum visit per month).

In the world of books, meanwhile, price is the primary obstacle, with 60% of respondents who read more than one book per month citing this as the major curb on their pastime.

As for cultural products experienced as part of an audience – cinema and the performing arts – high prices (again), excessive

audience numbers, and difficult access (distance to venues, etc.) were cited by 45% of respondents as the principal curbs on more frequent attendance.

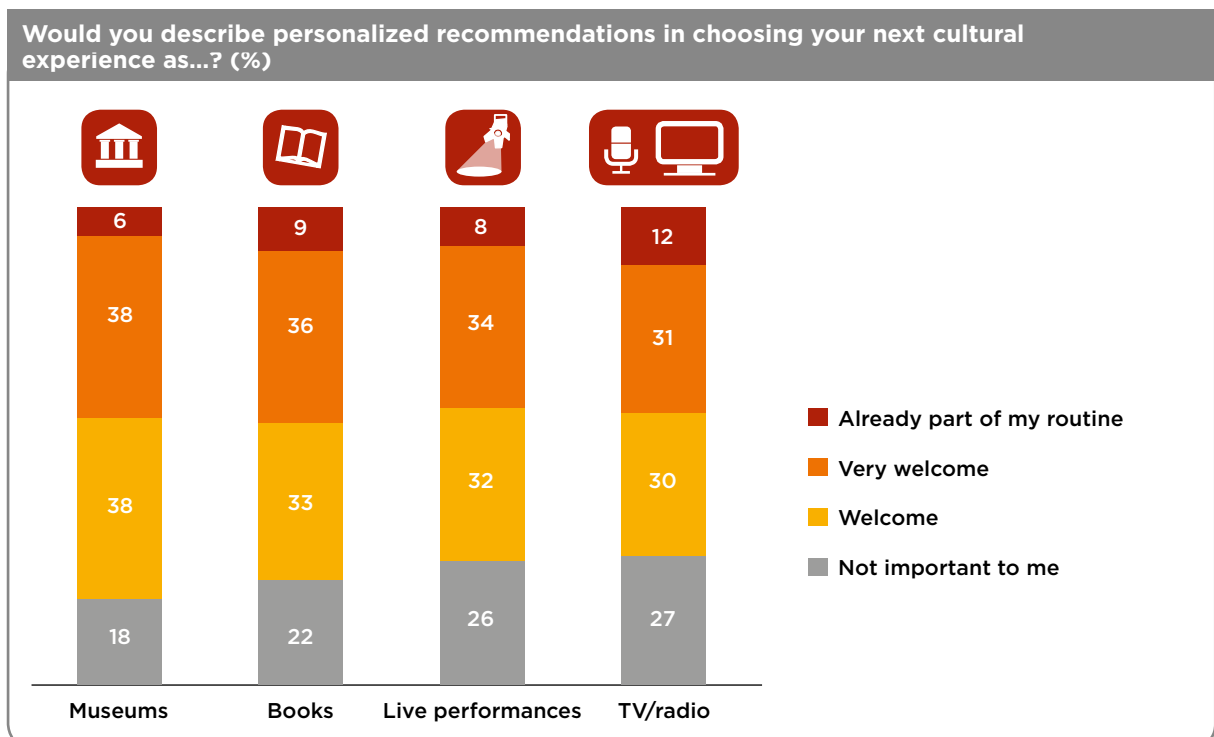
In each of these realms, **practical or logistical barriers are anything but new**: exhibition visitors have always needed to queue and auditoriums have always tended to be built in large urban areas. However, the impact of digital technology is felt elsewhere: what used to be mere practical constraints have now become genuine curbs on consumption for an increasingly demanding section of the public. **Consumption habits normalized by the constant spread of digital media are raising expectations among the public, in terms of instant access, choice, consumer support, and innovation.**

## ● The public has expressed a need for services and control

### Consumer support and personalized recommendations

Acknowledging these expectations provides a first step toward tackling the disincentives expressed by respondents. When making a choice, **the 'e-lost' consumer expects support and advice as well as description and valuation of the content**

**being proposed.** In fact, grouping the different cultural realms together, **77% of the public declared a desire for personalized recommendations** at the moment of choosing their next cultural experience.



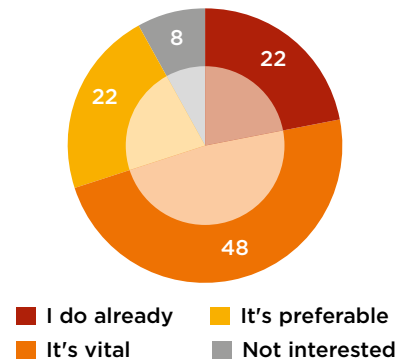
### Simpler and more secure models of access

The second trend identified by our survey is a **desire for more straightforward and secure models that also offer 'value for money'**.

**More than 70% of those polled said they were prepared to pay a subscription fee** in order to benefit from special offers, such as unlimited access to content or targeted and personalized promotions.

'All-inclusive' offers and loyalty rewards fill consumers with confidence, to the extent that they seem to have become imperative for cultural institutions and distributors: while 8% of the public feel they already benefit from such promotions, close to half (48%) consider them 'indispensable'.

What is your opinion on the possibility of your loyalty to a cultural institution being rewarded with promotional benefits? (%)



### Controlling access to additional digital content

As highlighted above, the public has expressed a concern that cultural experiences may become distorted in an age where digital technology is ubiquitous, and fears are rife regarding the proliferation of screens, digital media and the 'push' of information. Paradoxically, however, our

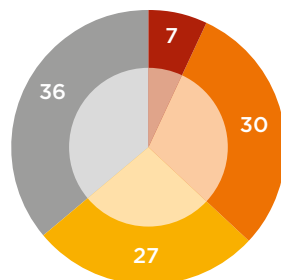
survey also revealed that most people have a **clear interest in the possibilities opened up by digital technology**, seeing the various enhancements on offer as a chance to prolong an enjoyable experience, as well as a response to their desire to share, discover and pass on their tastes and discoveries:

Which of the following propositions might improve your experience? (%)

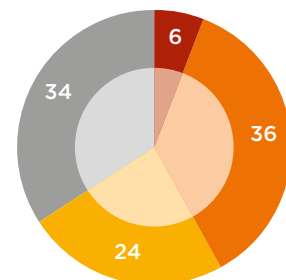
Principal wishes expressed for each type of cultural experience



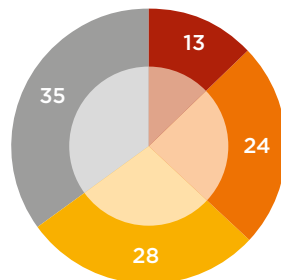
Access to additional online content to prolong a reading experience



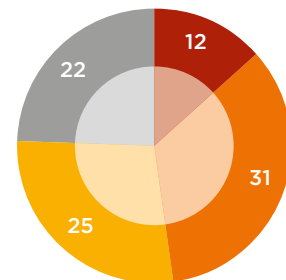
Access to dedicated applications to enrich a museum visit



Watching/listening to a program while simultaneously interacting with friends



Ability to share my experience with my social network via content provided by the institution



■ I do already ■ It's vital ■ It's preferable ■ It's not important

As highlighted above, the public has expressed a concern that cultural experiences may become distorted in an age where digital technology is ubiquitous, and fears are rife regarding the proliferation of screens, digital media, and the ‘push’ of information. Paradoxically, however, our survey also revealed that most people have a **clear interest in the possibilities opened up by digital technology**, seeing the various enhancements on offer as a chance to prolong an enjoyable experience, as well as a response to their desire to share, discover, and pass on their tastes and discoveries:

- For 75% of respondents, the opportunity to prolong a reading experience through additional online content is something they already enjoy or would appreciate

- 78% would like access to dedicated applications to enrich their museum visits
- 65% are happy to interact with friends and family while watching or listening to a program
- And as many as 78% would like to use content generated or made available by a cultural institution to share with their social network a live performance they’ve seen

**This underlines the paradox of our relationship with digital technology:** *“I want to make the most of it, yes, but without it becoming intrusive, to have it where and when I want, on the screen that’s convenient to me and with content I’ve chosen. In that way, I can stay in control of my experience.”<sup>3</sup>*

### Interacting around content and sharing experiences

Lastly, for a large number of individuals, **the consumption of cultural goods and services only makes sense as a shared phenomenon, with the experience feeling much more powerful when passed on. This is the essence of today’s ‘social culture’.**

- 81% of young Europeans share – or would like to be able to share – their opinion online after seeing a live performance or going to the cinema.
- 86% of young Americans share – or would like to share – content online and express

70% of people would like access to **high-quality content** after watching a live performance (films, photos etc.)



their opinion on social networks following a cultural experience.

### Conclusion

For some time now, distributors, cultural institutions, and non-institutional players have recognized the important role digital technology plays in evolving public expectations and, consequently, their own approaches. Many have taken risks to adapt to these expectations and have been quick to innovate: these are the **cultural digirati**, characterized by their capacity to anticipate changes linked to digital technology, respond to public demand, and **employ**

**digital tools as levers of growth to satisfy, expand, or engender loyalty among their audience.** The balance of our study will focus on the lessons that can be learned from these innovators, highlighting in particular their capacity to use digital technology as a marketing tool (see part below) and the inevitable transformative effect this has on their organizational structure (see last part).

3- Direct quotation from our consumer survey

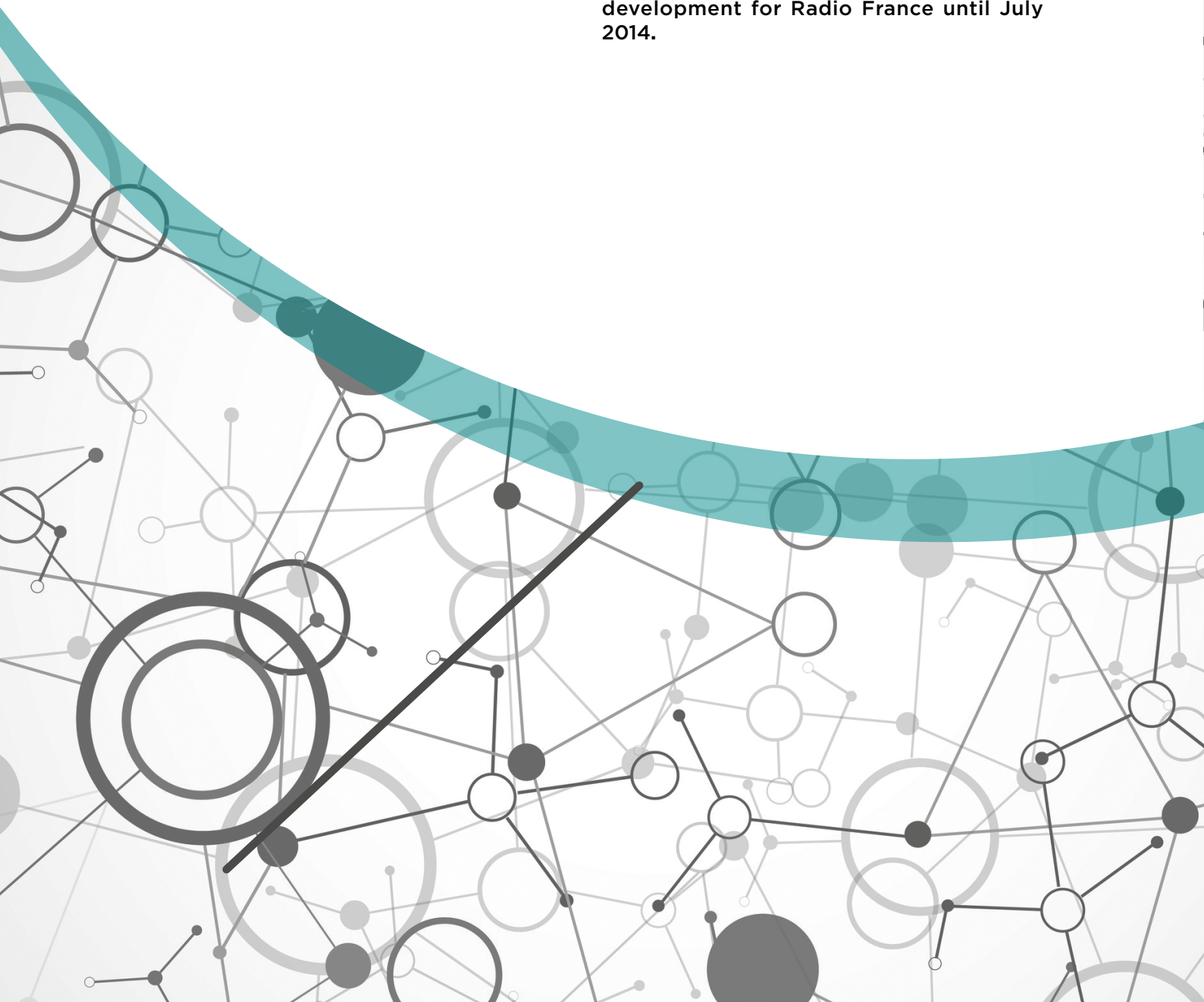
# Digital technology, a growth lever the cultural sector can activate to meet new expectations

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Digital technology has unquestionably had a profound effect on the habits and expectations of the public in the realm of culture. But at the same time, it also provides the very levers of growth that can ultimately meet those new expectations, and much

more besides. **When activated by cultural institutions as part of a necessarily more assertive marketing strategy, it can be a powerful tool for developing innovative value propositions, building a new audience, or increasing income.**

*“Marketing is the key to distribution in the digital era; it’s an indispensable skill.”*  
Joël Ronez, head of digital innovation and development for Radio France until July 2014.



## ● Tailored, innovative value propositions made possible by digital technology that enhance public satisfaction and loyalty

**The age of the ‘must-have’: developing more service-based offerings both to produce cultural content and to define the use the public will make of it**

### **Abandoning the ‘bestseller’ model: the move to a personalized ‘Top 10’**

The tried-and-tested method of promoting ‘bestsellers’ no longer meets the needs of a public sure of its own tastes, keen to reduce ‘risks’, and searching for content that corresponds to its preferences. For example, **78% of Europeans would like to be directed toward their favorite authors when buying books**. Cultural institutions and distributors must therefore carry out a more personalized analysis of their public’s consumption habits and propose recommendations that match individual preferences.



#### **Netflix’s personal recommendation system**

- Netflix’s algorithm analyzes the usage habits of its members: the device, times of the day and week when active, favorite programs, etc.
- Highly effective, it helps stimulate usage and is one of the principal reasons for Netflix’s success: **75% of programs watched result from the recommendation system**



Screenshot from the Netflix website

### **Offering simpler and more secure access models**

The public fully approves **models that promise value for money and ‘no hidden extras’**, expressing a willingness to pay subscription fees on the expectation that their

loyalty will be rewarded. Players in the world of culture must meet these expectations, often coming from experience of more traditional mass consumption, by offering encouraging reward schemes.



#### **Spotify and the success of subscription packages offering unlimited access to streamed music**

- A multi-platform, paid subscription model for unlimited access to high-quality musical content, as well as exclusive tracks and other content
- With 250,000 Premium members in 2010, 4 million in 2012 and more than 10 million in 2014, this subscription package is clearly a growing success



Screenshot from the Spotify website

### **Proposing content... while leaving users free to accept or decline**

Digital technology has opened the doors to a whole new range of services – shared content, enriched content, automation – that the public has warmly embraced, though **only insofar as users retain choice and control**. Sixty-five percent of those interviewed during our survey want access to online content to prolong an experience **when they choose: in other words, content that is proposed rather than forced on the user**. This is the paradigm that institutions need to take on board, with particular emphasis on achieving the delicate balance between offering content and being intrusive, between promoting and imposing.



### Facilitating and systematically proposing ways of sharing an experience

Driven mainly by young people, the public has expressed a need to share when it comes to cultural content. Beyond the basic online methods of saying, 'I was there' or 'it was great', spectators, visitors, and readers all want to share moments, via a video, photo, or audio file, etc. Cultural distributors therefore face the task of making these types of content available to their public.



#### Evergig, a platform generating online concert footage to share

- An innovative idea that embodies 'social culture': amateur video footage shot by concert-goers is collected and edited together with official concert audio provided by artists and their labels
- Evergig provides a concert video shot from within the audience, giving a perfect feel for the atmosphere but with a high-quality soundtrack: a concept that facilitates the sharing of an experience while enhancing it with new, rich, top-quality content



Screenshots from the Evergig website

### Structuring digital offerings around innovative concepts

With so many consumers feeling 'e-lost', cultural players need to do more than just offer personalized support; they have to innovate new models of usage and access to the works they make available. To do this, they must devise 'killer apps', applications that immediately become indispensable and can drive consumers to buy the system for which they were developed. One prime example of the power of 'killer apps' is the iPhone, which sparked a huge surge in mobile data usage at a time when mobile data plans were struggling to generate widespread interest. In contrast, Video on Demand (VOD) has so far failed to break through in the same way because such services are too fragmented, an issue that has left consumers feeling more 'e-lost' than ever.

### Rethinking the 'before' and 'after' experience

Cultural institutions must likewise consider methods of providing a complete experience, with thought given as to how to create a process that both satisfies the public and makes optimal use of digital tools.

This requires focus on the three key phases of the visitor/spectator experience, to ensure a fluid and coherent transition between the 'before' stage and the 'after' stage:

- Before, to facilitate access on a practical level and prepare the public for the works and content they will see (information on the latest museum news, forthcoming performances, the broader context of exhibitions, etc.)
- During, to enrich the experience and make it easier to understand, as well as fun and engaging (commentaries, music, augmented reality, etc.)
- After, to prolong the experience with additional content that can be consulted and shared.



#### The virtual tour of the Emperor Augustus exhibition at the Grand Palais and the Louvre

- A very strong digital presence before the exhibition:

- On social networks: creation of a Twitter account in the emperor's name, detailing his story and various historical facts in an offbeat voice; a Facebook page was set up too
- Via videos created specifically for the exhibition and designed to go viral: a trailer, news reports, etc.
- Articles in the online magazine of the RMN-GP (Réunion des Musées Nationaux-Grand Palais)



Screenshots from the Grand Palais website

- Various digital tools made available on-site:

- A downloadable audio guide for smartphones, including a version for children
- A dedicated app, La fabrique romaine (The Roman style), providing information and encouraging real-time sharing on social networks (competitions, tweet walls, etc.)

- Innovative and fun tools designed to prolong the experience:

- Games linked to the exhibition, including a quiz to test knowledge
- A MOOC (Massive Open Online Course) offering online video lessons and exchange forums on the subject



## ● Cultivating engagement: a close relationship with the public – plus an element of surprise and magic

Due to the vast amount of cultural content available and the public's appetite for cultural works – not to mention the volatility that inevitably results – a real need exists to foster consumer engagement. The majority of cultural organizations and distributors are already making active efforts to cultivate engagement among their audiences, by using creative tools to promote closer relationships and encourage things to go viral:

- **Creation of exclusive content:** interviews with artists, curators, and experts, behind-the-scenes access, reviews, opinion, commentaries, etc.



### The New York Met, exclusive content and viral success

The '82nd & Fifth' web series launched by the Metropolitan Museum of New York on its website: 100 short videos on works of art presented by a curator



For more information



Screenshot of the Met's website

- **Interactivity on social media:** interactive content needs to be content-driven and non-intrusive. Public engagement is far more pronounced when close relations are forged between the institution and its audience, with social media enabling communication with everyone individually rather than everyone at once.



### The Louvre's shrewd community management

- Posts on social networks are rare but always high-quality, containing rich content or comments
- Social networks are also used to invite public participation: offering the chance to win tickets, organizing events, etc.

Screenshots from the Louvre's Twitter account



- **'Storytelling':** due the sheer volume of cultural content, along with the e-lost public's clearly expressed need for 'guide' material, editorialized cultural content is becoming increasingly necessary. Today more than ever, it has become important to cultivate the identity of cultural works, to 'tell a story' around the content in order to **recreate the sense of enchantment we all expect when faced with art and culture**, a supply-led market par excellence.



### Le voyage à Nantes (The journey to Nantes), a transmedia story as a way of discovering a city's culture

- An event dedicated to promoting the cultural attractions of the city of Nantes via an urban trail taking in various temporary and permanent art works
- While following the proposed route, participants are told a story through videos, poems, photos and artworks that shed light on the urban and peri-urban landscape



Screenshot from the Voyage à Nantes website

Cultural institutions now find themselves facing a situation familiar to radio. For so long radio was the primary medium for discovering new music. Today, other media – television, online media, and music-streaming services – have assumed that role and radio must find a new way to reassert itself as the trend-setter. In exactly the same way, cultural institutions need to learn how to (re)position their brands and emphasize their role as distributors of culture – **or they will risk losing the content battle forever in the face of 'the dictates of popular demand'**. It has become absolutely vital for institutions to construct an entire ecosystem around their brand and the experience they offer, in order to continue appealing both to public and to advertisers.

## ● Digital technology: a powerful tool for expanding and rejuvenating audiences

Thanks notably to various digital tools, cultural institutions are today capable of publishing, distributing, and exhibiting works quickly, at modest cost, and at very high

quality across a broad range of channels and platforms. These tools are a valuable means of diversifying their audience and reaching out to a new, younger public.

### Making works accessible to everyone: a more realistic ambition thanks to digital technology

Technology has improved the accessibility of cultural works and furnished solutions to various disincentives, such as geographical distance, price, visitor/spectator numbers, and even issues linked to disability.

**Digital Theatre, delivering performance-art content to as broad an audience as possible**

- Digital Theatre delivers video performances of cultural works (operas, theater plays, etc.) beyond the traditional channels: on smartphones, tablets or via Smart TV applications
- Recorded in partnership with the largest theater and artistic companies in the UK, performances are available to rent or download in High Definition
- Thanks to a partnership with the British Library, audiovisual productions are permanently archived, with special offers in place to make them available to teachers



Screenshots from the Digital Theatre website



For more information

Distributed in various formats and across a multitude of channels, cultural works are thus able to reach new target audiences. Indeed, this is the goal of partnerships developed between cinema owners and the leading opera houses in France over the past few years, with the two groups joining forces to broadcast opera performances live in their theaters. *“As an EPIC [State-controlled entity of an industrial or commercial nature], we face a two-pronged challenge,”* says Christophe Tardieu, Deputy General Manager of Opéra National de Paris. *“We must ensure our institution’s profitability but also fulfill our public-service mandate. The new distribution channels (cinema and television) present an excellent opportunity to rise to this dual challenge and diversify our income while ensuring cultural democratization.”*

Although the experience is not the same as the ‘original’, these kinds of initiatives improve the accessibility and visibility of cultural works. They also provide a chance to show, ‘give a taste’, and feed a desire for more as a way of enticing new consumers.

### Rejuvenating audiences by embracing the cultural habits of 15-25 year olds, in particular the use of social networks

Cultural institutions have grasped the importance of social media as they seek to cultivate a younger audience. For example, *#MuseumWeek*, organized by Twitter, succeeded in bringing together around a hundred museums and cultural institutions in France and Europe. This vast public relations operation had positive results for all the museums taking part:

- Cultural institutions benefited from a surge

in followers for their social media accounts: The Centre Georges Pompidou gained more than 4,000 followers in the space of seven days, while the Palais de la Découverte registered a rise of over 800% compared to an average week

- The participating museums raised their profile and improved their image; as difficult as these phenomena are to measure, visitor numbers increased as a result of the initiative

- The museum's teams were given an education in social media etiquette and best practice at a time when the distinction between personal and professional accounts has a tendency to blur.

The challenge of appealing to a younger audience is particularly significant for radio, the last analogue media platform, which needs to rethink a distribution model that has not changed over the past 40 years.



### Radio France, relying on influence and adaptability to build closer links with their audience

- Radio France has embraced on-demand content (podcasts), the incorporation of visual content (linked to its programs) and community management (interactions with listeners via social networks) to reassert its power as an influential editorial voice, offer a product adapted to the expectations of its listeners and strengthen its bond of trust with the public

- To achieve that ambition, Joël Ronez, head of digital innovation and development for the company until 2014, has spoken of Radio France's intention to offer "*indexable, separate and shareable content to develop a relationship with each listener individually, which is the principal challenge facing radio companies in the digital age.*"



Screenshots from the Radio France website

## Generating new cultural forms to win over a new audience

Depending on how they are used by cultural institutions, digital tools can play a role at different stages of the creative process, from the planning to post-production phases of cultural works, goods, and services. These works are said to be 'born-digital'.

According to the British Arts Council, almost one in every two cultural institutions claims to have produced one or more works in this way, a figure higher than in any other digital field<sup>4</sup>.

Three new 'born-digital' cultural forms merit particular attention:

- Autonomous digital content: works in their own right which exist solely in digital format. The **Tate Gallery's** 'Gallery of Lost Art', for example, is a totally immersive online exhibition which tells the story of great artworks that have disappeared.



Screenshot from the Gallery of Lost Art on the Tate Gallery website

- Digital tools developed to enrich our experience of an actual, physical artwork: For instance, the '**Jumièges 3D**' application gives users the chance to discover on-site how the **Abbey of Jumièges** would have looked before it was destroyed. Thanks to augmented and substituted reality technologies,

the application superimposes 3D reconstructions on the current ruins in 360° panoramic views.



An example of augmented reality as viewed on the 'Jumièges 3D' application

4- Source: 'Digital Culture: How arts and cultural organizations in England use technology', November 2013, Arts Council England

Digital works linked to actual artworks which nonetheless offer a distinct experience: *La fabrique cubiste* (The Cubist style), an application developed by the **RMN-Grand Palais** for its Georges Braque exhibition, allowed users to turn their photos into 'geometric', 'analytic' and 'synthetic' artworks (the three principal Cubist forms). In every sphere of activity, digital technology has given rise to new economic

models, born out of a greater responsiveness to consumer expectations and innovation in technology and marketing. This has certainly been the case in the cultural world, where cultural institutions have not only **diversified their sources of income but also pursued new economic models**, which have compensated – if not more than compensated – for the loss of income from more traditional activities.

## ● Generating new income: new offerings or a break with traditional economic models

In every sphere of activity, digital technology has given rise to new economic models, born out of a greater openness to consumer expectations and innovations in technology and marketing. This has certainly been the case in the cultural

world, where cultural institutions have not only **diversified their income but also pursued new economic models**, which have compensated – if not more than compensated – for the loss of income from more traditional streams.

### Diversifying offerings to exploit new distribution markets

While the number of spaces and platforms dedicated to content distribution continue to multiply, the attention span of the public is diminishing and fragmenting. As a result, cultural institutions need to adapt their traditional offerings and economic models to avert a further drop in income and prevent other organizations from taking advantage.

Distributors mindful of this urgent need for new drivers of growth must follow their audiences' lead and 'adjust' their models. Television companies have clearly taken this lesson on board and are now developing and proposing second screen applications. These new services capture a segment of the viewing public's attention – and thus what looks to be a growing share of the advertising market (see box below).

**Links forged between traditional bodies in need of new growth markets and 'pure-play' internet companies in search of legitimacy have become a new source of distribution.** In the art market, for example, leading global art brokers **Sotheby's** announced a partnership with eBay in July this year, with a view to developing its online sales. This agreement between companies from two different worlds is a 'win-win' situation for both: While Sotheby's can now propose its sales and artworks to eBay's 145 million users and



#### Leankr, from connected TV to a connected televisual experience

- French start-up Leankr provides an enhanced televisual viewing experience by offering additional information in real-time on a second screen while the viewer is watching a live program

- Thanks to an ingenious system of tags generated via subtitles (obligatory on France's digital terrestrial service), Leankr enhances the program by leveraging web content instantaneously from various sources: Wikipedia, Youtube, Amazon, Google Maps, news websites, etc.



Screenshot from the Leankr website

The Leankr platform also makes it possible for television channels, telecom operators and Smart TV makers to carry out research on the full content of the programs being broadcast



For more information



## Bundled offerings and imaginative combinations

Multi-platform offerings proposing clever combinations between “traditional” cultural goods and services on the one hand and digital spin-offs on the other are set to become increasingly common.

In addition to bundled offerings based on a single cultural product, packages can also be devised to meet the needs and preferences of specific audiences, by catering to the popular demand for ‘all-inclusive deals’. Here are a few examples:



### BitLit, the feel of a book with the convenience of an ebook

- This Canadian start-up provides a new way of buying books, giving readers a chance to download the digital version of a book if they already own a paper copy
- This concept gives readers the “best of both worlds” and allows the start-up to not just sell ebooks but also collect data on reading trends and the habits of readers – not to mention which books are being read most in both formats at the same time (i.e. the books for which bundled offerings are most appropriate).



Print & Digital – Together at Last  
Now with over 30,000 eglow titles

Screenshots from the BITLit website



For more information

- Comprehensive offerings that respond to the specific needs and expectations of tourists, by bundling more and more cultural activities. This could take the form of a ‘pass’ that enables tourists to discover the full cultural heritage of a city by giving access to all of its museums, auditoriums, concert halls, and festivals (one leading example being the City Pass, which bundles reduced-price admission to the

## Monetizing data

Digital tools are increasingly being used to buy, book, enrich, and share cultural experiences. This flow of activity is a source of valuable information: in the age of Big Data, this information can inform cultural institutions about the usage habits and

top attractions together with discounts for commercial services in 11 North American destinations).

This type of value proposition can be supplemented with contextualized recommendations, useful information, practical advice, and transport access within the city. Offerings can also be tailored to other specific groups, such as pensioners and young parents.

- Findspire**, a community platform unveiled at the Midem exhibition this February, has developed an offer that spans several cultural domains: music, cinema, photography, fashion, and street art.

A genuine showcase for young artists, as well as a venue for discovering and sharing artwork, **Findspire** lets its users search according to their likes and preferences.


Currently advertising-based, this concept could be extended to the sale of cultural goods and services (tickets, etc.), with access switching to a subscription model, according to a user’s budget and preferences.



preferences of their audience, enabling them to better target and personalize their marketing campaigns.


This data also has an intrinsic financial value, which cultural institutions can harness to move away from traditional economic

models. For example, the **Dallas Museum of Art** (see box below), with their consent, collects visitor data, which it then analyses and puts into accessible form for third parties, thus making it possible to offer access to its collections entirely free of charge.





### Dallas Museum of Art (DMA), a new economic model based on customer information

- Free museum entry for all visitors
- A new economic model built on the collection and monetization of data via an ambitious loyalty program:
  - In exchange for free entry, visitors are invited to become ‘friends’ of the museum
  - Visitor loyalty is rewarded (visitor shop discounts, invitations to temporary exhibitions, etc.)
- For the DMA, data collection makes it possible:
  - To optimize resource management
  - To undertake targeted marketing campaigns
  - To better formulate fundraising proposals



For more information

Screenshots from the Dallas Museum of Art website


## Giving the public a preview to raise interest

Having met with verifiable success in the realm of music streaming, *freemium* strategies offer an economic model that can be adapted for cultural institutions – by initially giving the public access to works made available free of charge and then inviting people to subscribe to upgrade the quality of their experience. This strategy can help cultural institutions meet three objectives:

- Attract a new audience, enticed initially by free content
- Strengthen consumer loyalty, thanks to a subscription package providing access to premium benefits (better quality, absence of advertising, exclusive content, etc.)
- Personalize links with individual users, via the creation of accounts and the collection of data, which makes it possible both to gain more thorough knowledge of the audience and to turn the data into a revenue stream.

Cultural organizations eager to promote consumer engagement and appeal to new audiences must change their mindset and methods of addressing the public. **In short, they need to commit to more assertive marketing strategies.** To ensure that new



approaches are pursued successfully, each organization must commit fully to accommodating digital technology, as a means of arming itself with the ability to innovate and increase reactivity.



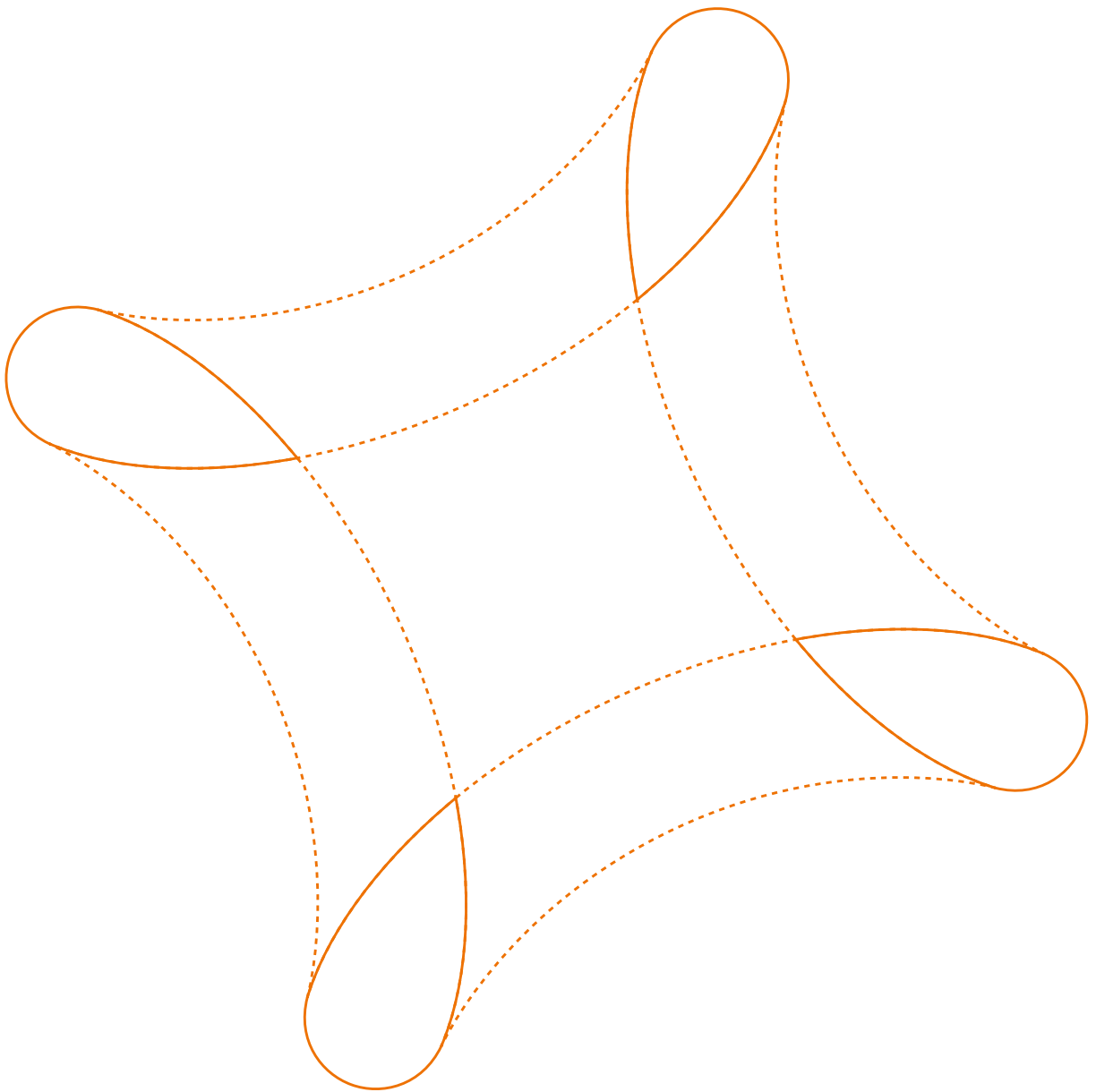
### Youbox, a streaming service for readers

- In 2012, French start-up Youbox launched an ebook platform on a *freemium* model. This platform offers:
  - Free access to a restricted catalog of works bundled with advertising materials
  - Paid access (€10 per month) to a larger, advertising-free catalog and access to works offline
- Amazon’s entry into this market, with their catalog of over 600,000 books made available for €7 a month, underlines the viability of this model, though it also creates the need for a new ecosystem involving distributors and publishers

Screenshots from the Youbox website





# Organizational challenges to be met in promoting the integration of digital technology

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In order to meet the challenges raised by digital technology, the entire cultural organization must adapt to the changing landscape. To begin with, and as we highlighted in Part II, they need more assertive marketing departments - equipped with the

appropriate key competencies - to meet the public's new expectations. But beyond Marketing, the rest of the organization must take steps to accommodate digital technology, not merely in the company's organizational structure but also in terms of resource allocation and company culture.



## ● Digital technology's role within an organization: two necessary phases

To achieve these digital ambitions, **it has become indispensable for organizations to acquire or enhance the key competencies necessary for analyzing their audience, understanding public expectations, and developing innovative offerings to meet those expectations.** Any attempt to make do without these skills when mapping a consumer journey can harm the reputation and profile of an institution or an innovation. Several innovative and even trailblazing concepts have met with failure in the past due to poor presentation: for example, the very first e-books in the late 1990s were a commercial failure, before the marketing experts at Sony and Amazon ran with the idea and successfully sold the concept of the 'practical book' and the 'transportable library', enabling them to become a permanent presence in the daily lives of many readers.

The marketing competencies that cultural organizations need to integrate are a reflection of public expectations raised by e-commerce in terms of overall services and experience. They also impact upon every area of interaction between an institution and its audience:

- **Strategies to enlarge and refresh audiences:** researching the expectations of tomorrow's customers; determining, evaluating, and predicting their needs
- **The marketing of an offer,** focusing on the benefits of an innovation for the individual
- **Communication with the public:** defining the key messages in order to showcase a



cultural offer; identifying the most appropriate channels

- **The ergonomics of customer paths and experiences,** elaborated by professionals within the context of an overall journey
- **Management of relations between the institution and its audience,** centering on key techniques for fostering loyalty in order to promote engagement.

Developing these competencies may prove expensive, but they remain indispensable and cannot be neglected in preference for greater investment in artistic talent and cultural works: even the most remarkable collections of works and the most stirring performances only have a purpose when they find a public.

To some extent already present within cultural organizations, more often than not these competencies must be enhanced by external recruitment, through training, or by employing outside contractors.

## ● Digital technology's role within an organization: two necessary phases

Cultural institutions have embraced digital technology at varying rates. Looking at such institutions' organizational charts reveals a broad spectrum of approaches to digital technology, depending on the size, resources, and digital ambition of each.

Nevertheless, one principle applies to them all: the idea that 'what we do internally will be visible externally', a notion borne out by company structures where digital technology has been seized upon as a lever of growth and renewal – such as the **Metropolitan Museum** in New York and the **Réunion des Musées Nationaux-Grand Palais** in France. Clearly, it is not necessary to be a

'pure-play' internet company to succeed in the digital arena.

Institutions committed to nurturing a 'digital dynamic' at the heart of their organization must begin laying the groundwork with the creation of a digital media department. This first phase of transformation continues as the digital media department attains a certain level of maturity, boosted by its initial projects and results. At this point, the digital dynamic needs to be spread more widely, so that it can support and enrich all of the organization's projects and operations.

### Phase 1: 'Protecting' the digital department to provide it with space to experiment and develop

No matter the sphere of activity – be it cultural or commercial – analysis points to one key principle: establishing a Digital Media Department, linked directly to the General Management team, is vital for creating the conditions for developing innovative digital projects. If tied too closely to other departments (Information Systems, Marketing, Sales, etc.), digital teams are effectively 'indentured' and lack the freedom necessary to continue their development.

It is therefore of paramount importance for institutions to carve out a place for digital technology within their organization, whether that consists of one person in a smaller business model or entire

teams in larger companies. Indeed, the **Metropolitan Museum of New York**, which created a Digital Media Department in 2013 and appointed former journalist and digital specialist Sree Sreenivasan as Chief Digital Officer, offers compelling evidence of the necessity of founding a dedicated division to serve the overall digital strategy.

In other organizations, the Digital Media Department tends to be smaller – but peopled by enthusiastic and passionate advocates who are able to move the whole organization forward via new projects.

This lower-key dynamic was evident during the #MuseumWeek initiative cited earlier.



#### The Metropolitan Museum of New York, an organizational structure designed to serve digital aims

- A digital strategy at the heart of a virtuous circle which aims to offer web-site visitors a full cultural experience before (displaying works and preparing visitors), during (enhancing the visitor experience) and after their visit to the museum (collection and use of data, methods of prolonging the experience).
- An organization and resources appropriate to the Met's ambitions:
  - A digital media department has been set up comprising 70 employees and steered by a chief digital officer recruited specifically for the task
  - A Media Lab for research and experimentation has been created
  - Strong senior management commitment, supporting innovation and creativity and establishing a test-and-learn environment



For more information



Screenshots from the Met's website

An operation followed by **Universcience** – the institution formed jointly by the **Cité des Sciences et de l'Industrie** and the **Palais de la Découverte** – in partnership with numerous national museums, #MuseumWeek had a beneficial impact on each participating museum in terms of image, renown, and visitor numbers.

Educational booklet on Museum Week designed for the staff of Universcience



For national coordinator Benjamin Benita, however, what stood out above all was the sense of awareness that occurred within each institution: *“The operation led to a change in perception as to the power of social networks for an institution. In terms of visibility, we saw how a digital event – organized outside our own scheduling – could create a lot of buzz for us. And it was also interesting to see various employees taking part in the event via their own personal accounts without anyone asking them to. I read that as a display of pride in being part of the institution.”* In light of the initiative's success, it has now become easier to hold discussions within museum organizations about digital best practice and ambition, and to teach social network best practice to staff and associates – with the help, for example, of the ‘digital guides’ drawn up by **Universcience**.

## Phase 2: Spreading digital expertise throughout the organization

Once digital technology has been introduced within an organization and enjoys the conditions necessary for its development, it will continue to prosper. The second phase of its integration then involves the spread of digital expertise throughout the organization, which can be achieved in several different ways:

- **Acclimatizing the entire organization to new digital uses, tools, innovations, and trends.** A growing number of companies now practice ‘reverse mentoring’, which features younger ‘digital natives’ – who tend to be near the bottom of the employment pyramid – training their managers in the use of digital tools. Initiatives such as this have several benefits: they bring generations closer together, give younger employees a greater sense of worth as ‘experts’, and help the spread of digital culture. This reversal of the usual order is a feature of the internet age.
- **Recruiting new types of employee.** The evolution in how digital technology is used and the proliferation of digital tools has made it necessary for companies to renew their skill sets and adjust the profile of their workforce. Typically, this means recruiting new staff to complement a company's existing expertise in more traditional areas.

- **Establishing a management structure for communication on social networks.** As an effective tool for promoting customer engagement, but also one that encourages staff participation, statements on social platforms need to be not merely encouraged but also guided and, to a certain extent, controlled. This means creating training programs (e.g. ‘what you can and cannot say as an employee on social networks’), instructions, and certain new procedures.
- **Integrating digital technology as a new metric in performance data.** The impact of digital projects (audience figures, website traffic, loyalty schemes, etc.) needs to be measured and made widely available:
  - first, in a classical sense, to demonstrate a return on investment
  - also, to help win over the organization and its management, and to lend even greater credibility to digital technology as a performance driver.
- **Lastly, reintegrating digital technology into the organizational structure, as a tool and channel to be used by all.** When digital media departments reach a certain critical size in terms of resources, when an institution achieves a sufficient level of digital maturity, and when digital technology is no longer used experimentally but as a channel



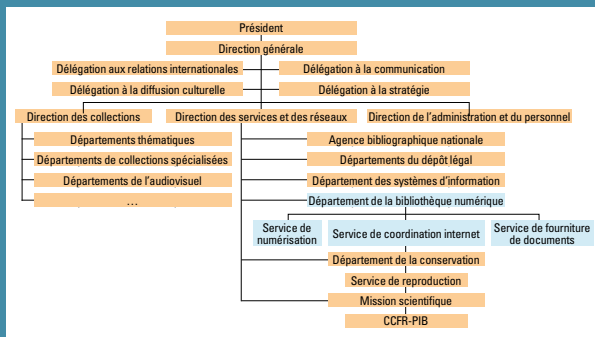
in its own right, it must then be treated as such and re-join the rest of the organization. Overseen by dedicated digital teams, each department – public relations, marketing,

commercialization, conservation, archiving, etc. – needs to make use of digital technology to pursue its own objectives.

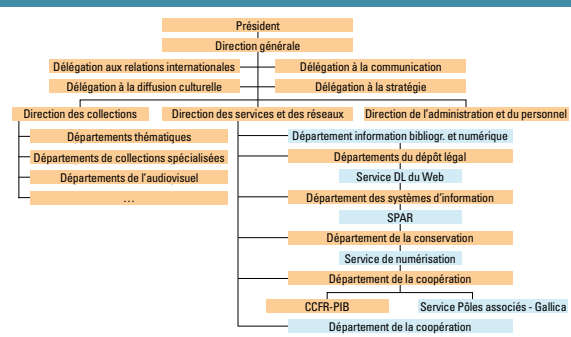


### The Bibliothèque Nationale de France, a two-phase strategy to meet the challenges raised by digital technology

- A powerful and urgent need to digitize works in response to projects undertaken by various giant American technology firms (Google Books, Microsoft, etc.)
- A digital library department was set up in 1998, with some 15 employees temporarily assigned to digitization, provision of documents via the internet and internet coordination
- This department was dissolved in 2008, after which digital activities were redistributed between different services



BNF organisational chart, 1998



BNF organisational chart, 2008

## ● Freedom to fail, test & learn – digital technology changes the game

Aside from the organization and resources, digital technology also often introduces and demands that a new culture be incorporated into the methods of operation.

- **Shaped by a generation of innovative and daring start-ups, digital technology thrives on flexibility and risk-taking.** This often involves testing, where beta versions are launched and quickly submitted to the great public filter, in order to obtain feedback and make continuous alterations. This set of practices, known as ‘test and learn’, adopted in marketing a long time ago, is also one of the keys to the development of digital technology.
- **Consequently, having the freedom to fail is a key principle.** In other words, gaining the approval and confidence of management and knowing that failure is permitted helps to unshackle creative minds and provides the freedom to see certain projects through to fruition: *“The freedom to fail is an essential component of any digital business*

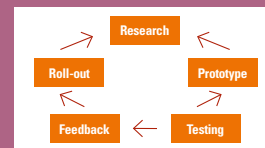


### Research & Development at the BBC, innovation through experimentation

- A research laboratory aimed at developing cutting-edge technology for the organization itself and more generally for British broadcasters and media

– This service, which employs some 200 people, is currently working on numerous innovative projects such as unconventional screens and audio visualization, or EU-funded projects like MediaScope, which focuses on developer-friendly standards for connected devices.

– These projects do not all lead to mass production, but the freedom-to-fail approach, test & learn policy and sequential experimentation processes pave the way for the emergence of truly innovative initiatives.



Screen capture from the BBC R&D site



The BBC's test & learn process



*– enhancing the level of risk is vital to fostering creativity and innovation. In our role as investors, we encourage risk-taking and avoid stigmatizing failure, our goal being to work with innovative entrepreneurs in the cultural sector,”* explains Virginie Civrais of the Belgian investment fund **St’Art**, which specializes in culture-related businesses.

- **Keeping a continuous eye on changes in usage, rival initiatives, and, more generally, the entire digital ecosystem** is important for understanding developing trends

and reacting appropriately. Some players develop close relationships with the start-ups in their sector. This is true of **TF1**, which, through its Innovation Department and its Lab, keeps tabs on young, dynamic, and innovative companies in the audiovisual sector.

- **Taking an open-minded approach to technology, formats, and even platforms appears crucial** for keeping abreast of the rapid changes in public usage and preferences.

## ● The crucial issue of resource allocation

**The move toward more digital technology requires resources, to ensure that an organization is equipped with the right skills and tools**, particularly during the ‘build’ phase which is aimed at generating digital dynamism.

Obviously, solutions differ between what are regarded as major institutions with substantial means, such as the **Metropolitan Museum of Art** in New York, and more modestly funded organizations. **For all that, the question of resource allocation is often raised in similar terms, with digital entities in large organizations often having disproportionate means at their disposal to meet the same challenges.**

To get out of this rut and away from talk of lack of resources, which can often stymie debate, one must look toward men and women, **specifically by identifying ‘intrapreneurs’**, creative types with an entrepreneurial spirit who work within an organization,

realizing new projects.

In order to do that, cultural organizations need to improve their flexibility and adaptability, particularly in terms of working methods, and:

- Benefit from the flexibility and shared expertise promoted by a matrix organization
- Implement operational innovation units, and grant them time, and even constant resources: promoting flexible working hours for the teams involved, and enabling them to work on digital projects that interest them – sometimes far from their core activity
- Be innovative as regards the logic of internal operations by adopting a project-based approach
- Launch joint projects to highlight partnerships and resource-pooling with similar organizations.

## ● Improving operational efficiency: a lever to be activated

Of course, the resources allocated do not always correspond to the challenges of digital technology, and extremely small organizations with tight budgets have an even greater struggle to generate the resources necessary for their development.

Sixty-three percent of them, however, believe that digital technology significantly improves their quality of work and makes them more efficient, according to the survey

carried out by Pew Internet in 2012.

So, one resource-generating lever could now lie in cultural organizations improving their operational efficiency, and in the cost and time savings that would ensue. Below we outline five major ways to achieve this:

- **Automate processes.** The gradual automation of certain processes – such as, for example, online ticket sales – facilitates,

accelerates, and simplifies data and financial flows within organizations

- **Reduce operational costs.** Using free or inexpensive digital tools enables cultural institutions to reduce their operational costs. Email campaigns and online recruitment are two good examples.
- **Maximize resources.** Some 40% of organizations claim to use cloud computing to store data or run software. In the cultural sector as well, some institutions have already considered ways of maximizing their resources. At New York's **Metropolitan Museum of Art**, for example, the Digital Media Department works together with all other departments on digital innovations, creating content in tandem with the curators, posting on social networks, and developing an audio guide and applications with teams devoted to visitors' pathways. In summary, the key is to use digital tools to more fully satisfy consumers' needs, by encouraging cooperation between the different entities involved, in order to benefit from the knowledge and expertise of digital specialists.
- **Implement collaborative platforms.** Digital tools facilitate collaboration between individuals. Implementing collaborative platforms inside organizations (shared workspaces, remote collaboration tools, etc.) enables and accelerates innovation processes, new-idea generation, and project advancement. In other words, the institution's operational efficiency. This is even more true for digital innovation, where cycles are short and the need for expertise is great.
- **Facilitate the preservation and archiving of works of art.** After moving to less expensive tools and reducing costs via cloud storage, cultural organizations can



### Silicon Valois, the brainchild of the French Ministry of Culture – co-working, synergies and creativity inspired by digital technology

- In May 2014, the Silicon Valois initiative, which was launched by the French Ministry of Culture, brought together professionals from culture, digital technology, entrepreneurs, developers and students within a collaborative working space, in order to encourage the sharing of skills and expertise.
- The 'Hackathon' that was subsequently organized enabled the creation of application prototypes, innovative products and services focused on cultural information: a solution that allows tourists to see historical monuments on a map and enhances the information presented, an application for sharing first impressions during a museum visit, the appropriation and sharing of public data, free licensing, metadata, Open data, etc.
- This collaborative venture helped to pool the skills and knowledge of numerous players to predict future usage and propose a series of measures picked up by the Ministry.



Screen capture from the French Ministry of Culture website

now register ephemeral works or temporary exhibitions more quickly and at lower cost. However, as the Europeana and Gallica (run by the **Bibliothèque Nationale de France**) digital archiving projects have proved, the digitizing of cultural heritage is a gargantuan task. In addition, the issue of financing is now intense, especially when private players with incomparable financial muscle are offering to do it for free in exchange for the right to use the data collected. Which model and what kind of balance need to be found to complete this work while ensuring the public service mission of making cultural heritage available to citizens?

## ● Conclusion:

Digital technology has permanently changed how we experience culture. More accessible, more abundant, available instantly and while on the move, culture is now 'consumed' differently and for longer.

Although we sometimes feel 'e-lost' when faced with the enormous number of choices on offer, digital advances have none the less made us more demanding as regards a cultural offering that is infinitely more diversified. Unmindful of the paradoxes, we expect at one and the same time to be both guided and free to make our own choice, personally recognized and advised, rewarded for our loyalty, surprised and delighted, and to be assured that our personal data should be used to inform us but that our private lives should be respected. It is a huge challenge that the traditional players in the cultural world must meet in full knowledge of the facts.

In addition to the profound changes that have taken place as regards their audience's expectations and usage, major cultural distributors and institutions must also adapt in a constantly evolving economic and competitive environment, as we previously demonstrated in our 2013 study, *Creators, producers, distributors, consumers, public authorities. Who really has overall control?*

In order to help them meet this evolutionary challenge, we are convinced that any reform of these institutions must be based on the following two key principles:

### > Rethink the offering and experience via a more assertive marketing approach:

- **Develop and improve the cultural offering**, providing an overall experience throughout the public's 'journey' and offering more services in line with e-commerce standards
- **Personalize the relationship with the public** – ignore the traditional model of the 'bestseller' to suggest recommendations that respond to 'e-lost' consumers faced with too much choice.



- **Diversify their offering by venturing into new broadcasting territory:** transmit the message via new channels, establish links between traditional players and pure-play e-businesses, build intelligent partnerships that will blend traditional cultural practices and digital innovations.
- **Learn to get value from collected personal data** to diversify revenue streams while developing codes of ethics on how they may be used.
- **Regain a credible role of prescriber and discoverer** through the editorial treatment of content and through storytelling, to maintain legitimacy alongside pure-play companies and to offer the public the magical experience they are looking for.
- **Reposition the brands of cultural institutions** and distributors in a coherent manner, highlighting the cultural experience on offer and continuing to win over the public, advertisers, and sponsors.

This humanized and assertive cultural marketing approach, which has become essential in the digital age, is the key to reviving the audience, gaining their loyalty, and continuing to surprise them. It entails introducing a 'market-oriented' approach, based on service, understanding the 'customer', 'user experience', and 'bundles' – jargon

(and the corresponding skills) that cultural organizations must adopt unapologetically to meet public expectation.

**> Incorporate digital technology into the organization by adapting internal operations to digital ambitions:**

- **Take the time to install digital technology within the organization**, letting it first be carried along by the relevant skilled and motivated individuals before spreading the expertise throughout the organization.
- **Allocate resources in line with digital ambitions** and organize work according to available means: start project-based operations and establish internal flexibility to encourage the sharing of skills.
- **Improve organizations' operational efficiency** by optimizing resources and recommending new ways of working more collaboratively.

**This reform, to which numerous players have already committed themselves, must be accompanied by new values and practices, inspired by internet culture and compensating for the absence of ad hoc resources: freedom to fail, short innovation cycles, test & learn, increased interchanges with an ecosystem of**

innovative start-ups, and respect for the use of personal data.

**Of course, a regulatory framework conducive to universal development and encouraging quality and diversity in terms of content and cultural experience is essential to driving through and supporting these reforms, and to enabling cultural institutions to compete with the Internet's pure players.** Although we already made these same points in our 2013 study<sup>6</sup>, they are still just as relevant, as no progress has been made on the subjects mentioned during the past year, despite the fact they remain fundamental:

- Harmonize tax and regulatory frameworks at a European level
- Involve digital players in financing creation
- Review financing measures at the national level
- Implement a European pre-funding arrangement coupled with a marketing policy
- Develop and implement additional financial tools (such as savings facilities, a regulatory framework for crowdfunding, and investment funds devoted to culture).

**6-** Kurt Salmon Study for the Forum d'Avignon 2013 *Creators, producers, distributors, consumers, public authorities...*, available on the Kurt Salmon's website [forum-avignon.org](http://forum-avignon.org).



For more  
information



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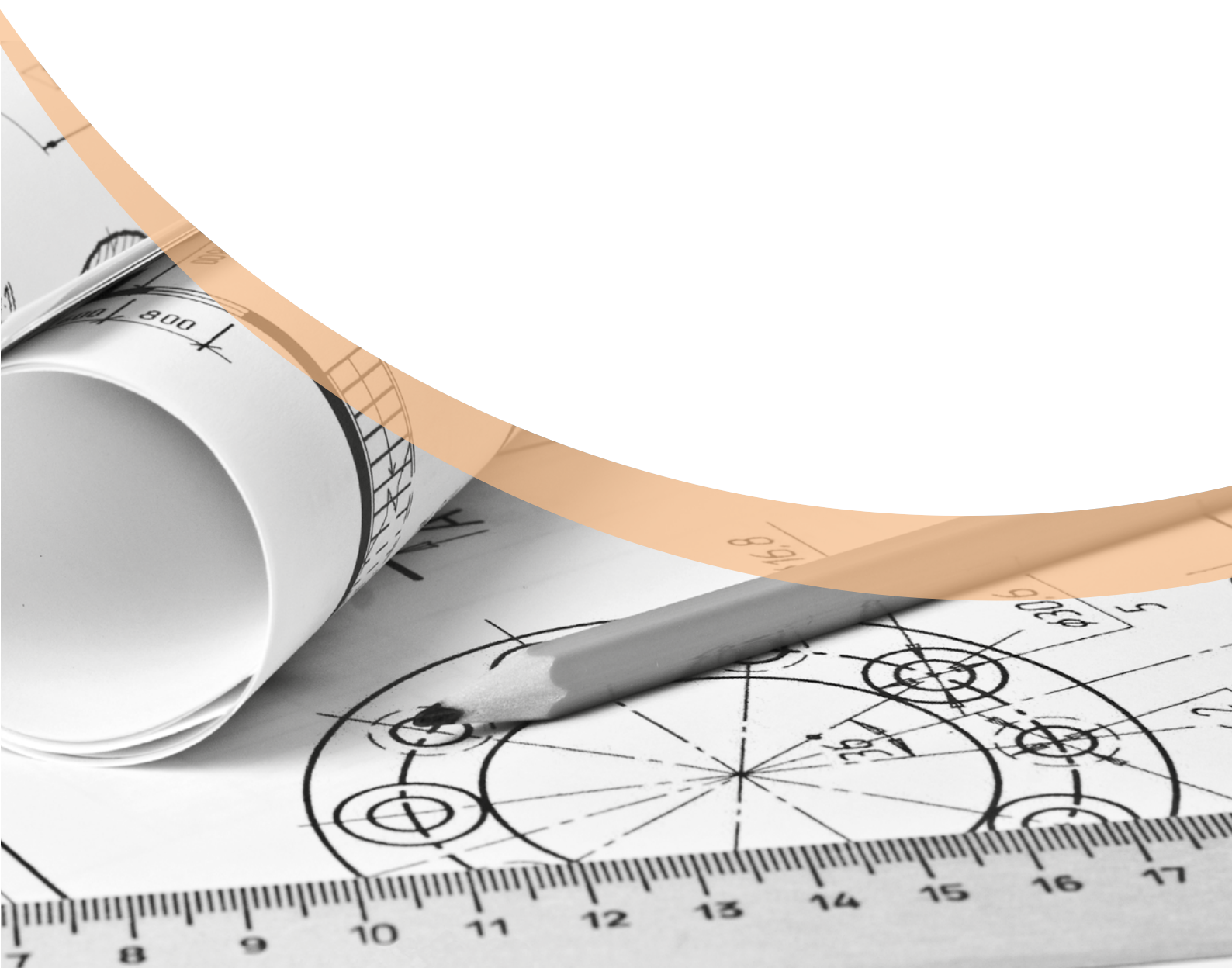
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## ● Methodological notes

This year, the study has again taken a two-step data-collection approach:

- A quantitative approach, through a consumer survey
- A qualitative approach, through interviews and discussion sessions with the working group put together with the help of the Forum d'Avignon's teams.

### Kurt Salmon consumer survey 2014

The study was conducted in April 2014 on a representative sample – chosen on criteria of age, sex, geographical area and socio-professional category – of 4,000 individuals over 15 years of age as follows: 1,000 in urban China, 1,000 in the United States, 1,000 in France, and 1,000 in the United Kingdom.

The objectives of the survey were threefold:

- Understand the new ways in which the public uses digital technology to access and enjoy culture
- Evaluate disincentives to consumption
- Get a sense of the public's expectations of digital technology and of the way in which their cultural experiences have changed.

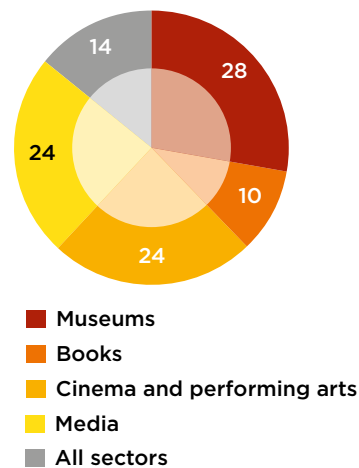
In addition to this survey, we carried out another in June 2014 that was specific to the 15 - 25 age band, in which we asked 1,000 young French people about their cultural habits.

### Qualitative interviews

In parallel with the field survey, we conducted some 20 interviews at an international level with the heads and decision-makers of major cultural organizations, cultural distributors, and innovative start-ups.

The goal of these interviews was to give us food for thought and to try to understand how each of the cultural distributors and institutions we encountered is adapting to the new ways in which the public uses digital technology. How they have succeeded in innovating, be it within their organization, in the way they address the public, in their constraints, in their opportunities, and more.

Division of interviews by type of cultural experience (%)



# About...

## ● Forum d'Avignon

The Forum d'Avignon is **a think-tank dedicated to culture**, created in 2008 after the ratification of the UNESCO Convention. From the outset, it aims to deepen and enhance the linkages between culture and economy but also their role in promoting social cohesion and attractiveness of regions. **Its mission is to produce and disseminate innovative and pragmatic proposals**, both nationally and internationally, from themes proposed by its Board of orientation:

- Financing and business models;
- Culture and attractiveness of the territories;
- Culture and digital;
- Culture and innovation.

The Forum d'Avignon committed throughout the year a series of debates, working committees and forums. To his credit, a heritage of 25 exclusive studies developed by the think-tank and international consulting firms, Acts published by Gallimard and constant mobilization on its website **www.forum-avignon.org** a global network of artists, contractors, representatives of creative and cultural industries, international university students, and more than twenty-five public and private partners. Its contribution is intended to stimulate public debate on topics or prospective societal issues relayed in national and international forums.

The ideas and proposals of the Forum d'Avignon are echoed during international meetings, resolutely international and cross sectors, which are support:

- in Essen (with the Forum d'Avignon-Ruhr, 27-28 June 2013)
- in Avignon (from 21 to 23 November 2013)
- and in Bilbao (with the Forum d'Avignon Bilbao, 5, 6 & 7 march 2014)

Under the next 2013-2015 editions, The Forum d'Avignon is investing to help the integration of culture in the heart of Politics, especially European. With strong proposals to influence the public debate around the 2014 European elections and join the international agenda (UN 2015, 2020 EU, WTO), so that culture is placed at the heart European citizens's debates and ambitions.

**www.forum-avignon.org**

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