

Conference on Contemporary Marketing & Audience Development
Senators Liz Krueger and Jose M Serrano
May 24, 2007

21st Century Social Capital: Entering the New Civic Space

By Diane E. Ragsdale

Thank you Senators Krueger and Serrano for the opportunity to speak today, and for your interest in the arts, and in these topics. It's an honor to be here and a privilege to talk with all of you. I need to preface my remarks by saying that these are personal perspectives that I began developing when I was working as a managing director for a presenting organization in Seattle called On the Boards, and should not be considered official views of the Andrew W. Mellon Foundation.

New York magazine has a feature called "Party Lines," about events in town. In October they featured the Metropolitan Opera opening and a quote by model Maggie Rizer, who said she'd never been to an opera before. When asked why not, she responded, "I never really hear anybody talking about it. It seems to me that it's a very traditional thing for older people. If it was brought up more, I think I'd go more."

[We'll come back to the changes at the Met since last October. If we ran into Maggie Rizer today, she might have a different response.]

Nonetheless, there is evidence to support what Maggie Rizer was saying. A 2001 Rand publication, "Building Participation in the Arts" states that social factors – prestige, influence of friends and relatives, and what those friends and relatives view as preferred forms of entertainment – are directly related to arts participation.

The arts have historically been a driver of social capital (which Robert Putnam defines as the connections among individuals) – we all know this, but what we're dealing with now is an altogether different beast. Connecting with people, exchanging information, word-of-mouth – social networking – has been given a bionic boost by sites like My Space, blogs, p2p file sharing, and IM technologies. What we're dealing with is social capital on steroids.

In a 2006 article in the *Chicago Tribune* on the impact of digital technologies on the record label industry, an artist manager is quoted saying, "The business as we know it is broken. Digital technology is fundamentally changing our business in a way that no development in the last 200 years has, except for the onset of electricity. The consumer is now the distributor and manufacturer, which represents a fundamental change in the value chain of who gets what. The article goes on to say that "commercial radio, MTV, retail stores, and record companies are losing their taste making status, while consumers are becoming de facto music programmers who share information and music via message boards, Web pages, e-zines, and MP3 blogs"

In other words, if Maggie Rizer's friends are not sending her txt messages telling her to go to the Met, she's probably not going to go to the Met, and what's happening in the blogosphere has potentially more power to affect how many people buy tickets to the show you just opened, than that slick brochure you just mailed out, the patron mail you blasted to your entire listserve, or the review in your local newspaper – even if your local newspaper is *The New York Times*.

The consumer is king. What I'm talking about is just one manifestation of a larger culture change. What do I mean?

Let's look at an example from the political arena. Following the 2004 election, in a posting titled "How Democrats Can Seize the New Civic Space", MYDD blogger Chris Bowers wrote, "I am slowly coming to believe that the main reason for the diminishing returns of large political investments is the inability of political campaigns to properly adjust to the way civic engagement itself has changed. Specifically, individual engagement in the public sphere is now driven primarily by small, self-starting, disparate collectives rather than by participation within large, centralized, mass membership, civic organizations."

Bowers states, "As a result of the changes in the public sphere, we need to find new means of voter contact that address our new reality. The only way that is going to happen is if the party moves away from mass-membership, institutional based campaigns which do not reflect how people live and participate in political discourse, and toward a much greater focus on campaigns that are driven by individuals who hold influential positions within small social groups. This is neither strategic, choosing one plan over another, nor moral, choosing one value over another. Instead, this is ontological, recognizing that one reality has replaced another."

In the posting, Bowers goes on to suggest that the Democratic party aggressively experiment with everything from videogames to cultural events, and invest heavily in learning about and using new technologies. Let's talk about new technologies for a moment.

As a result of the Internet and other new media technologies, there has been a paradigmatic shift in the relationship between people, space, and time, which is fundamentally changing the way people communicate, create, consume, and commune. In response to these shifting consumer habits, other industries have already changed how they create, market, and distribute their products and services, and how they define their value in relationship to their customers. Like these businesses, arts organizations need to redefine their value in relationship to their patrons in light of this culture change.

When I say patrons, I mean *all* their patrons. Not just the members of Generations X & Y, and those enigmatic digital natives that will soon run the universe.

What about all of those experience-junkie Baby Boomers out there?

If turning 50 is all that's needed to turn empty nesters into arts patrons then every arts organization in this country should be experiencing a surge in audiences these days because the majority of the Boomers, the largest generation, are in their 50s and have sent their kids to college, and are looking for things to do. Like Generations X & Y, perhaps Boomers are also disinclined to subscribe to large, mass-membership institutions.

How do we engage patrons in this new civic space?

Well, I don't think anyone knows the answer with certainty, but here are five small conceptual ideas that I've been noodling on and batting around with friends and colleagues over the past five years.

#1: Go cellular.

In 2005 I read an article in *The New Yorker*, by Malcolm Gladwell (author of *The Tipping Point* and *Blink*). The article was called “The Cellular Church” and was about Rick Warren, author of *A Purpose Driven Life*, and head of one of the most successful mega-churches in the US. The way these mega-churches maintain a “sense of community” as they grow very large, says Gladwell, is by creating “a network of lots of little church cells – exclusive, tightly knit groups of six or seven who meet in one another’s homes during the week to worship and pray.” The church has thousands of volunteers who are charged with getting to know each member who walks in the door and getting that new member plugged into a small group, formed around shared hobbies and interests – knitting, quilting, mountain biking.

So what fuels participation in Rick Warren’s small “cellular” groups? Religion? Belief in God? Robert Putnam, author of the book *Bowling Alone*, says it’s friendship. These cells effectively function as social networks, fueling deep friendships between church members. What’s clear from the article is that people who are in small groups are more likely to show up at church on Sunday, stay a member of the Church longer, and give more money. In other words, they participate because they belong to a social network that enforces church attendance and an ethic of giving.

These mega-churches are succeeding because they understand that for most people, it is the social connections they form as an aspect of going to church that in large part drive them to attend and donate. Without the small group Warren explains in the article, “going to Church with 5,000 people could feel pretty impersonal.” Probably a lot like going to a concert hall with 3,000 people, or a theater with 1,200 people.

Arts organizations need to foster small-group socially-driven arts participation. What does this mean?

To start, this means turning our physical and virtual spaces into places where people can commune. Let’s start with lobbies.

In one of our first conversations, Lane Czaplinski, the artistic director of On the Boards, and I talked about demolishing and redesigning the theater’s lobby (a lobby that was only 5 years old at the time). I sincerely believe that if arts organizations are going to create spaces that support socializing then our lobbies need to be more than holding pens. If we want patrons to linger, talk about the art, and meet one another, we need to stretch the time between when the house lights go up, and the car door or subway doors, slam shut. A kiosk with a pot of coffee and a tip jar, or a “mini bar” with \$8 beers stuck in the middle of a cramped or cavernous room with gray walls, no comfortable seating, harsh lighting, no music, nothing to engage with visually, and that shuts down after intermission, doesn’t cut it anymore. Lobbies could be living rooms, galleries, book shops, Internet cafés, really great bars ... the possibilities are endless.

People go to the baseball game and don’t watch the game, but drink beer and eat hotdogs with pals; people belong to book clubs that are primarily about the wine and cheese and catching up with friends, and secondarily about reading the books. We need to create spaces that promote dialogue with and between patrons, as much as spaces to present artistic events.

And we need to resist the temptation to be precious with the artistic experience and encourage people to show up and engage with the art, and with each other, as they will.

Rethinking our physical spaces is not enough, though.

Patrons also need virtual spaces where they can connect, explore, and share their thoughts. Arts consultant Alan Brown of Wolfe/Brown and Associates has suggested that arts organizations list “interest groups” on the homepages of their websites. What could you do with that information? Well, if you could learn more about the niche artistic interests, and outside hobbies of your patrons, you could develop low-cost customized salon-style engagement activities for small groups. At the very least these interest groups could help spark social networking among your patrons.

Arts organizations need to use their websites to create communities for people to learn about the art, sample the art, vote on the art, blog about the art, curate their own experiences, and share what they love with others. Which brings me to ...

#2 – Sample & Share.

The rule on the Internet is: sampling is free. You can listen to an entire CD before you purchase it. In order to reach broader audiences arts organizations need to create free and low-cost opportunities for people to sample and share their art (in a viral sense) through mediated and live experiences with others. By low-cost I mean affordable in terms of both money and time.

I’m sure you’ve all read about the new strategies of the Metropolitan Opera: Digital downloads, performances streamed in Times Square and at movie theaters across the US, DVD’s, digital radio, etc. If you read *Bloomberg* and *The New York Times* on May 17th, you saw that since implementing its new strategies the Met experienced its first ticket-sale increase by season in six years and there were 88 sold-out performances this season, up from 22 last season. They sold 323,751 tickets for the high-def broadcasts of operas in 400 movie theaters around the world. At \$18 each in the US, they earned \$3 million. Let’s not forget, however, that all of these new media strategies were complemented by free dress rehearsals and a supply of \$20 tickets at every performance.

I know that very few organizations have the budget and reach to enter into business deals on par with the Met’s and that these particular strategies grow from their size, and position as an internationally-recognized leading brand in their industry. On the other hand, like the Met, any organization can re-think its relationships with its patrons and its art, and I believe most can capitalize on the capacity for mediated experiences to reach new audiences, and deepen relationships with existing audiences.

Last October I went to a concert by the American Composers Orchestra, an orchestra that by and large does new and experimental compositions. I experienced a terrific new Brad Lupman composition, accompanied by a great video created by a New York company called Boom Design Group. Unless you could get to NYC on October 13, 2006, there was no way for you to hear and see this piece (as you know, most new compositions are played once and not again for one-to-two years, if ever. And yet, if the ACO had put the recording of the piece, with the video, on their website, and allowed people to experience a 3 minute sample for free, or download the

whole piece for \$1 or \$2, I would have emailed everyone I knew the day after the concert and said, “go to the website and check out this piece – it’s fantastic.”

The fact is that if I email them and tell them to buy it, it’s going to mean a lot more to them than if the ACO does. And if the premise of Chris Anderson’s *The Long Tail* is true – that the future of culture and commerce lies not in creating blockbusters but in creating and mining niche markets – then the ACO might be amazed at how many people around the world would pay a buck or two to download that music and video piece that they currently cannot access.

This is not about top down control from arts organizations; it’s about allowing patrons to be active participants in our sites, and turning them into devoted fans and catalysts for participation by others (in other words, driving word of mouth). Which brings me to ...

#3 - Embrace the Pro-Am Revolution.

In the 2004 pamphlet *Pro-Am Revolution, how enthusiasts are changing our economy and society*, Charles Leadbeater and Paul Miller write: “Pro-Ams - people pursuing amateur activities to professional standards - are an increasingly important part of our society and economy. For Pro-Ams, leisure is not passive consumerism but active and participatory... The 20th century witnessed the rise of professionals. In one field after another, amateurs and their ramshackle organizations were driven out by people who knew what they were doing and had certificates to prove it. The Pro-Am Revolution argues this historic shift is reversing.”

The Internet has given everyone with access the tools to create and distribute their own art. Arts organizations could become sources of images, and audio and video content that could be re-purposed by amateur artists. Organizations could invite patrons or pro-am artists to submit artistic work that could be displayed on their websites each month as a way of building community (and maybe even finding new talent or new programming ideas). Some organizations are testing this concept already.

For an exhibit of an avant-garde multimedia group called The Residents, MOMA curated 11 videos to accompany a short audio piece by the Residents. These videos were created by the general public in response to an open call. The top 11 videos curated by MOMA, were then posted on You Tube, and the public was invited to weigh in, and vote for their favorites. From the public feedback, MOMA ultimately determined which videos to screen at the museum. This is a great example of unleashing amateur creativity and art.

What about patron as pro-am critic? If the consumer has achieved tastemaking status anyway, then why not elevate seasoned patrons to the role of reviewers and encourage them to write reviews, posted as blogs on your websites? On the Boards has been doing this successfully for more than three years. Patron Reviews not only give your organization critical information about what patrons are thinking, but help patrons build community, and improve their capacities to process, discuss and understand what they have experienced. It also promotes alternative viewpoints from those espoused by the local art critic (let’s not forget that art is subjective, after all); and, in the absence of a review, a patron review is a strong substitute for satisfying those “latemovers” who need to hear what people think before they will buy tickets. And they may trust your patron reviews more than they trust the local critic, anyway. This brings us to ...

#4 –Be Arts Concierges – and Filter!

One of the greatest challenges for consumers created by the Internet is having too many choices ... people are bombarded with information. And in fact, research indicates that having too many choices often leads to a decision paralysis in people. Consumers increasingly expect customization, and for retailers to understand their preferences and market to them accordingly. Recommender-sites like Amazon and Rhapsody understand this. Arts organizations, on the other hand, don't really get this – we are terrible at helping patrons make smart, satisfying purchase decisions.

Arts organizations tend to tell the public “We’ve got 8 or 20 or 50 shows this season, and they are all fantastic (!!)” Well, they may all be pretty good, but they are not all the same, and by not helping patrons find the play that they are most likely to enjoy seeing, there is a likelihood that they will either choose none of the above; or not have an enjoyable experience. And at \$50 or \$80 a ticket (or more) it’s a risky purchase!

Arts organizations need to get beyond transactional experiences and become arts concierges. We need to become responsive, reliable, and trusted friends who help patrons make decisions about what to see, who to invite, and where to go for dinner before hand.

In much the same way as Amazon uses data and filters to make recommendations, arts organizations could collect data on patrons (gathered from purchases, experiential personality inventories, online surveys, quick email polls the day after a performance asking for a thumbs up/thumbs down response). Arts organizations could develop customized filters based around personal preferences, or try collaborative filters like those that Amazon uses, which coupled with Patron Review Blogs might entice patrons to try performances they might not otherwise have sought out. If I’m a consumer, it stands to reason, that the better your site becomes at making recommendations to me, and the more satisfying my arts experiences, the more valuable your site (and organization) will be to me. But doing this on a single organization’s website is just the beginning. Which brings me, finally, to ...

#5 – Aggregate supply and demand.

Imagine this idea scaled for an entire city. What if all the products from all the arts organizations in NYC were aggregated by a site called “NYCCultureClub.org” and you could get a weekly (or monthly, depending on your preference) email in your in box making personal culture recommendations to you from everything that’s happening in your city that week. And what if this aggregation of products and customer data meant that all the arts and cultural organizations in NYC could collaborate to allow New Yorkers (and tourists who belong to the CultureClubs in their home cities) to create customized subscriptions or vacation packages? (Basically horizontal packages bundling artistic experiences across the product lines of the various organizations) -- “A Masterworks package” an “An Avant-Garde package” “A Wholesome Family Entertainment package” a “Hot Art with Cool Parties package” etc.

By bundling horizontally, one play on your season, or one exhibit in your museum, could appear on hundreds of niche packages. And what if these packages weren’t limited to nonprofit fine arts organizations? What if they included nightclubs, Broadway, films, gallery exhibits, books, cds and other commercial entertainment?

Blasphemy? In fact, why not tie a site like this to Amazon, or NetFlix, Public Radio, TV, or Cable? What if because you bought a ticket to a play through a site like this, you could automatically get an alert when the play was being discussed on your local NPR station? What if the interview was automatically downloaded as a podcast to your device of choice, or emailed to you, because you are a member of that NPR station?

Andrew Taylor and I have been discussing a concept called Amazon-Live. (BTW you can read Andrew's terrific blog, *The Artful Manager*, on www.artsjournal.com) What if, because you bought a particular Shostakovich CD, Amazon alerted you when a piece on that CD was going to be played by a local orchestra? What if you were one click away from buying a ticket?

Does bundling with commercial entertainment makes us super sleazy, or super smart? What if bundling with a commercial product drove more people to your organization?

In 1992 sociologist Richard Peterson coined the term Cultural Omnivore to describe the tendency of Baby Boomers and others to develop tastes for everything: high art and pop culture and everything in between. We may have a generation of cultural omnivores out there, but we've made it difficult for them to feast because we've created silos between non-commercial and commercial entertainment, and between the disciplines of music, theater, dance and opera.

Why not help these omnivores find their ways from *Six Feet Under* to the playwright Adam Bock? In the minds of the consumer, it's all culture. By maintaining our "separate and better than others" status the arts could be losing their spot at the banquet. We can aggregate supply and demand for culture, and grow the pie for everyone, or we can have turf battles.

If we choose the latter, I fear that HBO will beat us at our game, along with book clubs, cooking, knitting, gardening and home improvement. I recently attended a convening at the Getty Institute on Leisure Trends in the US. Someone noted, and you may have noticed as well, that many of these activities - cooking, gardening and home improvement - were elevated during the 20th century from chores to leisure time cultural activities. No doubt, in large part because of media (television shows and magazines).

There is no formula for how we engage the new civic space. The answer is not "hardware + software + \$15 tickets." This is about embracing the new reality. The only thing holding us back is that we haven't yet wrapped our minds around the paradigm shift.

Alan Brown said to me once that the change that needs to be made is not evolutionary. In other words tweaking the existing model will not get us where we need to go. We need to allow for the fact that technology has permanently and radically changed the relationship between people, space, time - and art. And now we need to embrace that change. We need to enter the new civic space, and connect people with artistic experiences that *they* value, *when* they want them, *where* they want them, and *how* they want them.

The American writer, philosopher and publisher Elbert Hubbard said, "Art is not a thing; it is a way." It is up to us to forge the way. Audience development starts with redefining our value in relationship to people. It is no longer sufficient to be sellers of art and to have transactional relationships with our patrons. For art to be relevant it cannot simply be a thing to be sold or given away. We are here as much to foster social connections and encourage creativity as to create great aesthetic experiences.

6/3/2007

8

Thank you.