I’m honored to be invited to share with you this afternoon some of what I’m thinking about digital media trends, changes in consumer behavior, and the resulting opportunities American orchestras simply must seize.

Let me put right out there where I’m starting from. I believe American Orchestras and the classical music industry suffer from a growing Relevance Deficit. I think it is manifest in Digital Media today. And I believe we can do powerful things to address it through Digital Media.

From where I sit today at Lincoln Center and what I’ve observed in my previous role as a media executive at Major League Baseball, I have two perspectives that share some common ground. Two businesses whose core, live offering demand a location-based, lengthy audience time commitment. Two industries whose youth participation has waned while their audiences have aged. Two products whose “players” are celebrated for their virtuosity, in two cultures that are very rooted in tradition.

But most of us would not tag American baseball out with a Relevance Deficit….

Some quick digital media indicators for American Orchestras bear noting:
How many of you flew United Airlines to get here? You’ll have heard in the on-board video they recently re-recorded their “brand music”—Gershwin’s Rhapsody in Blue—in honor of the 25th anniversary of that branding.

An iconic, American musical work. America’s largest airline. Do they feature one of the 9 outstanding American orchestras resident in their US hub cities? Nooooo.

They hopped across the pond to Abbey Studios, and used the London Symphony Orchestra. Then they celebrated it in a widely watched making-of video that is a brilliant piece of content marketing. How does that happen?

Last week, a leading distributor of performing arts content in Europe lamented to me that in the past 12 years he can count on one hand the number of audio visual programs American orchestras had made available for TV license there....
One of the rare and fast-growing online aggregation platforms for high-quality performing arts content is the European company medicitv--featuring over a hundred new live-streams a year and more than 1,300 recordings across the classical genres.

Less than 1 percent of that content is American-produced. By my count, a handful of recordings from 3 American orchestras, 2 American opera companies, and zero American dance companies.
I suspect many of you have seen the latest journalistic obituary for this industry—Tuesday’s *Slate* article…. “Requiem....Classical music in America is Dead.” Rest assured, I’m not here to “pile on.”

But I was struck by the author’s parting salvo: “…Classical music has been down for so long, it must somehow be due for a comeback. More realistically, though, I’m hoping for Jeff Bezos (“BAY-zoes”) to step in....Maybe he’d like a struggling orchestra to go with his newspaper.” Nice set-up for this Keynote:.... music rescued by media.

While we’re not likely to enroll a digital billionaire anytime soon, there’s some truth to this notion that the way up will be tied to digital innovation.

And we should re-frame the assumption that every orchestra has to go it alone. Industry after industry – including MLB—has shown that collective industry action moves the needle most meaningfully when the need is urgent.

I’d like to focus today’s remarks along these two lines: First a digital marketing landscape and opportunities overview. And then to challenge us to think anew about some of the biggest hurdles we face and how we might clear them.
In this connected world, you know that every organization needs a digital media strategy...one that connects a content strategy... with a social strategy, a distribution strategy and a discoverability strategy.

As consumers’ own voices are increasingly amplified digitally, as their search for entertainment experiences, and their payment for them increasingly migrate online, as their consumption of entertainment generally and music, specifically, grows online through streaming services....a responsive digital strategy is essential.

At one level, it is a sheer matter of keeping up...of meeting our existing and future audiences where they are and will increasingly be. But it’s more. Strategically executed, digital media can be a toolbox for us to achieve long-held institutional goals and deliver on mission in bold, new ways.

The question is: “How do we leverage the power of technology and media to deliver on our mission?” Vigilant boards and funders are asking this of us; strong leadership is growing the necessary internal and external expertise to answer it.
The most successful customer-driven businesses recognize that their digital media strategy will continue to change:

**Strategy starts** with clearly-stated goals with measurable objectives

It is **endorsed** by leadership and **shared** across the organization

The best efforts **measure** the metrics of success

And the strategy **iterates**, responsive to insights from that information.
The core product orchestras offer is an experience that is supremely aural. But how well are we listening in this digital age?...to our audiences’ communications to and about us, to the reams of data about their purchase and donor behavior, their preferences as evinced by their concert choices and content consumption—including views and listening on our digital sites—-their sentiment around and about our product?

As I talk to institutions on and off our campus, I see that all of us...can better prioritize the measurement of our audience’s digital doings....do better active listening, and then mine this data intelligently.
Audience is, after all, at the center of our efforts:

- Enhancing engagement and improving the patron experience of our existing audiences
- Reaching and growing new audiences
- Removing barriers to access and educating future audiences
- And for each of these, developing audience loyalty—their trust and likelihood to re-engage with our offerings

Audience-centrism means putting ourselves in our customers’ shoes; giving them what they value, not simply what we value giving them; and it means listening to them.
In case you hadn’t noticed, the balance of power has shifted from brand to audience. And it’s not coming back! Tectonic shifts in culture, facilitated by technology, have left the consumer in charge. A social-linked culture has forced us—historically so used to controlling our own images—to cede our brand development to the customer. Our audiences are vastly empowered and far more active than just 5 years ago.

Today, audience members have changing expectations about both their voice and their agency in their entertainment experiences. They want access behind-the-scenes. They value imaginative storytelling about their entertainment experiences. And if that storytelling is good, they will share it—amplifying our messages. They fully expect to author, or at least co-author, the meaning of their entertainment experiences. They act as tastemakers to their networked peers, powerfully influenced by and influencing others with their opinions and social sentiment.
Some 4th quarter 2013 social media stats we need to reckon with:

- 73% of the online adult U.S. population uses social media. More than half of those users are active across multiple channels.
- Those users spend, on average, 37 minutes per a day across social channels—the highest amount of time people spend on any Internet leisure activity. And that amount is fast growing.
- A typical social-media-using customer tells 42 other people about a company.
- And social users are 71% more likely to buy a product or service when a friend recommends it.
- Perhaps most importantly, they spend more. Customers who engage with a brand in social media spend 20-40% more with that brand than other customers.
Here’s one recent case study snapshot: our colleagues at New York City Ballet polled their single ticket buyers. On average, they spent about $350 each. But those who engaged with the brand on Facebook and YouTube spent a whopping 46% more on average.

Not incidentally, this is an organization that has prioritized creating powerful, shareable short-form, behind-the-scenes audio-visual assets, several of which have gone viral. I think you’d agree they got a good ROI on their investment on those pieces.
So back to these trends....How are we as an industry to respond to this shift? The growing amount of leisure time that people are dedicating online has a real crowd-out effect. Its “crowding out” the amount of time people are dedicating to live, off-line experiences—not just those in the concert hall.

While this is sobering, I’m not as prepared as some to put a nail in the coffin of classical or orchestral music. I think there is plenty to celebrate about this web-engaged public, IF we seize the advantage and turn upside down a number of assumptions about the role of media for our art form today.
The role of content for the entertainment industry has changed markedly and we’re no exception.

20 years back:
• Public broadcast was the sole platform of mass distribution, enjoying relatively strong tune-in, fundable largely by sponsor and foundation dollars;
• the sale of physical product was a driver of real revenue streams; and
• orchestral media activities were the privilege mostly of the larger-budgeted organizations.

Today, the role of content is very different:
• A world of fractionalized channels all are competing for our attention. We have ever-abundant choice and ever-scarce attention.
• Consumers can get and expect to get much of their content free in the on-line universe.
• So today, we need to use free-to-consumer on-line content as a marketing tool--to build community around and interest in our commercial live events. From touring pop artists to the burgeoning live event business of Ted Talks, increasing free-access online has grown their live event product significantly.
• And importantly, the value of data about audience content consumption has surpassed the value of what we can charge for that content independently. (Hence the free versions of streaming services.) In other words, content is what smart companies are using to know their customer better--to build audience profiles--to better market to those audiences what they do sell—whether it is live events or personalized, analytics-driven subscription streaming.

So, we need to adjust our assumptions about what the “monetization of content” means
today. It’s really the “optimization of content” today. There is little that is certain about direct revenue streams for our content in the immediate future. But its indirect value, one step removed from our core revenue streams, is critical.
Our new future is about activating our digital community of likes and followers, not merely collecting them. Qualitative, not just quantitative social community growth. And that activation must have content as a core ingredient.

In addition, we can’t be afraid of the scale of the social microphone. That ship has sailed. We need to embrace its amplification and win over our online influencers. Decades ago, when I worked as an entertainment litigator, we hired experts who read juror resumes and analyzed their body language to identify the leaders, the influencers we “played to” — and if we could win them over, we won the case. This has a direct analog in social networks today. How are you identifying and cultivating your orchestra’s greatest online influencers? These may be your most powerful bridges to reach and convert that untapped audience this industry has been discussing for the past decade: the culturally aware non-attender.

So how do we best engage and activate those influencers? I think we have an opportunity, really an obligation, to give them the content tools and perhaps even the on-line comment forums in which we facilitate their acting as our brand Ambassadors.

These same tools can help audiences author the meaning of their experience. Feel ownership of and participation in it. Honor the feeling that their presence matters.
Remember: the two biggest drivers of social sharing are perceived status-enhancement for the person posting (bragging “I was there” “4 encores, each better than the last”) or providing something of perceived shared value for his or her network of shared identity (i.e., “Fellow Wagnerian, I think you’re going to laugh at this,” or “Fellow parent with a child with disabilities, check out this interview of Itzhak Perlman, about the role music played in his youth as he confronted polio...”).

At concert start time, most of our organizations tell our audiences to turn off their phones. With celebrity audio voiceover, projections on wall, notes in program. But why don’t we use those same tools to remind them at concert’s end to turn their phones back on? and join the community conversation on social media? That their voice matters. Give them hashtags. Tell their friends what they missed.

Let’s provide them the highly-sharable bite-size content that will let them leverage their own networks. A recent performing arts benchmarking study found that the highest open rates of emails were pre- and post- performance .... at 44%. Do you provide assets immediately following a concert (photo of bowing artists; excerpt of soloist’s encore; photos or video clips from the red carpet opening or Gala) that can be deployed socially?

Our socially-empowered customer is here to stay. Let’s put them to work for us.
Getting it right in three key areas will determine our success as a digital media matter.

- The **content** needed, and the critical mass of it that’s necessary for success;
- The **distribution channels** that can best deliver R.O.I. in terms of reach, education, indirect revenue or direct revenue; and
- The **infrastructure**—both systems and personnel—needed to drive our efforts.

It sounds easy—but it’s not, of course: in fact, we need to rewrite the rules of the road in each of these areas.

- For one, our legacy media provisions with guild and union stakeholders have to catch up with the way the industry needs to market and use content in this age. We have an important start in the efforts of the 70-some organizations participating in the Electronic Media Agreement negotiations, working with our AF of M colleagues to achieve the game-changing terms critical to our industry’s relevance in the connected, digital age. How can we build on that?
- What other collective action will best position us in this age? This is a very tough landscape to navigate. As a content discoverability matter, a distribution matter, an infrastructure and systems matter—we could be far stronger making steps forward in some areas with joined forces. Think big:
  - Collectively architected systems for Digital Asset Management, with some complement of shared assets;
  - an Online Video Platform for American Orchestras that each could “skin” for its own catalog and live-offerings on a free, freemium or pay-wall basis, as each saw fit;
  - a cross-industry performance database with standardized meta-data and every program note every one of your organizations has penned.

I’ll tell you…Lincoln Center is looking hard at these, and I invite you to join me.

One more word about distribution beyond the importance of the social platforms I’ve covered. A prediction, really: the strongest platforms for the consumption of our content—whether free to the consumer, or with a pay-wall—will be aggregated ones.

Look outside our industry: YouTube—even though practically non-curated—has revolutionized discoverability. Netflix—the ultimate aggregation platform—with 40 M subscribers has 3x the customers of premium cable channels, whose numbers are shrinking. I’ve spoken to how direct revenue streams from niche digital content are pretty far out on the horizon. But eventually, my money’s on a **multi-institution, cross-genre, robustly searchable subscription product that both**
predicts and expands a consumer’s appetite for content. That is going to succeed over any single-institution’s Digital Concert Hall. And the industry should be looking seriously at what its role in the building of or aggregation of its content in that might be.
Let me go back to sports as we wrap here. Baseball actually missed the boat with radio in the 1930s and with TV in the 40s. It didn’t grab the opportunities that those disruptions presented in terms of audience growth—too concerned that these new distribution platforms would decrease in-stadium attendance. In moving late to adopt both, they not only left millions on the table, they risked developing their own Relevance Deficit.

At the turn of this century, the sport was determined to get it right with digital media.

At the time, the very nascent digital activities of each MLB club were independent. Each controlled its own site. Way ahead of just about any other sport or industry, they made the hotly-debated but revolutionary decision to aggregate their on-line media rights and content under one roof, MLB Advanced Media. Known to most of you as mlb.com This was incredibly controversial internally. Fears of threats to current business models abounded. Some of the richest teams—one in this very city—were pretty confident they could do better on their own....
But in the end, prescient wisdom advanced by the League prevailed and the sport achieved efficiencies, positioned itself at the forefront of digital opportunity, built subscription product, launched the first and long-best-selling app for any sport—all more nimbly and faster than anyone else.

And, as this slide shows, in a period challenged by a significant recession and a steroids scandal, it ultimately grew live stadium audience League-wide.

This radical upheaval of the media landscape, the challenges and opportunities it is presenting—it’s not going to slow down any time soon. How as an industry will we best position ourselves to respond nimbly to opportunities we can’t imagine today?
Even if Jeff Bezos were here today, he wouldn’t give us many “definitive answers” .... But there are a few digital media imperatives I know he’d second:

- strengthening our digital communities,
- using strong content marketing,
- ensuring our digital discoverability, and
- collective action through aggregation....

And for ALL of these, mining our data intelligently and collectively.

These are absolutely key to our increasing the orchestral art-form’s footprint in a competitive entertainment marketplace.

Let’s rethink long-held assumptions as we work to offer relevant, commercially viable orchestral product in this connected, distracted digital age.

Sound orchestral management and the industry’s very sustainability demand it.

Thank you.
Thank you!

Elizabeth W. Scott
Chief Media & Digital Officer, Lincoln Center for the Performing Arts
Executive in Charge of Production, Live from Lincoln Center

@mediasenate