

The Arts in a Digital World - Literature Review

Executive Summary

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Prepared for

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Executive Summary

The arts and creative industries – along with banking, health care, and transport, even dining and shopping - all exist in an environment of digital dislocation, a digital world. The digital world for artists and arts organizations is more than technologies and platforms; it is new ways of working across the constraints of time and space, of removing pre-digital distinctions between creators and audiences, of developing immersive and engaging art forms. And, to be able to take full advantage of the potential of the digital world, artists and arts organizations need to be able to create and convert works, market and disseminate them, continuously innovate and operate creatively – supported by relevant and timely policies, legislation and programs. In fact, they need to adapt to and even recreate themselves to operate effectively in a digital world.

This report was prepared by Nordicity and commissioned by the Canada Council for the Arts. It explores the ways artists, arts organizations and arts funders from Canada and internationally have adapted to, and helped shape, the digital world. It considers the impact of digital technologies in the arts, and situates these developments in the context of the Council's strategic plan *Shaping a New Future 2016-2021* and the Council's digital ambitions. It then examines the digital strategies, and digital strategies in the arts, adopted by some leading jurisdictions in Canada and abroad. From these strategies emanate the programs and initiatives to support digital adoption in arts creation, innovation, dissemination, capacity building and social inclusion. These programs and initiatives are explored in a subsequent section of the report. Finally, the report discusses potential lessons and implications for the Council.

The report draws on an extensive literature review and interviews with arts and creative industry funders from around the world. It is complemented by a sister project (also by Nordicity) that surveys artists, arts professionals and arts organizations on their use of digital technologies and their digital capabilities. The report is a review of how agencies and funders have addressed the challenges of a digital world, but is not intended to be an exhaustive analysis of the transformation of the arts sector. The report considers strategy, policy, and administration that touches on both the arts and creative industries, but the focus is on strategies and programs for the arts - artists and arts organizations.

This report, along with the survey, should provide the Council with some useful material and models to consider in the implementation of its policies, programs, and processes. The report makes conclusions for consideration by the Council, but is not an implementation plan or roadmap. It is a review of other jurisdictions to provide material for the Council's own internal deliberations on how to help Canadian artists and arts organizations address the challenges and opportunities wrought by digital technology.

Digital transformation and disruption in society

A number of macro-trends are shaping society and the environment in which artists and arts organizations work. The term disruption was coined by Harvard Business School professor Clay Christensen to characterize the impact of new technologies that enabled firms to challenge the business models of the incumbent firms in the marketplace. The term has emerged as a way to

describe the disruptive effect on traditional firms as a result of adopting new processes made possible by new technologies that are simpler, cheaper or more convenient than existing products and processes. Ultimately, disruption is the result of the harnessing of technology to create new business models.¹ The following disruptions are affecting numerous sectors of the economy and society:

“Social and technical changes are increasing the prominence of knowledge, creativity, culture and the arts in the economy, whilst digital and other technologies lift constraints of distance and time on participation in the arts.

- Hasan Bakhshi, Radhika Desai and Alan Freeman, *Not Rocket Science: A Roadmap for Arts and Cultural R&D*, 2010.

- **The proliferation of mobile devices** has reinforced the movement toward content and communications that are available anytime and anywhere. A corollary to the movement toward increased content use on mobile is the proliferation of apps, platforms and operating systems that shape how users communicate and interact with content. Content creators must devise their content accordingly.
- **The transformation of public engagement**, where formerly passive content “consumers” have become active co-creators of, and participants in, digital content and the environments in which the content is consumed. As well, social media have become the platform of engagement, an environment that transforms the ways in which the artist and arts organizations engage with their publics.
- **The sharing economy and disintermediation** are disrupting the traditional business models of the tourism, transportation and other sectors; and the traditional distinctions between contractors vs. employees; and casual workers vs. part- or full-time employees.
- **Big data, enabled by massive growth in processing capacity** and the development and deployment of measurement technologies. Data, once captured, stored, analyzed and presented, have value, and digital analytics are transforming the way businesses manage their human and material resources, understand their customers, and develop new strategies and ventures.

¹ <https://techcrunch.com/2013/02/16/the-truth-about-disruption/>

- **The uneven distribution of digital infrastructure and access** across the population, where urban, educated, higher-income “haves” can engage more fully with the digital world than rural, less-educated, lower-income “have-nots.”

The study notes the impact of these trends on some selected industries, namely financial services, health care, transportation and entertainment/media. There are leaders and laggards, opportunities and threats, across the economy and society, and the arts sector is not alone in grappling with the implications of digital technologies. At the same time, there are a number of digital phenomena which affect the arts and creative industries sectors acutely, including:

- **Discoverability** – hundreds of hours of video uploaded to YouTube each minute; millions of would be musicians are uploading their music to similar platforms; thousands of books published each year in Canada alone, and ease of new software has enabled the mushrooming of self-publishing. Thus, creators face greater challenges in reaching audiences, or being discovered, in a crowded content world. They also face new gatekeepers, the main ones being international technology giants or international retailers, rather than the former local publisher, radio station, or TV network. Artists and arts organizations are indirectly affected by the lot of their creative industry brethren, and need to explore new ways of engaging with audiences, often by working with new types of intermediaries.
- **The evolving role of intermediaries, curators and programmers** – traditional intermediaries between artists and audiences include galleries, bookstores, performing arts venues, or film theatres. However, as audiences gain the ability to curate their own content, and seek content on multiple devices and platforms at times that are convenient, artists and arts organizations have had to respond to new intermediaries such as search engines, applications, video and audio streaming services, online booksellers or on-demand downloading options.
- **Multi-format and transmedia works** – creators in some disciplines are trying to appeal to both online and offline audiences, for example by publishing books in both ebook and print formats, or making videos that can be viewed in vertical and horizontal formats. This type of creation comes with costs, financially and in terms of infrastructure and skills
- **Social media** – as a means of engaging with audiences and as a means of disseminating content. Artists’ and arts organizations’ social media presence must be maintained and regularly updated. While this activity comes at a cost, digitally advanced creators can also benefit from social media to build awareness of their content and create communities of users and co-creators.
- **Diversified funding sources, such as crowdfunding** – to build their digital capacity, introduce necessary upgrades, undertake new digital projects or solidify their funding base, some artists and arts organizations are looking to digitally-enabled fundraising, or crowdfunding. The advantages: artists and arts organizations can build or expand on their audiences and user communities, and create excitement around their upcoming projects. The disadvantages: crowdfunding is generally (though not exclusively) for single projects or initiatives, making it difficult to sustain digital skills, capacity and knowledge over the long term.
- **Virtual and augmented reality** – from smartphone games to theatrical experiences, immersive simulations and computer-generated enhancements that interact with individuals and their surroundings are finding applications across artistic disciplines.

How artists and arts organizations are using digital technologies

At some level, digital technologies permeate the arts sector, be it through email and mobile communications, web sites and social media to build awareness, or software for organizational management. Beyond back office operations, many artists and arts organizations have harnessed digital technology to fundamentally transform the creative process and engage with audiences and co-creators as well as improve administrative processes. For example:

- **Digital as a means of creation:** Pioneering new media projects such as [Skawennati](#)'s online gallery/chat-space and mixed-reality event, *CyberPowWow* ; a paper doll/time-travel journal, *Imagining Indians in the 25th Century* ; and *TimeTraveller*[™], a multi-platform project featuring nine machinima episodes;
- **Digital as rethinking distribution:** Increasing the visibility of Canadian independent film and video across multiple platforms, while developing new ways to access, curate, research and engage with film, video and exhibition works. VUCAVU combines the collections of eight media arts distributors across Canada with a catalogue spanning over 45 years of creation ranging from film and video works created at the inception of Canadian moving-image art to contemporary works;
- **Digital as an aid to operational effectiveness:** Streamlining back office operations, as with CultureJuice, an Edinburgh-based collaboration between four performing arts venues and a technology provider to create a website and mobile application for youth and young professionals to purchase discounted tickets to events at the four venues.

What are the barriers to other artists and arts organizations following this lead? Studies in the UK and US point to issues of digital literacy, funding, skills, technical infrastructure, and organizational strategy. The programs and initiatives in operation in a variety of jurisdictions described in this report have sought to address these issues.

Digital strategies

Numerous jurisdictions including Canada, the UK, France, Sweden, Australia, New Zealand, Singapore, the EU and others have published national digital strategies. These strategies generally take a broad view of digital technologies and their applications to health care, education, the innovation economy, and many other areas affected by digital. However, these strategies generally do not address the arts. If artistic content or the creative industries are considered at all, the discussion tends to be limited to digital preservation of material culture, intellectual property rights and potential for online engagement as part of public consultation processes.

Quebec and the *Fédération Wallonie-Bruxelles* have looked to digital culture plans (the former has already published its plan, the latter is currently developing its plan) to address digital creation, dissemination, and innovation in the arts and creative industries. To this end, the Government of Quebec, often through its cultural agencies and other partners, has launched over 50 initiatives targeting the arts, cultural industries, museums, and archives.

While digital cultural plans are rare, arts and culture funding organizations have incorporated digital considerations into their strategic visions and plans. There are two discernible approaches to these strategies. First, arts funders such as Arts Council England (ACE) and Creative Scotland take a "horizontal" approach to digital technologies: digital is a cross-cutting issue that affects all of their strategies and programs, and open funding programs have broken down the discipline-specific funding models previously employed. A more "vertical" approach has been taken by the *Conseil des arts et des*

lettres du Québec (CALQ) and by the creative industry development agencies, like the Ontario Media Development Corporation (OMDC). These organizations' strategic plans contain specific goals regarding digital, and specific funding streams to encourage digital adoption in their sectors. Generally speaking, both approaches address some key themes, namely:

- The use of digital technologies in the development and creation of new works;
- Supporting innovation in the arts/creative industries;
- Enabling greater access to, and dissemination of, creative works through digital technologies;
- Building the organizational capacity of arts/creative organizations, through digital technologies; and
- Strengthening social inclusion through digital.

These key themes are therefore the categories under which we describe arts and creative industry funding programs relating to digital.

Digital programs and initiatives of arts and creative industry funding organizations

Nordicity examined approximately 20 funding initiatives and programs from Canada, the UK, France, the Nordic Countries and the US to identify innovative or instructive approaches to bridging the arts and digital technologies (see Appendix 3 for a summary of international programs reviewed).

- With regard to the use of digital for **creation**, we reviewed Telefilm Canada's Micro-Budget Production Program, which supports projects from the development stage through to marketing and dissemination. Other programs explored include France's *Fonds SCAN*, which supports digital arts projects that bring together artists, researchers, and technicians; and ACE's Grants for the Arts, which are open and fund projects across disciplines and activities.
- With regard to **innovation and research and development (R&D)**, we explored the New York State Council for the Arts and the Nordic Culture Fund, whose initiatives encourage creative risk-taking in interesting ways; the UK's Digital R&D Fund, which encouraged audience development and digital literacy in arts organizations; and Quebec's *Lab culturel*, which has documented lessons learned from a variety of small arts innovation projects.
- In terms of the use of digital technologies **for audience development and marketing**, we examined a strand of France's *Dispositif pour la création artistique numérique et multimédia (DICRéAM)*, which supports the creation, exhibition and dissemination of digital art works; the OMDC's Interactive Digital Media Marketing Fund; the culture portal launched by Télé-Québec, *La Fabrique culturelle*; and the British Council's initiative to strengthen cultural relations with India through UK-India 2017 Digital.
- **Capacity building** is explored through arts metrics initiatives launched by ACE and DataArts (in the US). While ACE encourages National Portfolio Organizations to gather, share and make use of audience data, DataArts provides American arts organizations with financial and program-related data collected through a survey. UK's The Space is considered for its new role in providing advice and expertise to artists navigating digital spaces, while the Cultural Human Resources Council in Canada is supporting skills and knowledge development. Finally, the Australian Cultural Fund offers an interesting example of crowdfunding for the arts.

- The potential of digital technologies in the arts to promote **social inclusion** is considered for remote and indigenous communities (Quebec’s *Scènes ouvertes*), and for youth (Creative Scotland’s TTS.Digital). We also examine how the Micro-Budget Production Program supports official-language minority and Aboriginal creators.

Observations drawn from this review

Through the literature review and interviews, and our analysis of the above-mentioned programs, we arrived at a number of considerations for the Council as it explores its own digital strategy.

First, **digital literacy** came up as a barrier and an enabler for arts organizations and arts funders.² In the context of this study, digitally-literate arts organizations can be partners for other arts organizations, and thus enable a process of collective learning and skills development. Even where funding for digital technologies is available, however, arts organizations hampered by a lack of digital literacy have been unable to bring truly innovative projects forward. Addressing this lack of digital literacy requires highly-skilled arts funders to be involved in guiding funding applicants toward potential partners, platforms, and digital resources.

Second, the issues of **administrative flexibility and speed** on the part of the arts organization were recurrent. The challenge for arts program administrators is to devise policies and guidelines that are sufficiently open-ended to enable truly innovative projects to come forward, but are able to filter out projects that propose less innovative digital uses. Moreover, with the speed of technology changes and innovations comes a need for fund administrators to respond quickly to applications. However, in the early years of a program, it is equally important for fund administrators to take the time to explain their expectations and intentions for the program, and help guide applicants through the process.

Third, there have been many initiatives to support **innovation in the arts**, and many useful “lessons learned” that could be shared with the arts community and arts funders. These “lessons learned” can be captured in program evaluations, as well as in project evaluations that are made available to the wider arts community, and in workshops, seminars and online. These lessons can address project management, finding technology or research partners, finding digitally skilled staff, developing appropriate audience development strategies, or seeking funding.

Fourth, some arts funders or other public bodies have supported the development of **single, shared platforms for digital dissemination**, such as web portals. At the same time, though, these platforms need to be complementary to, and not duplicative of, well-established platforms such as YouTube, Vimeo or others.

Fifth, the **project-based nature of much arts funding** can pose **challenges** for arts organizations that are seeking to develop, expand or improve on their existing digital infrastructures. Funded

²Cornell University defines digital literacy as “the ability to find, evaluate, utilize, share, and create content using information technologies and the Internet.” See <http://www.teachthought.com/pedagogy/literacy/the-definition-of-digital-literacy/>. For this study, the notion of digital literacy is more advanced: we assume that arts organizations and funders are able to use digital technologies, but not necessarily at the level required to create digital art works, implement packaged software solutions for operational functions like customer relationship management (CRM), undertake digital marketing campaigns, or harness the full potential of social media to create communities of engaged users and co-creators.

organizations can use some of the funding from their creative projects to acquire equipment or technology that is related to the project, but it is difficult for these organizations to build a coherent, consistent digital capacity across many such projects. Arts organizations with a solid digital strategy for their organization, with staged goals, consistent platforms and software, and an awareness of necessary skills, seem to manage better across their projects.

Sixth, some funders note that the benefits of creating more **inclusive programs** can be considerable, for the arts community and funders. Excluded or marginalized communities, when offered the resources to use digital technologies creatively, can bring new perspectives on the creative process and audiences. These communities need, however, to be involved collaboratively in the design and delivery of the programs that support them.

Seventh, **measures of the effectiveness** of these programs and initiatives are relatively **rare**. Often, this lack of measurement is because many digital funding programs in the arts world are fairly new and have not supported a critical mass of projects to be evaluated. Funders generally do require post-project reporting from the arts organization; however, given the diversity of funded projects (particularly those involving innovative or avant-garde approaches), it is difficult to be able to aggregate the results of all of these projects into a single evaluation report. “Output” measures are easier to compile, since they relate to the allocation of funding across projects by language, region, discipline etc. “Outcome” measures, relating to the overall impact of funded projects, if gathered at all, tend to focus on audiences (e.g. number of event attendees, types of populations reached online, ticket sales, etc.). More investment by program administrators in measurement is likely, to allow them to avail themselves of innovative performance measurement tools (e.g. qualitative measures) to assess these programs.

Finally, artists and arts organizations actively engaged in digital technologies are demonstrating the transformative potential of these technologies at the creative, audience, and operational levels, keeping pace with the digital transformations that society and the economy are experiencing. Generally, arts funders have responded, albeit in a more measured, incremental way, layering digital policies and funding programs onto existing funding approaches.

Alternative models

These observations lead us to posit some strategies and models for consideration by the Council. These models are not mutually exclusive, but do focus on different elements of the themes of creation, innovation, dissemination, capacity building and social inclusion.

A first model focuses on creation. The strategy would be to encourage the use of digital technologies to create a critical mass of high-quality digital art works, and digitally-enabled art. The objective would be to build arts organizations’ confidence and comfort with using digital technologies to create works or convert existing works into digital formats. There would be some emphasis as well on **audience engagement**, such that arts organizations could experiment with creating interactive or participatory works, or develop opportunities for collaborative creation. Funding programs could therefore stress innovation and experimentation, with initially low expectations of audience or commercial success. Once a critical mass is achieved and digital literacy among arts organizations and funders increases, the emphasis could shift to dissemination/exhibition, audience development, capacity building or other areas.

A second model stresses capacity building. The strategy would be to build digital skills, expand the use of digital technologies for marketing, increase audience access to works digitally, and encourage arts organizations to work collaboratively. Funding programs could therefore support projects that

provide training in digital creation, marketing, management and audience development. They could also support the creation of shared services for arts organizations (e.g. online ticketing, portals for exhibition of art works, or real-time collection of audience data).

A third model emphasizes transformation. The strategy would be to use digital technologies to transform the ways arts organizations create, engage with audiences, and manage their processes. Funded projects could explore new methods of relating to audiences in immersive or co-creative spaces, and engaging with younger and more diverse audiences. Arts organizations could be encouraged to implement new business models, such as partnerships with the commercial creative industry or technology companies, to share platforms, build skills, and leverage the creative vision of artists to inspire new applications of technology beyond the arts. And projects could encourage arts organization re-engineering, through new forms of teamwork and collaboration across time and space.

Whatever the model or strategy adopted, we are reminded of the message that many of our interviewees expressed: digital technology is a means, and not an end. The ends, for arts funders and arts organizations, are evergreen: artistic excellence, audience engagement, inclusion, resilience, innovation. Digital technologies are one means – albeit a pervasive and transformative means – of achieving those ends.