



mtm

# Digital Culture 2017

September 2017

nesta



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# Digital Culture 2017

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<b>1</b>	Foreword	4
<b>2</b>	Executive Summary	5
<b>3</b>	Introduction	8
	3.1 Recap of 2015 headline findings	9
	3.2 How this report is structured	9
<b>4</b>	How are arts and cultural organisations using digital?	10
	4.1 The importance of digital technology to arts and cultural organisations	10
	4.2 Digital activities	11
	4.3 Social media	16
	4.4 Mobile and use of data	19
	4.5 Enablers of and barriers to digital activities	20
<b>5</b>	How is digital technology impacting arts and cultural organisations?	26
	5.1 The impact of digital	26
	5.2 How many are undertaking R&D activity, and what impact are they experiencing?	30
	5.3 Digital Leaders	33
	5.4 What characterises organisations that report a low level of positive impact from digital?	35
	5.5 Regional variations in the use and impact of technology	38
<b>6</b>	Conclusions	43
<b>7</b>	Endnotes	44

# Foreword

Digital Culture, Arts Council England and Nesta's study of technology usage amongst arts and cultural organisations, has now recorded half a decade of digital change within the arts and cultural sector. From 2013 – 2017, the study has charted how organisations use digital technology in different ways, and the associated opportunities, impacts and challenges they experience. Unusually for the arts and cultural sector, it is based on a longitudinal survey, asking organisations consistent questions over time.

Today, compared with 2013 when we began this study, there is arguably more interest in how cultural organisations can deploy digital technologies to enhance the value they create. From next year, for example, Arts Council England National Portfolio Organisations that receive over £250,000 per year will have to have a digital policy and plan to show how digital is strategically embedded across work that they do. Meanwhile, the UK government, through its Department of Digital, Culture, Media and Sport, has this year undertaken a Culture is Digital policy review.

Against an economic backdrop that remains challenging for many, we are encouraged to see in this year's finding that more arts and cultural organisations report positive impacts from digital technology on their business models and revenues. Equally significantly, across a range of areas related to reaching larger, more diverse and younger audiences it is good news that more organisations are telling us that digital is having a major positive impact. To temper this optimism though, proportionally fewer organisations say they are experimenting with digital technology – despite the clear evidence from the survey that experimentation pays dividends – and all of the key barriers and skills and capacity deficiencies found in 2013 remain in place today.

We hope that Digital Culture will be seen as a rich source of evidence to help individual arts and culture organisations and the agencies that support them prioritise more effectively when it comes to digital. To help this, we have published a series of factsheets on individual artforms, museums and on National Portfolio Organisations. All of the data collected over the life of the study can also be viewed in an interactive [data portal](#) where survey respondents – and others – can benchmark themselves against their peers.

As in previous years, we would like to offer our sincere thanks to those organisations and individuals who took part in the survey. It gives us insight that is unique internationally into how digital technologies are transforming the cultural landscape in England.

**Francis Runacres**, Executive Director,  
Enterprise & Innovation, Arts Council England

**Hasan Bakhshi**, Executive Director,  
Creative Economy and Data Analytics, Nesta

## 2

## Executive Summary

This is the fourth Digital Culture report, following those published in [2013](#), [2014](#) and [2015](#). Through this longitudinal study, Arts Council England (ACE) and Nesta are seeking to understand the role and impact that digital technology is having for arts and cultural organisations in England and how that is changing over time. In each of the four years, between 891 and 1,424 organisations have completed a detailed survey asking about the importance of digital technologies, the activities they were undertaking, the impact experienced, and management factors such as barriers, skills and resources. This report highlights the major changes observed over the last five years. It sits alongside an [online data portal](#) and a series of [eight fact sheets](#) that go into further detail on different parts of the sector.

In 2017, most arts and culture organisations see digital technology as important to all areas of their work. Although almost all organisations continue to regard digital technology as essential or important to marketing, there have been significant declines since 2013 in the proportion that see digital as important or essential to preserving and archiving, operations, creation, and distribution and exhibition. The clear exception to these downward trends is in relation to business models. **There has been a very significant increase in the proportion of organisations regarding digital as important or essential to their business model – up from 34 per cent in 2013 to 53 per cent in 2017.<sup>1</sup>**

**There has been a fall in the average number of digital activities undertaken per organisation but this has not led to a decline in reported impact**, which suggests that organisations may be focussing their efforts and resources in a more targeted way:

- In 2013, arts and cultural organisations averaged 9.2 types of activity each; in 2017 this has decreased to 7.8.<sup>2</sup>
- There are significant declines in seven of the 23 activity areas monitored, including many marketing-related activities, such as email marketing and publishing to a website (for which social media marketing is a potential substitute).
- In contrast, **there have been increases in key activity areas related to business models**, consistent with the rise in the perceived importance of digital for business models – for example, organisations undertaking ticket sales online are up 10 per cent to 52 per cent since 2013; online donations are up 11 per cent to 43 per cent.
- Most data-led activities have remained stable since 2013, which means that **the majority of arts and cultural organisations still do not use data for important purposes such as understanding their audiences better through data analysis and profiling.**

**Despite declining levels of activity in some areas, almost 70 per cent of organisations report a major positive impact from digital technology on their ability to deliver their mission.**

**There has been a significant increase in the proportion of organisations reporting a major positive impact in relation to audiences:** i.e. audience breadth – reaching different (e.g. more diverse or younger) audiences (up from 55 per cent in 2013 to 60 per cent in 2017); audience width – reaching a larger audience (up from 57 per cent to 62 per cent); and audience depth – engaging more with current audiences (up from 52 per cent to 60 per cent).<sup>3</sup>

**There has also been a significant increase in the proportion of organisations reporting major positive impacts on their business model and operations** (up from 51 per cent in 2013 to 68 per cent in 2017).

With regards to mobile, the proportion of organisations with a mobile-optimised presence has increased to 69 per cent in 2017 from 33 per cent in 2013. However, almost a third of arts and cultural organisations have not yet adapted their presence to respond to the trend that over 60 per cent of UK online time is now spent on mobile.

Social media is now almost ubiquitous within the sector (for example, 92 per cent of organisations use Facebook in 2017 vs 90 per cent in 2013). There have been a few major changes since 2013, Instagram is now more widespread (48 per cent in 2017 vs 12 per cent in 2013) and Twitter use has increased to 85 per cent from 79 per cent. The most common activities on social media include encouraging users to share content (51 per cent regularly do this in 2017) and publishing videos (47 per cent do this).

The picture concerning digital skills has remained relatively stable since 2013. In 2017, organisations estimated that their most advanced digital skills compared to their peers are in marketing (46 per cent claiming advanced skills), followed by creation (38 per cent claiming advanced skills). **Despite continued increases in how important and impactful digital is becoming for business models, this is still an area where the majority of organisations feel that they only have basic skills compared to their peers** (55 per cent claiming basic skills).<sup>4</sup> Data analysis is the only skills area where significantly more organisations feel 'well-served' now compared to 2013 (34 per cent vs 29 per cent).

Lack of funds and lack of staff time remain the most reported barriers to organisations achieving their digital aspirations, although **there has been a statistically significant fall in the proportion of organisations who say that lack of funding to allocate to digital is a barrier** (from 68 per cent to 62 per cent), and that **difficulty in accessing external funding is a barrier** (from 61 per cent to 55 per cent).

Significant variations in digital activity and impact can be observed across organisation types and across regions:

- National Portfolio Organisations (NPOs) are more digitally active, experience fewer barriers, have better access to skills, are more likely to be engaged in R&D activities, and are more likely to report positive impacts than the arts and culture sector as a whole.
- London organisations remain significantly more likely than organisations in any other region to engage in ten of the 24 digital activities measured, although the gap between London and the other regions has narrowed.<sup>5</sup>

Finally, there are significant variations between organisations based on the whether they attribute high levels of importance to digital, their attitude towards experimentation and risk, and impact that they say they gain from digital:

- The 27 per cent of organisations reporting low levels of positive impact from digital tend to undertake fewer digital activities on average, especially in complex areas such as VR or livestreaming. They tend to have digital expertise concentrated in one place rather than distributed widely through the organisation, and they report lower levels of digital skills.
- In contrast, organisations that say they experiment or take risks with digital technology (30 per cent of the sample) are more likely to engage in complex activities and report higher levels of positive impact, particularly on their creative output and distribution and exhibition.
- Similarly, the cohort that ascribes the most importance to technology, making up 8 per cent of the sample, is more digitally active than the sector as a whole and more likely to be carrying out complex creation and distribution activities. However, the gap between this group and the whole sector seems to be narrowing.

Overall, the Digital Culture study continues to show that the benefits of technology are widely felt in the arts and cultural sector. There has been a notable positive change in activities related to, and impact felt from, business models and revenue generation. Positive impacts related to audiences are also more widely reported. Despite this though, many areas have either remained static – such as the use of data or how well-served organisations feel they are for digital skills - or have fallen back – such as the perceived importance of digital for creation and the number of organisations engaging in some more complex digital activity, such as search engine optimisation.

## 3

# Introduction

Digital technology has changed the way that we engage with arts and culture, as it has with many other areas of life. From viewing museums' collections online to buying theatre tickets via mobile phone, audiences now connect with arts and cultural organisations digitally on a daily basis.

The Digital Culture research project was developed in 2013 to help us to better understand how such organisations use digital technology and its impact on their performance. This is the fourth Digital Culture report, following those published in 2013, 2014 and 2015, which allows us to reflect on how much the sector in England has changed digitally since 2013. This year 1,154 organisations completed the survey, with a further 270 partial completes.

Figure 1: Digital Culture respondents, 2013 to 2017

	2013	2014	2015	2017
Total responses	891	947	984	1,424 <sup>6</sup>
NPOs <sup>8</sup>	407	455	392	394 <sup>7</sup>

In previous years partially completed responses were not included in the reporting. In 2017, they are included. This allows for a more detailed analysis of different sub groups. The base sizes referenced throughout vary between 1,154 and 1,424.

For the majority of this report only data from 2013, 2015 and 2017 is shown as this allows two-year intervals to be compared. However, some questions were only introduced in 2014 and in these cases the data from 2014, 2015 and 2017 is shown.

The sample frame is built on contact information for Arts Council England (ACE) NPOs, Museums from the UK's Museum Accreditation Scheme, and organisations that had previously applied for funding from ACE. In 2017, 11,132 organisations were invited to complete the Digital Culture survey, which ran from March to June. Respondents were distributed across regions and across ACE art and cultural forms and the reporting sample has been weighted to be representative of the profile of organisations in England.

One hundred and forty-six organisations completed the survey in all four years, constituting a panel data set to compare over the duration of the study. The panel responses have been analysed and all the findings from the wider sample reported here are consistent with the responses of this smaller, constant group.<sup>9</sup>

The survey is structured around three key topics – the perceived importance of digital technologies to arts and cultural organisations; the specific digital activities they are undertaking; and the impact of digital technologies on different areas of their work. As in 2014 and 2015, this report looks at how the uses and impacts of technology have changed since 2013, highlighting the significant trends that have emerged over the last five years.

Alongside this main report, eight fact sheets summarise the key findings for the seven main art and cultural forms included in the study – Visual Arts, Theatre, Music, Literature, Dance, Combined Arts and Museums, and one for Arts Council England National Portfolio Organisations (NPOs) as a separate group. Data from all years of the study can be explored through a specially designed data portal, which can be filtered by artform, region and turnover.

### 3.1 Recap of 2015 headline findings

The *Digital Culture 2015* report showed a retrenchment in the use of digital by arts and cultural organisations. Organisations were doing fewer digital activities overall and six of the 24 activities<sup>10</sup> asked about had declined in prevalence since 2013 while only two had increased. For instance, fewer organisations said that they were publishing content onto their websites.

The uptake of data-led activities had also stalled or fallen back. For example, fewer organisations used data to develop their online strategy. In parallel to this, there were six areas, of 26, where fewer organisations were experiencing a major positive impact from digital than in 2013.

More positively, recognition of the importance of digital for revenue generation had increased significantly and more organisations reported a major positive impact on their revenue.

### 3.2 How this report is structured

The remainder of this report is in two main sections: the first, Section 4, explores how arts and cultural organisations are using digital; the second, Section 5, examines what impact they are experiencing. Section 4 begins by discussing the perceived importance of digital and proceeds with an in-depth look at the types of activities organisations are engaging in. It then reflects on how social media and data are used. Section 4 concludes with a discussion about skills and what the perceived barriers are to the implementation of digital.

Section 5 explores the impact of digital technology on arts and cultural organisations in relation to a range of business areas. Following this, it reflects on R&D activities and looks at a specific group of self-identified experimenters within the sample and then at a group of organisations which lead the sector in terms of the importance they place on digital. Attention then turns to the organisations who say they experience only a minor impact from digital across their organisation, to understand who these organisations are and why they might report less impact. Section 5 ends with a brief consideration of the differences observed between organisations based in different regions.

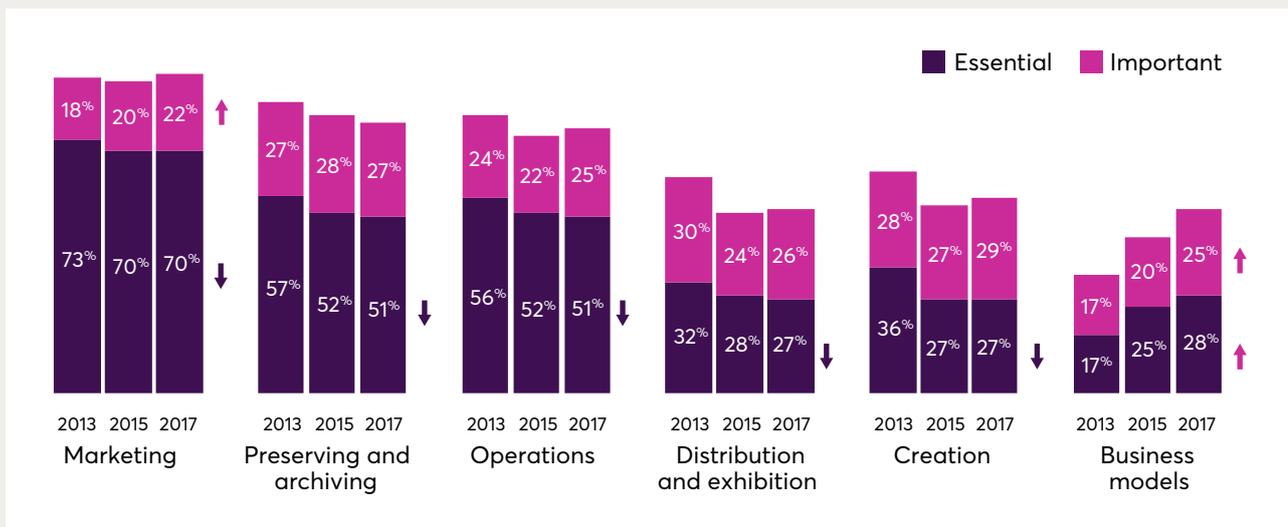
4

# How are arts and cultural organisations using digital?

## 4.1 The importance of digital technology to arts and cultural organisations

There have been significant shifts since 2013 in arts and cultural organisations' perceptions of the importance of digital technology. Almost all organisations still regard digital technology as essential or important to marketing, but there have been significant declines in the proportion that see digital as important to preserving and archiving, operations, creation, and distribution and exhibition (see Figure 2). In each case, these significant declines are seen in the number of organisations perceiving digital as essential as opposed to important, although for distribution and exhibition there has also been a slight, but not significant, decline in the number of organisations reporting that digital is important. In parallel to this, there has been a fall in the average number of digital activities undertaken (see Figure 3 in Section 4.2), which suggests organisations may be developing a more focused view of how digital technology can work for their organisation, and are prioritising their use of it accordingly.

Figure 2: The importance of digital technology to different business areas, 2013, 2015, 2017 (significant changes marked with arrows)



How important is digital technology to your organisation overall, at the present time, in each of the following areas? (Arrows indicate statistically significant differences between 2013 and 2017 at a 95 per cent confidence level.)

Base: 2013 – all respondents (n = 891); 2015 – all respondents (n = 982); 2017 – all respondents (1,391).

The exception to these downward trends is in relation to business models, where there has been a significant increase in the proportion of organisations regarding digital as important or essential – up from 34 per cent in 2013 to 53 per cent in 2017 (although it should be noted that the question changed slightly in 2014).<sup>11</sup>

As in previous years, large organisations, as defined by their annual turnover,<sup>12</sup> tend to place more importance on digital technology across all areas. For example, 74 per cent of those with a turnover above £500,000 see digital technology as important or essential to business models, compared to 53 per cent overall. But the business model trend holds across all sizes, with even small organisations (under £100k turnover) registering a significant increase since 2013 (up 14 per cent to 43 per cent). The type of organisation that remains least likely to say digital is important or essential to business models is small heritage organisations (29 per cent in 2017, compared to 53 per cent among the whole sample).<sup>13</sup>

There are also a number of significant variations across artforms, which are noted in the [fact sheets](#) and can be explored further in the [data portal](#) that allows readers to gain more detailed insights by artform, region and turnover.

Despite some overall declines in perceived importance, there is a substantial cohort of organisation who perceive digital as being essential or important across all business areas – and these organisations span all artforms and sizes, from small heritage organisations to large visual arts organisations:

*Digital technologies are absolutely integral to what we do.*

a-n The Artists Information Company (Large Visual Arts organisation)

*The use of innovative digital technologies is the backbone of all of our work and projects, always pushing at the digital medium as a mechanism to engage and interact with audiences in new critical ways.*

Invisible Flock (Medium Interactive Arts Studio)

*We use digital technology regularly to inform potential audiences of events and sell tickets, to sell our books ...for editing, accounting, creation of publicity material and promotion, and during the events for presentations, projections, etc.*

American Institute (Small Heritage organisation)

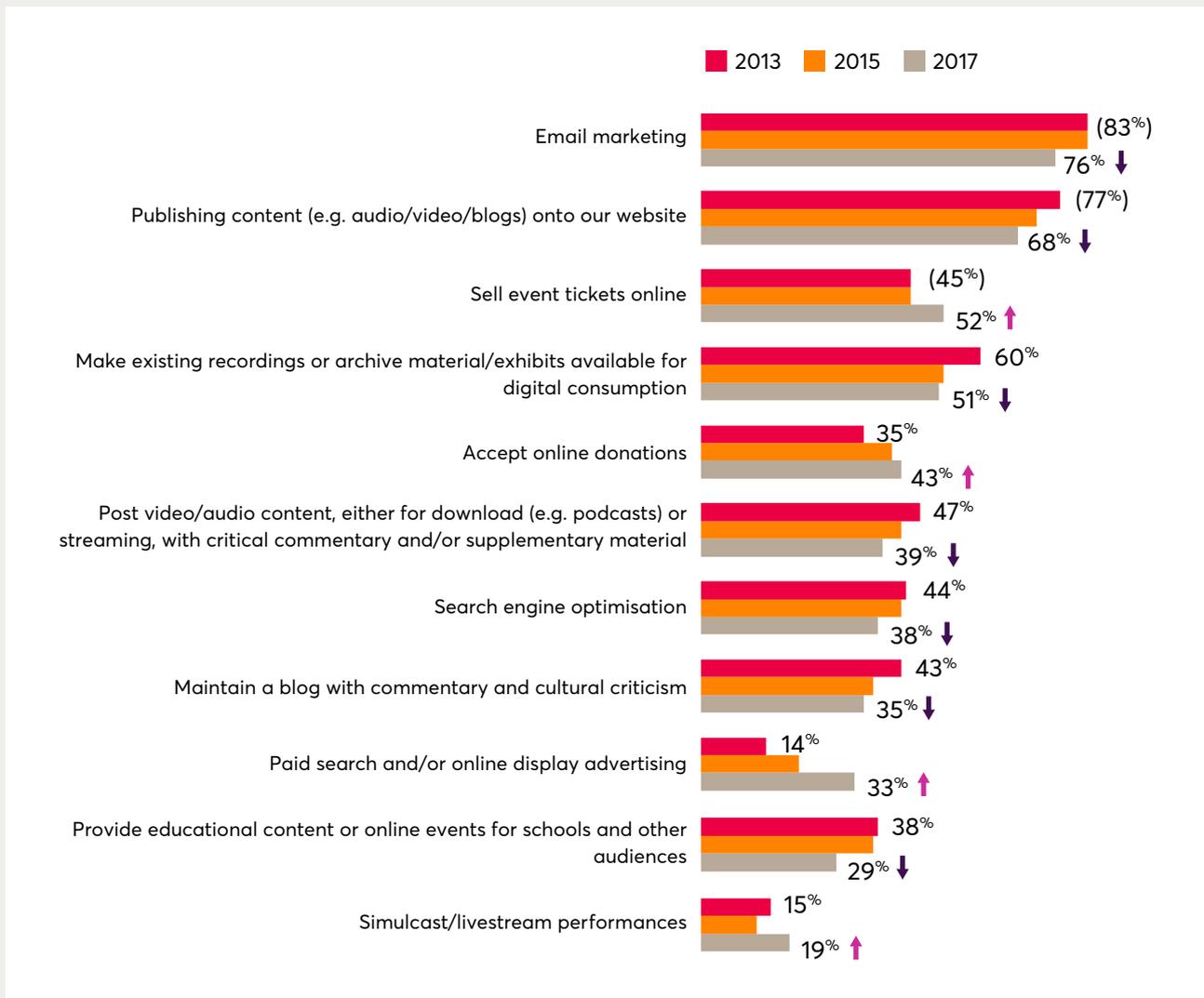
## 4.2 Digital activities

Since 2013 the research has tracked the arts and cultural sector's use of technology across a list of 24 activities.<sup>14</sup> In 2017, organisations reported undertaking fewer digital activities overall, whilst at the same time notably increasing some revenue generating activities; their use of paid search and online display; and livestreaming or simulcasting.

In 2013, arts and cultural organisations averaged 9.2 types of activity each, in 2017 this has decreased to 7.8.<sup>15</sup> There have been significant declines in seven of the 23 activity areas monitored, including many marketing-related activities, such as email marketing, search engine optimisation (SEO), maintaining a blog, and publishing to a website (for which social media marketing is a potential substitute - see Section 4.3).

NPOs undertake a higher number of digital activities than the sector overall, on average 11.0 in 2017, and this number has not significantly reduced since 2013. This may be due to a number of factors, including NPOs having larger and more stable budgets on average, and being better served in terms of digital skills (see Section 4.5). It may also be driven by senior managers in NPOs prioritising digital more highly than the wider sector (see NPO fact sheet).

Figure 3: Digital activities that show a statistically significant change in the proportion of organisations engaging, 2013, 2015, 2017 (ranked by 2017)



Now thinking about your organisation's digital activities, please indicate which of the following your organisation currently does (arrows indicate statistically significant differences between 2013 and 2017 at the 95 per cent confidence level).

Base: 2013 – all respondents (n = 891); 2015 – all respondents (n = 984); 2017 (n = 1,424).

Despite the overall decrease in number of digital activities undertaken, there are increases in specific activity areas (see Figure 3).

This is most evident in the proportion of organisations conducting revenue generating activities digitally, consistent with the rise in the perceived importance of digital for business models. Organisations undertaking ticket sales online are up 7 per cent to 52 per cent since 2013; the number accepting online donations is up 8 per cent to 43 per cent; generating revenue from third party platforms is up to 10 per cent from 0 per cent. A number of different platforms are reported as being used to generate this revenue:

*Ticket sales for concert series on Eventbrite has improved our ability to reach new audiences and satisfy their need to purchase with ease. However, now need our own ticketing system.*

BlueGate Poets (Small Combined Arts organisation)

*We raised money for the first time on JustGiving - not much (less than £5k) but a new venture for us.*

Forward Arts Foundation (Medium Literature organisation)

*We now earn money from Spotify, YouTube, Deezer and dozens of other digital services.*

Fuse Art Space C.I.C. (Small Art Gallery and Performance Space)

In terms of marketing, the proportion of organisations engaging in paid search/online display has more than doubled since 2013, from 14 per cent to 33 per cent. A number of organisations reported that they were increasing investment in this area to help them reach both existing and new audiences:

*In terms of advertising, we rely almost exclusively on our e-bulletin subscribers and social media followings, as well as limited amounts of paid advertising on social media for reaching both existing and new audiences.*

Film and Video Umbrella (Large Visual Arts organisation)

*When promoting a conference we organised, we used a paid Facebook ad to reach beyond our usual audience. The result was amazing and sales obviously increased when the ad was out.*

Collective Encounters (Medium Theatre organisation)

In the area of distribution, there has been a significant increase of 4 per cent in simulcasting/livestreaming performances from 2013 to 2017. This might reflect the fact that free and comparatively easy to use live streaming capability has become available since 2013 through platforms like Facebook<sup>16</sup> (for more information on the use of social media for livestreaming see Section 4.3).

Unsurprisingly, simulcasting/livestreaming activities have increased most amongst artforms focused on live performance: 17 per cent of Theatres in 2017 vs 9 per cent in 2013; 30 per cent of Dance organisations in 2017 vs 12 per cent in 2013.<sup>17</sup> A recent study found that the most powerful motivation for Theatres creating Live-to-Digital work is reaching new audiences (90 per cent of organisations), although achieving artistic goals was also a key driver (79 per cent).<sup>18</sup>

This is reflected in our qualitative findings:

*We have also looked at live to digital – we've dabbled with lo-fi digital opportunities such as using Periscope or Facebook live, to help us reach existing and new audiences.*

**Battersea Arts Centre (Large Theatre organisation)**

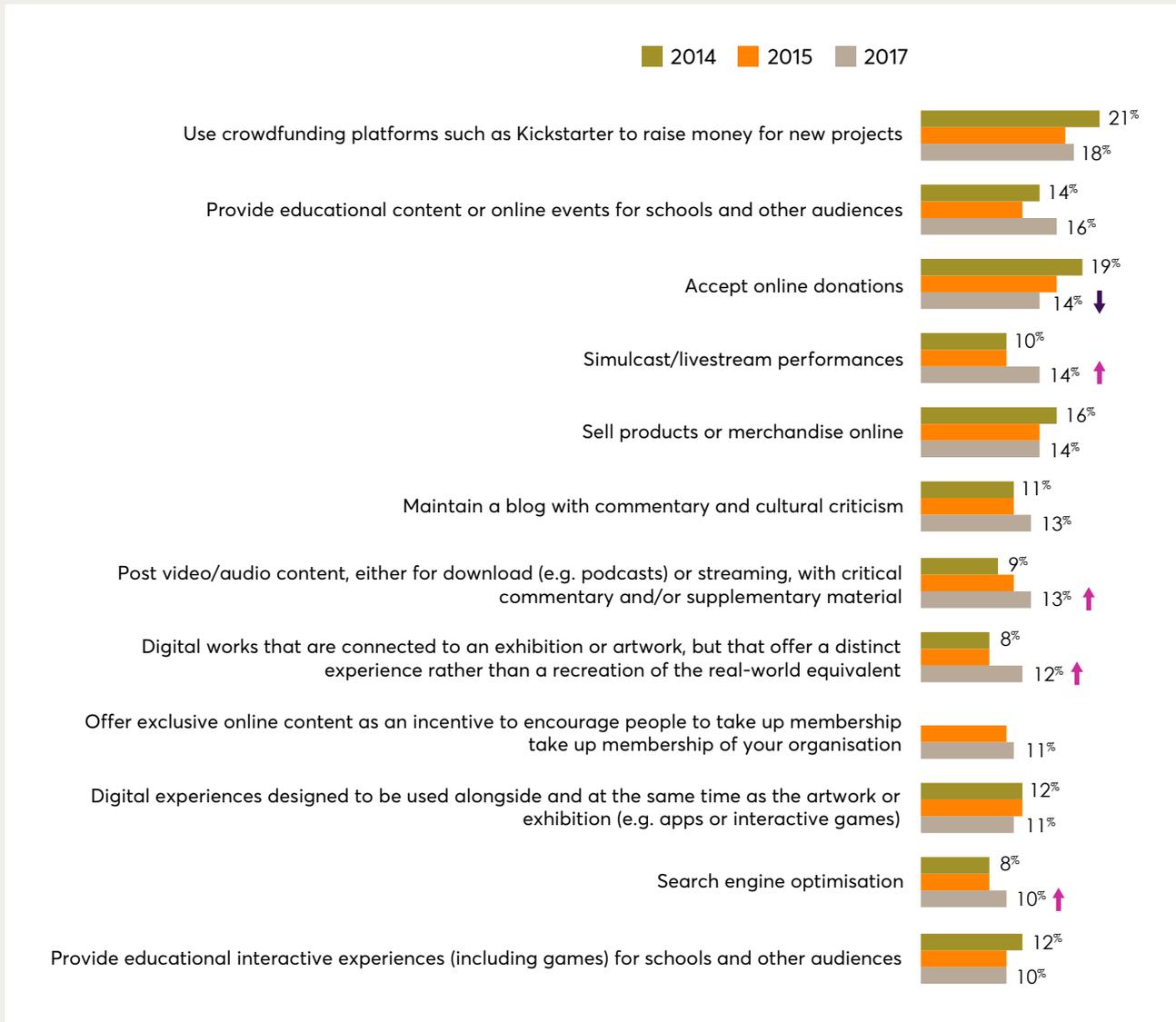
*The preference for video content...[amongst our audiences]...means that we are creating better quality videos, using Facebook Live streaming in a more creative way, and looking to new apps like 'Boomerang' (for Instagram) to make our content more creative and therefore engaging.*

**Leeds Museum and Galleries (Large Heritage organisation)**

The four areas of activity reported to have increased in the period 2013-2017 (shown in Figure 3) have mostly taken advantage of innovations outside the sector - ticketing, donations, social media and live streaming platforms – that have reached a stage where they are easily and readily deployed by arts and cultural organisations. This could mean that rather than the arts and cultural sector becoming better equipped to harness digital technology overall, certain types of technology have become easier to use or implement. This point is, to a degree, corroborated by Section 4.5 on the enablers and barriers to the take-up of digital. Research tracking both how well-served arts and cultural organisations feel in relation skills and capabilities, and the perceived barriers they face, shows little change since 2013.

The survey also asks about organisations' plans to take up new digital activities. Predicted future uptake remains stable over time (see Figure 4), and the most forecast activity continues to be the use of crowdfunding platforms. However, organisations consistently over-estimate their ability to introduce new digital activities. For example, since 2014, the proportion of organisations utilising crowdfunding platforms has remained the same at 19 per cent, but in each survey around one-fifth of those not currently crowdfunding have predicted they will do so in the next 12 months.<sup>19</sup> The combination of stable predicted future uptake and slow actual uptake, shows that many arts and cultural organisations are limited in their ability to adopt new technologies.

Figure 4: New digital activities that organisations say they are planning to introduce in the next 12 months (top 12 ranked by 2017 data. NB: question not asked in 2013)



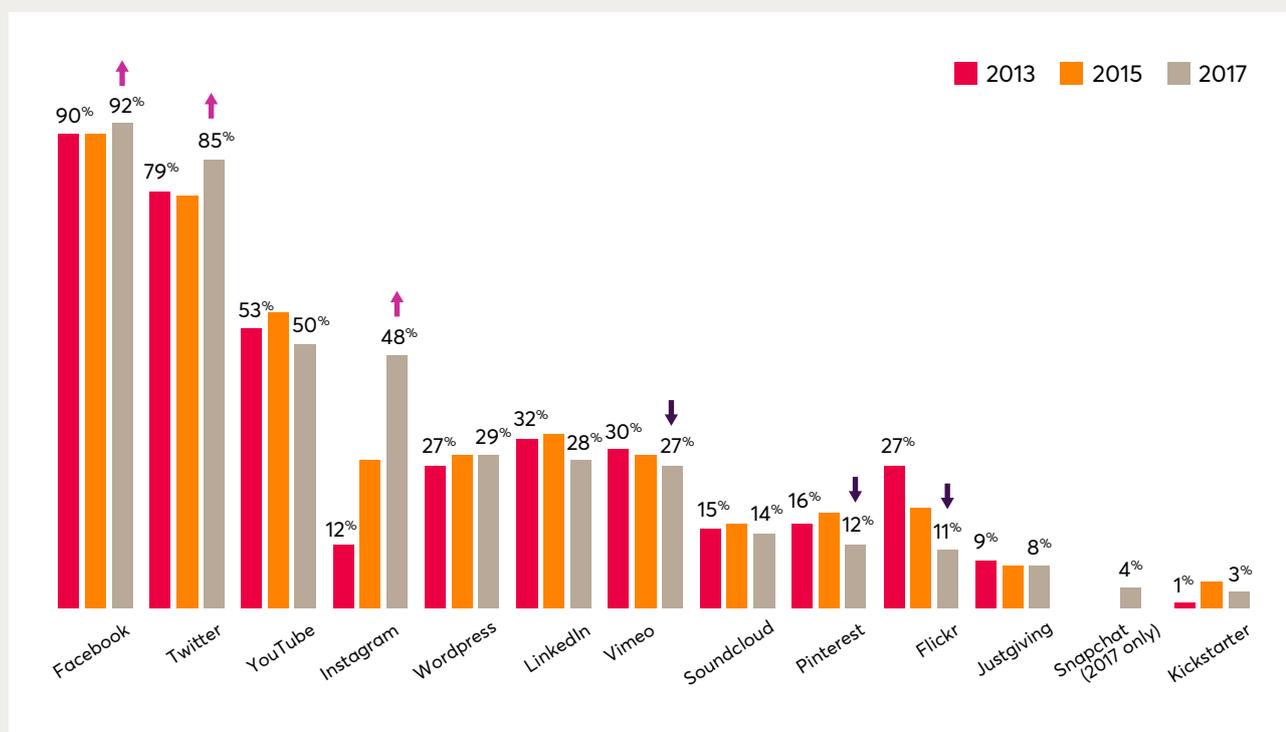
Now thinking about your organisation's digital activities, please indicate which of the following your organisation currently does (arrows indicate statistically significant differences between 2013 and 2017 at the 95 per cent confidence level).

Base: 2013 – all respondents (n = 891); 2015 – all respondents (n = 984); 2017 (n = 1,424).

### 4.3 Social media

2017 data shows a slight decline in the average number of different social media platforms used per organisation, from 4.4 platforms in 2013 to 4.2 in 2017. Over this period there has been an increase in the number of organisations using Facebook, Twitter and Instagram (see Figure 5). For arts and cultural organisations Facebook is now virtually ubiquitous, its use having risen slightly since 2013. The numbers using Twitter have risen significantly, whilst Instagram shows the greatest growth and is now used by 48 per cent of organisations, up from 12 per cent in 2013. In contrast, Vimeo, Pinterest and Flickr are all used by significantly fewer organisations now than they were in 2013.<sup>20</sup>

Figure 5: Use of social media platforms, 2013 to 2017

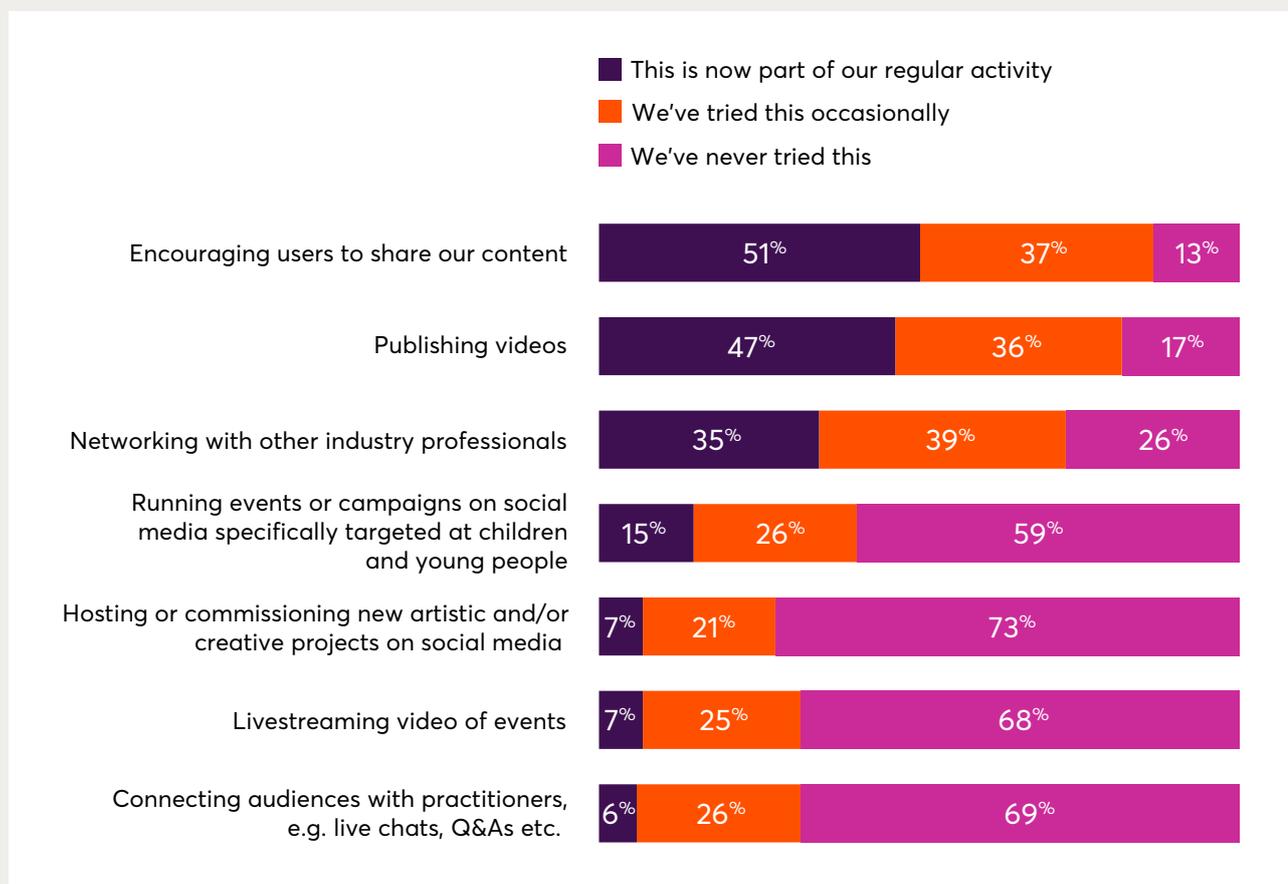


On which, if any, of the following social networks/websites does your organisation currently have a regularly active profile? Arrows show significant difference between 2013 and 2017 at a 95 per cent confidence level.

Base: 2013 – all respondents (n = 891), 2015 – all respondents (n = 982), 2017 – all respondents (n = 1291).

The 2017 survey introduced some new questions regarding the uses of social media platforms. The most common activities are around audience development, with around half of organisations reporting that they regularly publish videos on social media and encourage users to share content (see Figure 6). Around one third of organisations regularly use social platforms to network with other industry professionals.

Figure 6: Take-up of different types of social media activity, 2017 only



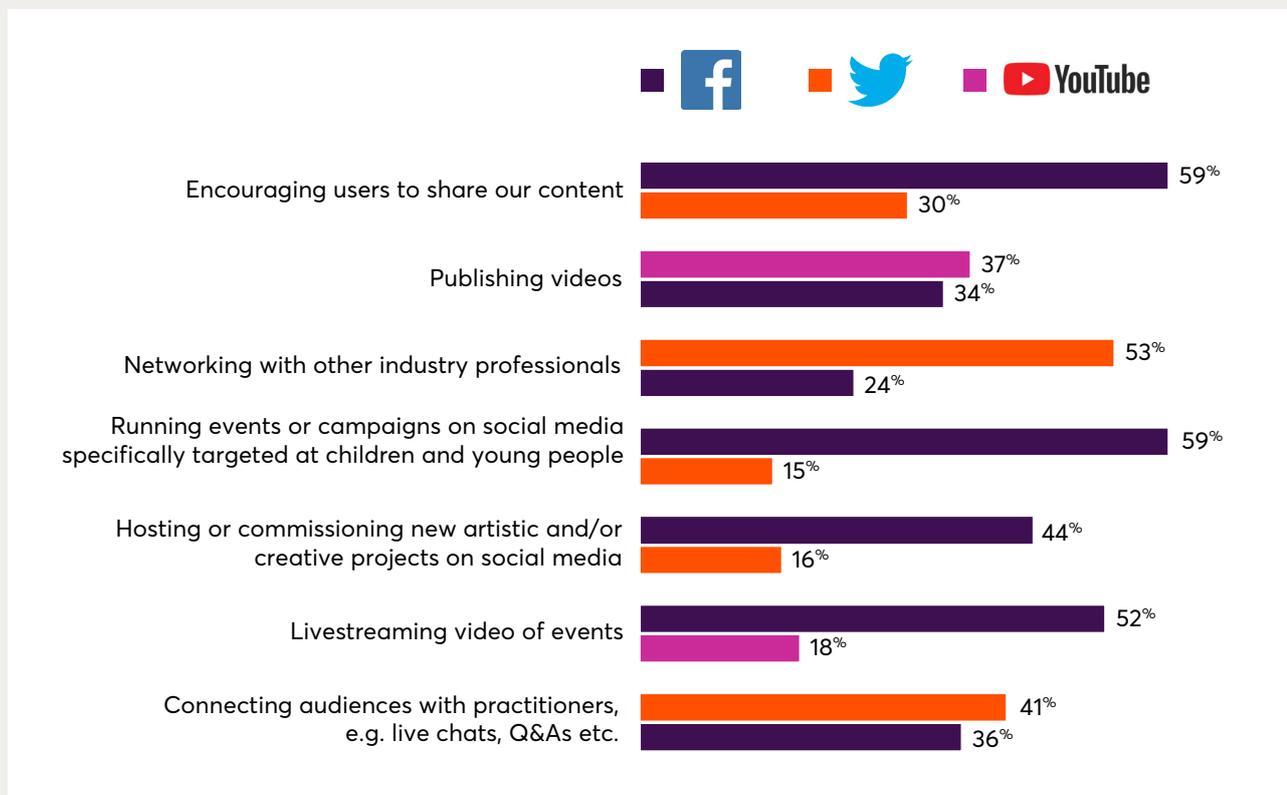
Which of the following things has your organisation ever tried on social media, and which have you adopted as part of your regular activity?

Base: 2017 – all respondents (n = 1,259)

Social media use varies across organisation size and artform. Larger and regularly funded organisations (NPOs) are the most likely to use social platforms – 100 per cent of NPO respondents use Facebook, and three-quarters regularly publish videos to social media compared to 47 per cent of all organisations. Heritage organisations (the majority of which are Museums) are the least active on social media, with only a third using Instagram and YouTube (compared to half of organisations overall). Similarly, just over a third of Heritage organisations regularly encourage users to share content (38 per cent vs 51 per cent of the whole sector), and under a third regularly publish videos compared to around half of the whole sector (29 per cent vs 47 per cent).<sup>21</sup>

Facebook is regarded as the most useful or effective platform for all but three of the social media activities proposed. Twitter is seen as best for networking and connecting audiences with practitioners and it also ranked second best for three other functions (see Figure 7). While YouTube and Facebook are almost equally relevant for publishing videos, Facebook is clearly seen as the most useful and effective site for livestreaming video of events.<sup>22</sup>

Figure 7: Social media platforms felt to be most effective or useful for a given social media activity, 2017 (top 2 for each type of activity)



Which platform do you find the most useful and effective for each activity?

Base: 2017 – respondent who use social media and have tried or regularly do each social media activity: encouraging users to share our content (n = 1,108), publishing videos (n=1,054), networking with other industry professionals (n = 946), running events or campaigns on social media (n = 542), hosting or commissioning new artistic and/or creative projects on social media (n = 364), livestreaming of video or events (n=439), connecting audiences with practitioners (n = 430).

Respondents observed variations regarding which audiences can be accessed through different platforms. Some organisations noted that Facebook and Twitter were not effective platforms for reaching younger audiences:

*We find it hard to reach a younger market through the more populist digital channels as the popularity of private messaging apps and 'disappearing content' apps such as Snapchat, increase... Traditional social media channels are not the playground of youth, having been adopted by Generation X.*

Hall for Cornwall (Large Theatre organisation)

*It remains hard to reach young people (teenagers/early 20s) via social media - they tend to be on faster moving platforms like Instagram and Snapchat, which we don't have capacity to keep up with in the same way as Facebook and Twitter.*

Bridport Arts Centre (Large Venue for Music, Theatre, Film and Visual Art Events)

As platforms and consumer behaviour continue to evolve it remains to be seen whether certain audiences - such as young audiences more attuned to platforms like What's App and Snapchat - will become harder to reach through the social media platforms that arts organisations are currently most familiar with.

While social media use is now almost ubiquitous across the sector, it seems as though some organisations are still considering whether more complex activities (such as live streaming) are worth the investment of time and resource. Currently, comparatively few organisations are making these investments but this may shift over time.

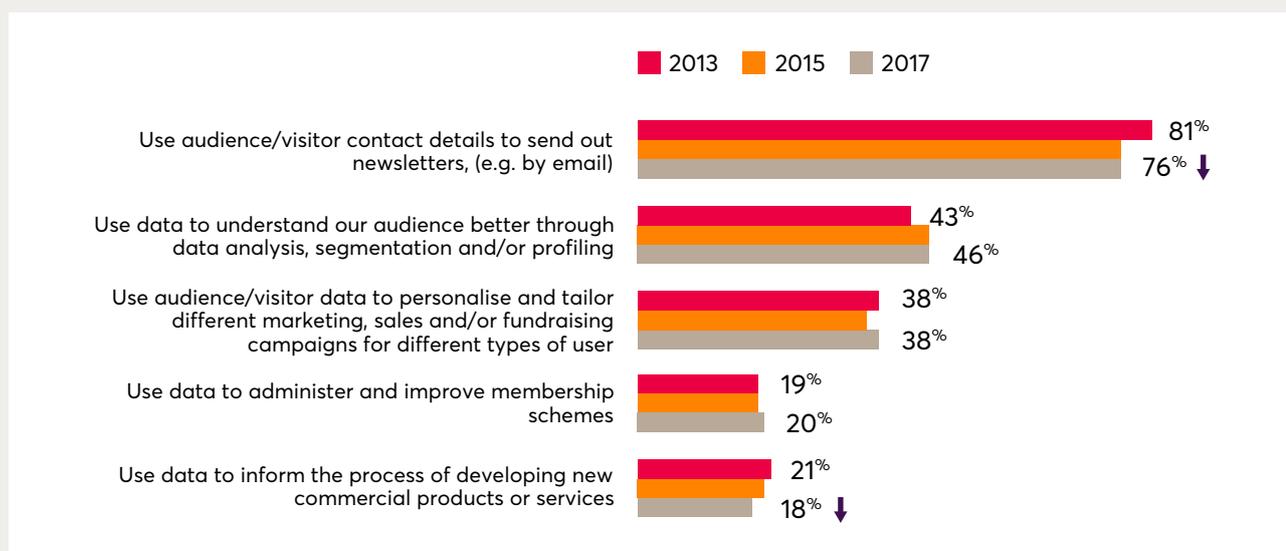
#### 4.4 Mobile and use of data

Over 60 per cent of UK online time is now spent on mobile.<sup>23</sup> Reflecting this wider trend in consumer behaviour, the proportion of arts and cultural organisations with a mobile-optimised presence has more than doubled since 2013, from 33 per cent to 69 per cent.<sup>24</sup> However, this still means that 31 per cent of arts and cultural organisations have not adapted their online presence to accommodate this major change in how people access the web.

The proportion of organisations with a mobile-optimised presence rises from 62 per cent among small organisations to 83 per cent amongst large organisations. The artform with the highest mobile-optimised presence is Visual Arts (73 per cent of organisations). Heritage organisations are the least likely to have a mobile-optimised site (65 per cent).

The survey also asks about data-led activities, to better understand how arts and cultural organisations are making use of data in areas such as marketing. Most data-led activities have remained stable since 2013, meaning that the majority of arts and cultural organisations still do not use data for important purposes such as understanding their audiences better through data analysis and profiling (see Figure 8).

Figure 8: Data-related activities (ranked by 2017)



Thinking about how you use audience or visitor data (generated either through your own website, social media or through offline engagement), which of the following activities do you do? Arrows show significant difference between 2013 and 2017 at a 95 per cent confidence level.

Base: 2013 – all respondents (n = 879), 2017 – all respondents (n = 1,298).

Although the proportion of organisations making use of data remains low, some did spontaneously report ways in which data analysis has helped them develop their business. For example, some organisations reported using digital data to inform marketing and improve income:

*Audience surveys and interaction via our website and social channels gives us useful insights into our customers' experience and expectations. Coupled with data from Google analytics, this information allows (us) to tailor marketing and communications campaigns to help maximise revenue.*

Belgrade Theatre (Medium Theatre)

And over 20 organisations said they had commissioned CRM systems to exploit digital ticketing data for a range of marketing and fundraising purposes:

*We have invested in a CRM system, which has greatly increased our audience and donor insight and helped us to develop sophisticated segmentation models.*

Birmingham Contemporary Music Group (Medium Chamber ensemble)

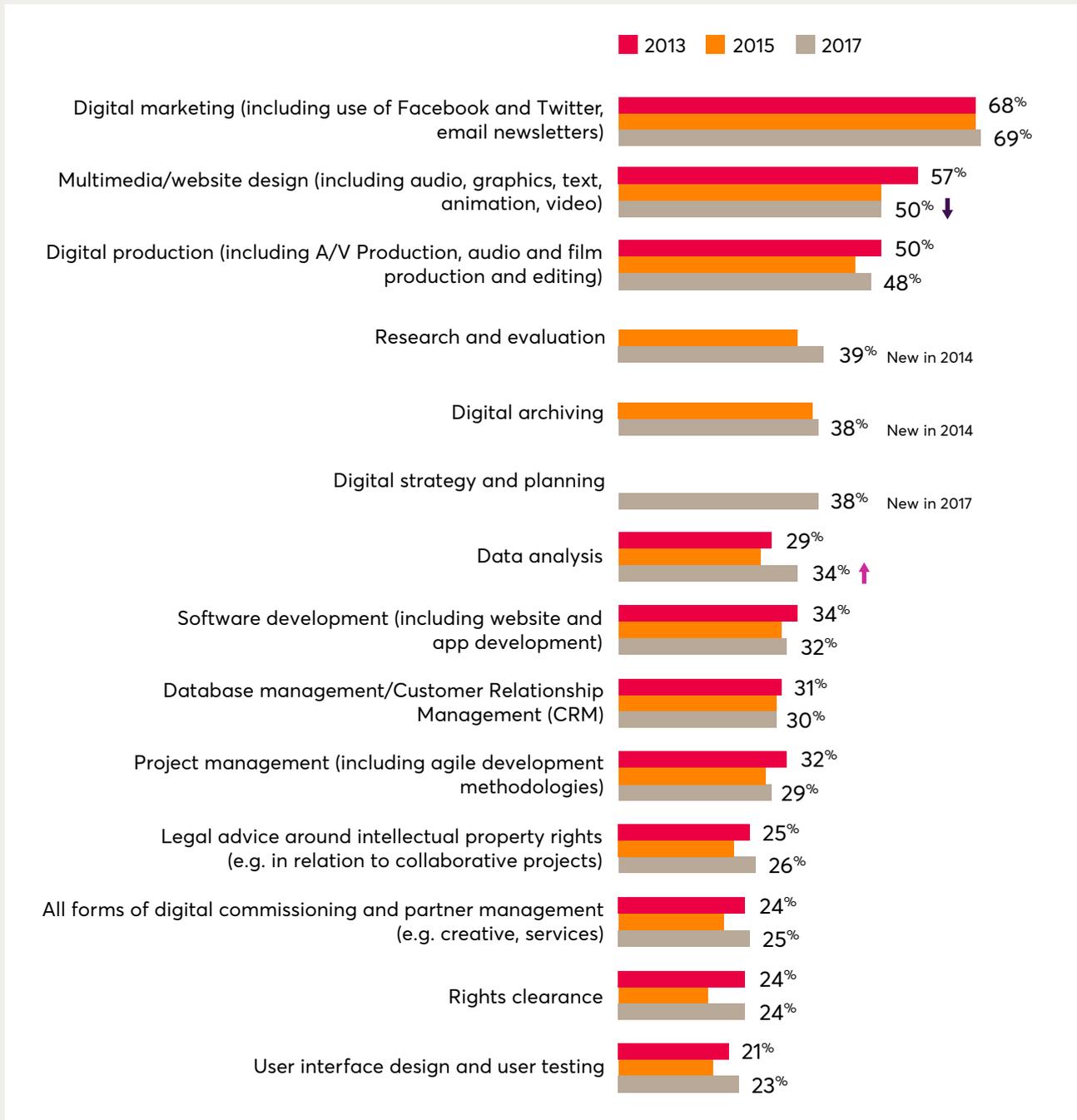
#### 4.5 Enablers of and barriers to digital activities

This section looks at how well-served arts and cultural organisations say they are in terms of digital skills and capabilities, one of the key factors in being able successfully to deliver digital activities. It also reflects on the perceived barriers that might inhibit the achievement of digital ambitions.

The proportion of organisations that say they are well-served for digital skills has remained stable across almost all areas through the period of the survey (see Figure 9). There is a small but statistically significant fall in the number of organisations reporting that they are well-served for multimedia/website design, and a similarly small but significant rise in data analysis skills, but otherwise almost no change. This could mean that the digital skills within sector have not moved forward during this period. Another possible interpretation is that skills and capabilities are developing all the while, but this isn't necessarily reflected in a rise in overall competence because digital technology (and the skills required to take advantage of it) is constantly changing. Despite having built up their skills and capabilities, organisations may not therefore feel any better equipped.

Digital marketing is clearly the skills area where organisations feel best served followed, some way behind, by production-related skills and multimedia/website design. Rights clearance and user interface design and testing are areas where skills deficits are most apparent. Although organisations are confident in their website design skills, less than half as many are confident in the related area of user interface design and user testing, which would help them to understand whether their site is well suited to the needs of their audiences.

Figure 9: Proportion of organisations that report they are well-served for digital skills

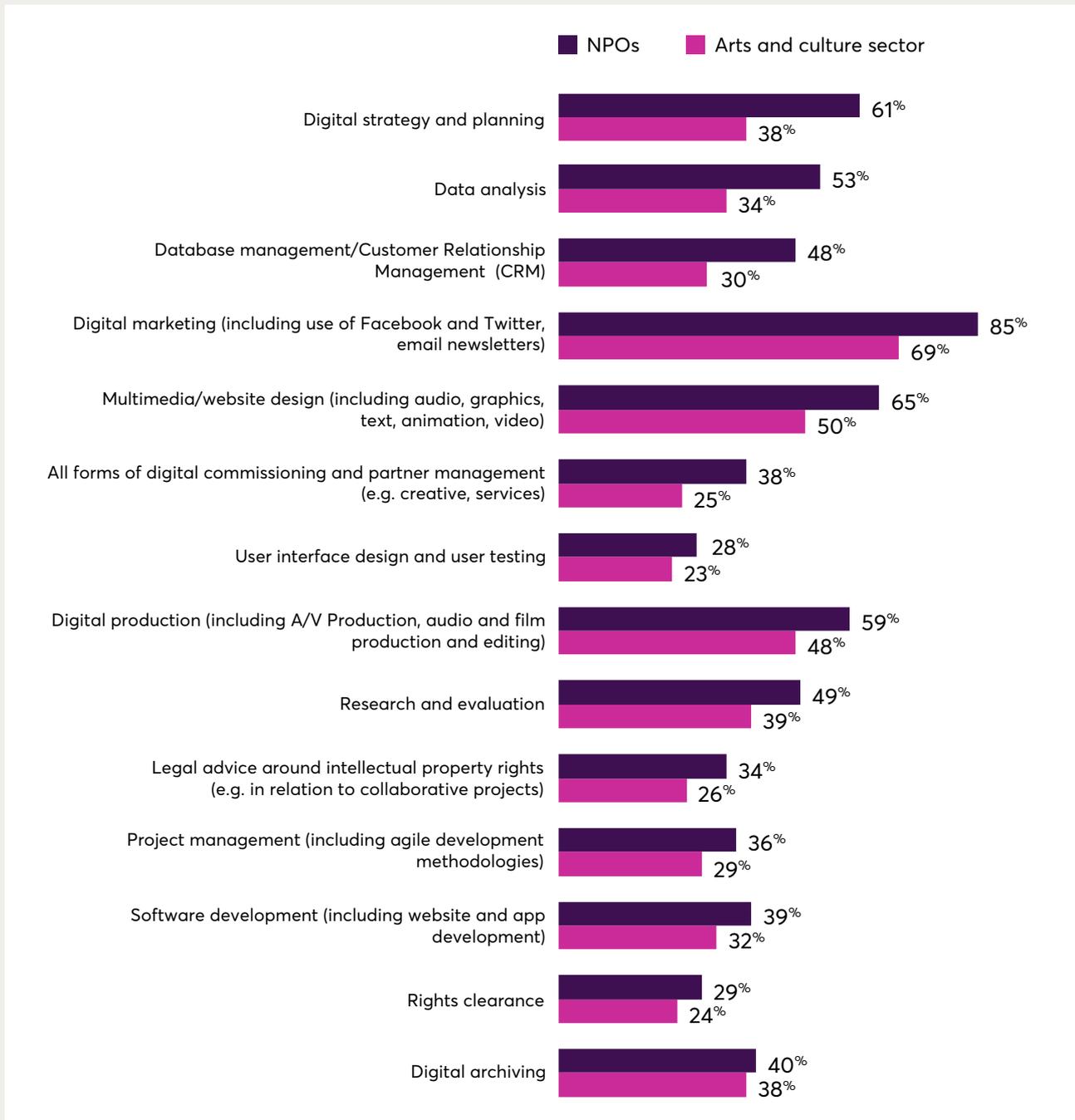


Here is a list of skills and capabilities in key areas relating to digital technology and digital R&D. Please rate each one according to the extent to which your organisation is well-served or under-served for its needs in these areas. Chart shows percentage reporting to be well-served.

Base: 2013 – all respondents (n = 879); 2015 – all respondents (n = 971); 2017 – all respondents (n = 1,193).

NPOs report being better served than the sector overall in each skills area (see Figure 10). This perhaps reflects their greater size and budgets, but also the fact that they are likely to be more aware of and therefore better able to access support through Arts Council sponsored digital programmes with a capacity building element, such as The Space, Canvas, or (prior to 2015) the Digital R&D Fund.

Figure 10: Proportion of organisations that report they are well-served for digital skills – arts and culture sector compared to NPOs, 2017

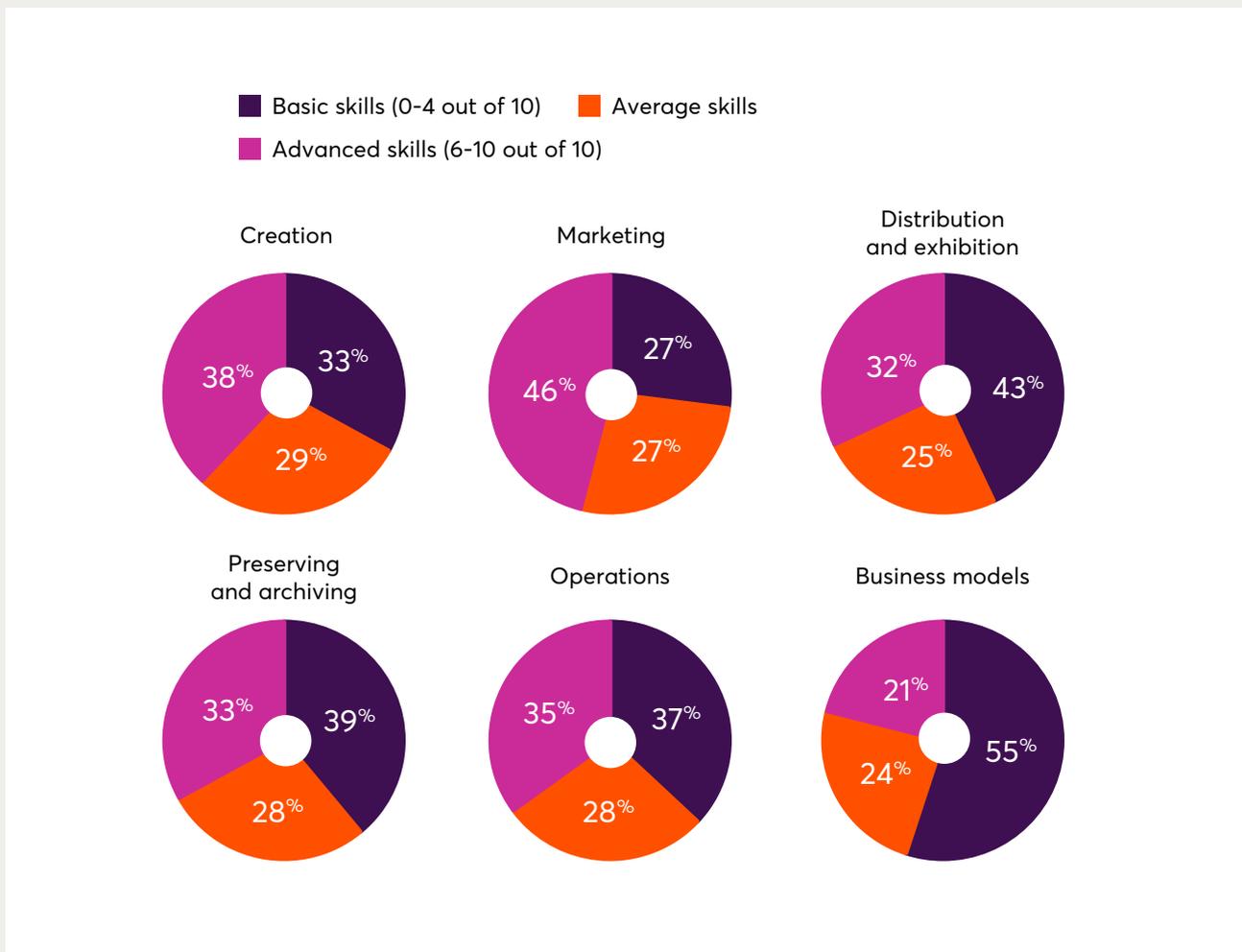


Here is a list of skills and capabilities in key areas relating to digital technology and digital R&D. Please rate each one according to the extent to which your organisation is well-served or under-served for its needs in these areas.

Base: 2017 – all respondents (n = 1,193), NPOs (344).

In addition, respondents were asked how skilled they felt compared to their peers across the six core activity areas tracked by the survey (see Figure 11). Organisations estimated that their most advanced digital skills are in marketing (46 per cent claiming advanced skills), followed by creation (38 per cent claiming advanced skills). Despite continued increases in how important and impactful digital is becoming for business models, (see Section 4.1), this is still an area where the majority of organisations feel that they only have basic skills vs their peers (55 per cent claiming basic skills).<sup>25</sup>

Figure 11: Perceived level of skill compared to peers, 2017



For each of the following areas, how advanced do you feel your organisation's digital skill levels are compared to your peers?

Base: 2017 – all respondents (n = 1,187).

The perceived barriers to the achievement of digital aspirations have remained relatively consistent since 2013 (see Figure 12). There has, though, been a small but statistically significant fall in the proportion of organisations who say that funding and lack of strategy are barriers. Despite this, the most common theme in qualitative comments about barriers to digital development was lack of resources and, specifically, finance:

*We often have creative ideas for digital projects which might support or enhance our work on stage, but fail to realise them for reasons such as capacity, resource (human or equipment), or funding/budgets.*

Hull Truck Theatre (Large Theatre organisation)

*We simply don't have the budget to do any more than tinker round the edges of digital technologies. I'm sure we could reap the benefits if we could afford to resource this properly.*

The Norwich Theatre Royal (Large Theatre organisation)

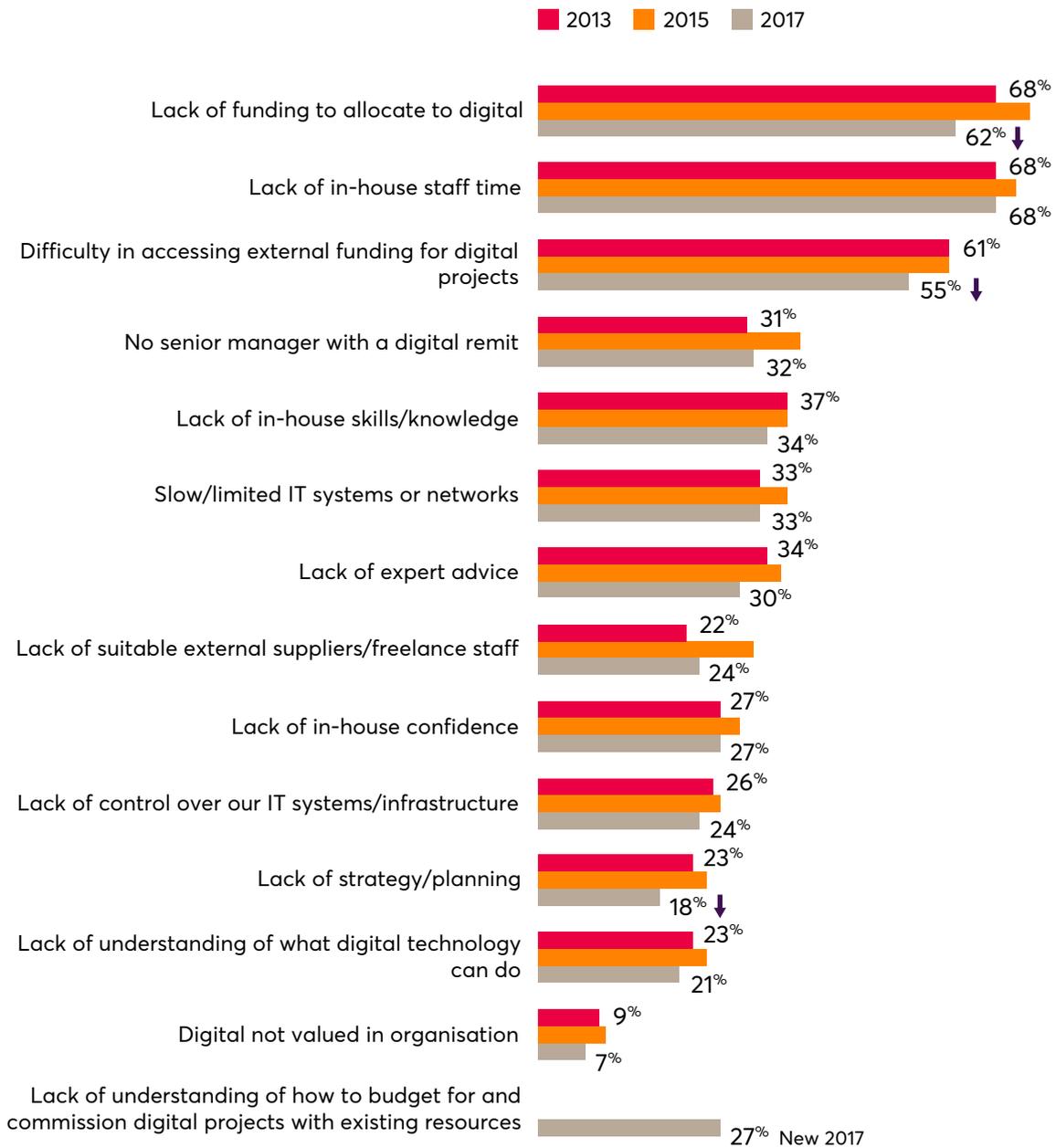
There are differences in how different artforms perceive and experience barriers. For example, Theatre organisations are more likely to cite as barriers lack of funds to allocate (71 per cent, vs 62 per cent sector average) and difficulty in accessing funding for digital projects (62 per cent vs 55 per cent); whereas 79 per cent of Dance organisations say they have a lack of in-house staff time (vs 68 per cent sector average); and 47 per cent of Heritage organisations say they have slow/limited IT systems (vs 33 per cent).<sup>26</sup> The [fact sheets](#) and [data portal](#) to allow readers to gain more insight into trends in each artform.

The persistence of these barriers may be a cause of the ongoing difference between expected and actual growth in digital activities, discussed in section 3.1. Organisations report that they intend to expand into new areas such as crowdfunding and accepting donations online, but possibly lack the human or financial resources to execute their plans:

*We keep not having enough time or budget to fulfil all the digital experiments we would like to commit to.*

The Norwich Theatre Royal (Large Theatre organisation)

Figure 12: Proportion of organisations experiencing barriers, 2013, 2015, 2017



To what extent do you see each of the following as barriers to achieving your organisation's aspirations for digital technology?

Base: 2013 – all respondents (n = 881), 2015 – all respondents (n = 975), 2017 – all respondents (n = 1,201).

## 5

# How is digital technology impacting arts and cultural organisations?

## 5.1 The impact of digital

Despite the declining levels of activity reported in Section 4.2, the proportion of organisations who say that digital technology is having a positive impact on their ability to fulfil their overall mission remains high at 70 per cent. This implies that organisations are achieving similar outcomes by focussing their efforts and resources on fewer activities.

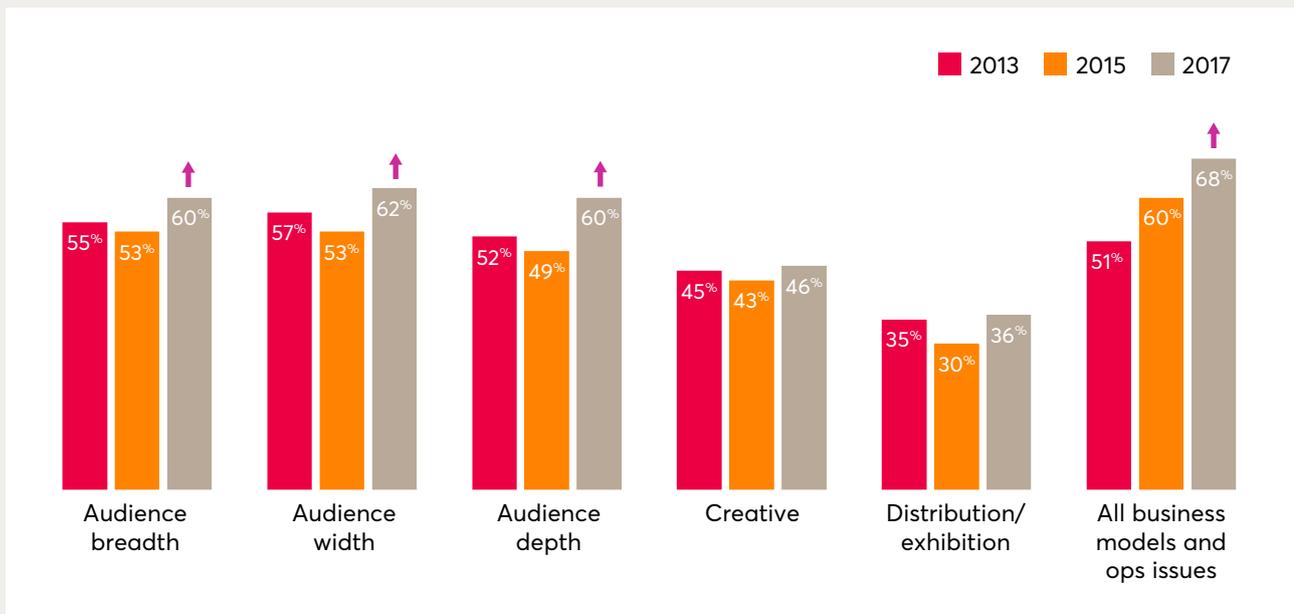
Encouragingly, over a two-year period, significantly more organisations say that digital has a major positive impact overall (up 7 per cent since 2015, from 37 per cent to 44 per cent<sup>27</sup>), and fewer say it has a minor positive impact (down 9 per cent, from 35 per cent to 26 per cent).<sup>28</sup> This suggests that as the sector matures in its use of digital technology organisations are becoming clearer about which activities can make a difference and deploy their resources accordingly.

There are significant variations across artforms, with reported impact lowest for Theatre and Heritage organisations, and highest amongst Visual Arts and Literature organisations. Most artforms report a greater prevalence of major impact from digital on the ability to fulfil their overall mission, with Visual Arts experiencing the greatest improvement since 2015, up from 45 per cent to 62 per cent, and Theatre organisations up from 25 per cent to 39 per cent. Combined Arts organisations and Literature have both seen a decline in major impact.<sup>29</sup> Combined Arts organisations have dropped from 48 per cent to 44 per cent and Literature organisations have dropped from 54 per cent to 50 per cent.<sup>30</sup>

Over the last two years major positive impact for small organisations is fairly stable (44 per cent in 2017 vs 38 per cent in 2015), whilst the proportion of medium and large organisations experiencing a major positive impact has significantly increased (medium orgs: 44 per cent in 2017 vs 33 per cent in 2015; large orgs: 48 per cent in 2017 vs 36 per cent in 2015).<sup>31</sup>

Looking at specific areas of impact, there has been a significant increase since 2013<sup>32</sup> in organisations reporting a major positive impact on audience engagement and business models and operations (see Figure 13). In contrast, impact in terms of creative output and distribution and exhibition remains stable.<sup>33</sup>

Figure 13: Proportion of organisations experiencing a major positive impact across business areas

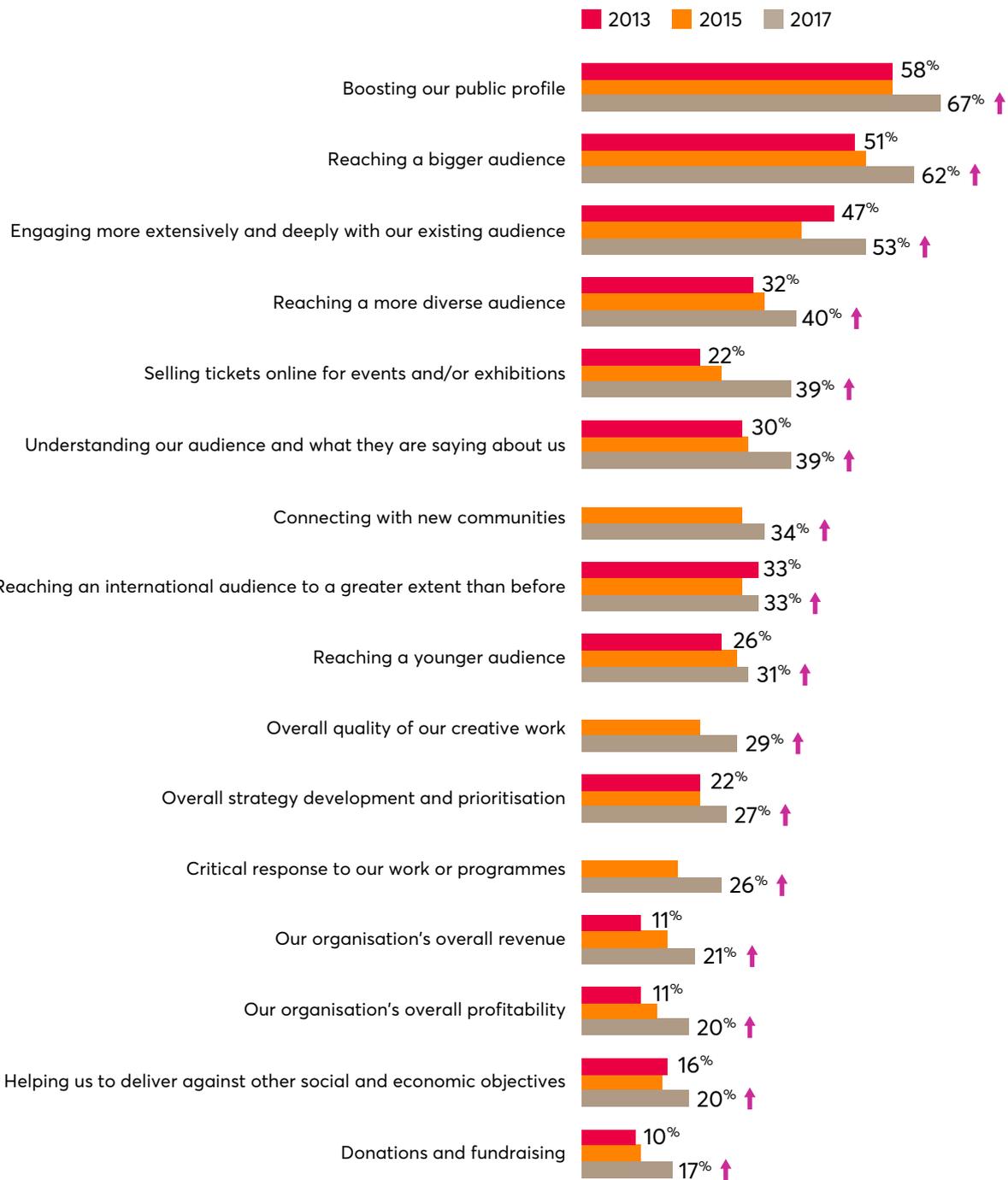


Thinking back over the past 12 months, would you say your organisation's use of the internet and digital technology has had a major positive impact, a minor positive impact, or no positive impact at all on each of the following? These figures are nets based on the data shown in Figure 14.<sup>34</sup>

Base: 2013 – all respondents (n = 891), 2015 – all respondents (n = 984), 2017 – all respondents (n = 1,239).

In contrast to the decline in the number of types of activity undertaken by organisations reported in Section 4.2, 15 specific impact areas have increased significantly since 2013. Almost all of these relate to generating revenue (e.g. ticketing, donations), reaching larger or different audiences (bigger, more diverse, younger audiences), or engaging more deeply with these audiences (see Figure 14).

Figure 14: Areas showing significant change in major or minor positive impacts (ranked by 2017)



Thinking back over the past 12 months, would you say your organisation's use of the internet and digital technology has had a major positive impact, a minor positive impact, or no positive impact at all on each of the following?

Base: 2013 – all respondents (n = 891), 2015 – all respondents (n = 984), 2017 – all respondents (n = 1,239).

The most common theme in respondents' qualitative feedback was that digital has had a major impact on their ability to generate revenue, such as through ticket sales, donations or by identifying sources of funding:

*It's where we find out ALL the info about ALL the funding applications available, it's where we sell ALL of our tickets.*

Wild Rumpus CIC (Large Producer of large scale outdoor family events)

In terms of audiences, a number of respondents reflected positively on the possibilities of social media, and within this, the impact of paid search and online display:

*Paid advertising through social media platforms has allowed us to access audiences that weren't aware that our organisation was offering certain artforms.*

The Norwich Theatre Royal (Large Theatre organisation)

*[Social media is great for...] Reaching new audiences and creating two-way conversations with audiences - two way, not just from us to them.*

The Merry Opera Company (Medium Contemporary Touring Opera Company)

However, other organisations reported that social media had not yet delivered the anticipated audience impact:

*Social media promises great reach but provides little attention [from the audience]. The well documented effects of filter bubbles and echo chambers also suggest that cultural organisations may be spending time on social media that is only reaching over-familiar audiences.*

Royal Pavilion & Museums, Brighton & Hove (Large Museum service of Brighton & Hove)

Some reported evolving different social media strategies, rather than giving up altogether, suggesting an ongoing process of trial and error:

*Facebook advertising hasn't seemed to be very effective so we are currently working on new social media marketing strategies for which we are bringing a team together for now.*

Infinite Experience LTD (Small Theatre organisation)

A small number of positive comments noted the ability of livestreaming and simulcasting to help increase audience reach and engagement:

*We experimented in 2016 with a live stream of our carnival which confirmed a demand for this service with 42,000 hits on our website in 24 hours and the stream was viewed in 119 countries.*

Bridgwater Carnival (Medium Dance organisation)

The predominant message, though, was that results of live streaming are variable and that this area is still a work in progress:

*In the past two to three years, we have live streamed a number of our performances - and this has had variable results. Our original expectations were to exponentially increase the number of people who engaged with our performances, but this has not been consistent in terms of results and viewing figures.*

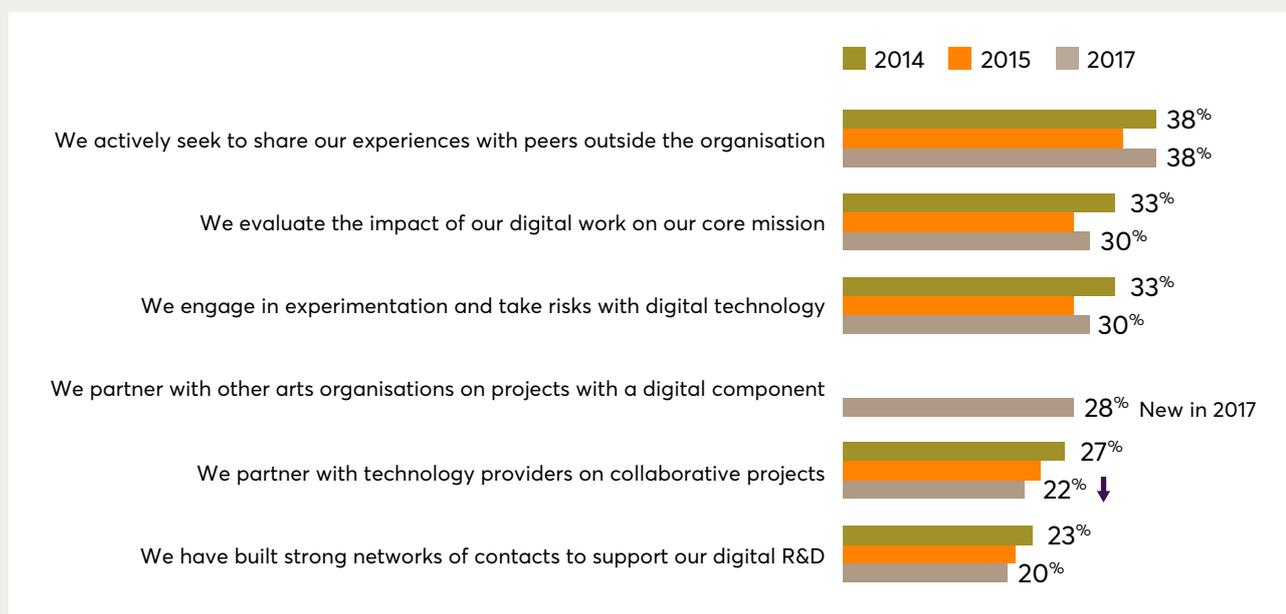
City of London Sinfonia (Large Music organisation)

The survey data suggests that technology has started to create real impact for organisations in their interaction with audiences, albeit quite slowly and not without significant challenge. This does not seem to only be a case for breadth of engagement (reaching more people), but seems to point to an increased dialogue with both existing and new communities, helping organisations to understand those audiences and gather critical feedback from them. The potential of technology to help create more engaged and involved relationships with audiences – through data use as well as through the use of different platform and channels - represents a major opportunity for the sector.

## **5.2 How many are undertaking R&D activity, and what impact are they experiencing?**

The survey asked organisations to rate themselves against a series of statements, to gain insights into the nature and scale of research and development (and, by proxy, innovation) behaviours across the sector. These ranged from direct statements, such as 'We engage in experimentation and take risks with digital technology', through to indirect statements that are indicative of R&D behaviours, such as 'We partner with technology providers on collaborative projects'.

Figure 15: Proportion of organisations undertaking R&D behaviours (2014, 2015 and 2017. NB: question not asked in 2013)



How well do you think the following statements describe your organisation's behaviour with regard to digital research and development (R&D)?

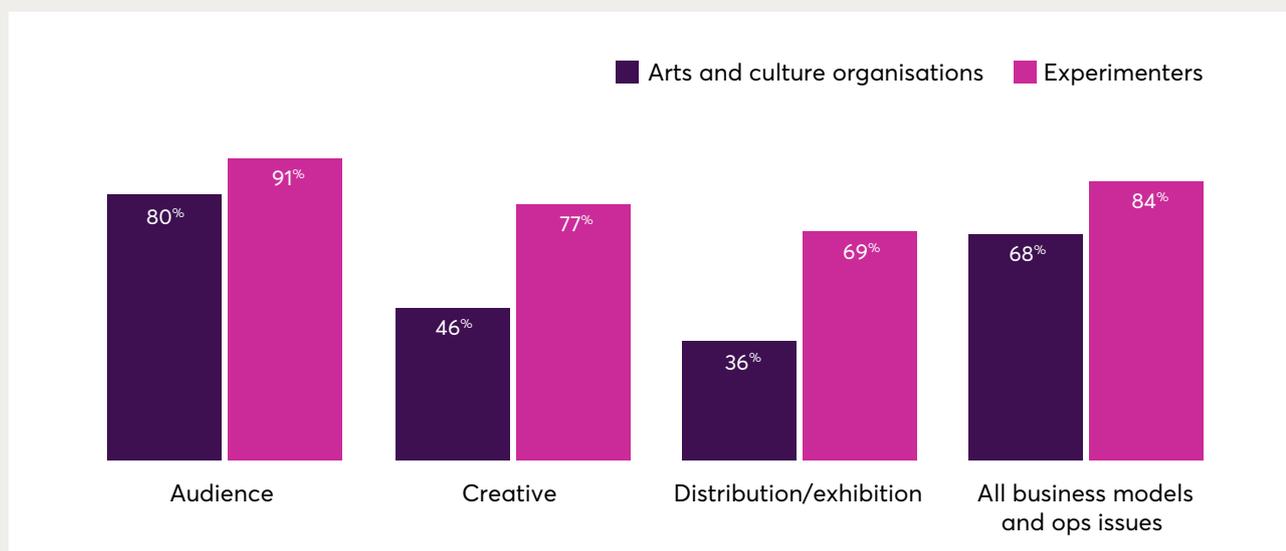
Base: 2014 – all respondents (n = 945), 2015 – all respondents (n = 984), 2017 – all respondents (n = 1,183).

The proportion of organisations undertaking most of these R&D activities has either remained stable or fallen since 2014 (see Figure 15). In 2017, the most common reported activity is seeking to share experiences of digital R&D with peers from other organisations (38 per cent).<sup>35</sup> Only 30 per cent of organisations say that they experiment and take risks with digital technology, whilst 28 per cent of organisations say they partner with other arts organisations on digital projects, and only 22 per cent say they partner with technical providers.

The 30 per cent of organisations that say they are experimenting or taking risks with digital technology are more likely to report that digital has had a major positive impact on their ability to deliver their mission effectively, which is similar to the finding in 2015.<sup>36</sup> This is true also on impact on creative output and distribution and exhibition (see Figure 16). The data is striking in these areas:

- Overall, 46 per cent of organisations claim digital has a major positive impact on creative output - but this rises to 77 per cent amongst self-defined experimenters.
- Overall, 36 per cent of organisations claim that digital has a major positive impact on distribution and exhibition – but this nearly doubles to 69 per cent amongst experimenters.<sup>37</sup>

Figure 16: Proportion of experimenters experiencing major or minor positive impact in different activity areas compared to the sector as a whole (2017)



Thinking back over the past 12 months, would you say your organisation's use of the internet and digital technology has had a major positive impact, a minor positive impact, or no positive impact at all on each of the following?

Base: 2017 – all respondents (n = 1,239), 2017 – experimenters (n = 167).

Organisations that claim to experiment and take risks are evenly spread by region and by size. Reflecting the greater impact, they report in creation and distribution/exhibition, they are over twice as likely to report having advanced creation skills (82 per cent vs 38 per cent of sector overall) and doing more data-led activities than the sector as a whole (nine data-led activities are significantly higher for experimenters than for the whole sector). For example, they are more likely to report using data to inform the process of developing creative art works, events or exhibitions (46 per cent vs 27 per cent).<sup>38</sup>

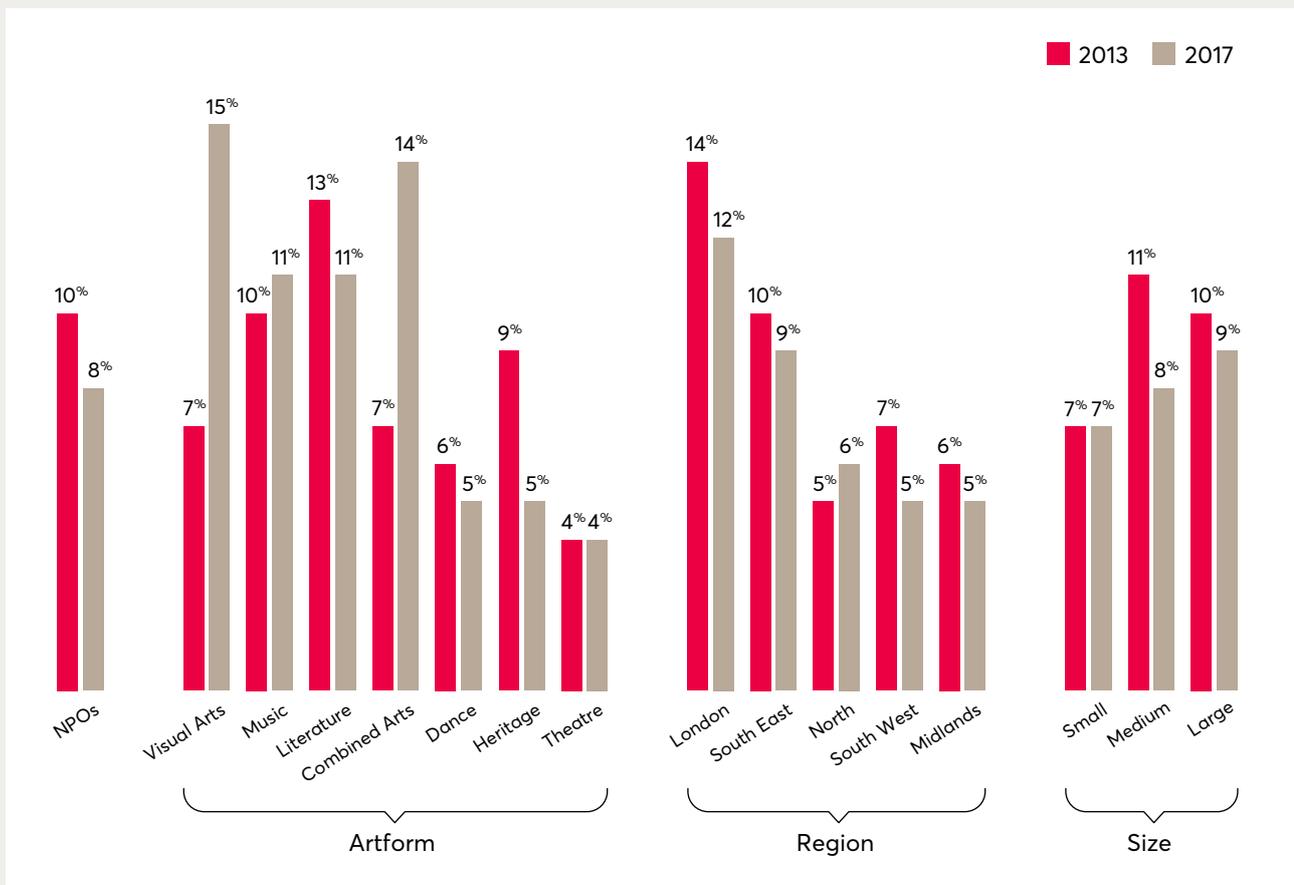
In terms of organisational structure and skills, experimenters are much more likely to report having senior management who are knowledgeable about digital technologies (71 per cent vs to 43 per cent) and less likely to say that the lack of a senior manager with a digital remit is a barrier (16 per cent compared to 32 per cent for sector overall). They are also much more likely to claim that digital expertise is evenly spread throughout the organisation (57 per cent vs 32 per cent).

### 5.3 Digital Leaders

The 2013 Digital Culture report analysed the behaviours and characteristics of a cohort of organisations that said digital technologies were very important or essential to all areas of their business – this made up 10 per cent of organisations surveyed.<sup>39</sup> Using the same definition as in 2013, these organisations now only represent 8 per cent of organisations within the 2017 sample. The decline in the size of the cohort is caused by a fall in the proportion of organisations who perceive digital as very important or essential across preserving and archiving, operations, creation, and distribution and exhibition. Overall, this top percentile of organisations that ascribe importance to digital are actually moving closer to the whole sector as the number of activities that they carry out and the impact they report from technology is declining.

There has been a significant change in the mix of artforms represented in this digital leader cohort; 15 per cent of Visual Arts organisations are part of this cohort, compared to just 7 per cent in 2013; ditto 14 per cent of Combined Arts organisations, compared to 7 per cent in 2013. On the other hand, 5 per cent of Heritage organisations are part of this cohort, compared to 9 per cent in 2013. There have been minimal changes among regions and size of organisation.

Figure 17: Proportion of organisations categorised as Digital Leaders, split by art and cultural form, size and region



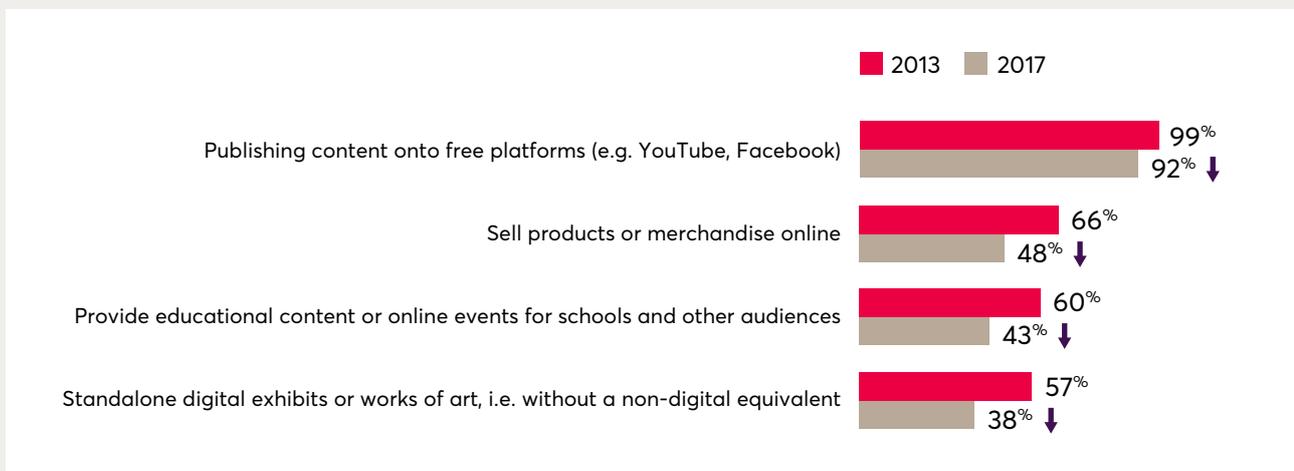
In which of the following areas is your organisation active? We have used the standard Arts Council England categories where possible.

Base: 10 per cent who consider digital most important 2017 (n = 144).

In 2017, the digital leaders (those that ascribe the most importance to digital) continue to be more digitally active than the sector as a whole, undertaking an average of 10.4 types of activity each vs 7.8 for the whole sector. Although still digitally more active, they are undertaking fewer types of activity on average than in 2013, declining from 13.0 activities in 2013 to 10.4 in 2017. They are significantly more likely to be carrying out complex creation and distribution activities – for example, 44 per cent say they are designing digital experiences to be used alongside and at the same time as an artwork or exhibition, vs 24 per cent. In contrast, there is now no significant difference in the proportion of this cohort selling tickets online (54 per cent of digital leaders vs 52 per cent of whole sector) or accepting donations online (46 per cent vs 43 per cent) – reflecting the sharp rise in the whole sector undertaking these activities (see Section 4.3).

There are also four distinct areas where activity appears to have declined. This cohort is now less likely to be producing standalone digital works of art (38 per cent in 2017 vs 57 per cent in 2013), producing educational content (60 per cent in 2013 vs 42 per cent in 2017), publishing content onto free platforms (89 per cent in 2017 vs 99 per cent in 2013) and selling products or merchandise online (46 per cent in 2017 vs 66 per cent in 2013).<sup>40</sup>

Figure 18: Digital activities that show significant decline since 2013 (amongst digital leaders)



Q12 – Now thinking about your organisation's digital activities, please indicate which of the following your organisation currently does.

Base: Top 10 per cent 2015 (n = 80); Top 10 per cent 2017 (n = 114).

The organisations who see digital as most important are significantly more likely to experience positive impact from digital across all 26 areas.

However, the impact gap is closing: digital leaders report very similar levels of major positive impact as in 2013. Whereas the sector as a whole reports 12 significant increases since 2013, digital leaders report only two. The *Digital Culture 2015* report proposed a 'plateau effect', where organisations were no longer reporting increases in impact as certain aspects of technology became more embedded and normalised within their organisations. The 2017 data tends to reinforce this.

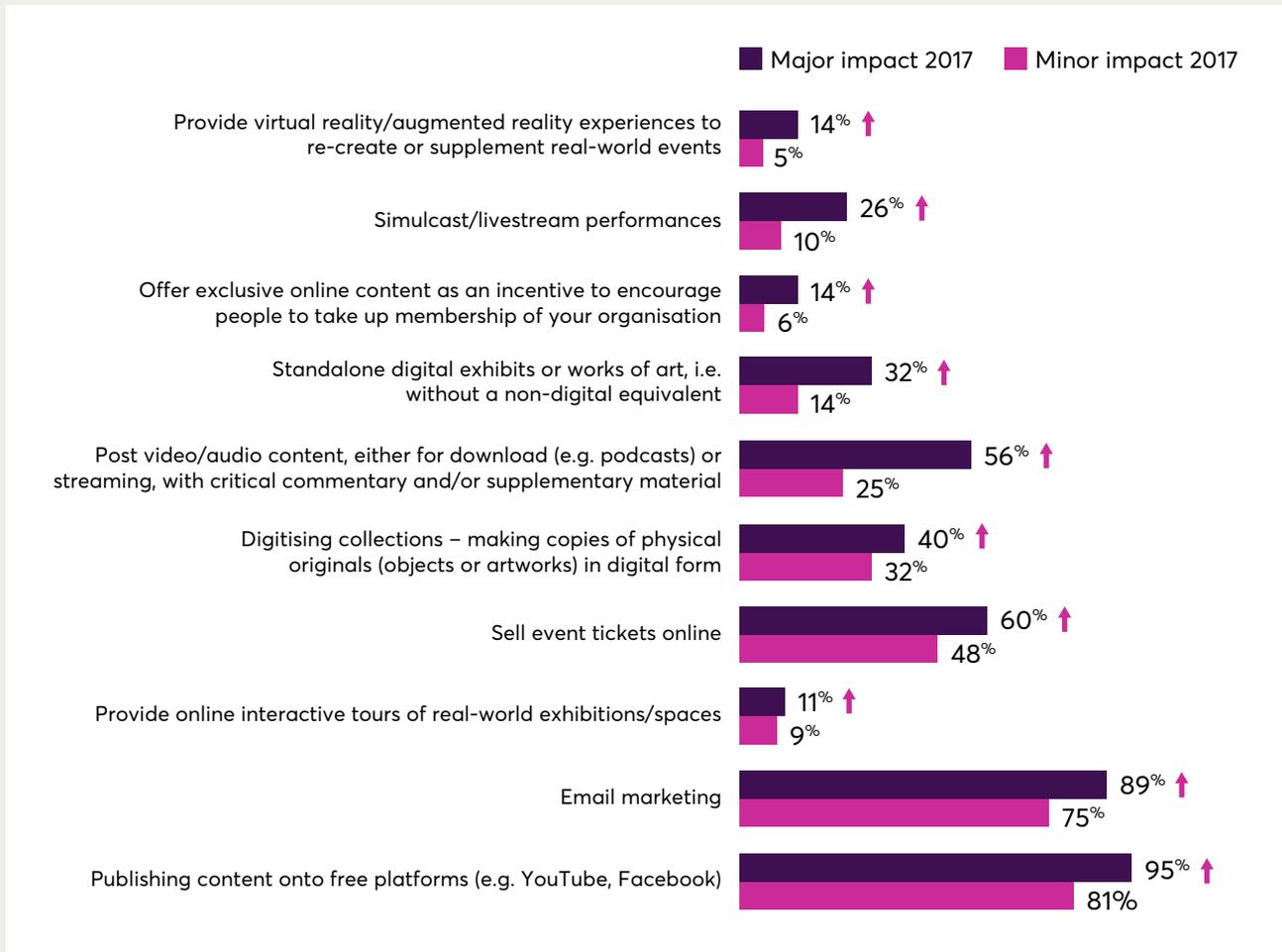
The digital leaders report fewer barriers to implementing digital ambitions than does the wider sector. The only exception to this is lack of funding to allocate to digital products, which is the same as the sector as a whole, at 62 per cent. Both the sector as a whole and digital leaders have experienced some decline here (significantly so for the whole sector due to base size – from 68 per cent to 62 per cent, but not for digital leaders – from 72 per cent to 62 per cent). Mirroring the sector as whole, this group notes a significant decline in the difficulty of accessing external funding (down from 69 per cent in 2013 to 52 per cent in 2017) and the lack of strategy being a barrier (19 per cent in 2013 to 6 per cent in 2017).

#### 5.4 What characterises organisations that report a low level of positive impact from digital?

Only six organisations respondents to the survey reported no positive impact at all from digital. However, 27 per cent reported minor positive impact from digital.<sup>41</sup> This section compares these organisations with those who report a major positive impact (the 44 per cent who code 5 from a 5-point scale).<sup>42</sup> The intention is to help identify behaviours and organisational characteristics that could help arts and culture organisations gain additional impact from digital technologies.

The 27 per cent of minor impact organisations report doing fewer types of digital activities than major impact organisations (average of 6.5 vs 9.7). The relative difference in uptake of specific activities is particularly striking for complex activities such as creating VR experiences or simulcast and livestream activities (see Figure 19). The relative difference in uptake is less pronounced for less complex activities such as email marketing, publishing content on social media, and selling tickets online.

Figure 19: Proportion of organisations undertaking digital activities split by organisations reporting a major impact from digital compared to those reporting a minor impact from digital, 2017

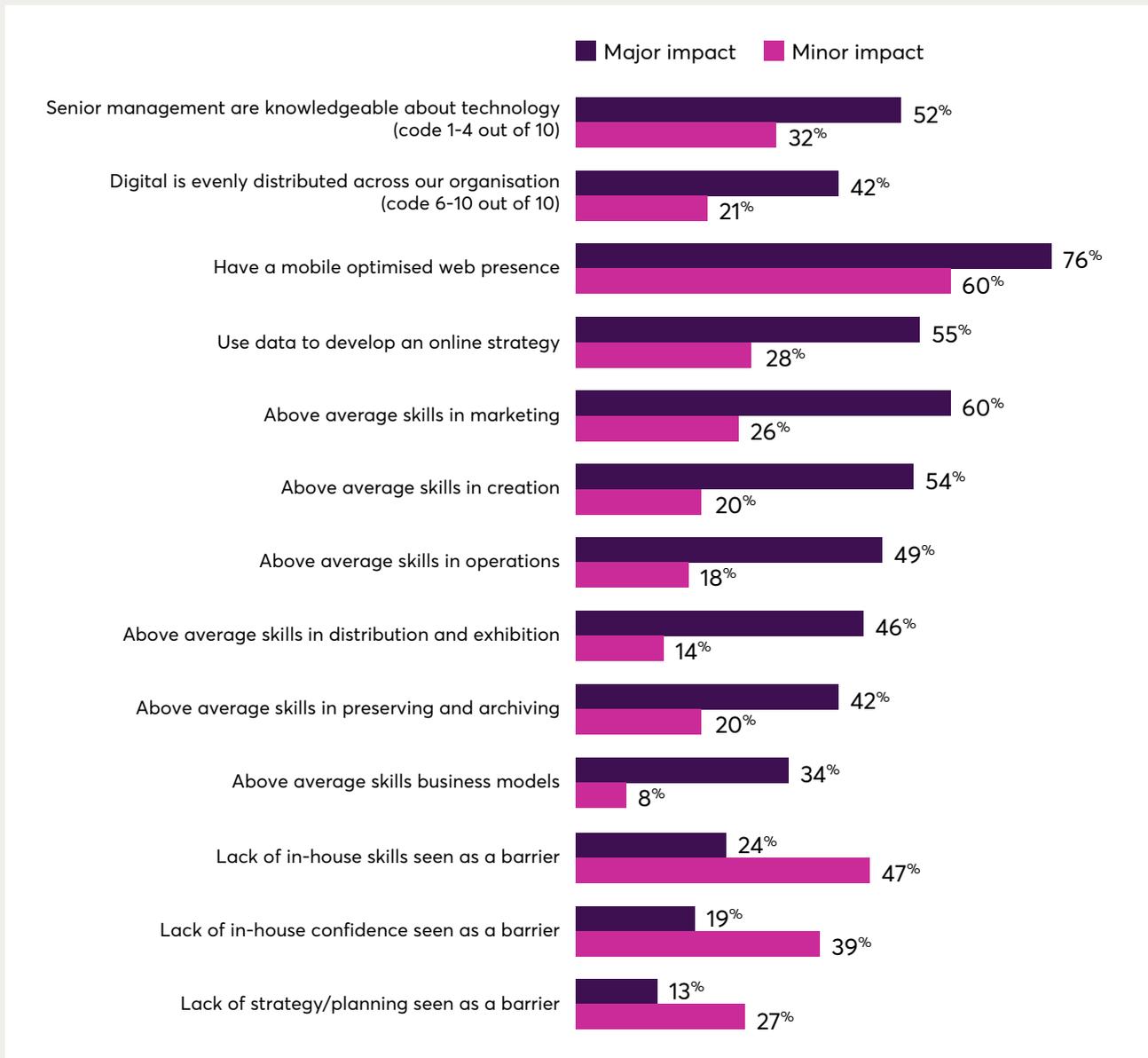


Now thinking about your organisation's digital activities, please indicate which of the following your organisation currently does (Arrows indicate statistically significant differences at the 95 per cent confidence level).

Base: 2017 – major impact (n = 546), minor impact (n = 324). NB these are two subgroups created from just two of the points of a 5-point scale of impact.

Minor and major impact organisations are fairly evenly distributed in terms of size.<sup>43</sup> However, minor impact organisations are less likely than the sector average to be based in London (17 per cent of minor impact organisations are based in London vs 23 per cent of organisations within the sector).

Figure 20: Data relating to organisational structure, mobile optimised web presence and use of data, skills and barriers among organisations reporting a major positive impact from digital, compared to those reporting a minor positive impact from digital



Here are some statements that other people have made about their organisations. Please indicate which of the pair of statements is the best fit for your organisation. Does your organisation currently have a web presence that is optimised for mobile devices? Thinking about how you use audience or visitor data (generated either through your own website, social media or through offline engagement), which of the following activities do you do? For each of the following areas, how advanced do you feel your organisation's digital skill levels are compared to your peers? To what extent do you see each of the following as barriers to achieving your organisation's aspirations for digital technology?

Base: 2017 – major impact (n = 546), minor impact (n = 324). NB these are two subgroups created from just two of the points of a 5-point scale of impact.

As can be seen in Figure 20, Digital expertise tends to be concentrated within the organisation: only 21 per cent report that digital is distributed across all parts of their organisations vs 42 per cent for major impact organisations; and 32 per cent report that senior management are knowledgeable about digital technologies vs 52 per cent for major impact. They report having lower skill levels than their peers across all of the six areas examined within the study (creation, marketing, distribution and exhibition, preserving and archiving, operations and business models).

Minor impact organisations also report being less digitally advanced across mobile and data. Fewer minor impact organisations have a mobile optimised web presence (60 per cent vs 76 per cent for major impact). Significantly fewer minor impact organisations report doing each of the 11 data-led activities that were asked about. The biggest gap is in using data to develop an online strategy, with 28 per cent of minor impact organisations doing this, compared to 55 per cent of major impact organisations.

Minor impact organisations report ten of the 14 barriers to achieving digital aspirations more frequently than major impact organisations. For example, 47 per cent report a lack of in-house skills/knowledge as a barrier vs 24 per cent of major impact organisations; 39 per cent report confidence as a barrier (vs 19 per cent), and lack of strategy and planning is a barrier for 27 per cent (vs 13 per cent).

## 5.5 Regional variations in the use and impact of technology

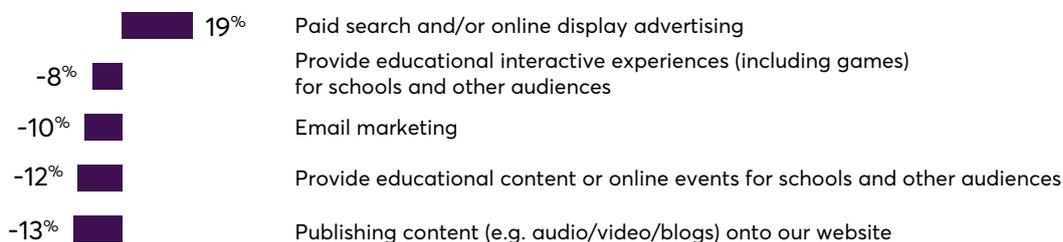
As with previous years, there are significant differences across the English regions. This final part of Section 5 will highlight a few of the key findings in relation to these differences; however, we would refer readers to a [data portal](#) that allows these variations to be explored in more depth.

Most regions average a similar number of types of digital activities (7.5 in Midlands, 7.6 in North and South East and 7.7 in South West), whilst London-based organisations continue to be an outlier, averaging 8.7 types of digital activity. London organisations are significantly more likely than organisations in any other region to engage in ten of the 24 activities measured.<sup>44</sup>

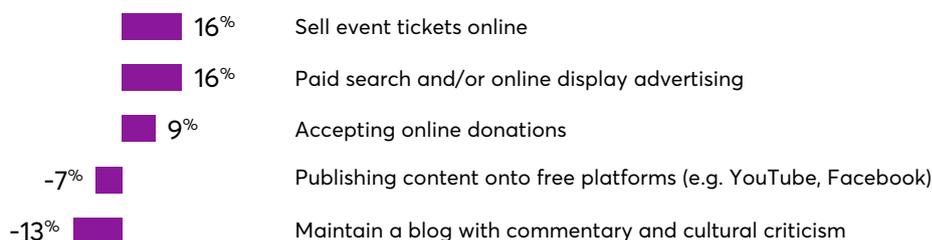
However, the gap between London organisations and organisations in other regions has narrowed. The average number of digital activities undertaken per organisation has declined slightly more in London since 2013 than across the sector – a drop of 1.7 activities compared to a drop of 1.4 activities for the sector as a whole. Over the same period, the proportion of South West and North organisations undertaking three types of digital activity has significantly increased since 2013 (see Figure 21), compared to a rise in just one among London organisations (paid search and online display).<sup>45</sup>

Figure 21: Digital activities currently done, that have significantly changed, 2013-17, by region

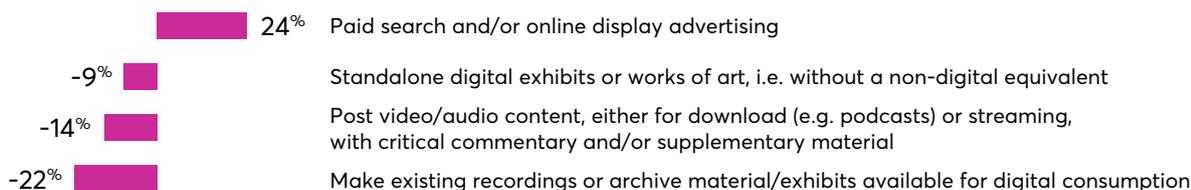
**London**



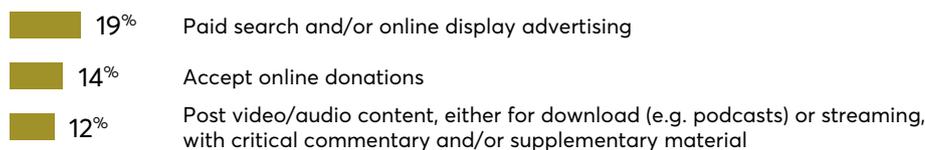
**North**



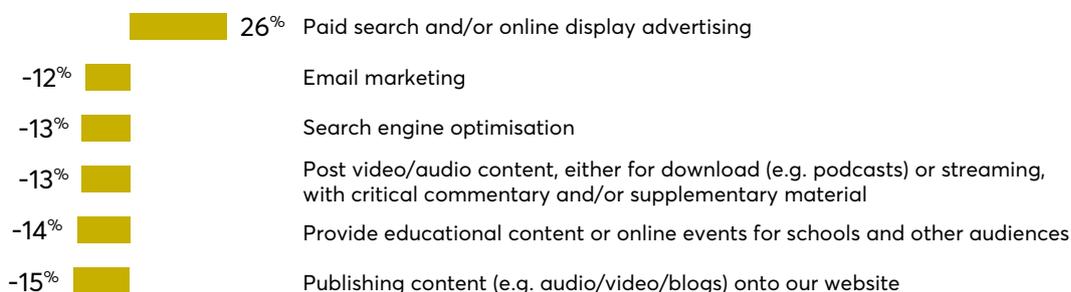
**South East**



**South West**



**Midlands**



Now thinking about your organisation's digital activities, please indicate which of the following your organisation currently does.

Base: 2013 - London (n = 287), 2017 - North (n = 240), South East (n = 141), South West (n = 91), Midlands (n = 122), 2017 - London (n = 338), 2017 - North (n = 326), South East (n = 261), South West (n = 185), Midlands (n = 182).

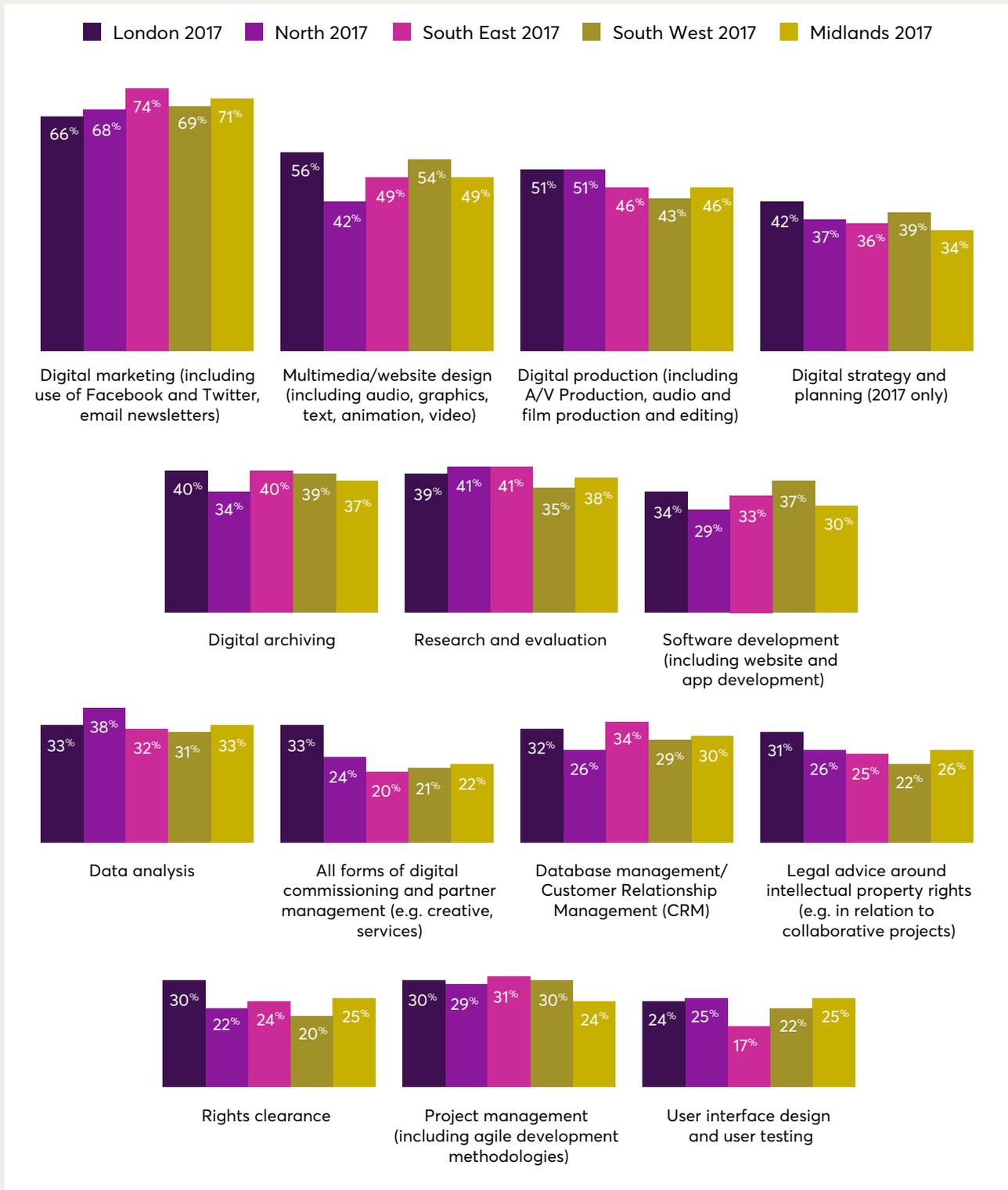
Most regions report a similar level of major impact from digital in helping them achieve their organisations' overall mission, ranging between 39 per cent (South East) and 47 per cent (South West), which is not a statistically significant difference from the sector average of 44 per cent. However, a significantly higher proportion of London organisations say that digital has a major impact on their overall ability to achieve their mission (52 per cent compared to 44 per cent across England overall).

On the whole, there are very few significant differences between regions when it comes to different impact areas. As an example, organisations in the North are significantly ahead of the sector average for just one digital activity (27 per cent reporting that digital helps them to deliver against other social and economic objectives, vs 20 per cent sector average). One exception is the difference in reported impact between London and other regions. In nine of the 27 impact areas explored, a greater proportion of London organisations report a major impact than the sector as a whole (for the other impact areas, London was not significantly higher).

There are some notable regional variations in access to digital skills. London organisations are more confident than any other region in ten of the 14 skills areas. Meanwhile, organisations in the South West are the least confident across six of the 14 areas, e.g. only 22 per cent of organisations in the South West claim they are well-served for legal advice compared to 31 per cent in London.

The biggest gap in skills between London and other regions is for digital commissioning and partner management, with 33 per cent of London organisations saying they are well-served, with the North following 9 per cent behind (24 per cent).

Figure 22: Proportion of organisations who feel 'well-served' across different skill areas either from internal staff or outside expertise



Here is a list of skills and capabilities in key areas relating to digital technology and digital R&D. Please rate each one according to the extent to which your organisation is well-served or under-served for its needs in these areas. (Range of skill areas asked about – both internally sourced and externally sourced).

Base: 2017 – London (n = 310), 2017 – North (n = 301), South East (n = 239), South West (n = 173), Midlands (n = 170).

Since 2013, there have been several significant increases in the proportion of organisations reporting that they are well-served in the 14 skills and capability areas. For example, more organisations in the North and in London now report to be well-served for data analysis (North: 28 per cent in 2013 to 38 per cent in 2017; London: 24 per cent in 2013 to 33 per cent in 2017).

In terms of barriers, all regions report that the barrier felt by the most organisations is a lack of funding to allocate to digital. There are only four significant differences across regions:

- Sixty-seven per cent of organisations in London claim that a lack of funding to allocate to digital is a barrier, compared to 57 per cent in South West.
- Thirty-nine per cent of organisations in the South East report that slow/limited IT system is a barrier, compared to 26 per cent in the South West.
- Fifty-eight per cent of organisations in London report that difficulty in accessing external funding is a barrier, compared to 48 per cent in the South East.
- Thirty-eight per cent of organisations in the North report that having no senior manager with a digital remit is a barrier compared to 26 per cent in the Midlands.

6

## Conclusions

The story of the arts and cultural sector's relationship to digital technology from 2013 to 2017 is one of gradual change and adoption, rather than wholesale disruption.

Continuing the trend observed in 2015, arts and cultural organisations are more active in using digital to support their revenue generation and overall business model. This additional activity has led to a substantive increase in the positive impacts reported on business model and operational areas.

There are also significant, positive findings with regards to the impact digital technology is felt to be having on relationships with audiences. More organisations now report impact on boosting public profile, achieving more breadth and depth, and reaching younger and more international audiences. This impact has been achieved even while the number of activities undertaken by arts organisations has decreased – suggesting a concentration of effort around what is proven to work.

The study also suggests the ways in which different aspects of an organisation's approach to digital technology are interlinked. Digital 'experimenters', for example, tend to experience much higher levels of impact in relation to creation and distribution and exhibition of content than the sector as a whole. These same organisations also see a significantly higher level of impact in relation to their business model and operational functions, which suggests that organisations that invest in digital content or artistic production and new ways to showcase work also reap rewards in terms of revenue generation and operational efficiency.

Finally, the group of organisations that experience less impact from technology are less likely than the sector as a whole either to have senior management who are knowledgeable about digital or to distribute responsibility for digital widely across their organisation. The likelihood that these organisations are undertaking complex or innovative activities is also substantially lower than for those experiencing high levels of impact. In short, these organisations conduct some of the more straightforward activities allowed by technology but do not reap significant rewards. Supporting or encouraging these organisations to adopt some of the technologies now more readily and in some cases more cheaply available could help to create a positive change in their interactions with audiences and in the running of their operations.

# Endnotes

1. It should be noted that between 2013 and 2014 the description of business models was changed; specifically, one of the examples given changed from 'syndicating digital content to a third-party ad-funded site' to 'allowing online donations through your organisation's website'.
2. Base: 2013 – all respondents (n = 891), 2017 – all respondents (n = 1,424).
3. Definitions of nets: Audience breadth (reaching a more diverse audience, reaching a younger audience, reaching an international audience), Audience width (reaching a bigger audience), Audience depth (engaging more extensively, understanding our audiences).
4. Base: 2017 – all respondents (n = 1,187).
5. Base: 2017 – London (n = 350), 2017 – North (n = 336), South East (n = 275), South West (n = 198), Midlands (n = 194).
6. This is made up of 1,154 completed surveys and 270 partial completes.
7. Arts Council England National Portfolio Organisations, including Major Partner Museums.
8. This is made up of 307 completed surveys from NPOs and 87 partial completes.
9. By consistent here we mean that the full sample and the returning 'panel' sample do not contradict one another. There are cases when the full sample may show a statistically significant change over time but the panel sample does not, at least in part because it is much smaller so a higher degree of movement is needed in order to deliver a change that is statistically significant at a 95 per cent confidence level.
10. In 2015 we asked about 24 activities, but this year we have asked about 23.
11. Between 2013 and 2014 the description of business models was changed; specifically, one of the examples given changed from 'syndicating digital content to a third-party ad-funded site' to 'allowing online donations through your organisation's website'.
12. In this report 'small' is having an annual turnover of less than £100,000, 'medium' is from £100,000-500,000 and 'large' is greater than £500,000.
13. Base: 2013 – Large organisations (n = 246), 2017 – Large organisations (n = 318), 2013 – Small organisations (n = 301), 2017 – Small organisations (n = 642); 2017 – small Heritage organisations (n = 90).
14. In 2013 the survey asked about 24 activities. In 2017 the survey asked about 23.
15. Base: 2013 – all respondents (n = 891), 2017 – all respondents (n = 1,424).
16. Base: 2017 – all respondents (n = 1,424).
17. Base: 2017 – Theatre orgs. (n = 326), 2017 – Dance orgs. (n = 67).
18. AEA consulting, Arts Council England, From Live to digital, 2016.
19. Base: 2017 – all respondents (n = 1,316).
20. Base: 2013 – all respondents (n = 891), 2017 – all respondents (n = 1,291).
21. Base: 2017 – NPOs (n = 350), 2017 – Heritage orgs. (n = 187).
22. Base: 2017 – all respondents (n = 1,054).
23. ComScore MMX Multi-Platform, January 2017.
24. We define a mobile-optimised presence as either a mobile-specific site, an adaptive/responsive website, or an app.
25. Base: 2017 – all respondents (n = 1,187).
26. Base: 2017 – all respondents (n = 1,201), Theatre (n = 274), Dance (n = 57), Heritage (n = 174).
27. Data shown over a two-year period as we changed the question about the impact of technology on organisations' ability to fulfil their overall mission, changing the scale from a 3-point scale to a 5-point scale, between 2013 and 2014, making the data between 2013 and 2017 incomparable.
28. Base: 2014 – all respondents (n = 943), 2017 – all respondents (n = 1,234).
29. Base: 2017 – Theatre orgs. (n = 283), 2017 – Heritage orgs. (n = 179), 2017 – Visual Arts orgs. (n = 176), 2017 – Literature orgs. (n = 81), 2017 – Dance orgs. (n = 57), 2017 – Combined Arts orgs. (n = 149), 2017 – Small orgs. (n = 534), 2017 – Large orgs. (n = 305).

30. Base: 2017 – Theatre orgs. (n = 283), Heritage orgs. (n = 179), Visual Arts orgs. (n = 176), Literature orgs. (n = 81), Combined arts orgs. (n = 149), 2015 – Theatre orgs. (n = 207), Heritage orgs. (n = 120), Visual Arts orgs. (n = 139), Literature orgs. (n = 63), Combined arts orgs. (n = 104).
31. Base: 2015 – small organisations (n = 350); medium organisations (n = 290); large organisations (n = 267); 2017 – small organisations (n = 534); medium organisations (n = 346); large organisations (n = 305).
32. We are able to compare the specific impact areas over a four-year period as the question remained consistent year-on-year.
33. Base: 2017 – all respondents (n = 1,239).
34. Definitions of nets: Audience breadth (reaching a more diverse audience, reaching a younger audience, reaching an international audience), Audience width (reaching a bigger audience), Audience depth (engaging more extensively, understanding our audiences), Creative (collaboration, production, quality of creative work), Distribution and exhibition (how we distribute our work and related products, how we exhibit our end product), All business models and ops issues (our organisation's overall revenue, our organisation's overall profitability, successful funding applications, donations and fundraising, product sales, selling tickets online for events and/or exhibitions, helping us operate more efficiently)
35. Base 2014 – all respondents (n = 945), 2017 – all respondents (n = 1,183).
36. Base: 2015 – Experimenters (n = 145), 2017 – Experimenters (n=167).
37. Base: 2017 – all respondents (n = 1,239), 2017 – experimenters (n = 167).
38. Base: 2017 – all respondents (n = 1,298); experimenters (n = 167).
39. We have defined this group in the same way as we did in 2013 and 2015, by ranking organisations by how important they judge digital technology to be to their different activities (creation, marketing, distribution and exhibition, preserving and archiving, operations and business models), and then isolating the top 10 per cent of organisations. For the full methodology see the 2013 report.
40. Base: 2017 – all respondents (n = 1,424), digital leaders (n = 114)
41. This group code 2-3 from a 5-point scale. We haven't included code 1 of the 5-point scale: 'no positive impact at all', which only 6 organisations answered in 2017.
42. We haven't included code 1 of the 5-point scale: 'no positive impact at all', which only 6 organisations answered in 2017.
43. There is a slight skew – 54 per cent of minor impact organisations are small compared to 48 per cent of major impact organisations, but the difference is not significant.
44. Base: 2017 – London (n = 350), 2017 – North (n = 336), South East (n = 275), South West (n = 198), Midlands (n = 194).
45. Base: 2017 – all respondents (n = 1,424), London (n = 350), 2017 – North (n = 336), South East (n = 275), South West (n = 198), Midlands (n = 194).



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