

2016 Arts Industry Digital Marketing Benchmark Study

Market research data from
182 arts organizations

INTRODUCTION

Thank you for downloading our report! For the fifth year in a row, this survey takes a granular look at the digital marketing practices of arts and cultural organizations across the U.S. I am very grateful for the time arts marketers took to give us this data, which makes us stronger as a field.

Successful digital marketing requires spending time in the clouds as well as in the weeds – hopefully this survey will help you to do both. Before you dive into the weeds, let me share with you what I see as the two major takeaways from our 2016 survey.

Thank you again for downloading this report. I truly hope it is helpful.



Erik

The industry is underinvesting in websites, particularly mobile experiences.

63% of organizations indicated they did not have enough budget to adequately maintain their websites. With 55% of tickets now sold online and website traffic up 17% year over year, this is fast becoming a crisis. As people become more digitally adept, organizations must prioritize investing in web experiences.

The situation for mobile is even more grim. We now are firmly in a mobile-first world. 2016 was the year we saw mobile web browsing overtake desktop for the first time globally.* Our survey saw a 17% jump in mobile traffic across organizations. However, 39% of organizations reported not having a mobile-friendly ticketing path, 37% reported not having a mobile “select-your-own-seat” module, and 61% reported not having a mobile-friendly subscription path. This must change.

Arts organizations are underinvesting in content and digital marketing compared to other industries.

In a world where people are addicted to mobile phones and social media, content marketing is critical to success. This means arts organizations must invest in video, social story-telling, and social promotion. Organizations that successfully tell their story on digital channels are rewarded with followers and ticket sales. In our survey, 49% of organizations indicated that “creating compelling content” was a challenge. We also saw that 57% of organizations spent 5% or less of their budget creating content for the web/social. According to the Content Marketing Institute’s 2016 survey, B2C marketers in North America are allocating 32% of their total marketing budget on average to content marketing.* The arts sector is indexing far below that.

I was heartened to see an increase in the number of videos being produced by arts institutions. The number of organizations that reported

producing 1-5 videos per year decreased by 27%, while the number that reported producing 6 or more increased by 11%. The number of organizations that indicated they review social insights regularly has also increased dramatically since 2013. In order to stay relevant in an increasingly digital world, it is critically important that we act as artists and scientists creating compelling content, then measuring and optimizing to reach more people.

We also saw the percentage of marketing budgets allocated to digital increase to 29% (up from 22% in 2014 and 24% in 2015). While this is on the right track, our sector is under-indexing versus other industries. Forrester Research has the 2016 average of all industries at 35% of spend on digital, up from 32% in 2015.

For the fifth year in a row, we saw that “not enough budget” was the biggest challenge for organizations in implementing digital initiatives. 63% of organizations listed limited budgets as a challenge for them. 44% said “not enough internal knowledge” was a challenge. Only 15% of organizations listed “no leadership support,” the lowest this has ever been.

In order to increase budgets and grow internal knowledge within the sector, we must invest in professional development. If you are a leader of a cultural organization, it is your responsibility to learn about digital marketing, harness its power for your institution, and then provide adequate resources for your staff to build their digital skills. Professional development for the arts sector is an issue I feel very passionately about; it is why we recently launched a free podcast called *CI to Eye* where I speak with thinkers and leaders inside and outside the arts about leadership, marketing, professional development, organizational culture, and innovation. With almost all of the guests I’ve interviewed, our conversations always come back to the importance of investing in people. I invite you to listen.

Surveys were collected from January 11, 2017 to January 31, 2017 via SurveyMonkey. Applicants were invited to participate via Capacity Interactive email, Facebook, and Twitter. 223 organizations responded, but incomplete or erroneous entries were deleted or edited to ensure accuracy.

**Sources:*

<https://www.theguardian.com/technology/2016/nov/02/mobile-web-browsing-desktop-smartphones-tablets>

http://contentmarketinginstitute.com/wp-content/uploads/2015/10/2016_B2C_Research_Final.pdf

<https://www.snapagency.com/blog/how-much-spend-digital-marketing>

KEY FINDINGS

Media

The percentage of marketing budgets allocated to digital increased to 29%, up from 22% in 2014 and 24% in 2015.

Nearly all respondents purchased Facebook advertising in 2016.

Organizations that purchased Instagram advertising doubled from 25% in 2015 to 50% in 2016. 23% purchased Snapchat Geofilters.

Tracking

The majority of surveyed organizations tracked both clicks and conversions in display campaigns.

Only 25% did not track conversions, or were unaware if they tracked conversions on Facebook.

Only 11% of arts organizations ran their ads through ad servers in 2016.

Google Grant

70% of surveyed organizations used a Google Grant for AdWords advertising in 2016.

28% of organizations spent 81-100% of their monthly Google Grant budget in 2016.

On the whole, surveyed organizations' Google Grant spends increased since 2015.

Social

Facebook, Twitter, and Instagram were the most frequently used platforms. 22% reported posting on Snapchat.

Organizations saw followers increase by 21% on Facebook, 19% on Twitter, and 118% on Instagram.

The number of organizations who reported producing 5-15 videos increased by 29%, while the number of organizations who reported producing 1-5 videos decreased by 27% from 2015-2016.

Content

57% of organizations spent 0-5% of their total marketing budget on content creation for the web/social, 23% spent 6-10%.

As a percentage of overall marketing budgets, smaller organizations spent more on content creation than larger organizations.

Analytics

Since 2012, Google Analytics has remained arts organizations' preferred analytics platform.

57% of arts organizations used tag management programs, such as Google Tag Manager.

Only 8% of arts organizations felt that they were using web analytics to its potential.

Fundraising

Most respondents used segmented email and organic social posts to support their fundraising efforts.

Only 42% of organizations used fundraising videos in their campaigns and only 27% supported fundraising campaigns with display.

Larger organizations used both paid and organic social to support fundraising. Smaller organizations were not using paid social as widely.

Website

On average, arts organizations saw a 17% increase in the number of unique sessions on their website per month.

In 2016, 55% of tickets were sold online.

Roughly half of arts organizations redesigned their website in the last year.

Website Maintenance

62% of organizations surveyed felt they did not have adequate budget to properly maintain their websites.

59% of arts organizations said that they were putting very little effort into managing their SEO.

Mobile

76% of arts organizations had a mobile or mobile-responsive website. 20% plan to build one.

Many arts organizations are lacking critical mobile infrastructure. Only 39% reported having a mobile-friendly subscription path. Only 63% reported a mobile “select your own seat” module and only 61% reported mobile-friendly ticketing.

On average, arts organizations saw an increase in their mobile device traffic of about 18%.

Email

Arts organizations saw an increase in the size of their email lists of approximately 14%.

Most organizations emailed constituents just once or twice per week. Only 7% emailed each constituent three or more times.

83% of arts organizations felt as though there is room for improvement in segmenting their emails.

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Email

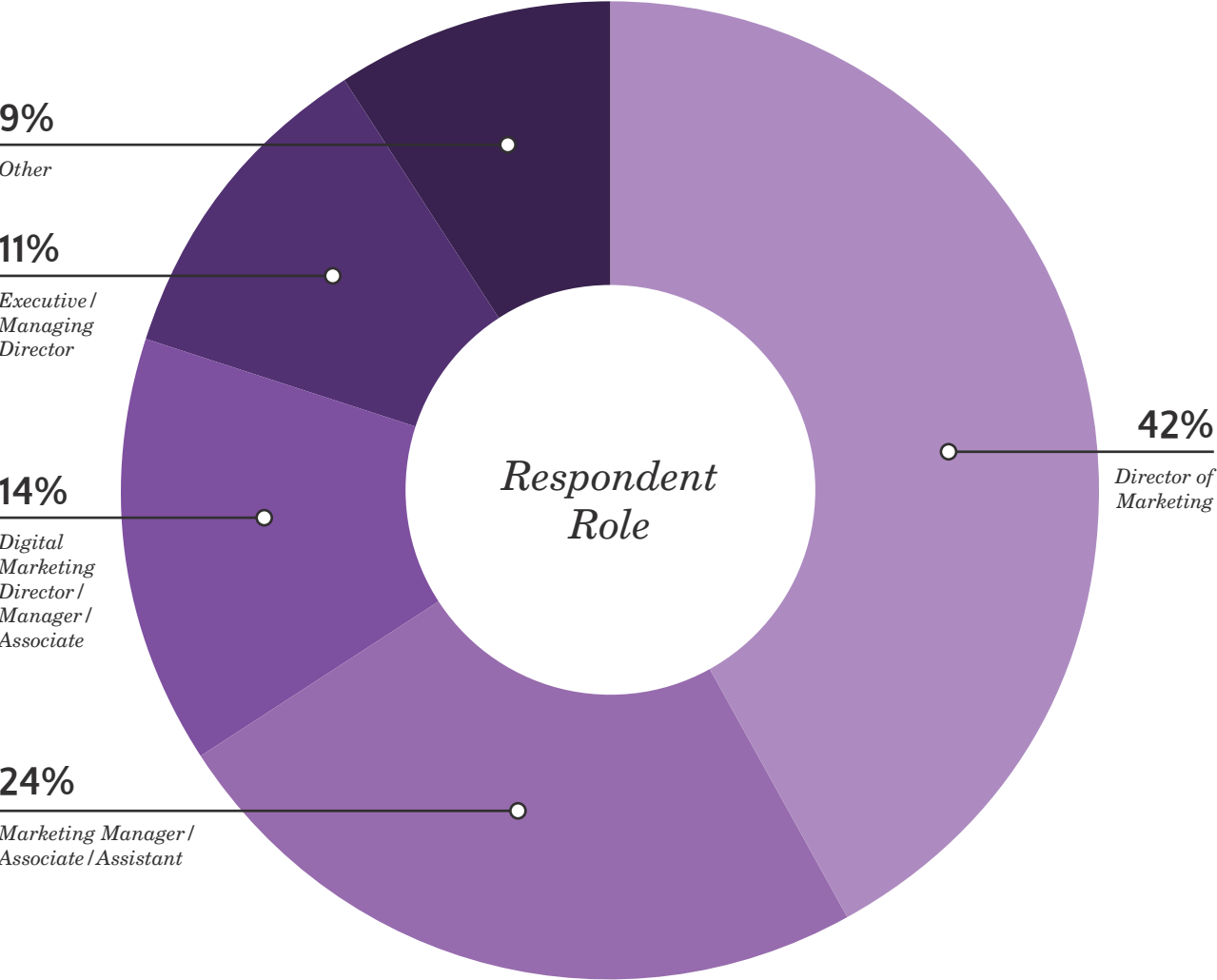
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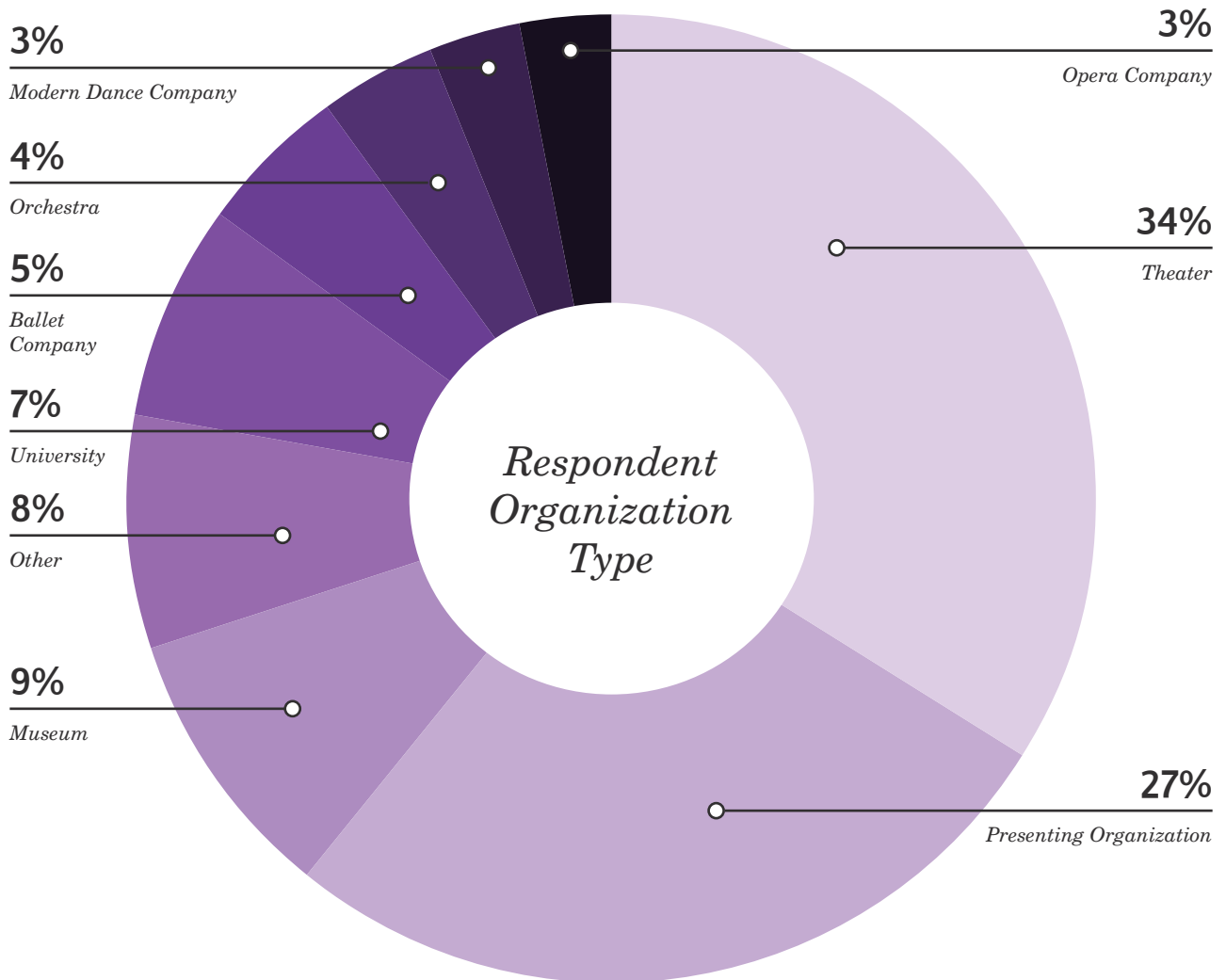
DEMOGRAPHICS

Respondent Role



DEMOGRAPHICS

Respondent Organization Type



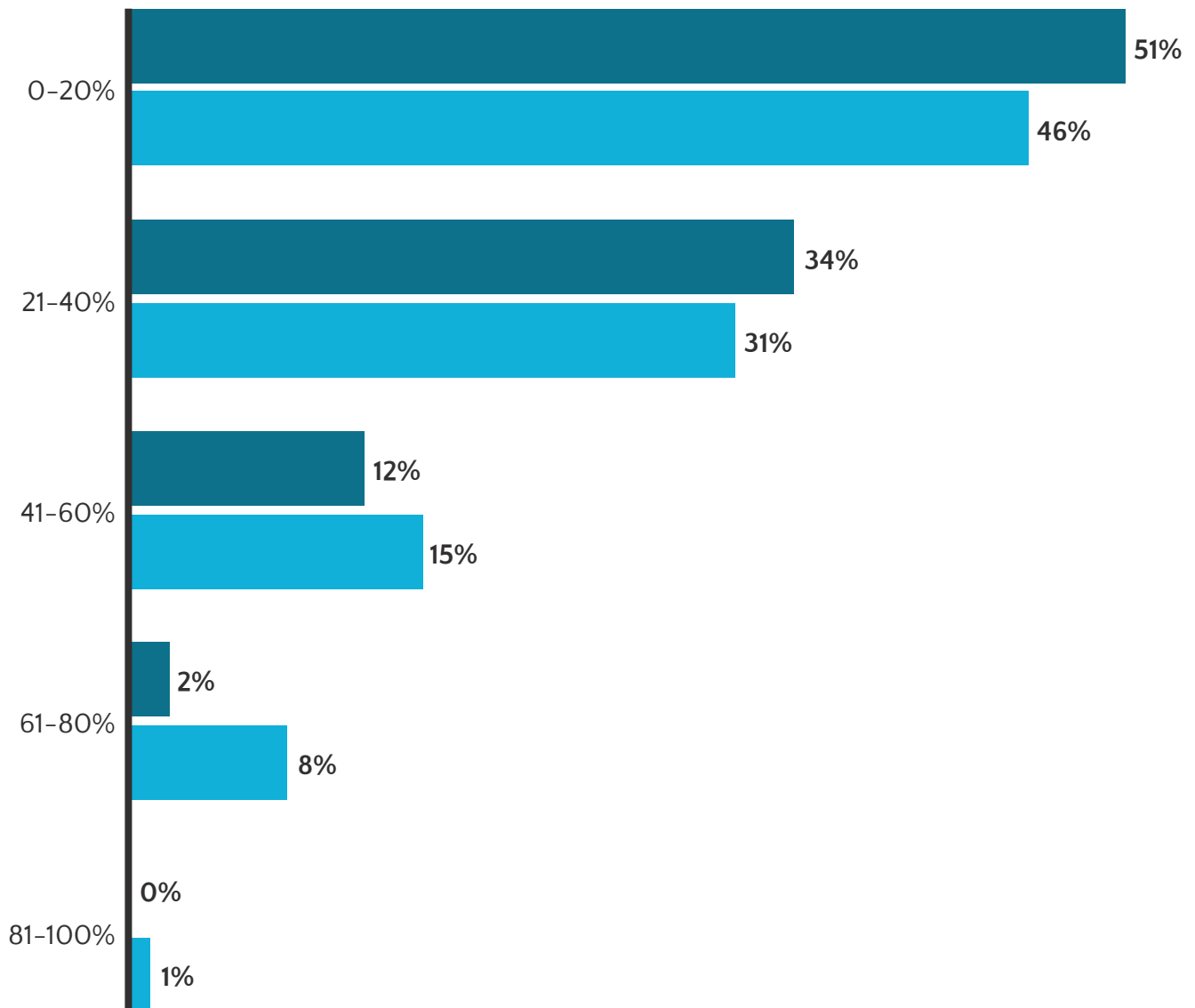
MEDIA

Digital Budget Allocation

The percentage of marketing budgets allocated to digital increased to 29%, up from 22% in 2014 and 24% in 2015.



Percent of media budget allocated to digital media in organizations from 2015 to 2016



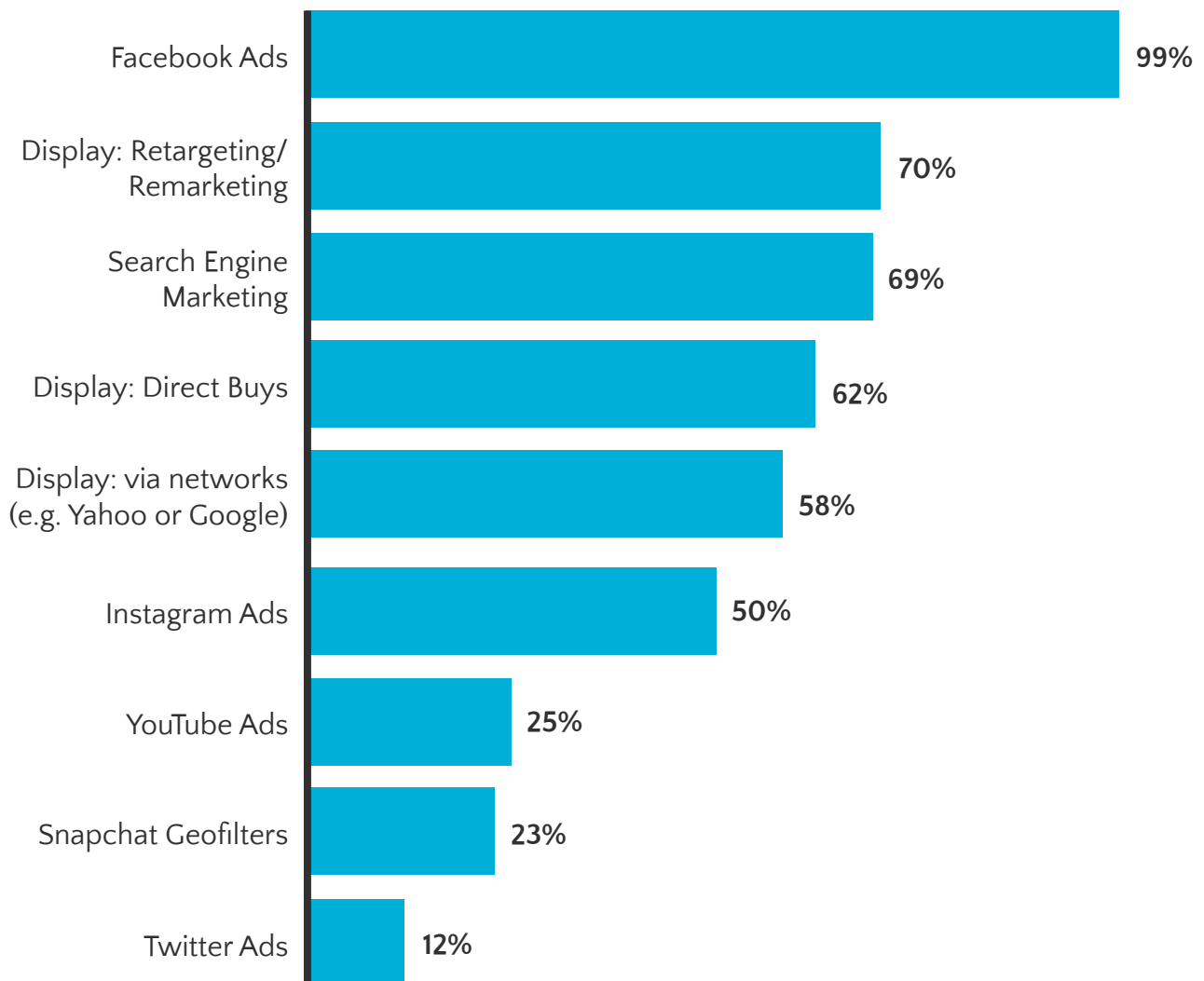
MEDIA

Types of Digital Media Purchased

Nearly all respondents purchased Facebook advertising in 2016.

The only notable change versus last year is the number of surveyed organizations who reported purchasing Instagram advertising. This number doubled from 25% in 2015 to 50% in 2016. 23% purchased Snapchat Geofilters.

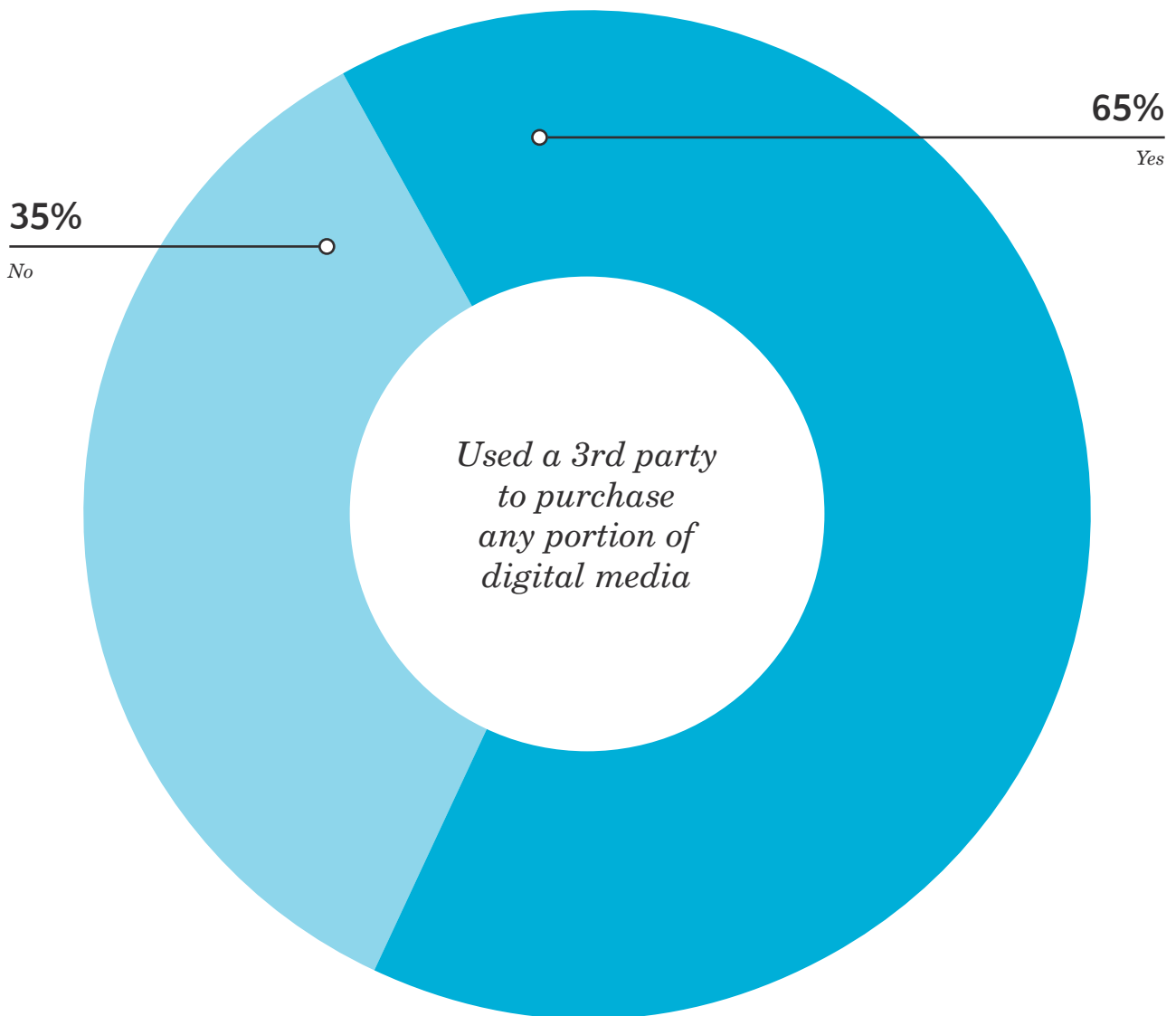
% of organizations who purchased digital media



MEDIA

Third Party Services

More than half of all surveyed organizations used third parties to purchase their digital media.

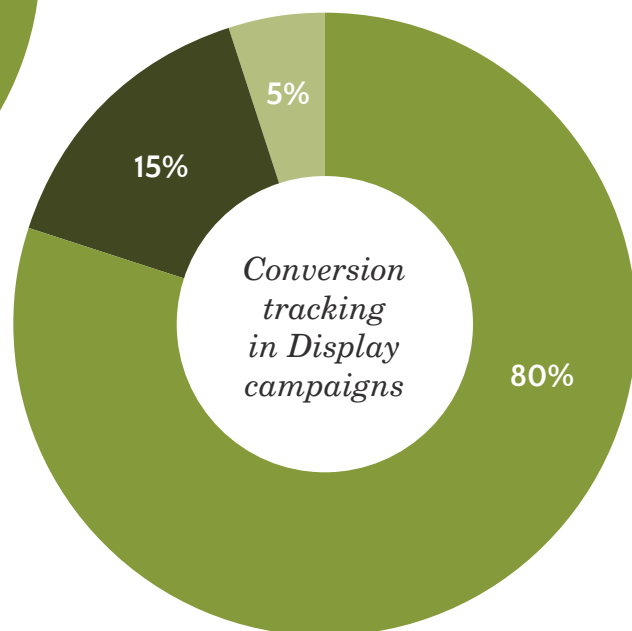
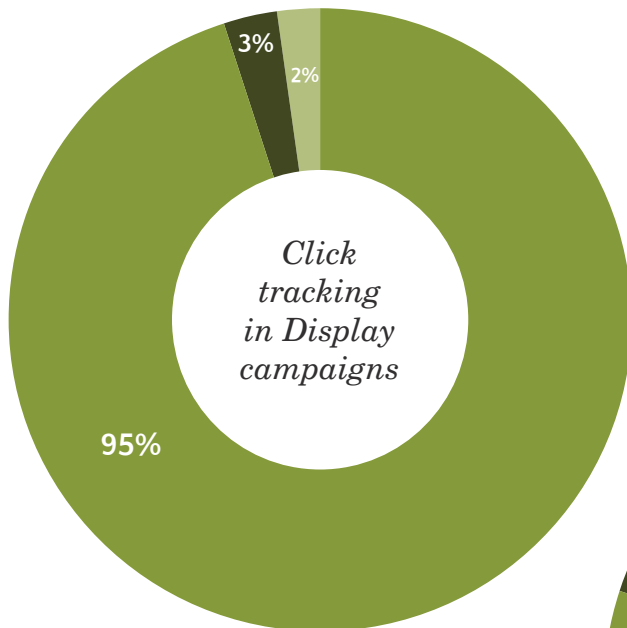


TRACKING

Display Campaigns

The majority of surveyed organizations tracked both clicks and conversions in display campaigns in 2016. However, 20% of surveyed organizations did not track conversions, or were not aware if they tracked conversions.

Of those that did not track conversions, most were organizations with smaller budgets. 33% had annual budgets of less than \$1 million, and 53% had annual budgets of \$1-5 million.

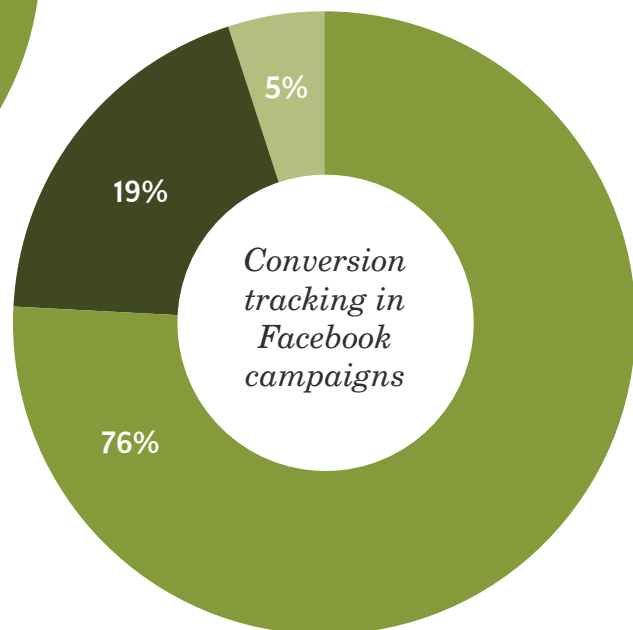
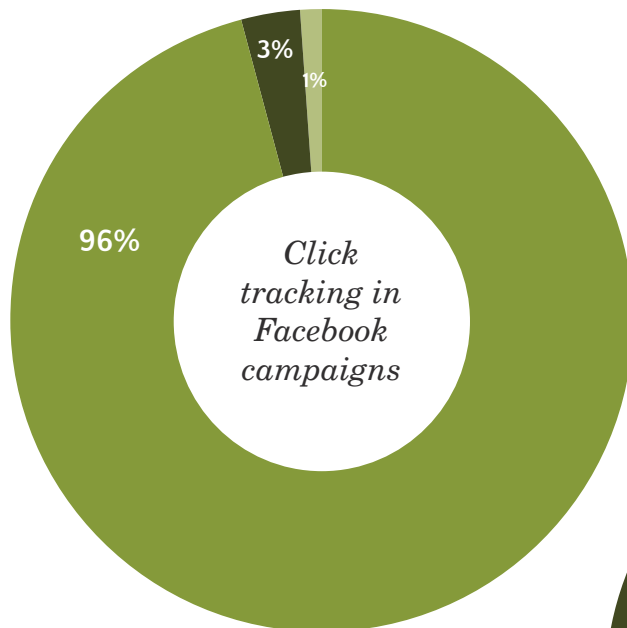


TRACKING

Facebook Campaigns

96% of surveyed arts organizations tracked clicks in their Facebook campaigns.

Only 24% did not track conversions, or were unaware if they did track conversions on Facebook.

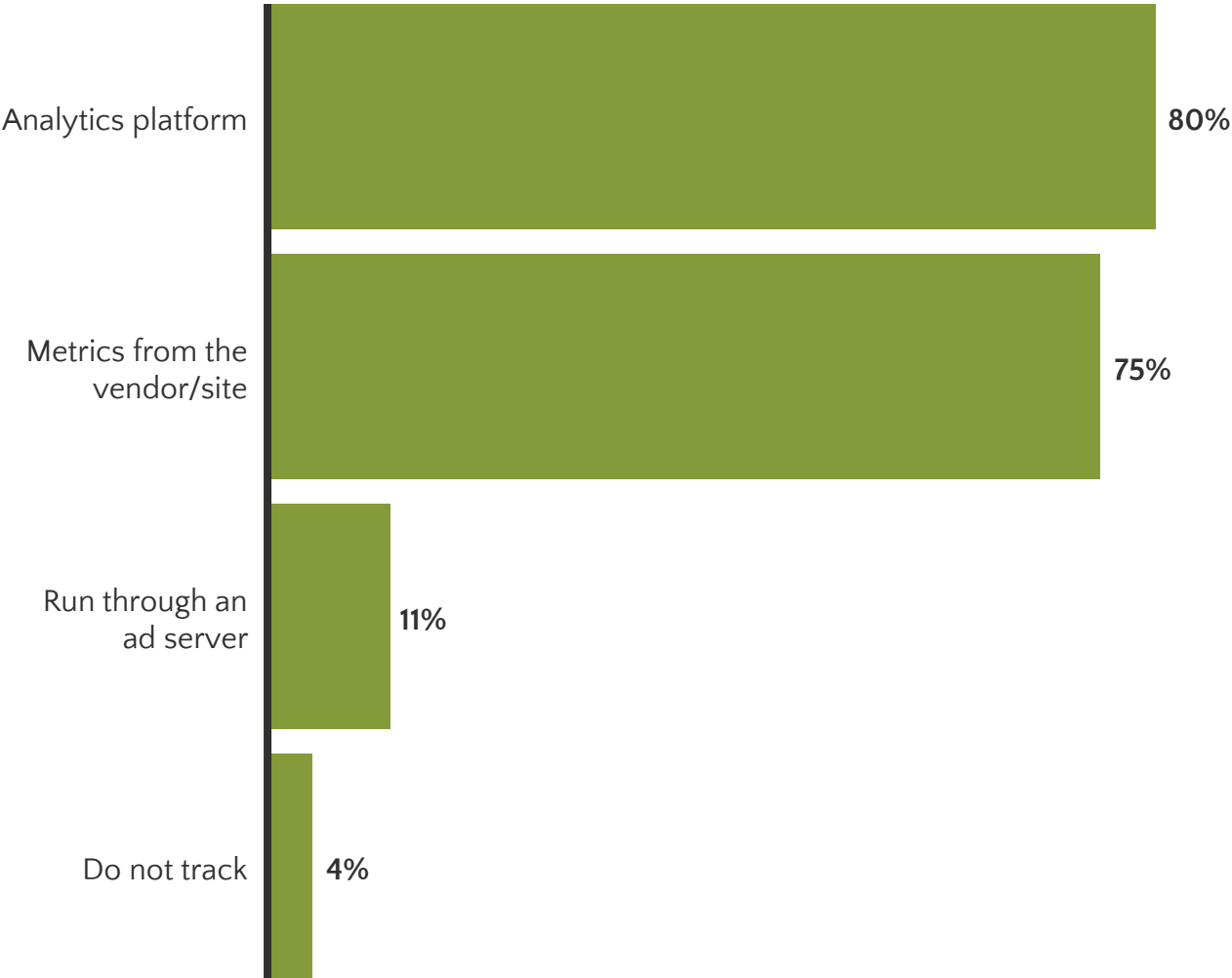


TRACKING

Paid Digital Media

80% of organizations used their analytics platform to track paid digital media. Only 11% of arts organizations ran their ads through ad servers in 2016.

How respondents tracked paid digital media

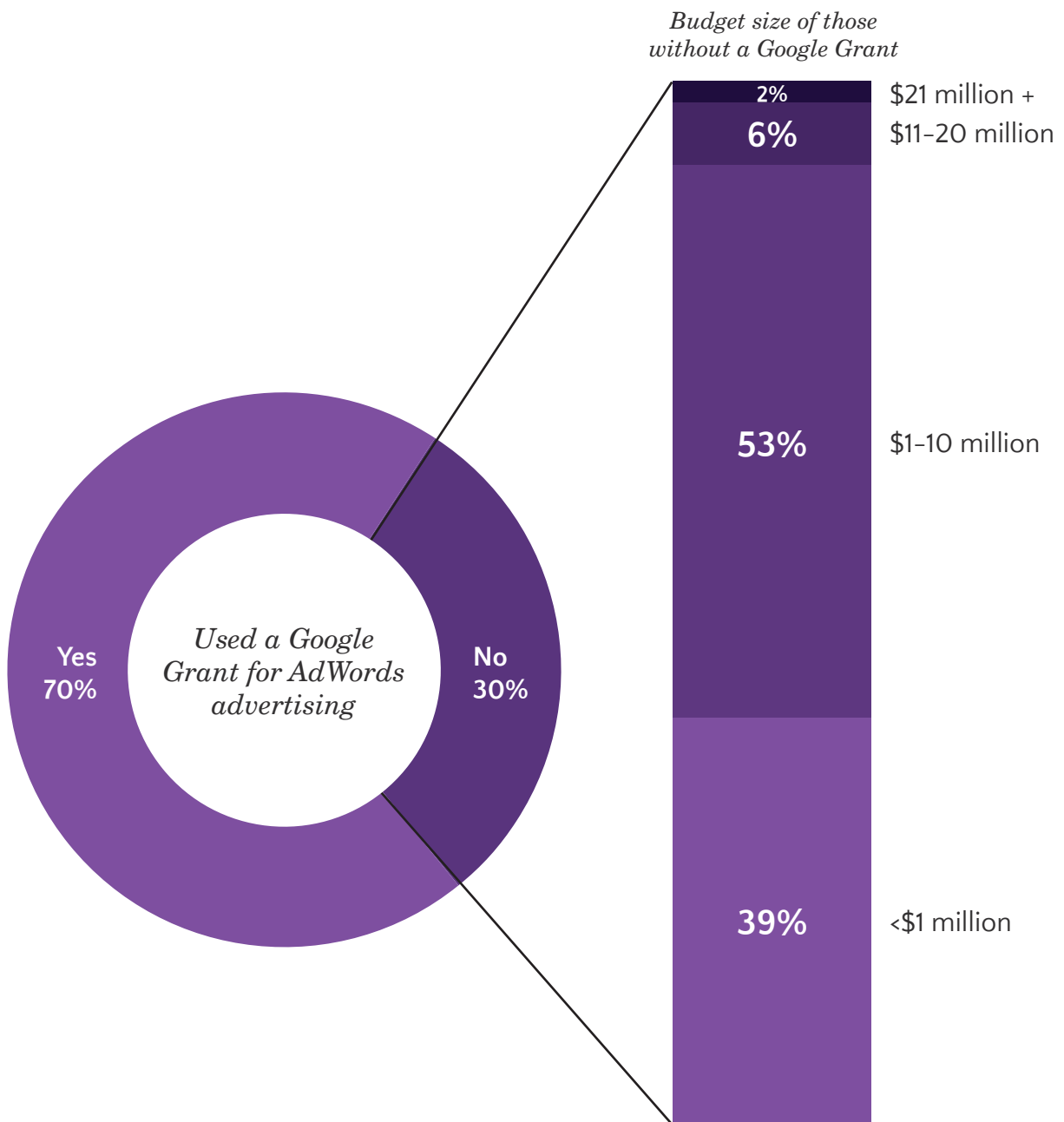


GOOGLE GRANT

AdWords Advertising

The majority of surveyed organizations used a Google Grant for AdWords advertising in 2016.

Of the organizations that did not use a Google Grant in 2016, 92% had annual budgets of \$10 million or less.



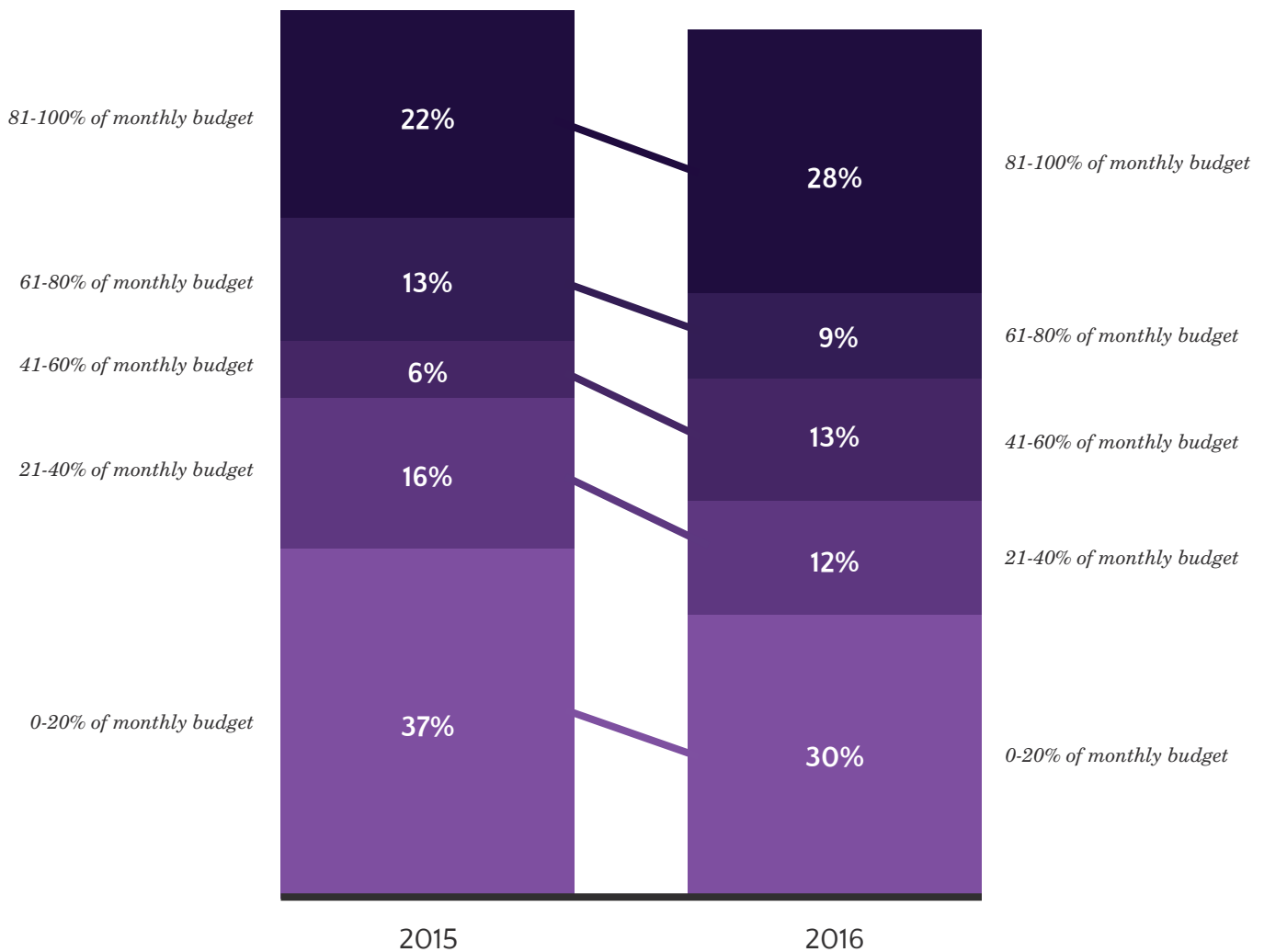
GOOGLE GRANT

Spending of Monthly Budget

28% of organizations spent 81-100% of their monthly Google Grant budget in 2016. On the whole, surveyed organizations' Google Grant spends increased since 2015.

8% of surveyed organizations had Google GrantsPro in 2016. (GrantsPro increases the monthly budget to \$40K/month. This program is no longer accepting enrollees).*

Percentage of organizations that spent specific amounts of their \$10,000 monthly Google Grant budget from 2015 to 2016

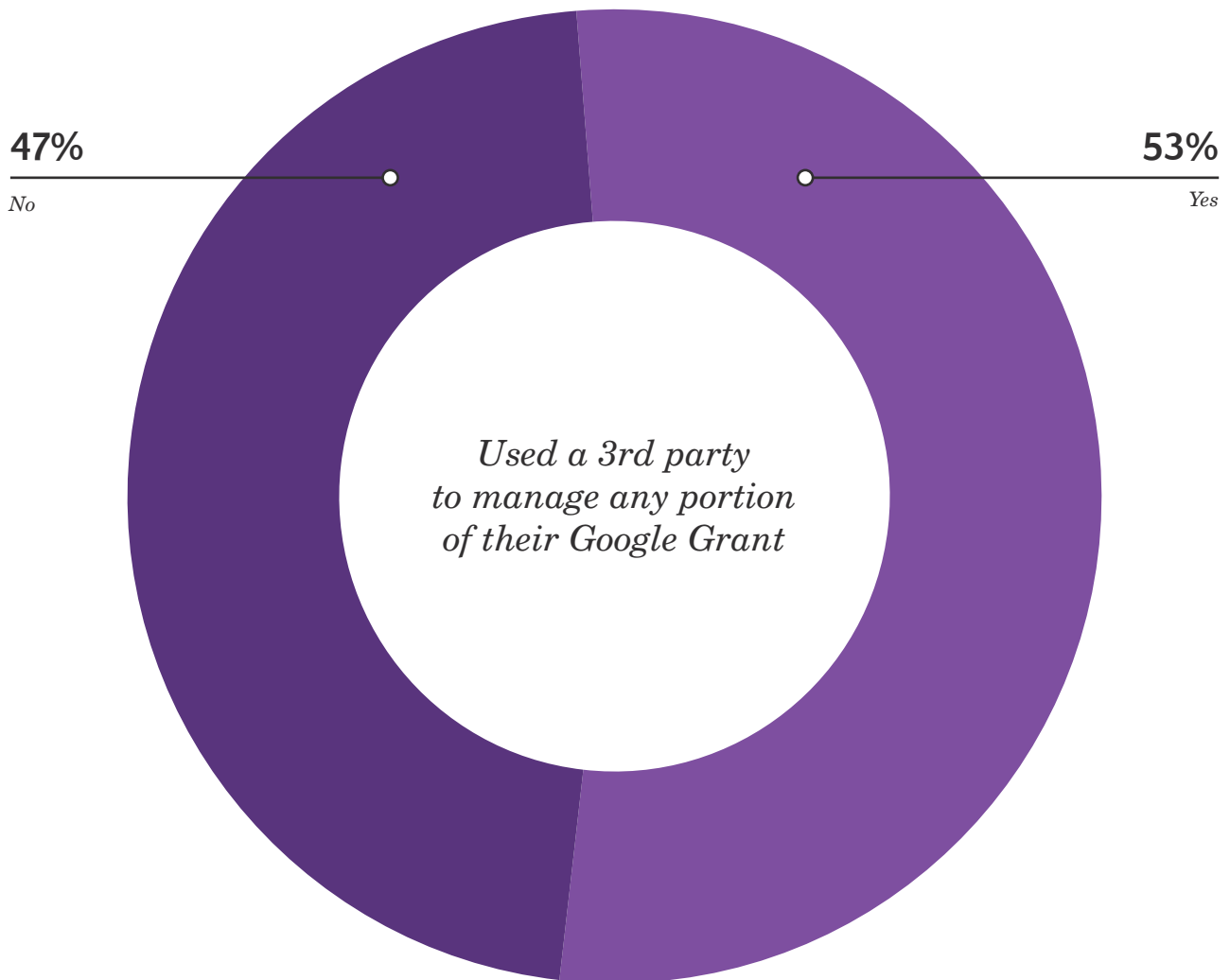


*<https://www.google.com/grants/how-it-works/>

GOOGLE GRANT

Third Party Services

More than half of all surveyed organizations used a third party to manage their Google Grant in 2016.



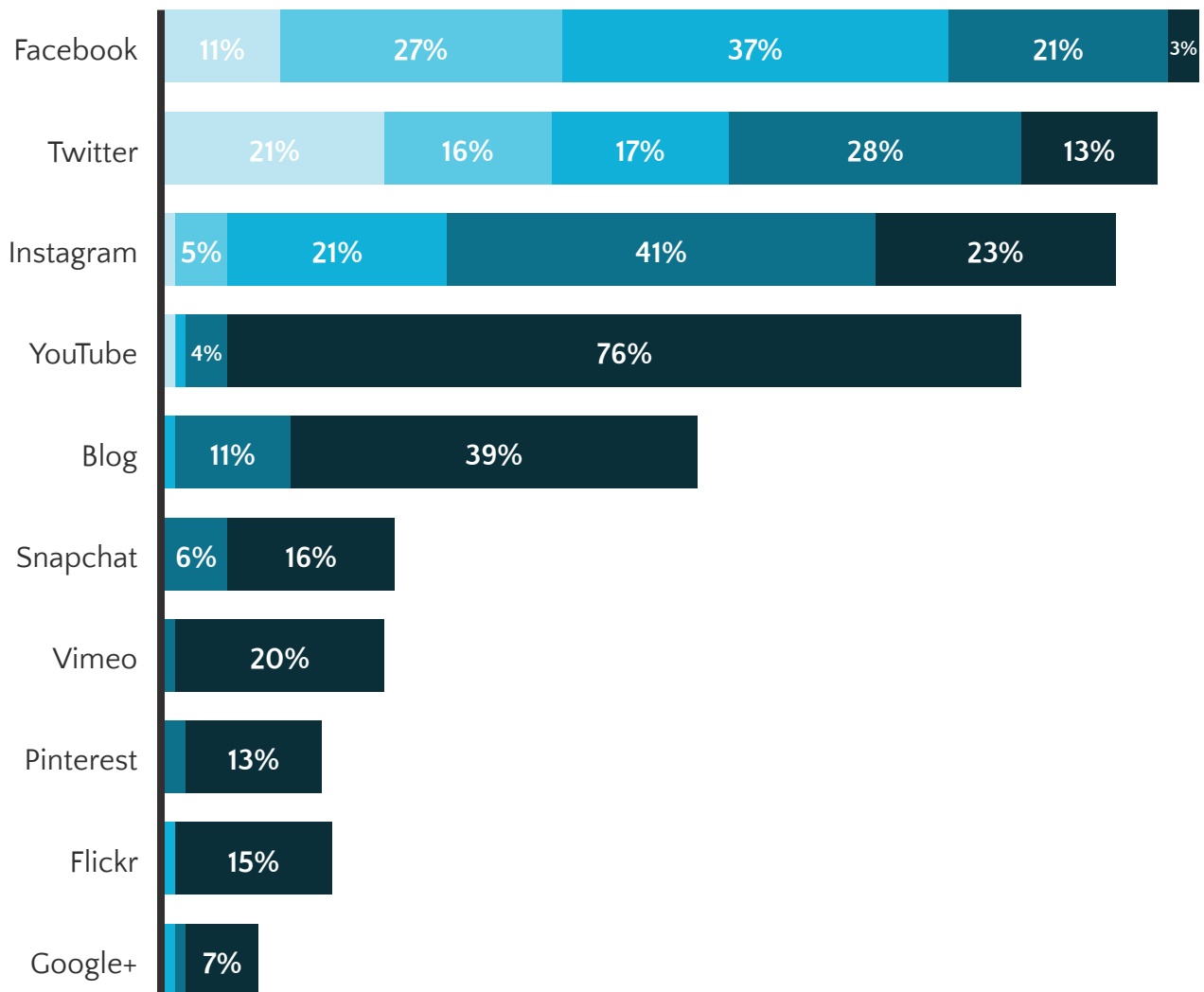
SOCIAL

Posting on Social Networks

Facebook, Twitter, and Instagram are the most frequently used platforms. Only 22% reported posting on Snapchat.



Frequency at which arts organizations posted content on social networks



Unlabeled bars in the graph above represent 2% or less.

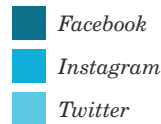
SOCIAL

Followers

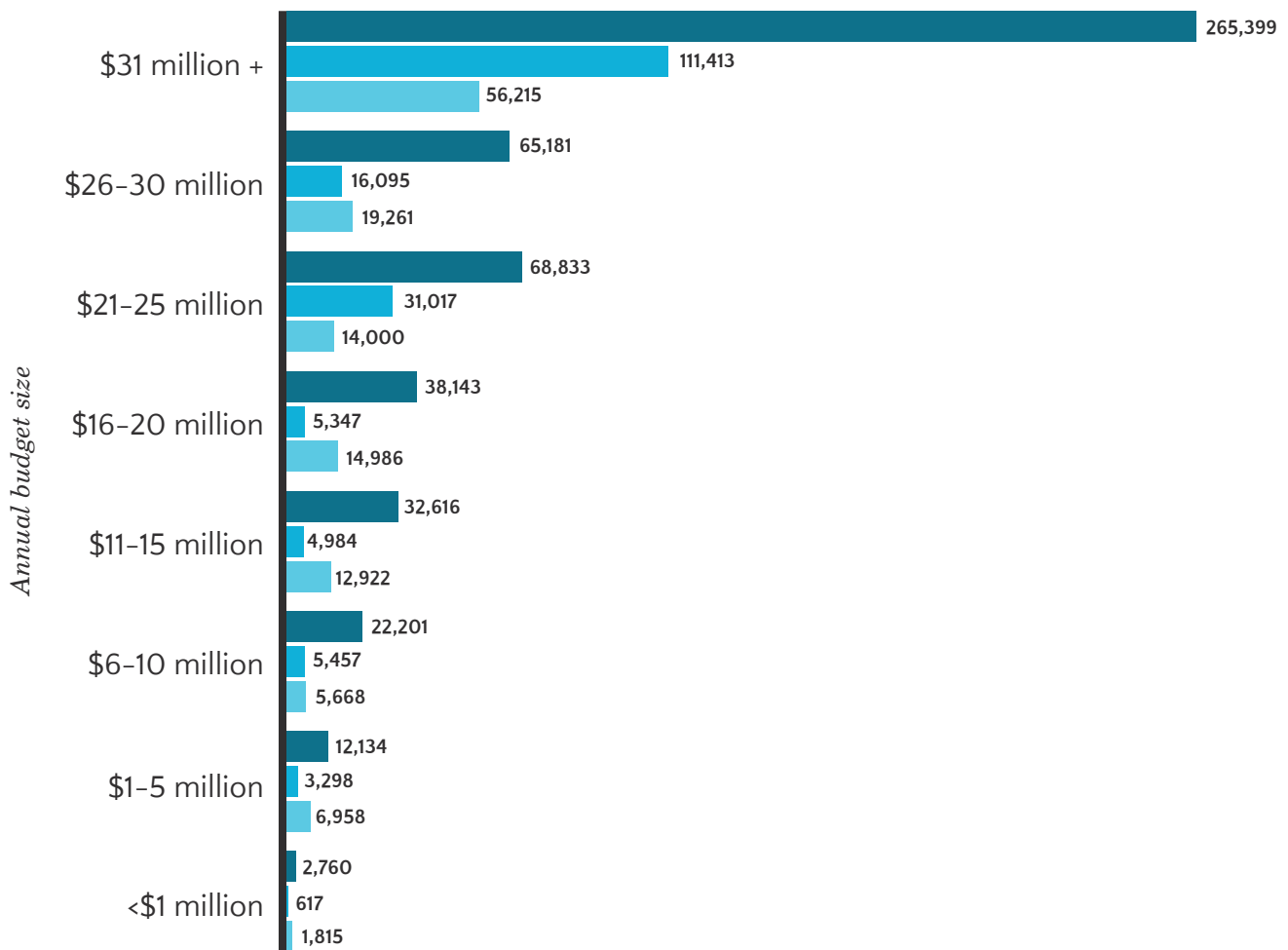
Arts organizations' largest followings are on Facebook.

In 2016, surveyed arts organizations reported nearly four times more Facebook followers than Twitter followers, and nearly three times more Facebook followers than Instagram followers.

From 2015 to 2016, all surveyed arts organizations reported an increase in followers across all platforms. On average, these organizations saw a 21% increase on Facebook, a 19% increase on Twitter, and a 118% increase on Instagram.



Respondent organizations' average number of followers by platform



SOCIAL

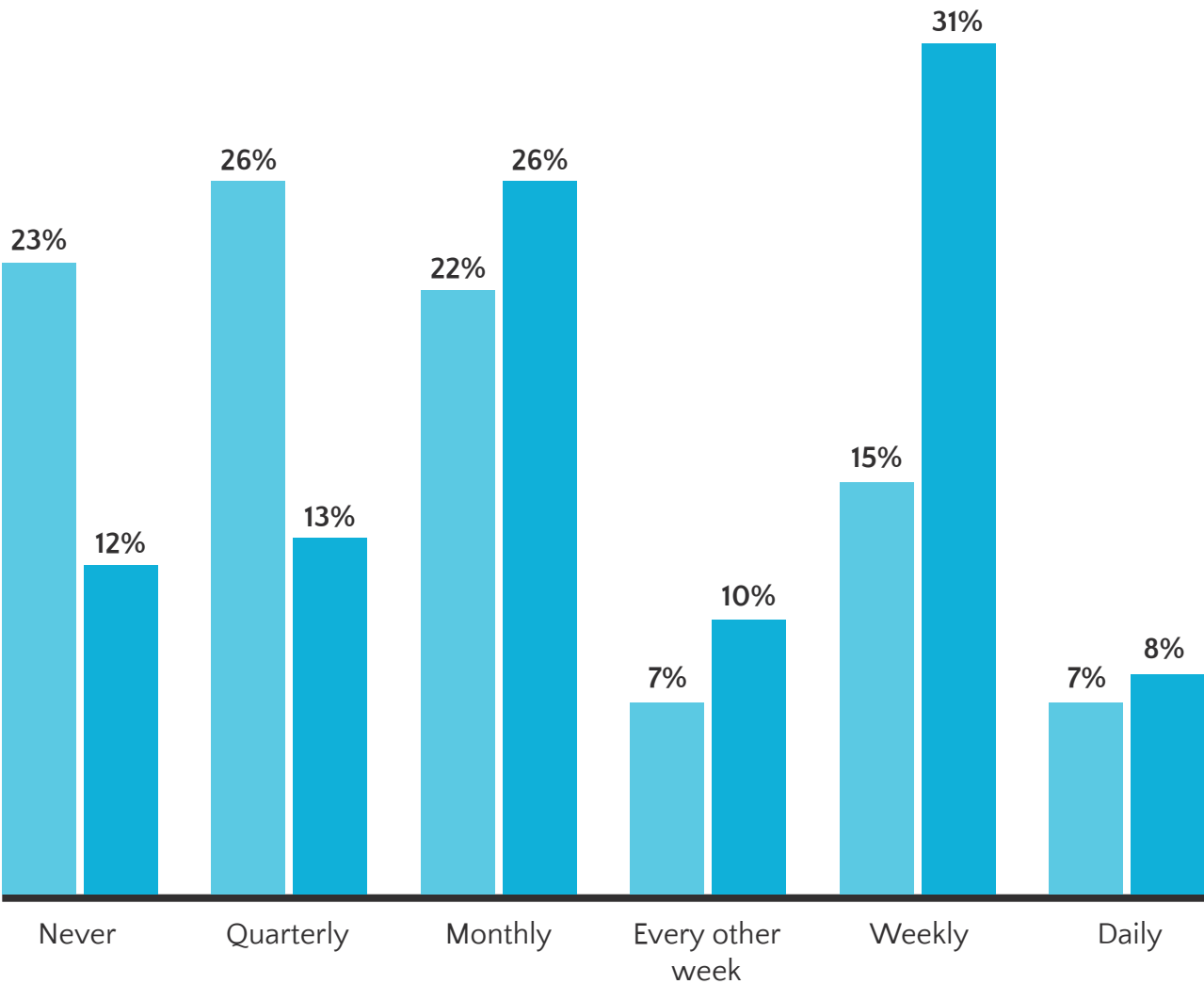
Insights/Analytics Reports

75% of surveyed organizations reviewed social insights/analytics via reports at least once a month in 2016, a 47% increase since our first Benchmark Study in 2013.

In that same time, the percentage of organizations that never reviewed reports decreased by 48%.



Frequency at which arts organizations reviewed social insights / analytics via reports in 2016 versus 2013



SOCIAL

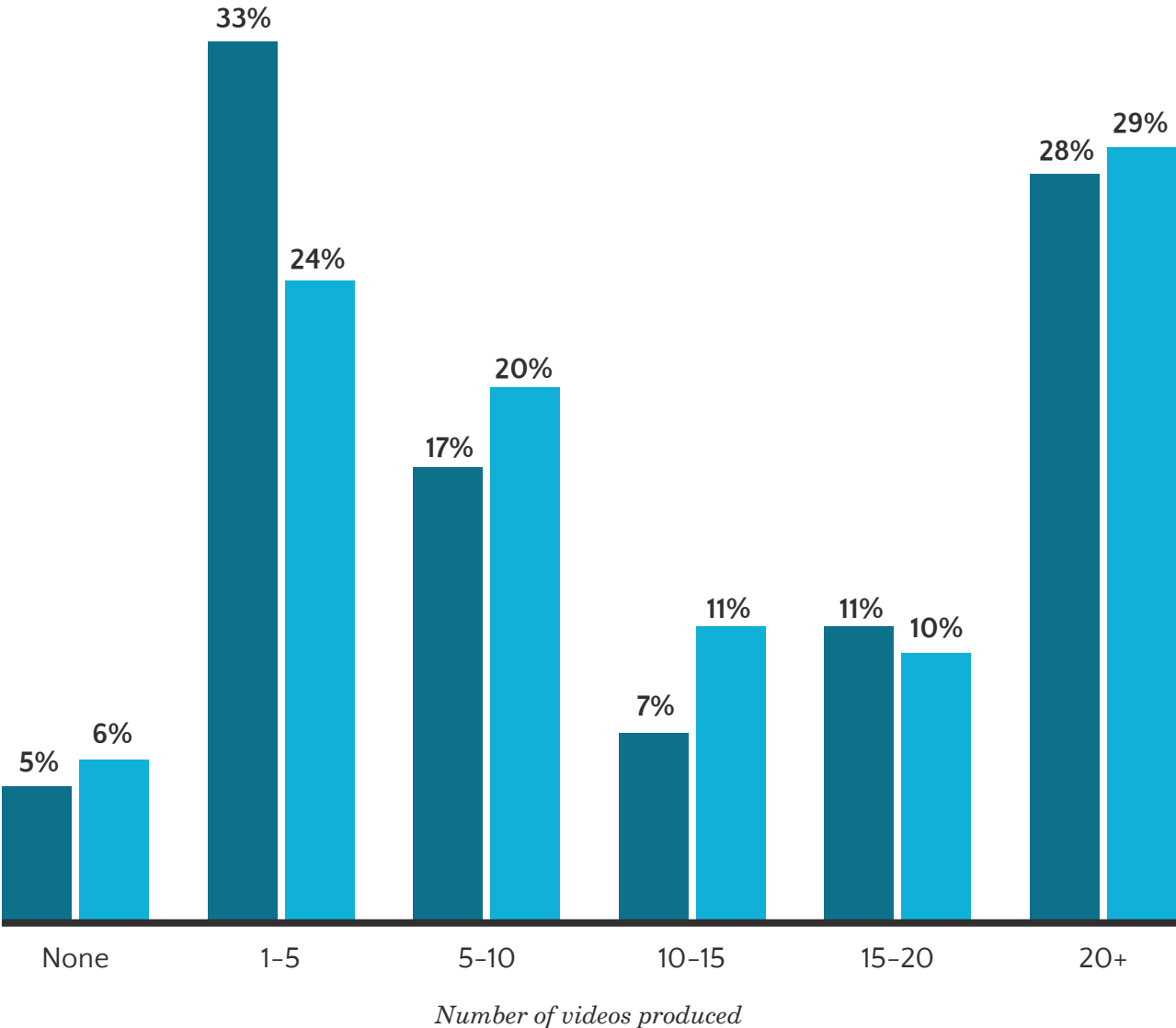
Video Production

Arts organizations are investing more in video. The number of organizations who reported producing 5-15 videos increased by 29%, while the number of organizations who reported producing 1-5 videos decreased by 27% from 2015-2016.

There was little change in organizations who reported producing more than 15 videos annually from 2015 to 2016.



Percentage of respondents that produced videos from 2015 to 2016



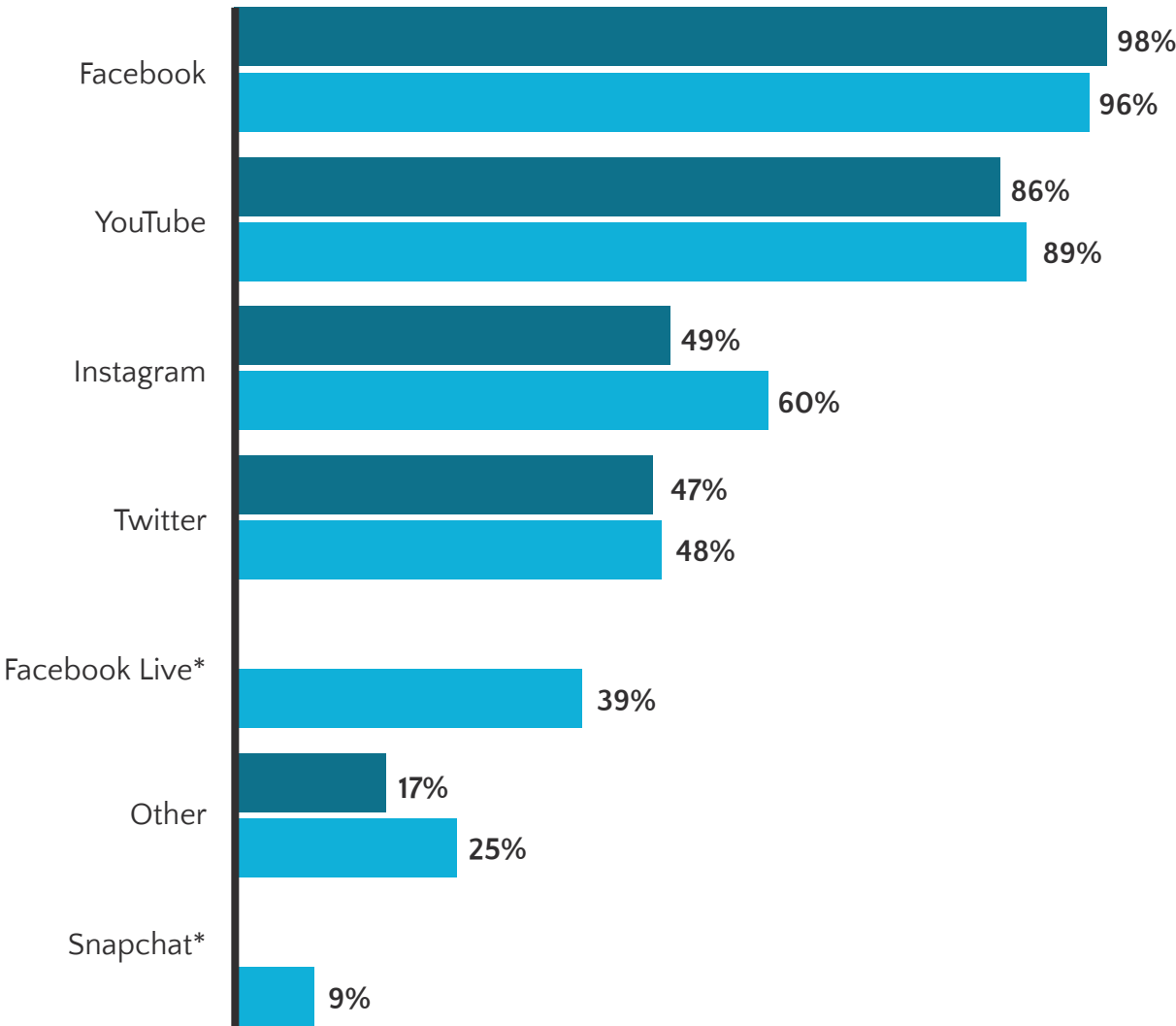
SOCIAL

Organic Video

Facebook remained the preferred social platform for arts organizations when posting organic videos. YouTube remained a close second.



Percentage of respondents that posted their organic video by platform from 2015 to 2016



*2015 Data unavailable

SOCIAL

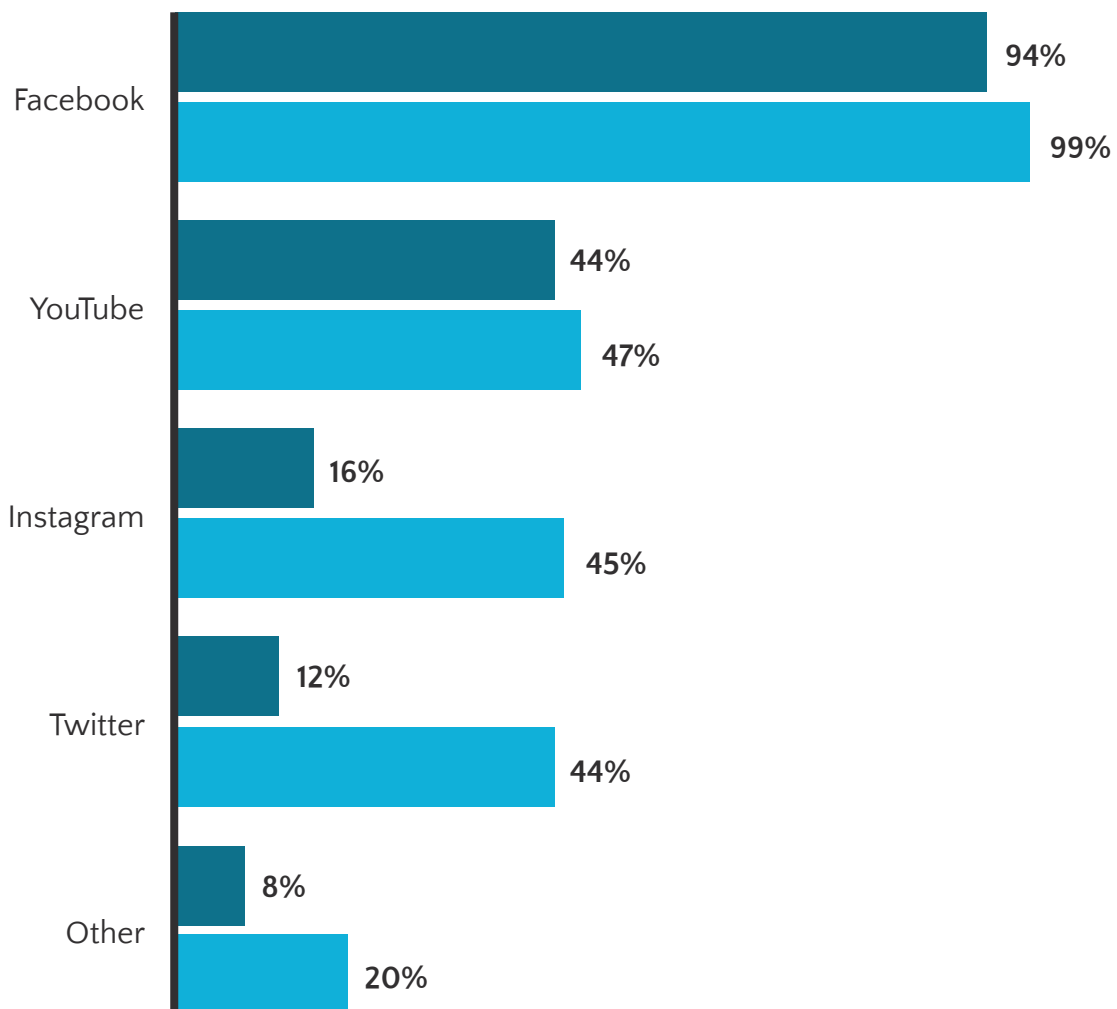
Video Promotion

Facebook remained the preferred social platform for arts organizations when posting promoted videos. YouTube, while preferred for organic video, is not used for promotion as widely.

The percentage of arts organizations that used Instagram to post promoted videos increased by 181% from 2015 to 2016.



Percentage of respondents that used each platform to promote their videos from 2015 to 2016



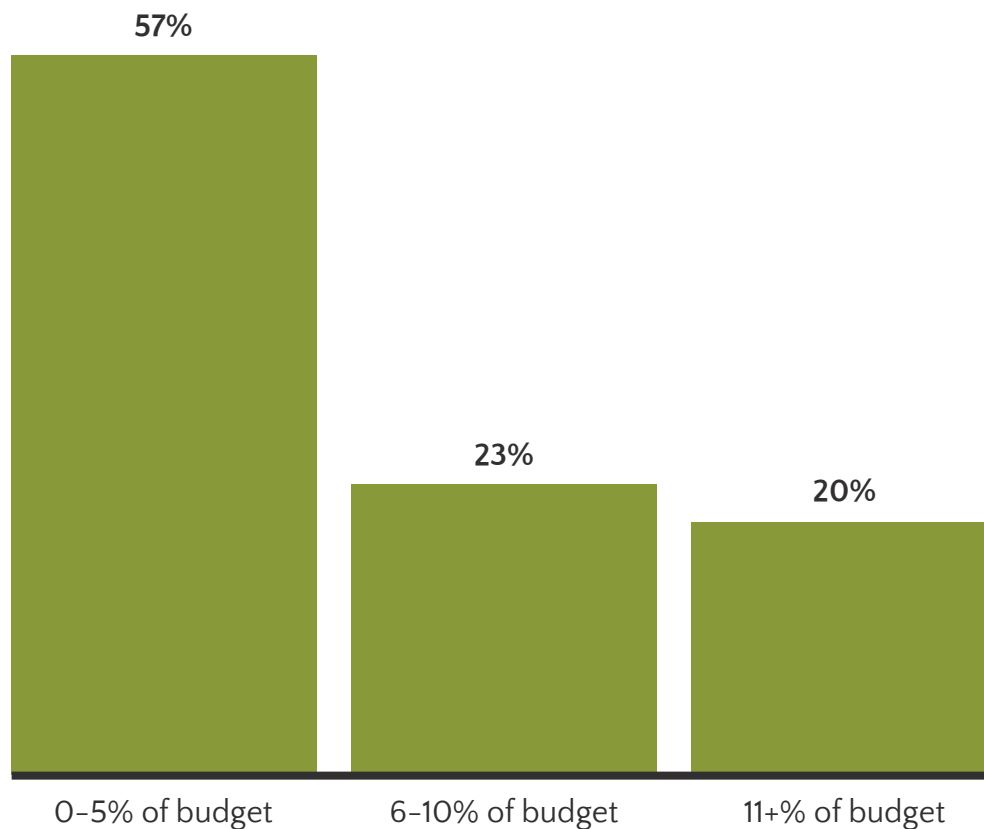
CONTENT

Content Creation

57% of organizations spent 0-5% of their total marketing budget on content creation for the web/social, 23% spent 6-10%. This includes budget spent on video production, graphic design, and work with consultants or agencies.

As a percentage of overall marketing budgets, smaller organizations spent more on content creation than larger organizations in 2016. While only 20% of surveyed organizations spent 11% or more, 82% of these organizations had annual budgets of \$10 million or less. Notably, only two organizations spent 40% or more on content creation, both of which had annual budgets of \$5 million or less.

Percentage of total marketing budget spent on content creation for the web / social



According to the Content Marketing Institute's 2016 survey, B2C marketers in North America are allocating 32% of total marketing budget to content marketing. http://contentmarketinginstitute.com/wp-content/uploads/2015/10/2016_B2C_Research_Final.pdf

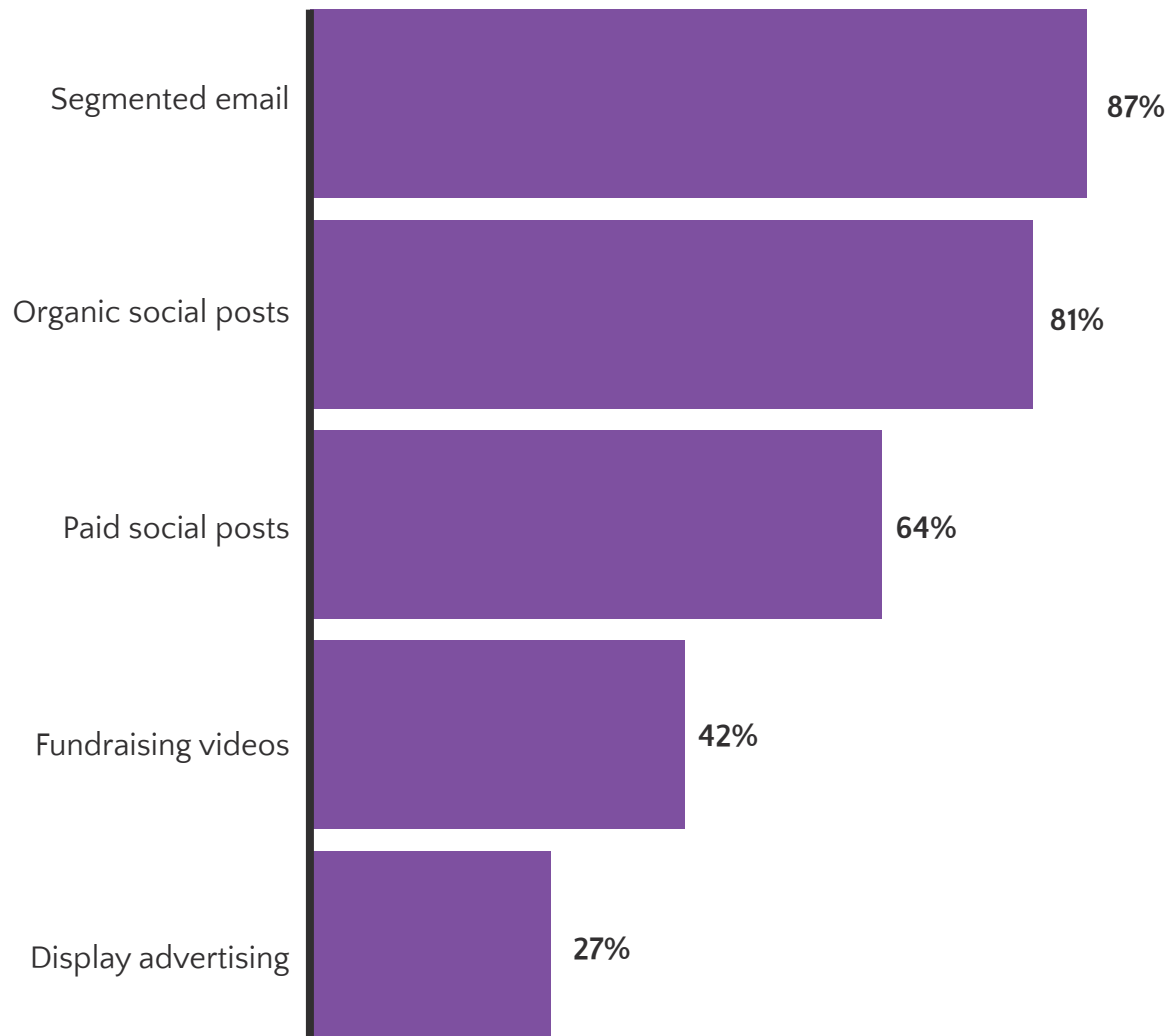
FUNDRAISING

Tactics

Most respondents used segmented email and organic social posts to support their fundraising efforts.

Only 42% of organizations used fundraising videos in their campaigns and only 27% supported fundraising campaigns with display.

Percentage of respondents that incorporated the following into fundraising campaigns



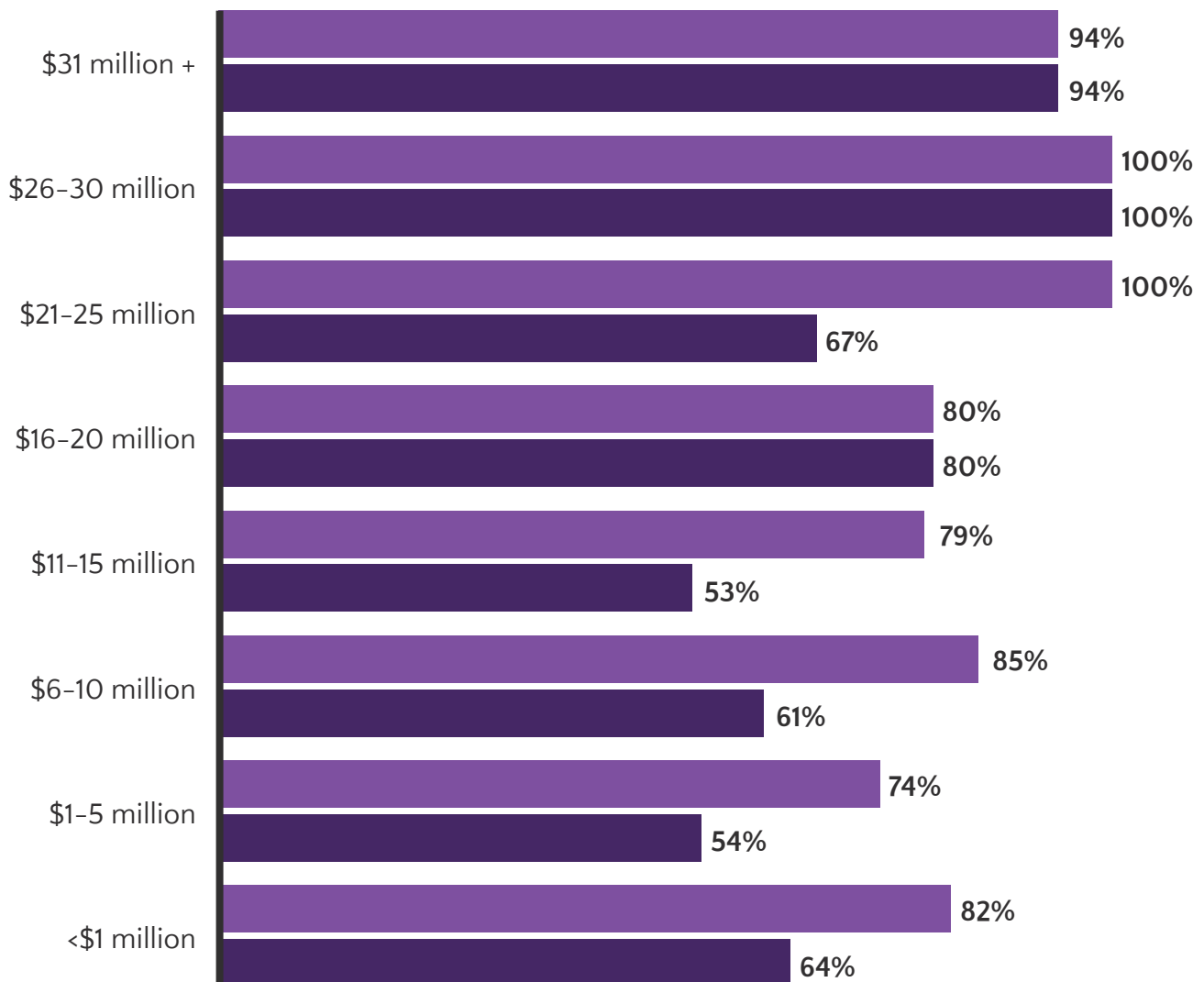
FUNDRAISING

Using Social

Larger organizations used both paid and organic social to support fundraising. Smaller organizations were not using paid social as widely.



Percentage of respondents that used social posts in online fundraising campaigns by annual budget

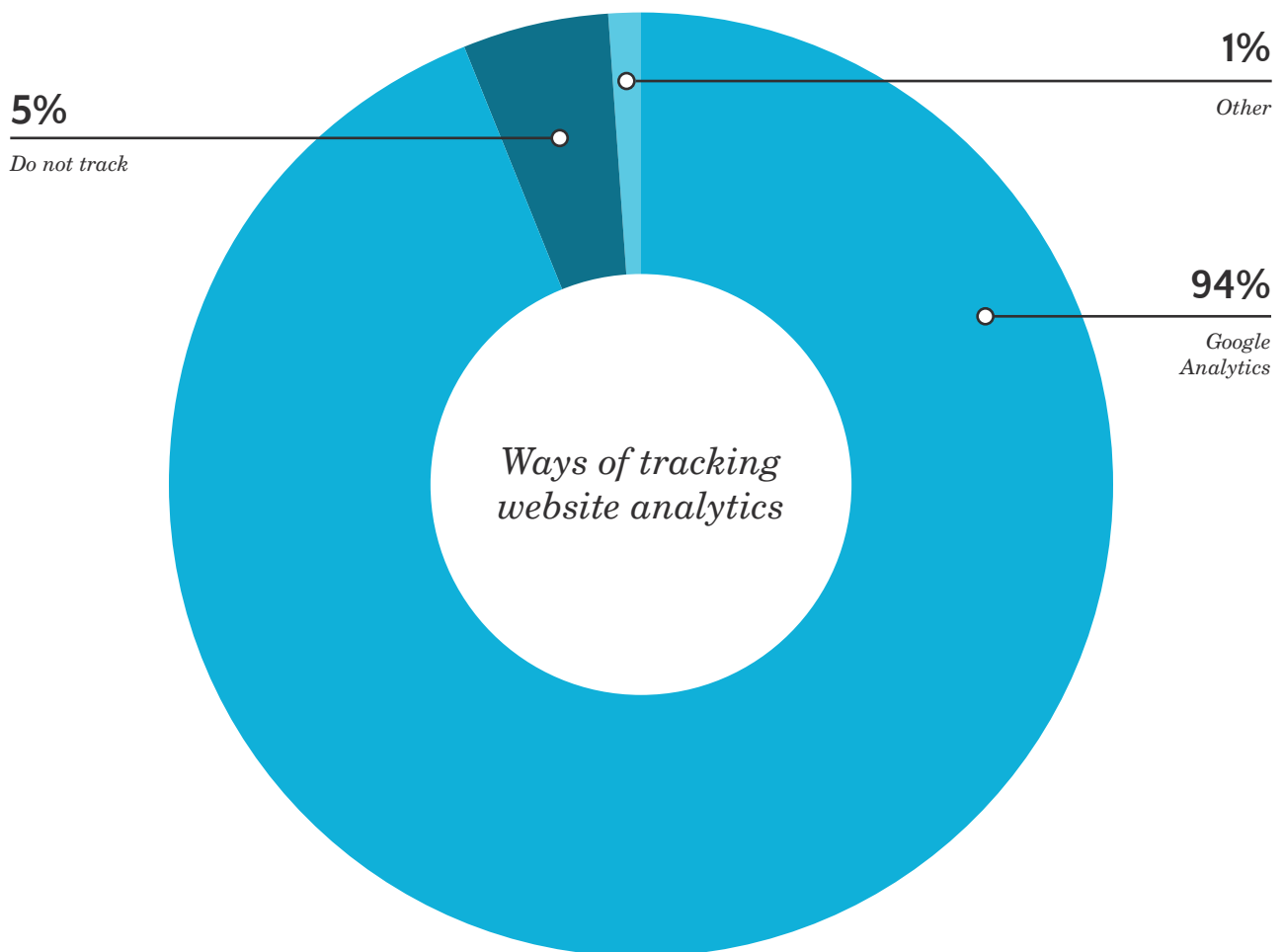


ANALYTICS

Tracking

Since 2012, Google Analytics has remained arts organizations' preferred analytics platform.

Since 2014, the percentage of arts organizations who are not tracking their website's analytics has been steadily decreasing.

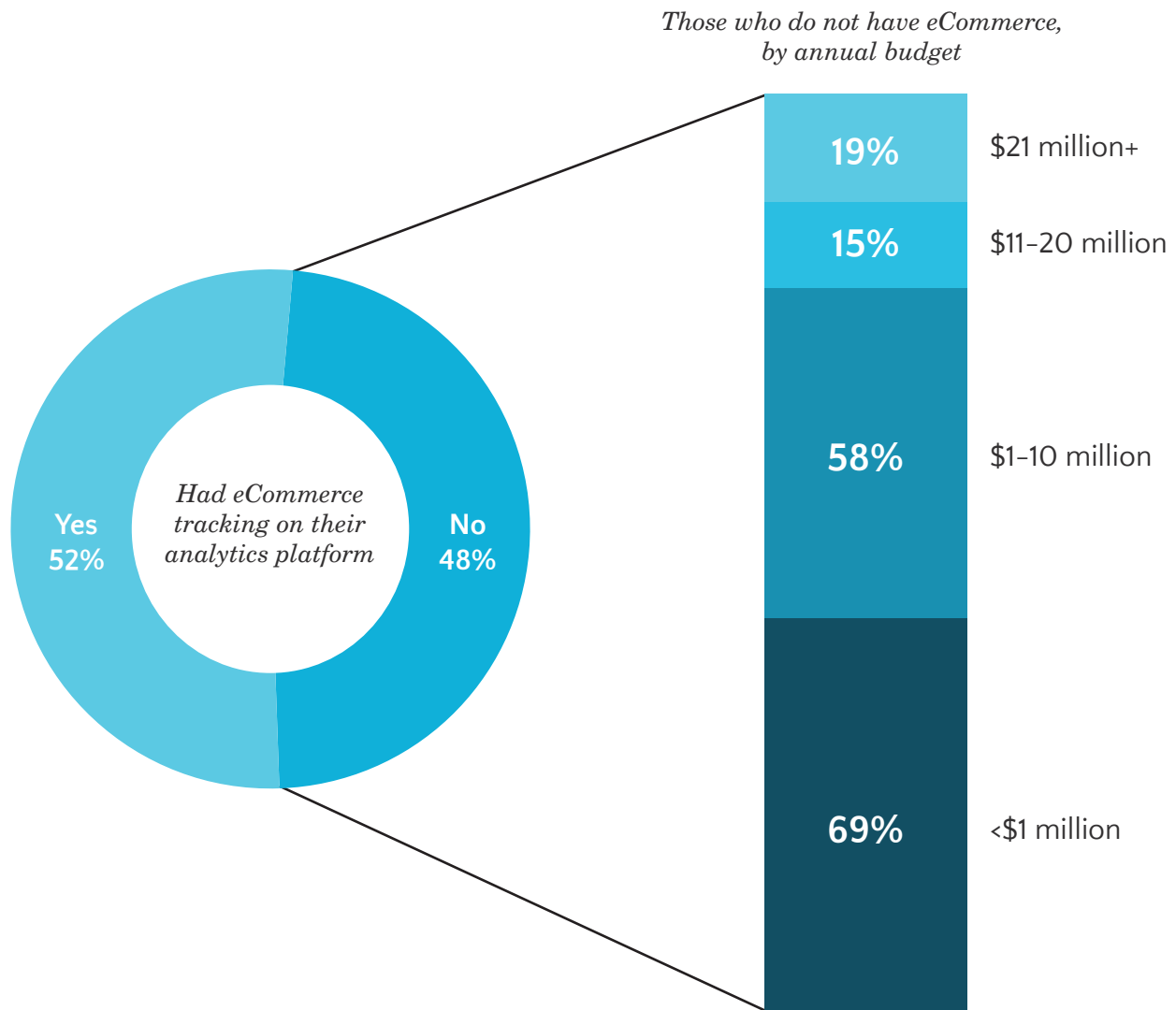


ANALYTICS

eCommerce Tracking

52% of arts organizations had eCommerce tracking set up in their analytics platform.

Integration of eCommerce tracking continues to correlate with the size of an organization's budget, likely because of resource constraints or because smaller organizations may be using third party ticketing platforms rather than managing their own platform.

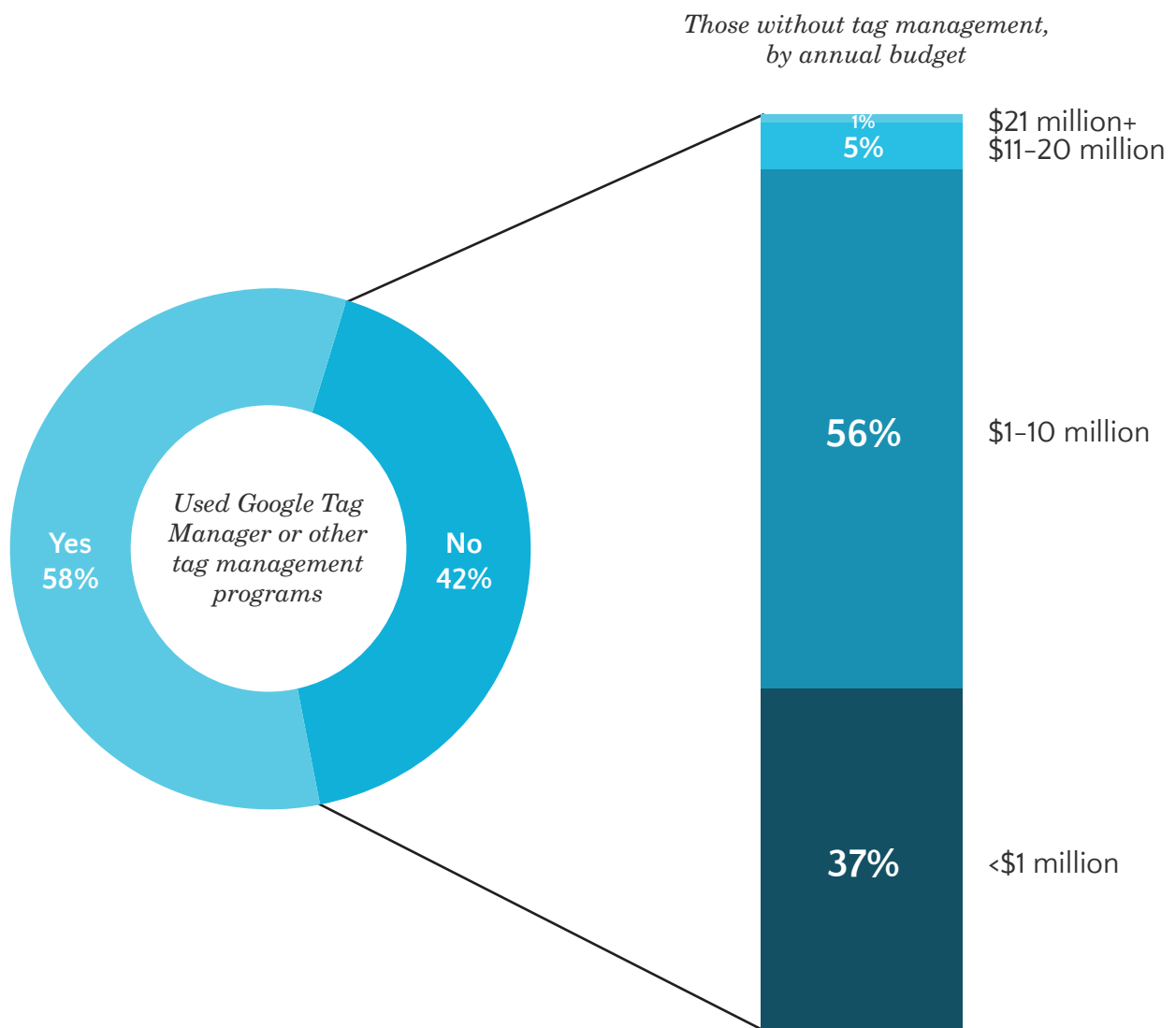


ANALYTICS

Tag Management

58% of arts organizations used tag management programs, such as Google Tag Manager.

Over 90% of those who said that they did not use Google Tag Manager or other tag management programs were arts organizations with budgets of \$10 million or less.

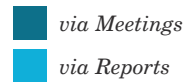


ANALYTICS

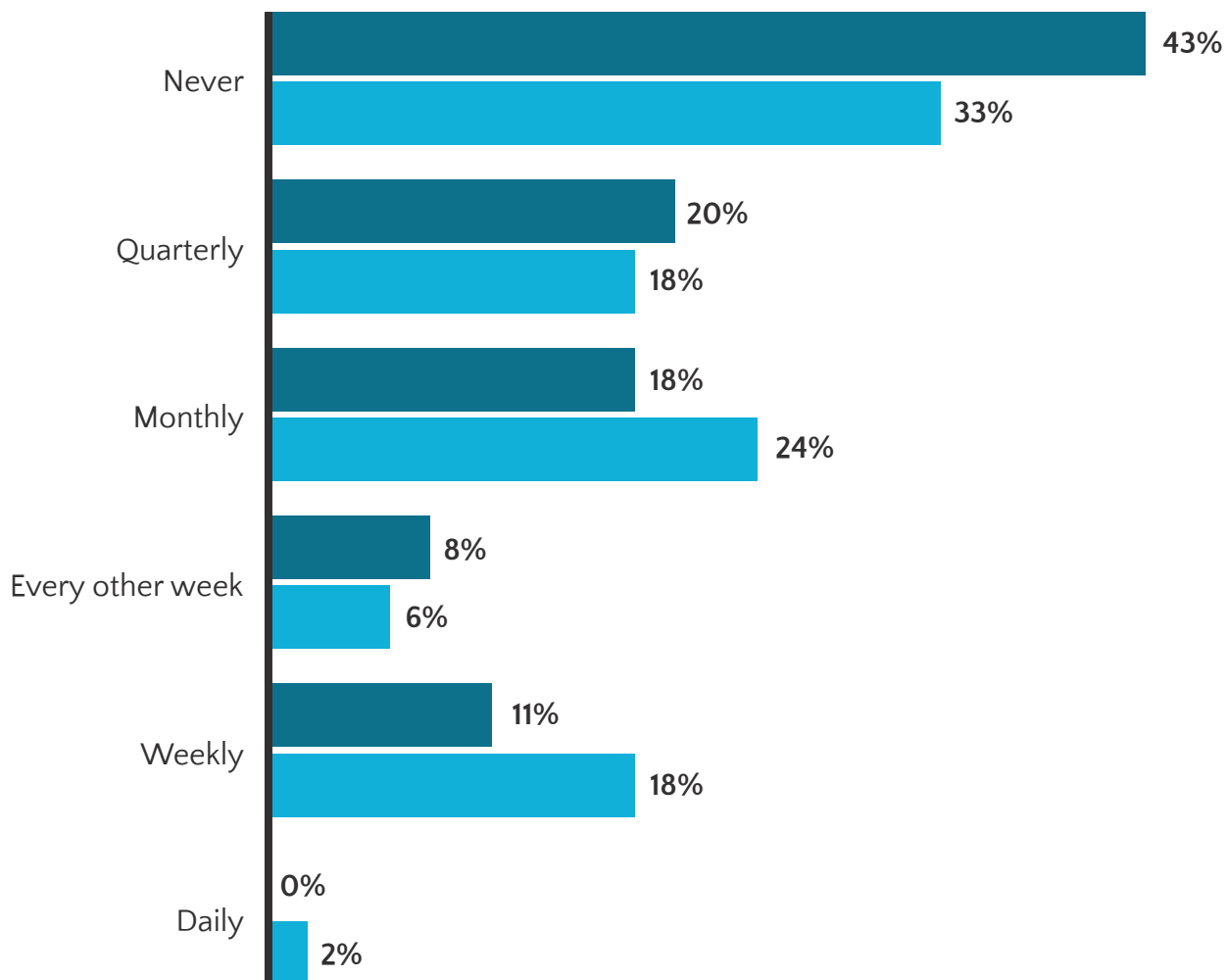
Reviewing Reports

Half of arts organizations reviewed web analytics reports at least once a month.

One third of respondents never reviewed their web analytics reports while nearly half of the respondents never conducted meetings to review.



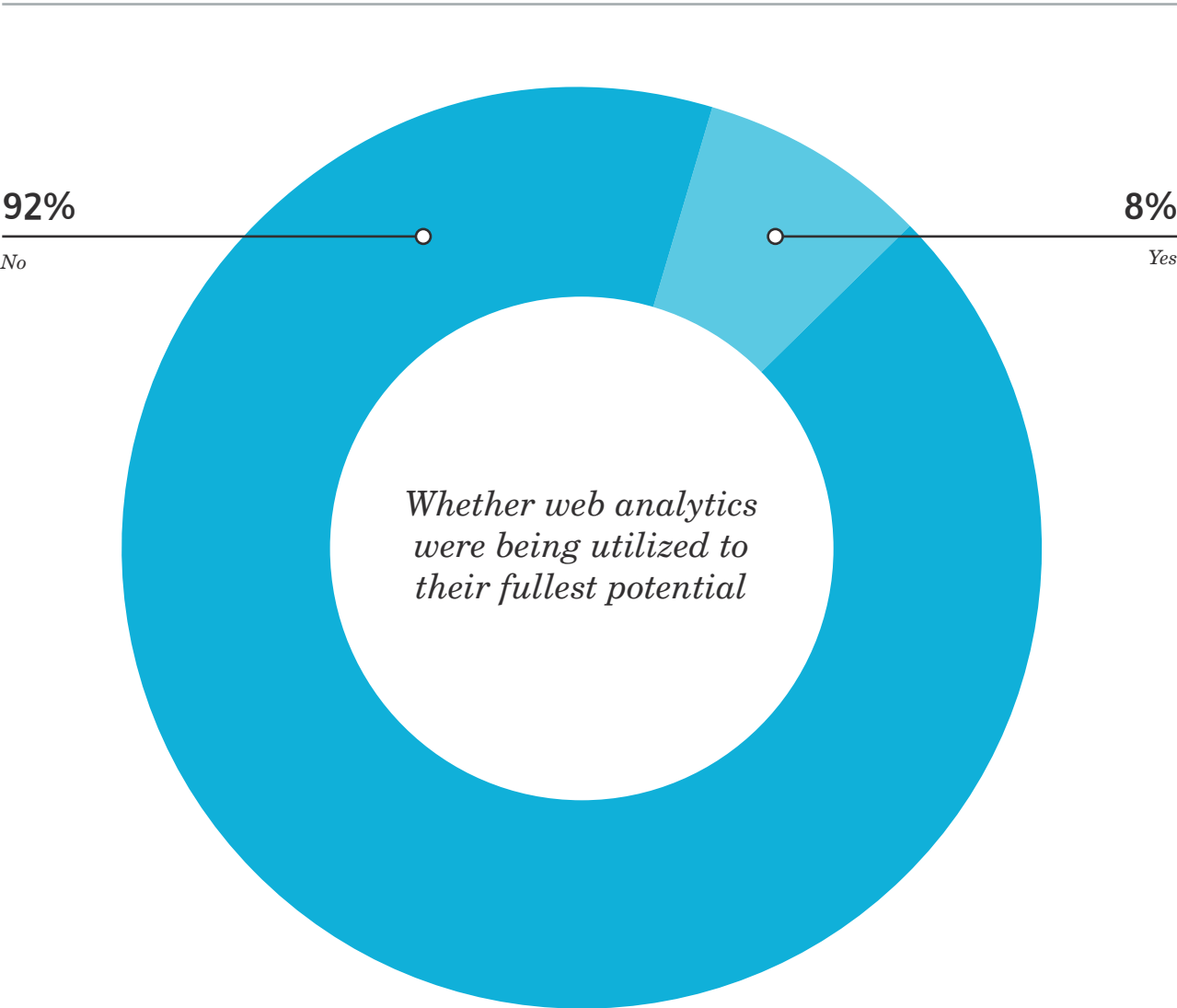
Frequency at which web analytics were reviewed via reports and meetings



ANALYTICS

Utilization

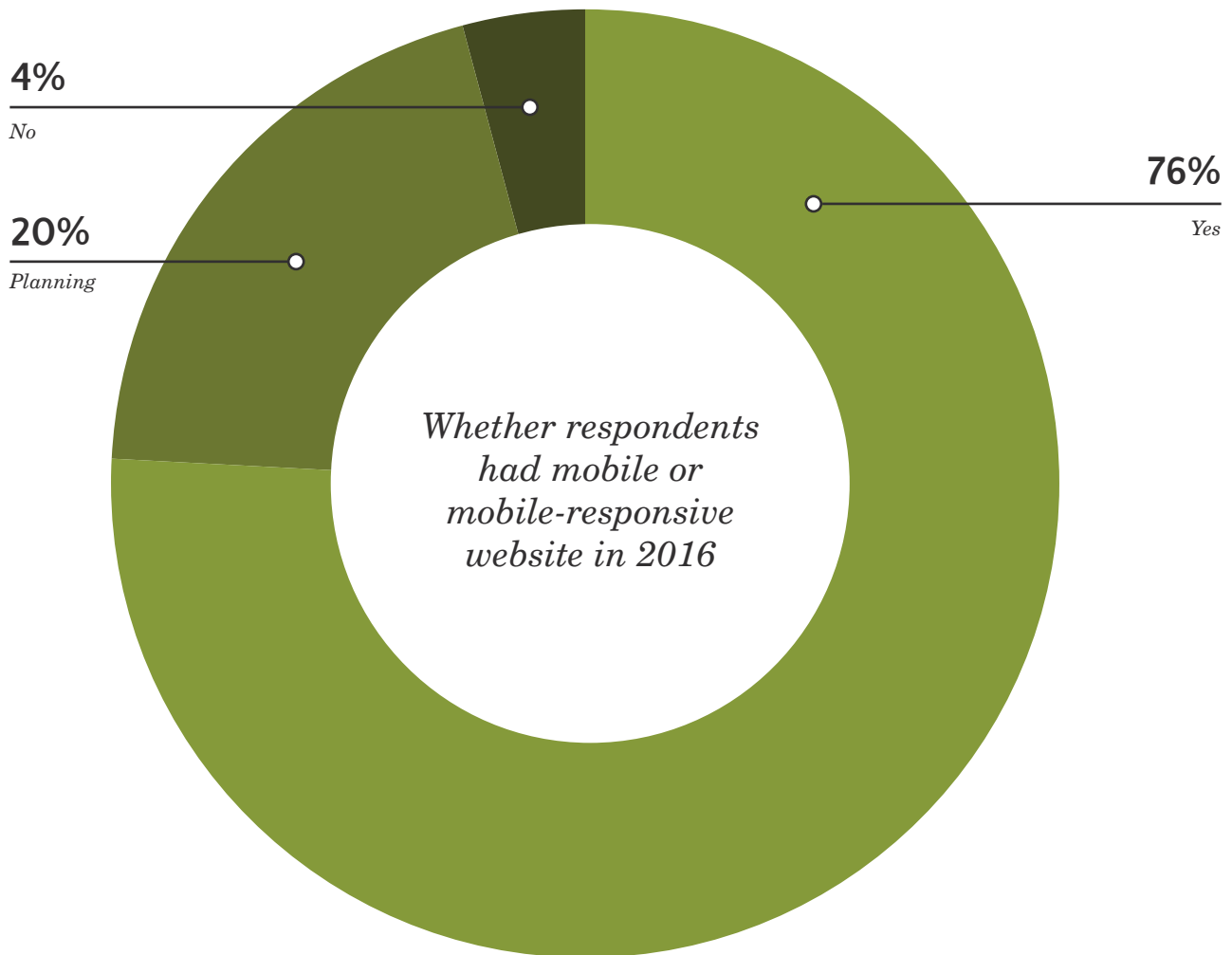
Only 8% of arts organizations felt that they were using web analytics to its potential.



MOBILE

Responsive Websites

76% of arts organizations had a mobile or mobile-responsive website. 20% plan to build one.

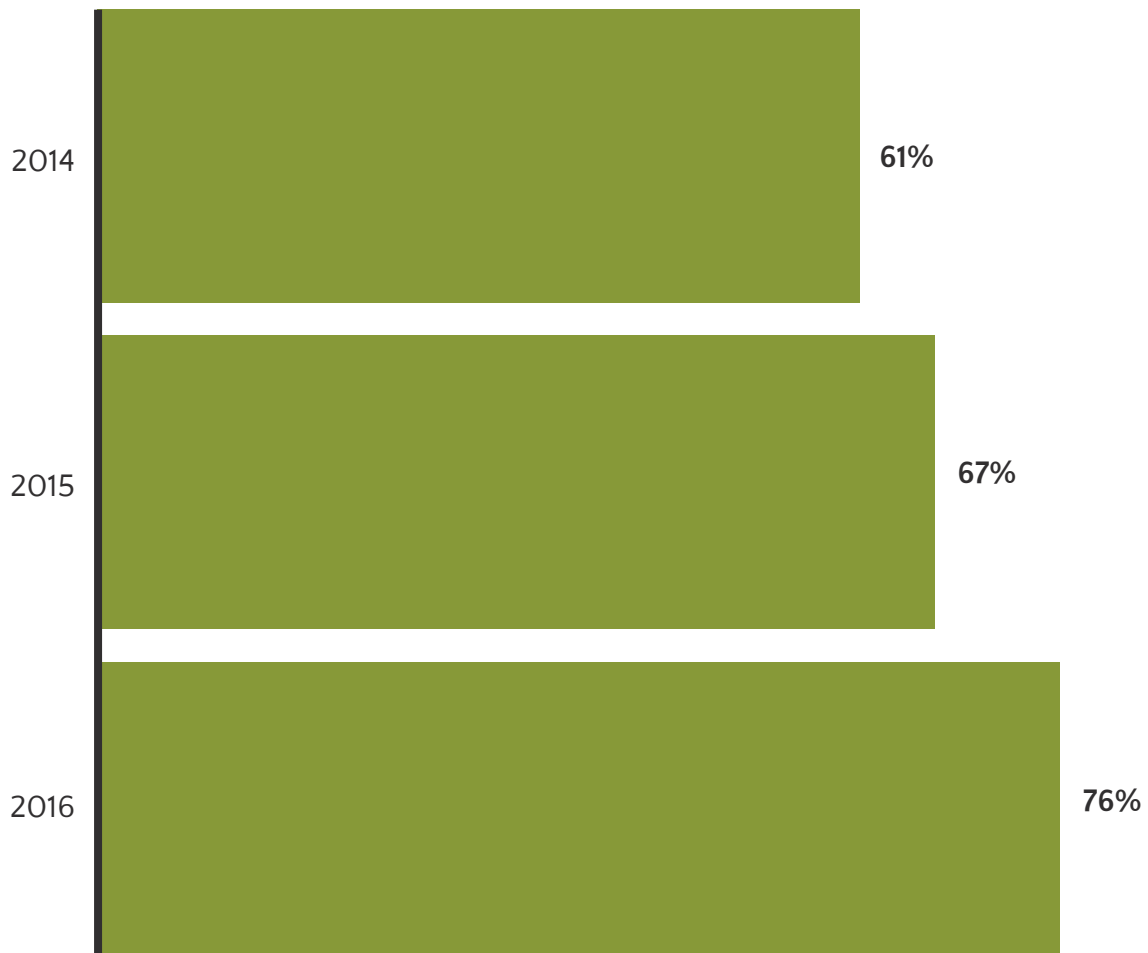


MOBILE

Responsive Websites

Since 2014, the proportion of arts organizations who have mobile or mobile-responsive websites has been steadily increasing.

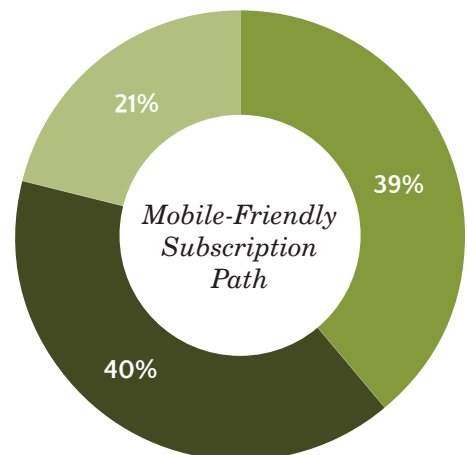
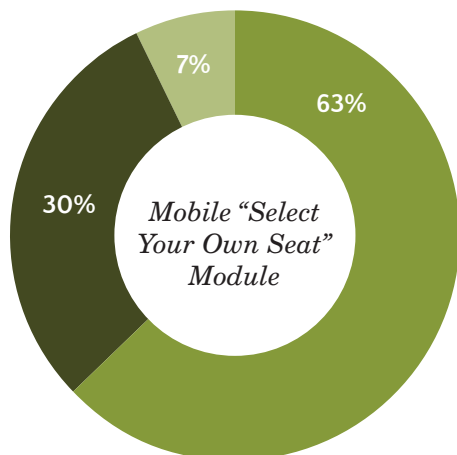
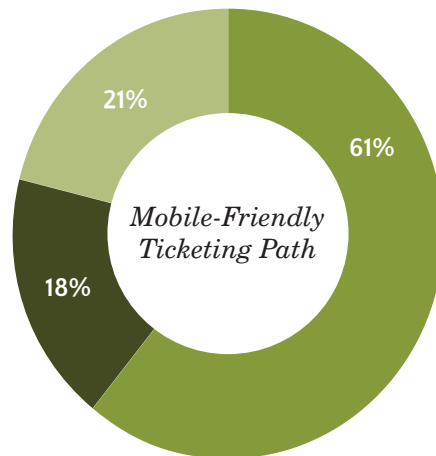
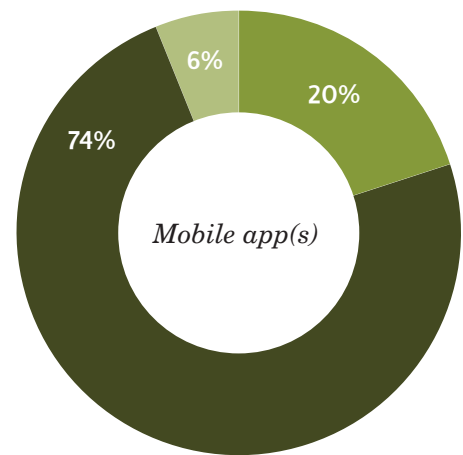
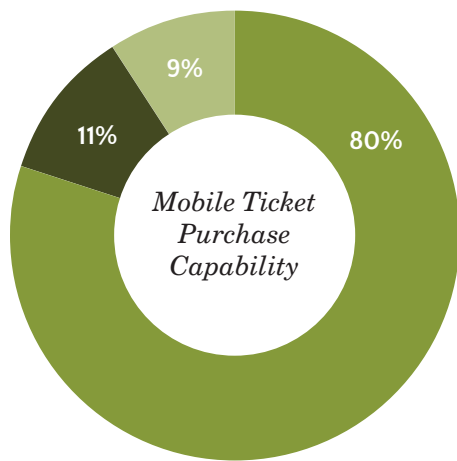
Mobile or mobile-responsive websites over time from 2014 to 2016



MOBILE

Adaption of Mobile Technology

Arts organizations are lacking critical mobile infrastructure. Only 39% reported having a mobile-friendly subscription path. Only 63% reported a mobile “select your own seat” module and only 61% reported mobile-friendly ticketing.

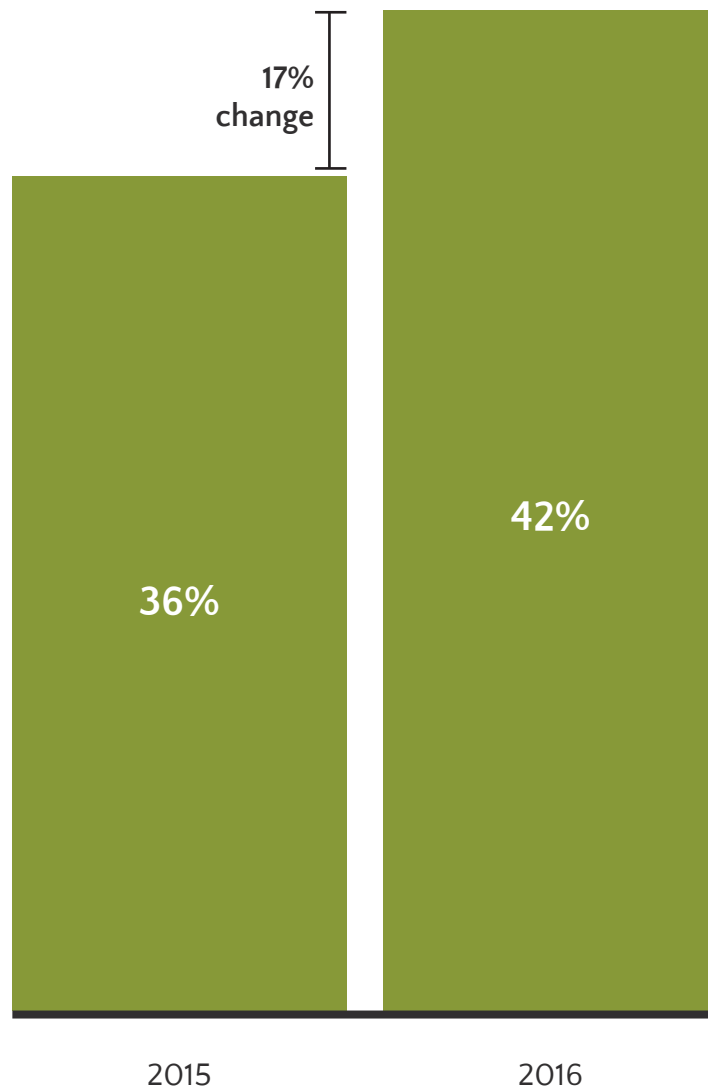


MOBILE

Traffic

On average, arts organizations saw an increase in their mobile device traffic of about 17%.

Change in percentage of mobile traffic to respondents' websites from 2015 to 2016

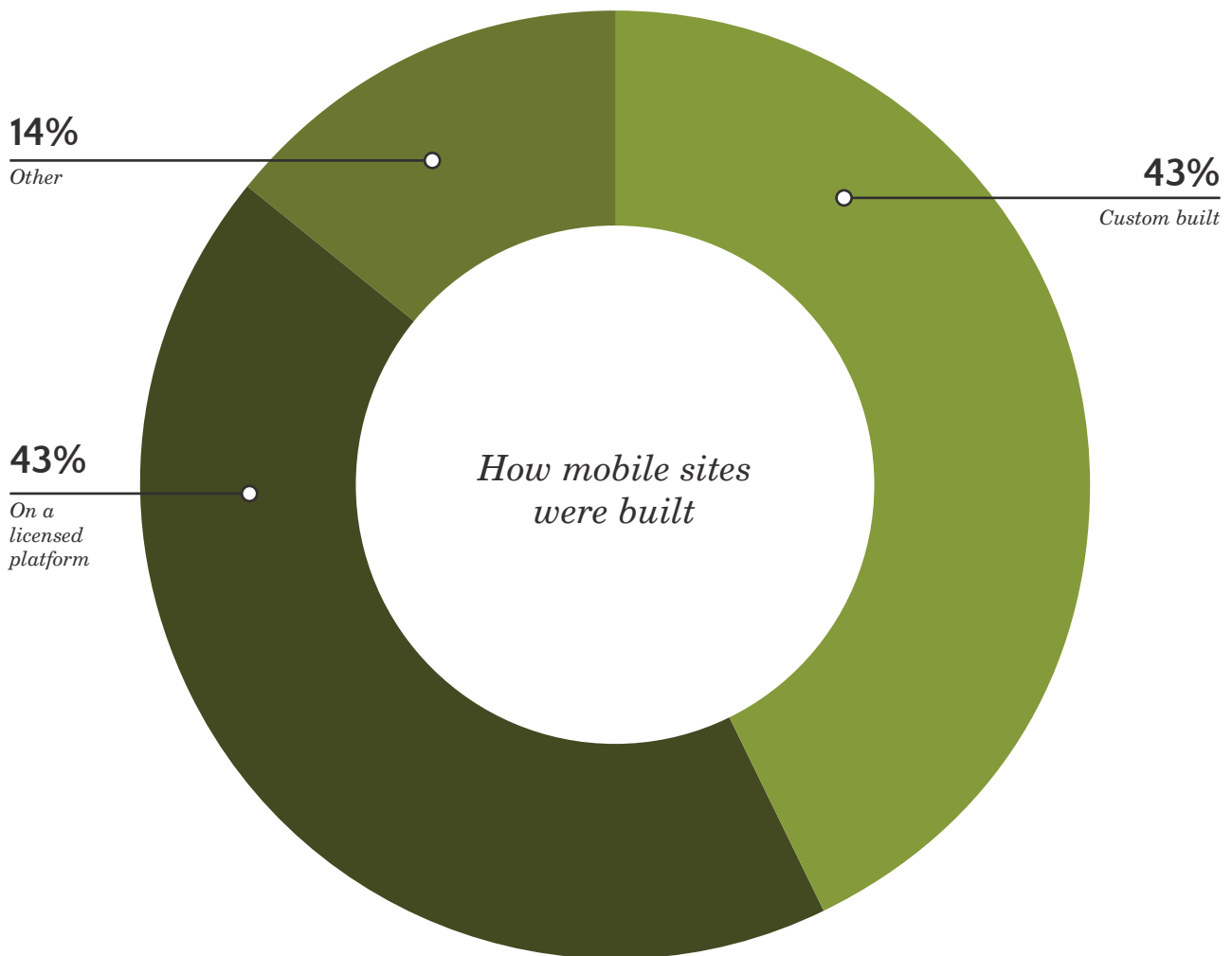


MOBILE

Site Infrastructure

43% reported using a licensed platform to build their mobile site.

43% of mobile sites were custom built.

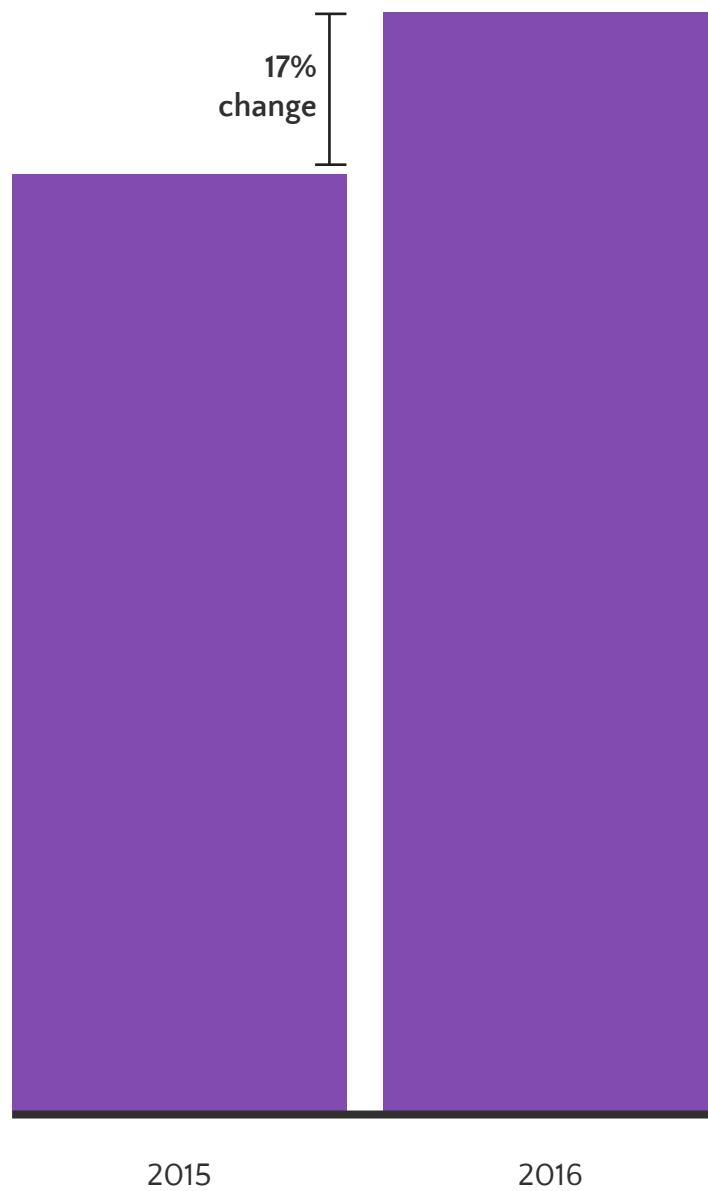


WEBSITE

Traffic Growth

On average, arts organizations saw an 17% increase in the number of unique sessions on their website per month.

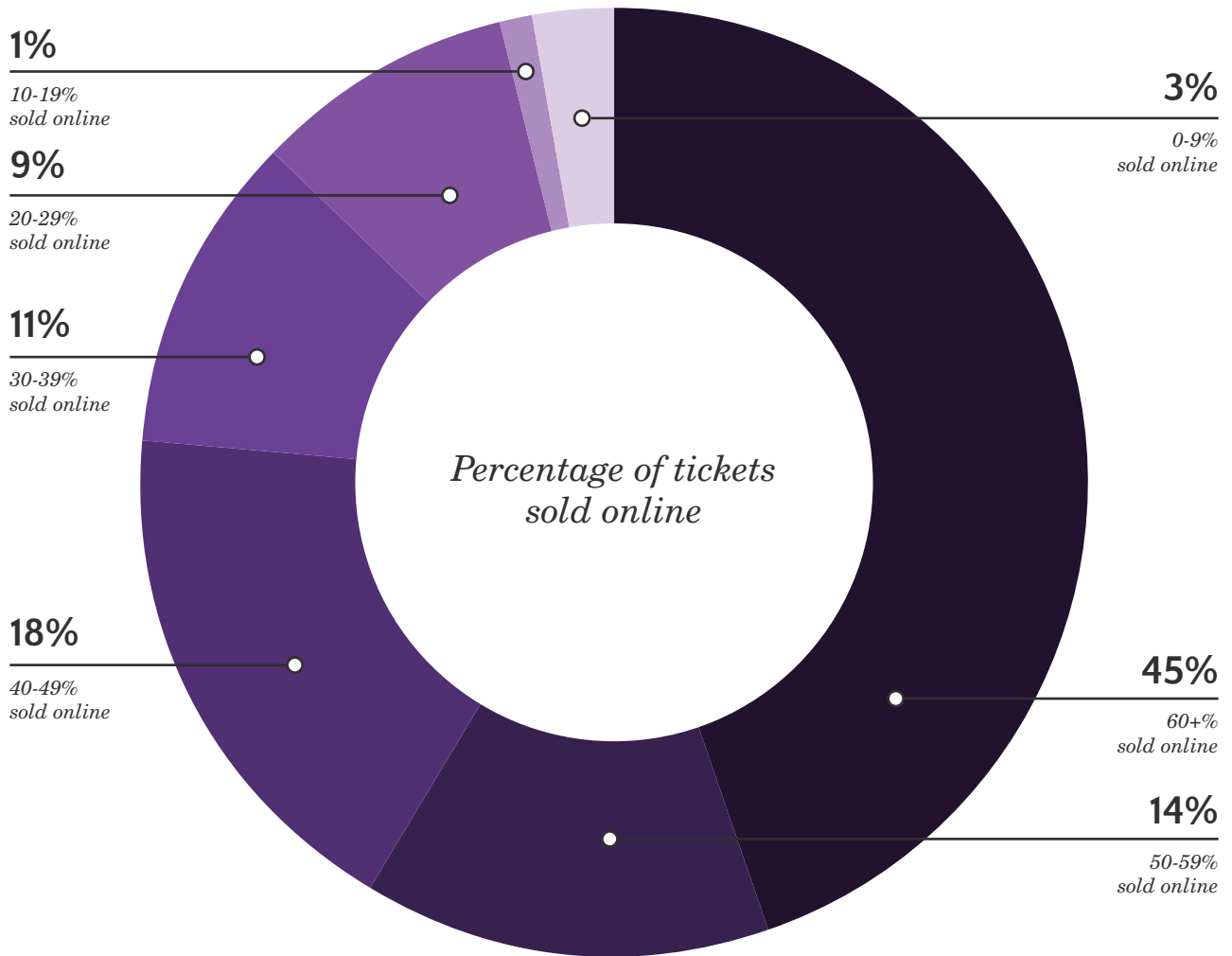
Average number of unique sessions per month from 2015 to 2016



WEBSITE

Percent Online Ticket Sales

59% of arts organizations sold more than half of their tickets online.

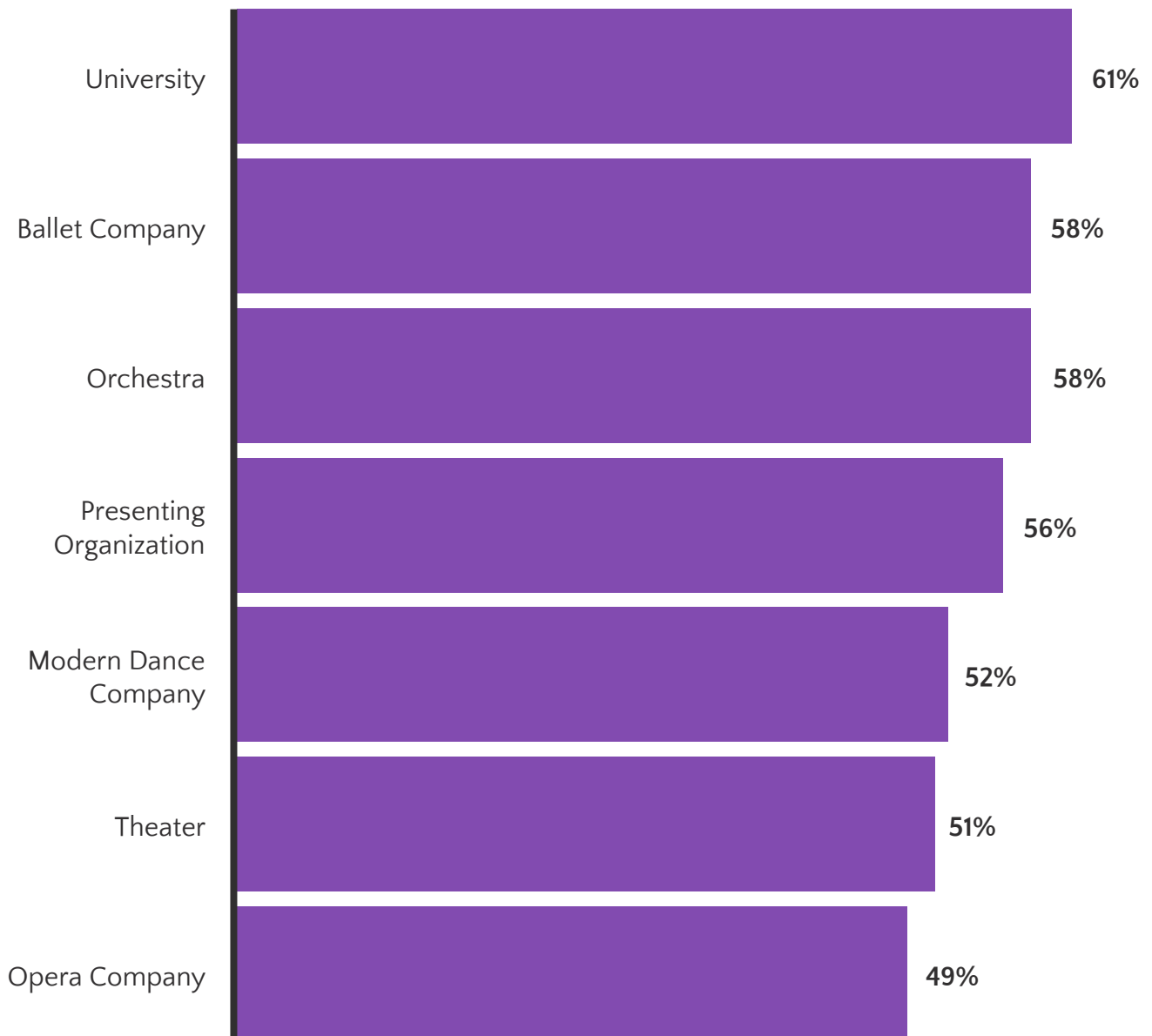


WEBSITE

Online Ticket Sales

In 2016, 55% of tickets were sold online.

Average percentage of tickets sold online, by organization type

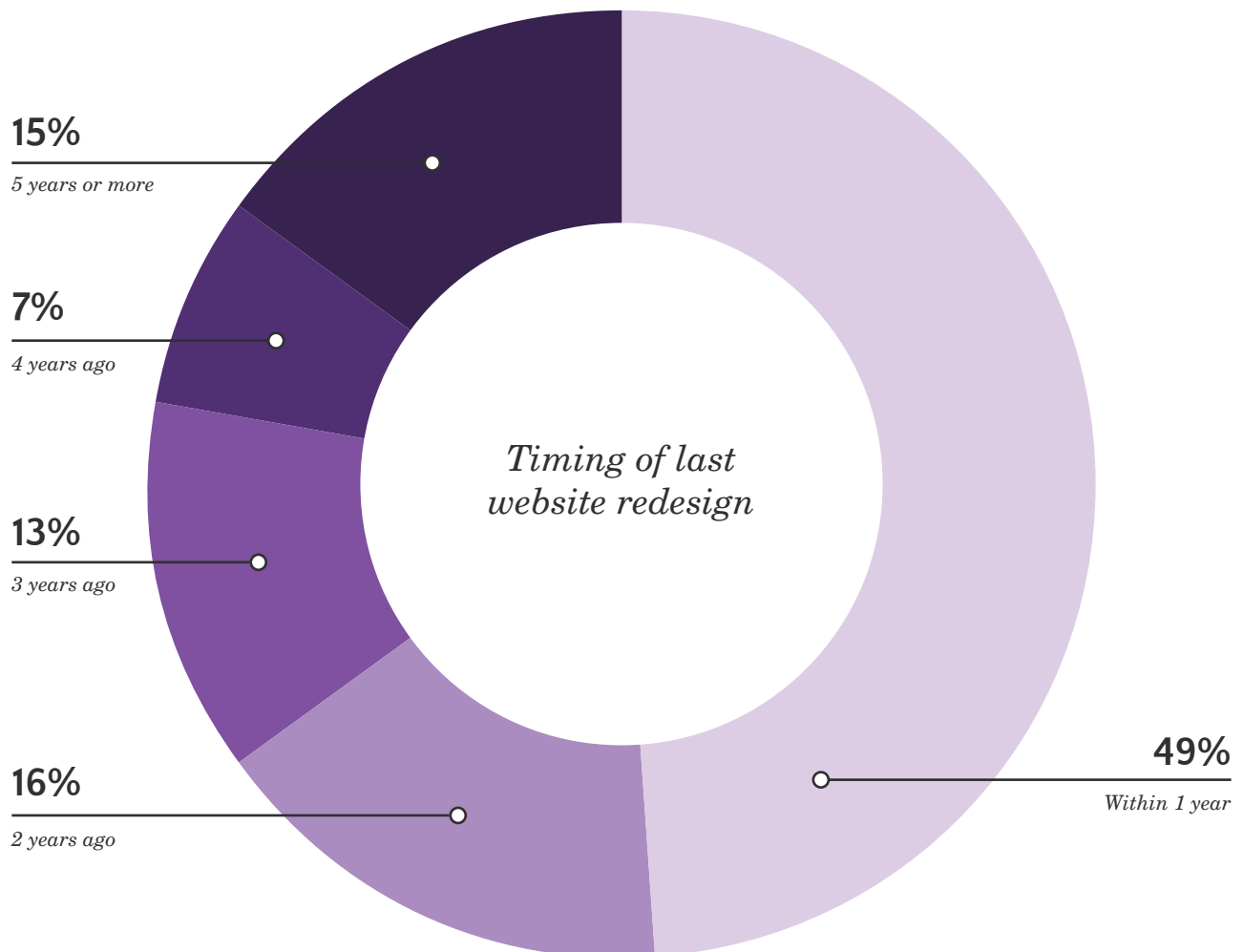


Museums removed due to low response rate.

WEBSITE

Last Redesign

Many arts organizations are redesigning their websites. Similar to last year's findings, roughly half of arts organizations redesigned their website in the last year.

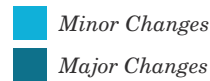


WEBSITE MAINTENANCE

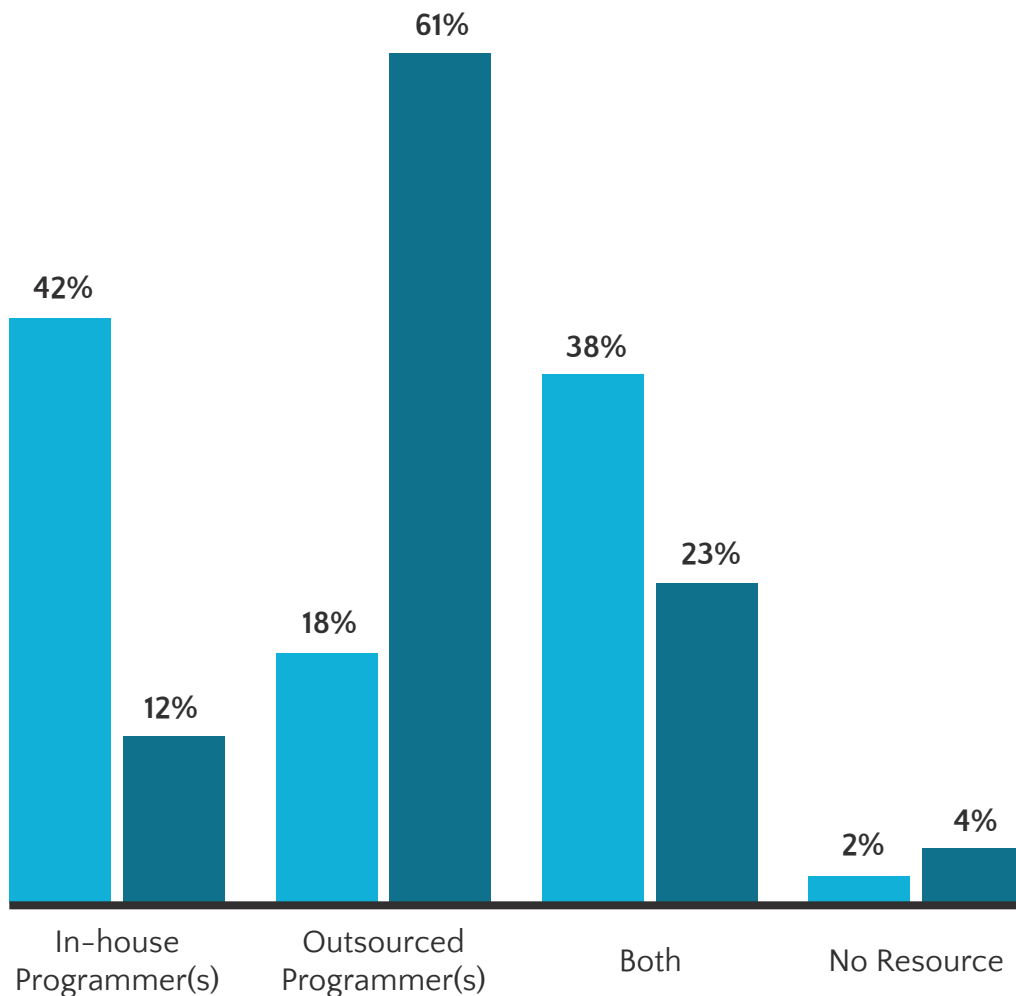
Minor and Major Changes to Website

When major changes need to be made to their websites, most arts organizations used outsourced programmers, whereas most used in-house programmers for minor changes.

In 2016, as compared to 2015, a smaller percentage of arts organizations stated that they had “no resource” for making changes to their websites.



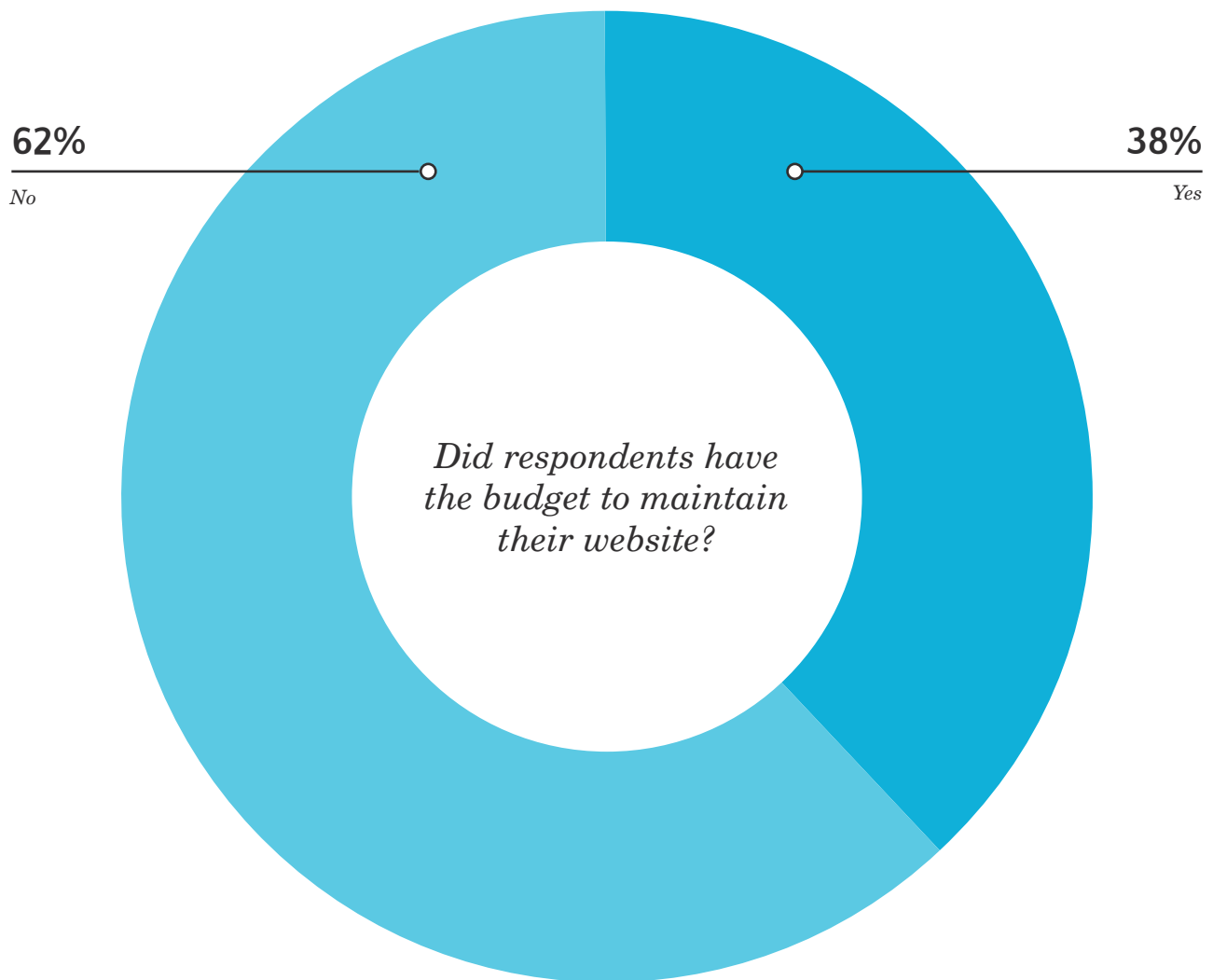
Means by which respondents made minor and major changes to website



WEBSITE MAINTENANCE

Budget for Maintenance

62% of organizations surveyed felt they did not have adequate budget to properly maintain their websites.

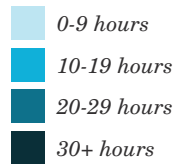


WEBSITE MAINTENANCE

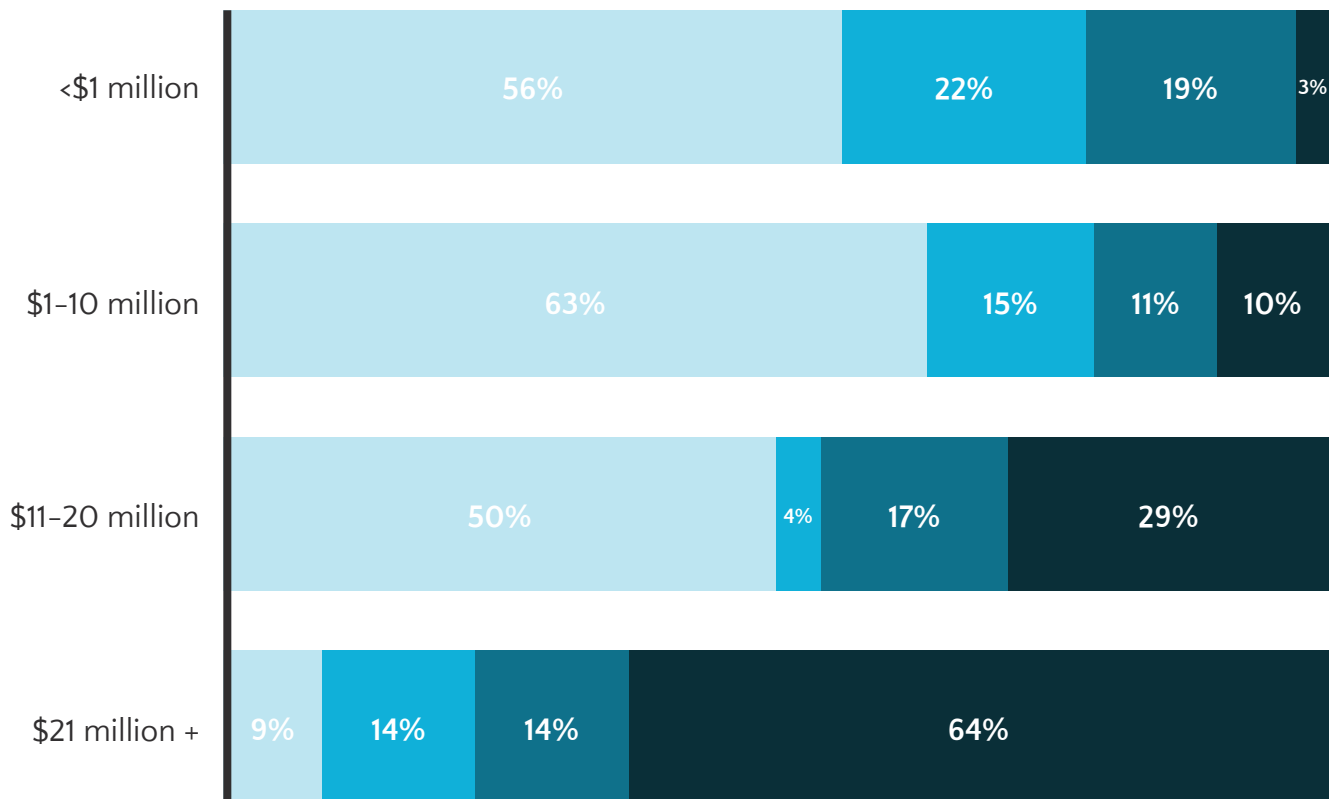
Time Spent Making Minor Changes

Most arts organizations spent less than 10 hours monthly on *minor* website upgrades.

Organizations with budgets of larger than \$20 million consistently spent upwards of 30 hours on website upgrades.



Hours spent making minor changes to website per month

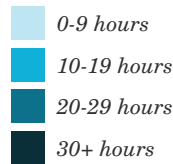


WEBSITE MAINTENANCE

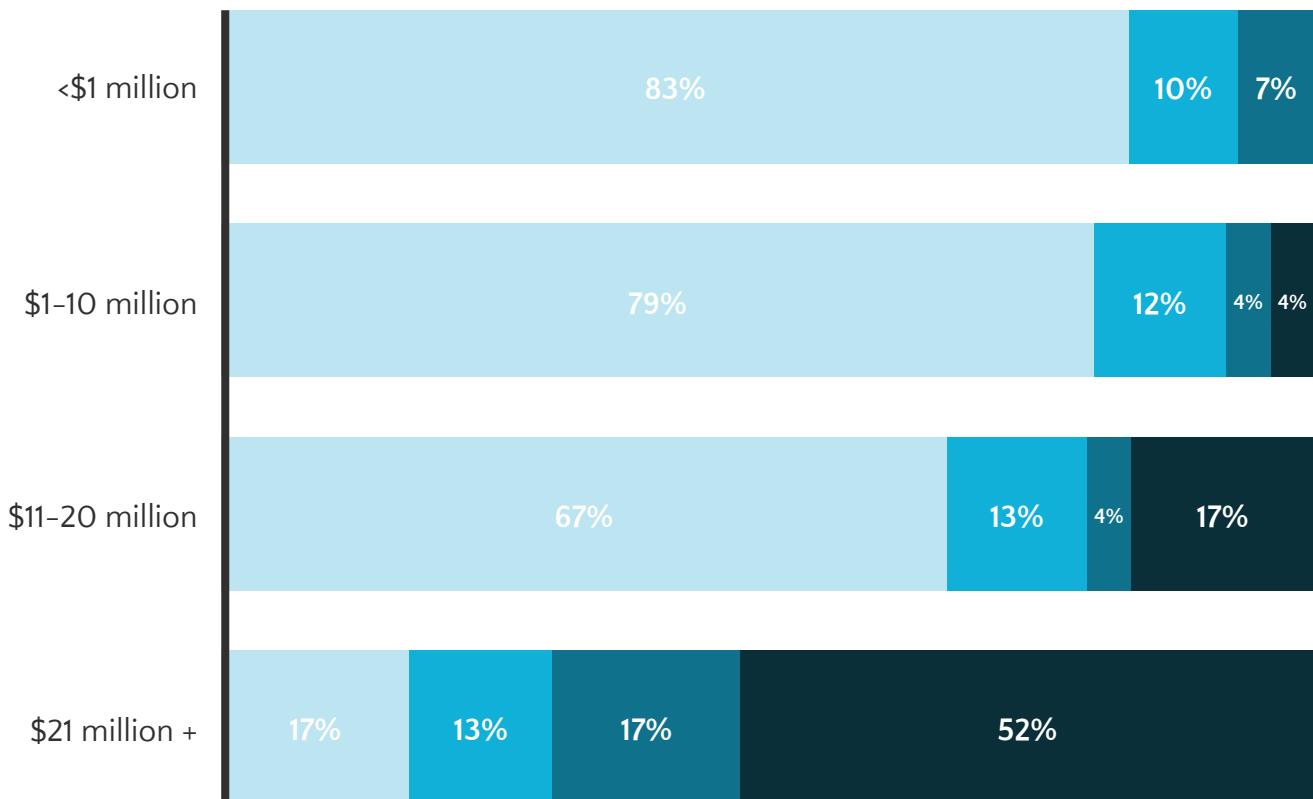
Time Spent Making Major Changes

Most arts organizations spent less than 10 hours monthly on *major* website upgrades.

Organizations with budgets of larger than \$20 million were the only ones who consistently spent upwards of 30 hours on website upgrades.



Hours spent making major changes to website per month



WEBSITE MAINTENANCE

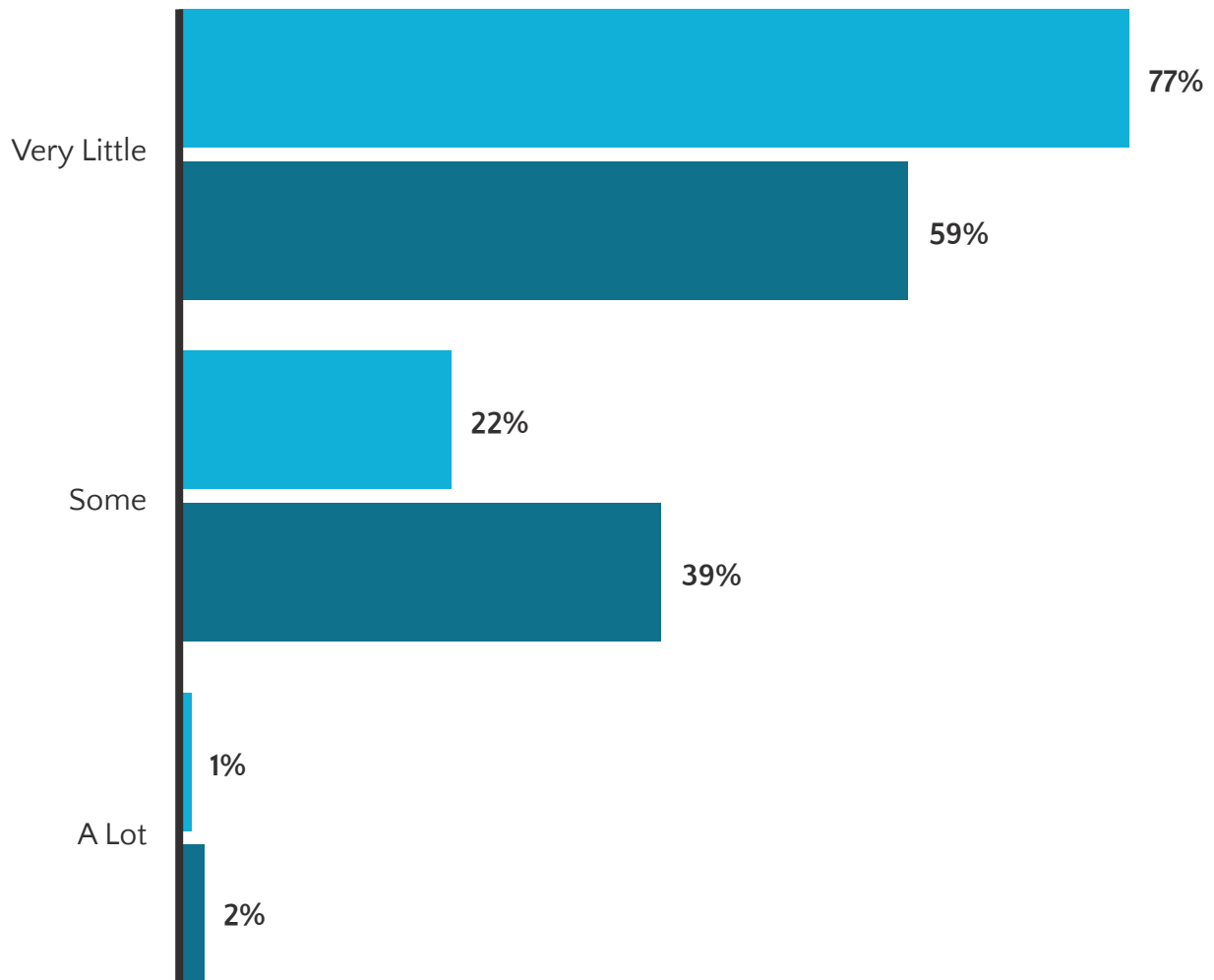
SEO

77% of arts organizations said that they were putting very little *budget* into Search Engine Optimization (SEO).

59% of arts organizations said that they were putting very little *effort* into managing their SEO.



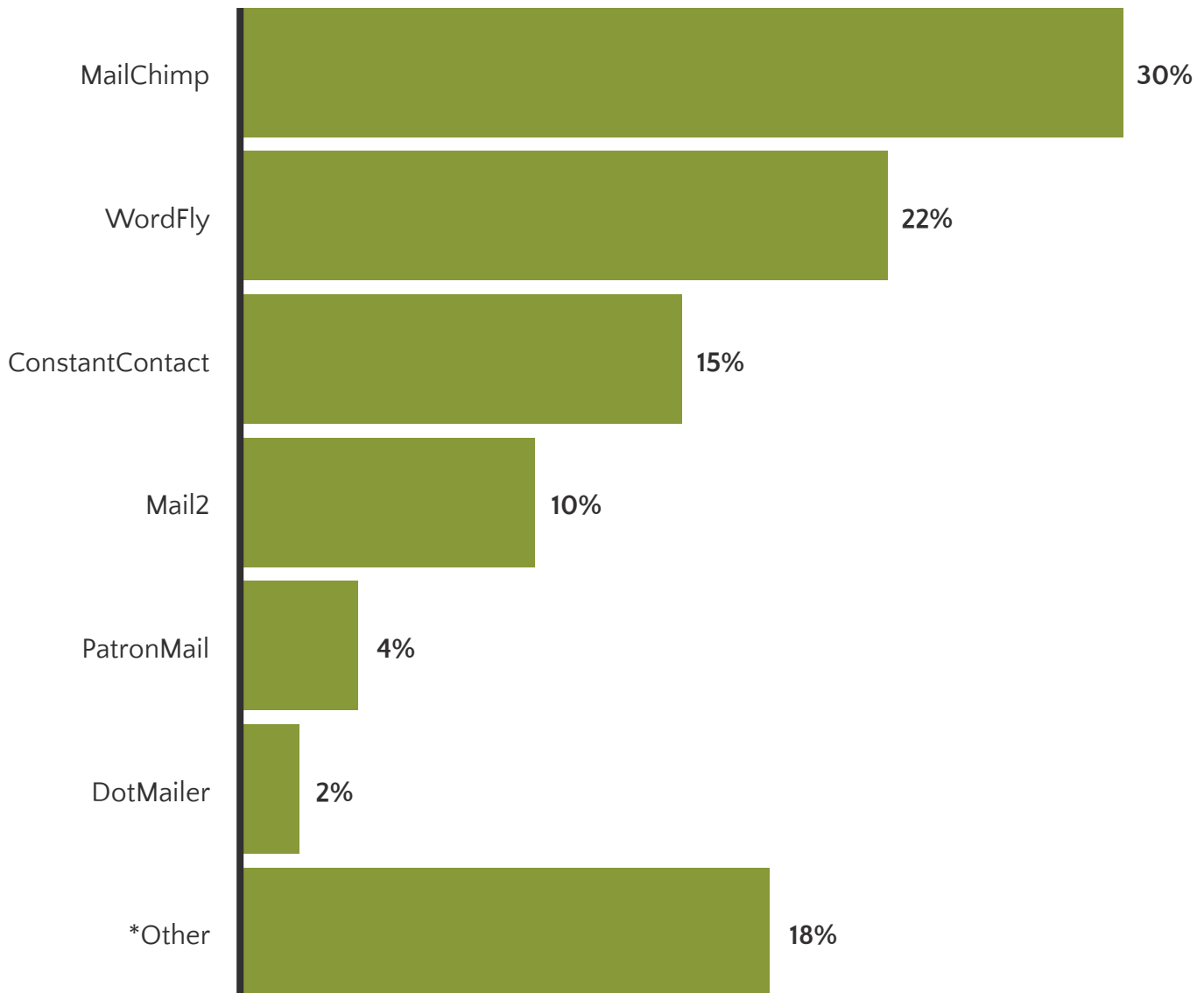
How respondents perceived the amount of effort and budget they put into SEO



EMAIL

Platforms Used

Email platforms used by surveyed arts organizations

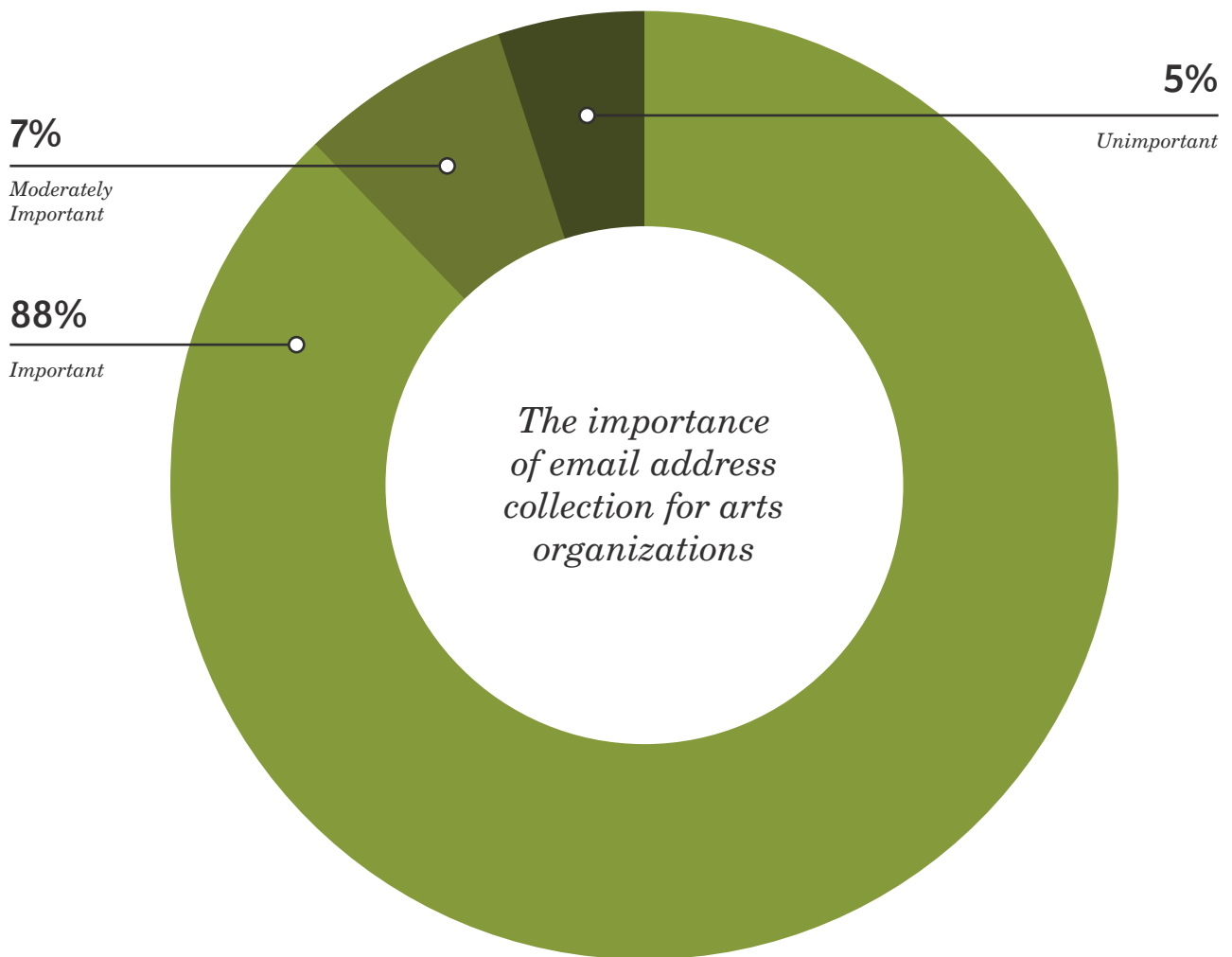


*Other includes MyEmma, Exact Target, tm Messenger, etc.

EMAIL

Lead Collection

88% of arts organizations felt that lead collection was very important.

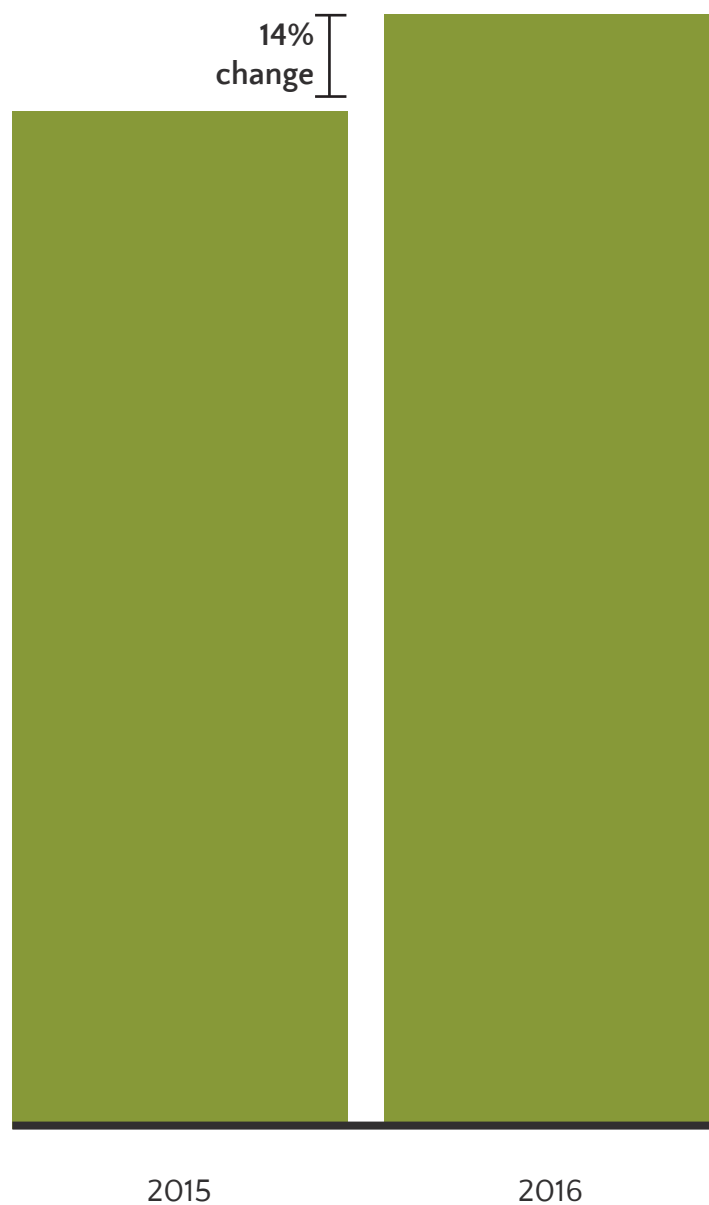


EMAIL

List Size

In 2016, arts organizations saw an increase in the size of their email lists of approximately 14%.

Average change in size of email lists over time from 2015 to 2016



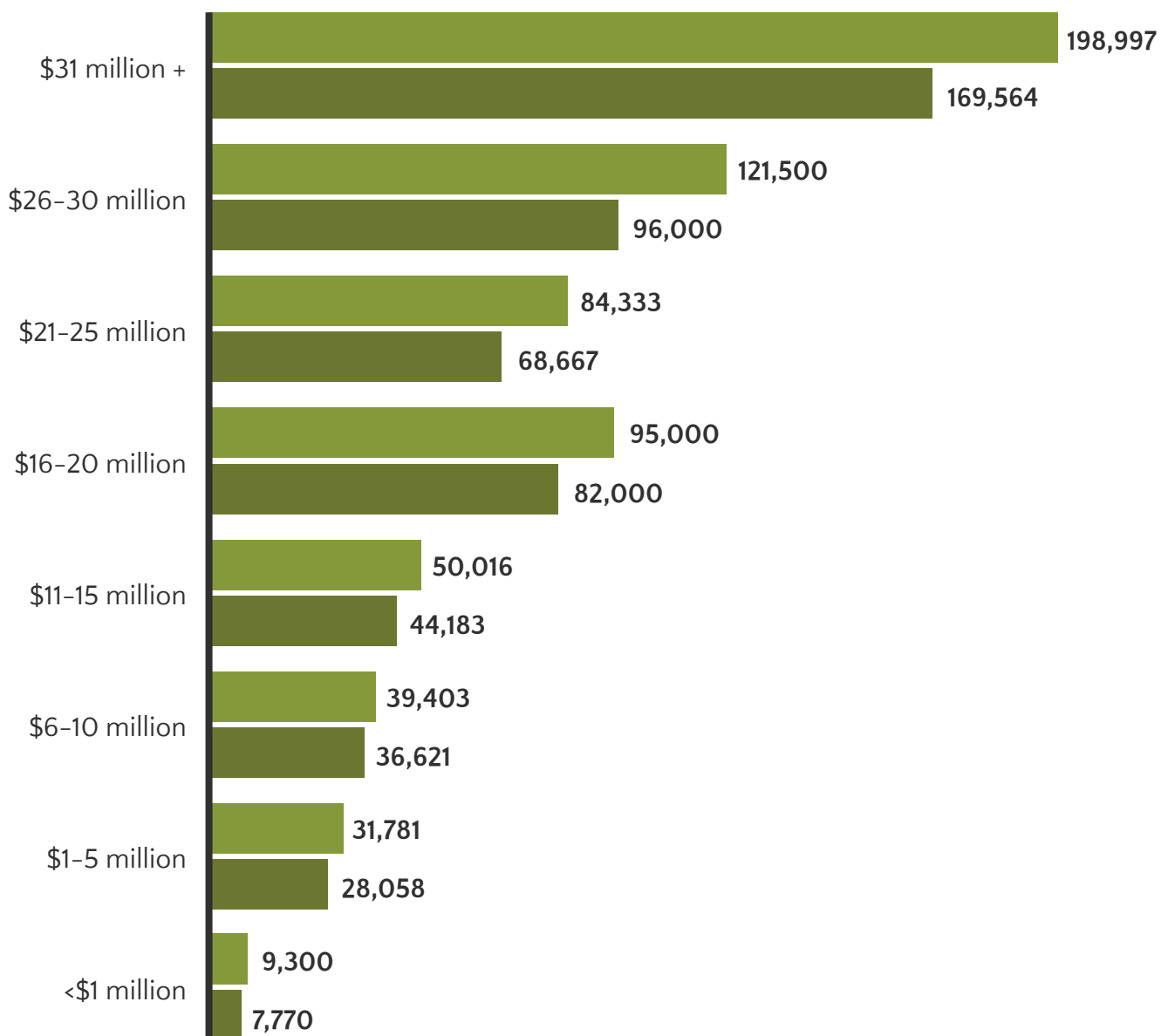
EMAIL

List Size

Arts organizations of all sizes saw an increase in the sizes of their email lists.



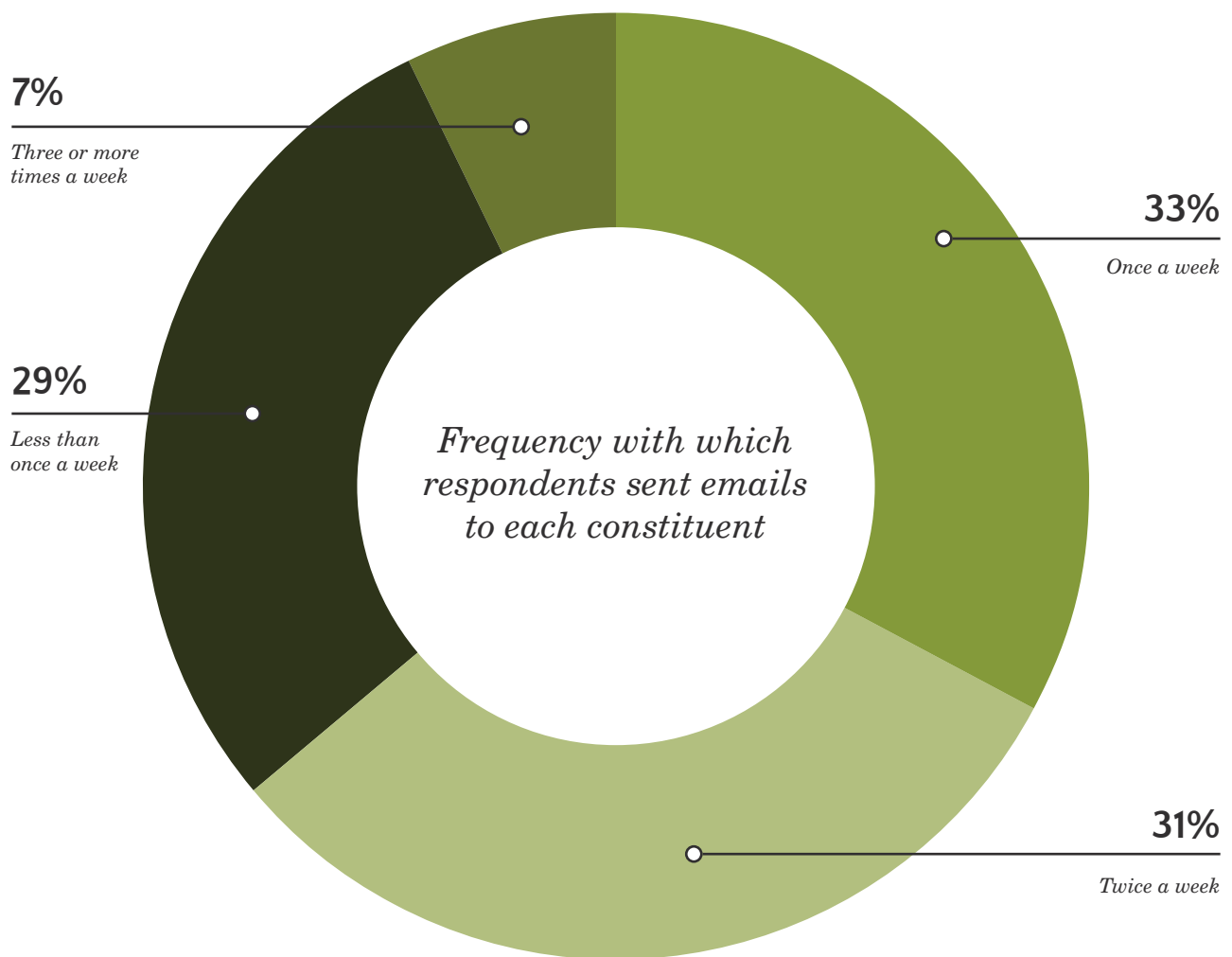
Average size of email lists by annual budget from 2015 to 2016



EMAIL

Frequency Sent to Users

Most organizations emailed constituents just once or twice a week. Only 7% are emailing each constituent three or more times a week.



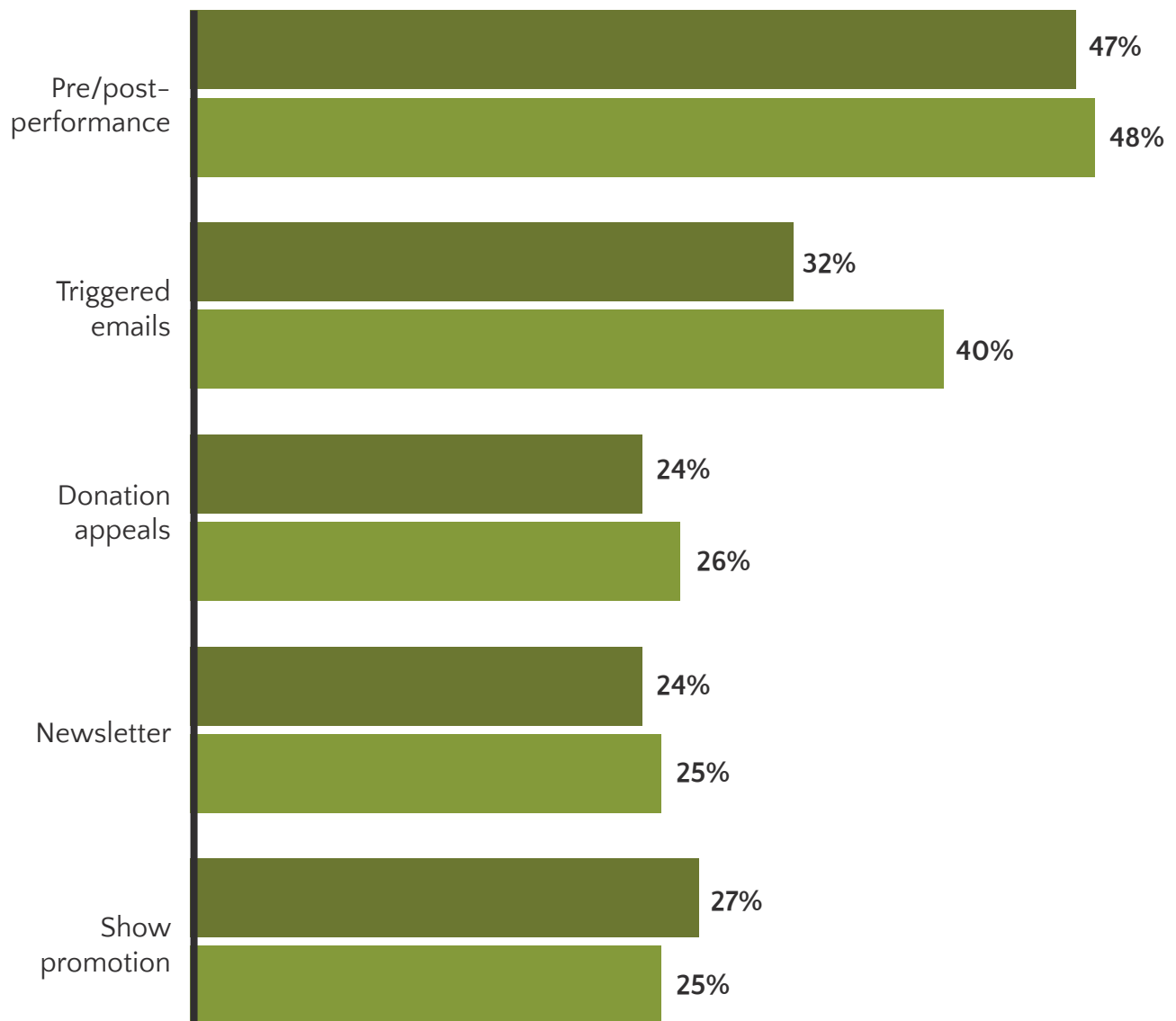
EMAIL

Open Rate

As we've seen in years prior, emails that are segmented by user behavior, namely pre/post-performance and triggered emails, had the highest open rate.



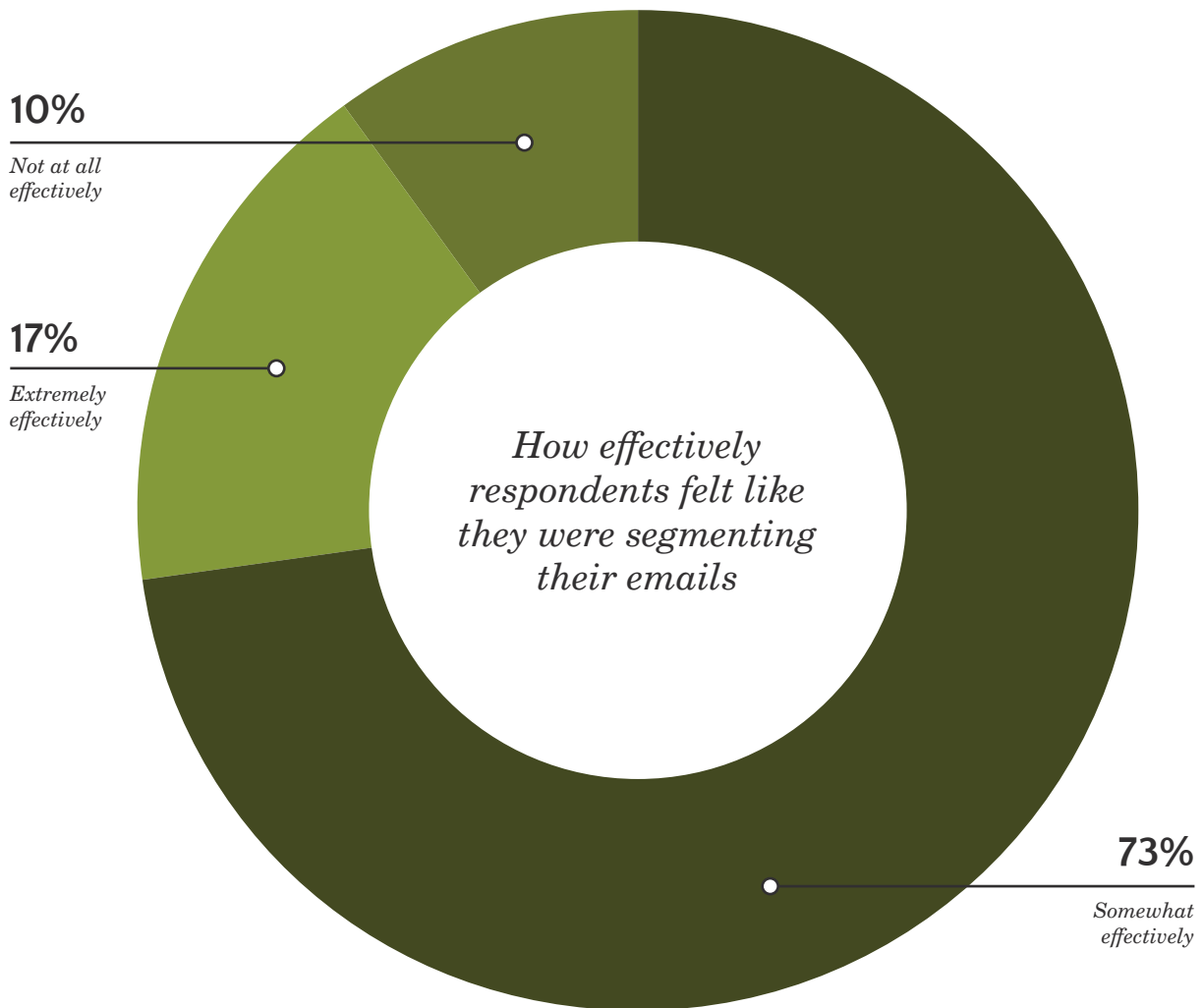
Average open rate by email type from 2015 to 2016



EMAIL

Segmentation

83% of arts organizations felt as though there is room for improvement in segmenting their emails.



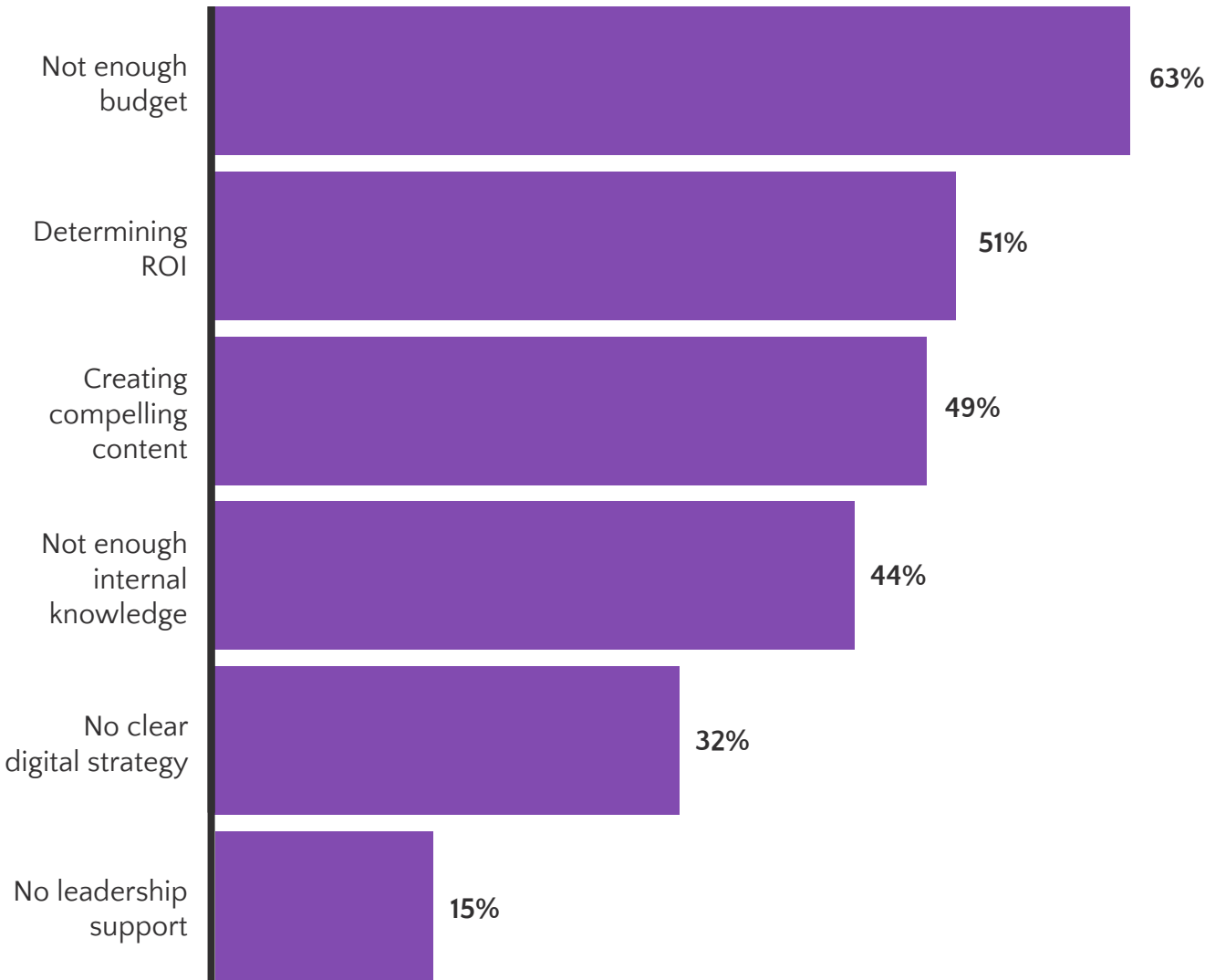
CHALLENGES

Implementing Digital Marketing Initiatives

Consistent with our findings both this year and in years prior, “not enough budget” remains the arts industry’s most pervasive obstacle to implementing digital marketing initiatives.

Only 15% indicated “no leadership support” was a challenge.

What challenges arts organizations face in implementing digital marketing initiatives



About Capacity Interactive

Digital Marketing for Arts Marketers by Arts Marketers

Capacity Interactive (CI) is the premier digital marketing consulting firm for culture and the arts. Founded in 2008, CI partners with leading arts and cultural organizations in the U.S. and internationally to help them build audiences, engage community and market smarter. Practice areas include digital advertising, web analytics, search engine optimization, search engine marketing, email strategy, and online fundraising.

Capacity Interactive has a strong focus on education for our clients and for the arts and cultural sector. CI hosts Digital Marketing Boot Camp for the Arts, an annual conference each October in New York City, and Capacity Classroom, a series of small group workshops and webinars where arts marketers can strengthen their digital skills.

Market Smarter.

Check out our podcast CI to Eye on iTunes, SoundCloud, and Google Play.

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