

To Stream, or Not to Stream?

Orchestras raced to put music online in the pandemic as a matter of necessity. But the move to streaming only accelerated a trend that was already underway. As we begin to transition to a post-pandemic world, orchestras must weigh the costs and benefits of streaming, audience expectations, and how to balance in-person and virtual presentations.

By Michael Bronson and Joe Kluger

As the U.S. gradually becomes vaccinated, orchestra leaders are faced with the Hamletian dilemma of whether to continue to offer digital streaming of live performances after concert halls reopen and audience-capacity restrictions are lifted. While most everyone acknowledges that streaming has been a critical lifeline to audiences and communities during the pandemic, many orchestra leaders may erroneously assume that there will no longer be an imperative to continue streaming once audiences can attend the live performances that are at the core of their missions.

There are several compelling reasons, however, why orchestras should consider a hybrid strategy of offering live and digital performance content, at least for the next year or so. To be most effective, each orchestra should develop a post-COVID digital strategy based on its unique circumstances, informed by its institutional objectives and community needs.

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The Why of Streaming

Although audience research by Alan Brown as part of WolfBrown's ongoing Audience Outlook Monitor study (<https://www.audienceoutlookmonitor.com/post/executive-briefing-with-alan-brow-may-17-2021>) indicates most ticket buyers are eager to resume attending live performances, there are a number of nuances in the data that support the case for orchestras to offer both live and digital performances in the coming season:

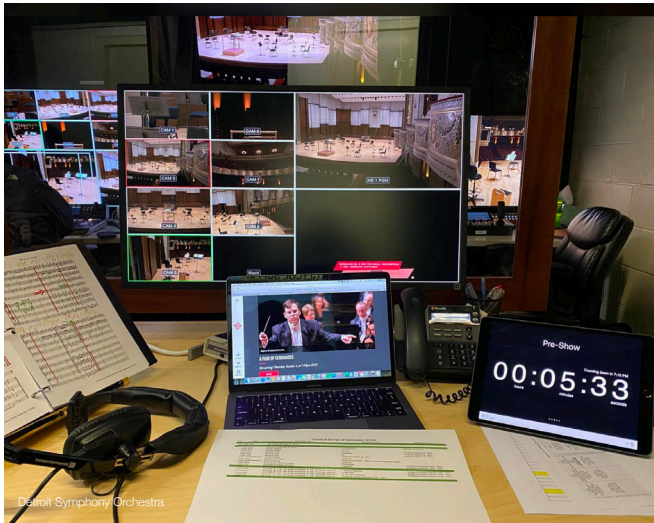
1. There is wide divergence as to when audiences say they will feel comfortable being in crowded spaces again, even after herd immunity is reached. At least 15 to 20 percent of those surveyed do not see themselves attending concerts in person until after January 2022. Some will not attend until masks



Led by Music Director Joseph Giunta, members of the Des Moines Symphony perform "History & Folklore," the first concert in the orchestra's livestreamed "Live from the Temple" series, at the Temple for Performing Arts in Des Moines, Iowa.

- and social distancing are no longer necessary, some are concerned about how long vaccine immunity will last, and some who are vaccinated worry about transmitting the virus.
2. Even when most audience members are ready to return to the concert hall, some will choose not to get vaccinated, some have underlying health conditions that make them especially vulnerable to COVID-19, some will remain fearful of venturing out, and some will have become accustomed to at-home entertainment. Though it is impossible to predict with certainty, it would not be surprising if these audience segments collectively represent 15 to 20 percent of an orchestra's pre-COVID audience, which many orchestras were already struggling to maintain.
3. In the face of audience apprehension, or the risk that a resurgence of COVID-19 could require venues to shut down again, offering ticket buyers the option of deciding at the

This article originally appeared in different form in the "Navigating the Crisis" section of WolfBrown's website at <https://www.wolfbrown.com/post/digital-strategies-to-stream-or-not-to-stream>.



Tech set-up for a Detroit Symphony Orchestra concert, five minutes before start time.

last minute whether to experience a performance in-person or at home could increase their willingness to purchase subscriptions or other future ticket packages, and decrease the need for organizations to offer cancellation refunds.

The benefits of reaching those audience members who are not ready to attend live performances, or providing an effective ticket-purchase insurance policy to retain those who are, justify the incremental production and distribution costs of streaming. The financial calculus should not be contingent, however, on the unlikely realization of sufficient earned or contributed revenue to cover the cost of streaming. Symphony orchestras have always sought philanthropic support to cover the net margin loss (defined as variable revenue less variable expense) from live performances and educational activities. Why should the standard for digital distribution be any different?

The strategic financial questions each orchestra should ask about digital distribution are:

1. What are the incremental costs of capturing and distributing our digital content at an acceptable quality standard?
2. How many people can we reach with our digital offerings?
3. What is the net cost of serving that digital audience on a total and per-person basis, relative to the subsidy required for our live performances?
4. Is the incremental philanthropy required to subsidize the streaming of our digital content attainable and justified, relative to our goals and objectives?

In the hypothetical example below, a medium-sized-budget orchestra that charges \$15 for pay-per-view digital access to a streaming program, which it spends \$40,000 to produce, might reasonably be able to *increase* the total live and digital audience reached with that performance by over 50 percent, and *decrease* the net per person cost of serving each audience member by over 15 percent.

(These digital production costs could be \$15,000 to \$25,000 higher or lower, depending on the desired level of production values. They also assume that cameras and other production

equipment must be rented, but could be significantly lower on a per-event basis if there is enough streaming activity to justify a capital investment in the purchase of equipment.)

| | Live Performance | Incremental Streaming | Total | Incremental Streaming % Change |
|--------------------|------------------|-----------------------|-------------|--------------------------------|
| Ticket Revenue | \$ 65,000 | \$ 15,000 | \$ 80,000 | +23.1% |
| Variable Costs | 145,000 | 40,000 | 185,000 | +27.6% |
| Net Margin | \$ (80,000) | \$ (25,000) | \$(105,000) | +31.3% |
| Audience Served | 1,800 | 1,000 | 2,800 | +55.6% |
| Per Ticket Subsidy | \$ (44.44) | \$ (25.00) | \$ (37.50) | -15.6% |

Although it would certainly not be easy in today's environment to raise philanthropic support to cover the incremental \$25,000 in net streaming costs, and an equal challenge to reach such a large digital audience, some donors will surely applaud this kind of holistic cost/benefit analysis of a hybrid live and digital strategy.

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The How of Streaming

The lens through which an orchestra should decide whether and how to offer future digital programming is materially different from whatever motivations drove its pandemic streaming strategy. The decisions should also be based on the unique goals and objectives of each institution, which can best be determined by answering several key strategic questions:



Behind the scenes with Houston Symphony Recording Engineer Brad Sayles

LEAGUE ONLINE

The League of American Orchestras recently presented webinars that examine streaming concerts by orchestras. *Shifting from Stage to Screen* focused on how and why orchestras are moving musical content to digital platforms—and creating entirely new experiences for virtual audiences. Panelists from several orchestras and online music outlets discussed aspects of navigating new platforms, including the creative, technical, legal, marketing, patron experience, organizational culture, and other considerations.

Learn more at <https://americanorchestras.org/shifting-from-stage-to-screen-2/>.

In *2020-21: The Resiliency Season*, leaders at the Toronto Symphony Orchestra and the Virginia Symphony Orchestra discussed their revamped seasons and offered insights regarding digital versus in-person performances, changes to patron engagement, and how approaches to leadership have evolved.

Learn more at <https://americanorchestras.org/2020-21-the-resiliency-season/>.



Just some of the equipment to capture an Atlanta Symphony Orchestra holiday concert.

1. **What are the primary objectives of your digital strategy?** Are you trying to use streaming as a marketing tool to sell more tickets to your live performances to new audiences with a digital-first strategy, or to drive loyalty and retain your existing audiences? Or do you view streaming as a separate product line that is as central to your mission as live performances? Is the strategic objective to use digital content to broaden the audiences for your musical performances or to support your education and community-engagement initiatives?

What are the primary objectives of your digital strategy?

2. **Who are your targeted audiences?** Are you primarily trying to serve regional audiences, or do you believe your orchestra – regardless of budget size or artistic profile – can attract national or international interest in your streaming content? Do you seek to use digital content to expand access to those with economic or physical barriers who cannot attend live performances?
3. **What kind of program content does your targeted audience want?** Will your streaming audiences be interested in full performances of live concerts, perhaps with some added-value content about the works performed or social media interaction with artists? Or are they looking for the kind of highly produced, made-for-streaming content (e.g., San Francisco Symphony, BalletX, Opera Philadelphia, Weston Playhouse, etc.) that they have come to expect from at-home entertainment? Will the audiences for digital versions of full performances be interested only in the excitement of watching a truly “live” event at a scheduled time, or will they prefer the flexibility of

watching on-demand content when convenient for them? With increased competition from myriad online entertainment options, and declining audience attention spans, should you offer shorter excerpts instead of full-length performances?

4. **Should access to your digital content be monetized or otherwise restricted?** Does it make sense to monetize digital access via pay-per-view fees (e.g., Chicago Symphony Orchestra, the Philadelphia Orchestra, etc.) or subscription fees (e.g., Boston Symphony Orchestra, Dallas Symphony Orchestra, New York Philharmonic, San Francisco Symphony, etc.) and offer digital access only to ticket buyers to live performances? Or does it make sense not to limit access at all, but to use free digital content as an audience development strategy to entice people to attend live performances? Should end users have temporary access to the digital content, via live or on-demand streaming, or permanent control via downloads or podcasts? Will touring guest artists allow unrestricted digital distribution or, to avoid depressing demand for their live performances, insist on geofencing of local streaming (which limits access to devices in a defined geographic area)?

Should access to your digital content be monetized or otherwise restricted?

5. **How should contractual agreements with content creators be structured for hybrid live and digital performances?** Pre-COVID, basic employment agreements governed pay to performers and production personnel for live performances, usually with ancillary rights clearance agreements in place that determined

what they were paid for digital distribution to audiences beyond those in the concert hall. While those agreements may still make sense when an orchestra licenses content through a retail distributor, should they and those they employ agree to modifications to those agreements when the digital distribution is necessary to generate ticket revenue from core audiences to cover the live performance costs?

The answers to these questions should help each symphony orchestra determine what kind of streaming content to offer and whether to distribute it only on its own website and social media platforms via an OTT or “over-the-top” platform that works directly via the internet (e.g., Boxcast, Brightcove, Vimeo, etc.), or in collaboration with other arts groups through an international retail distributor (e.g., DG Stage, Idagio Global Concert Hall, Marquee TV, Medici.tv, etc.). The

answers should also help each orchestra decide whether to offer a handful of programs or follow the examples set by the Berlin Philharmonic and the Detroit Symphony Orchestra and make much of their programming available for digital distribution, as part of a shift to make digital programming as central to their missions as live performances.

When COVID-19 shut down all in-person arts activity, many symphony orchestras quickly came to see digital distribution as an essential part of their strategy to remain in the hearts and minds of their audiences and communities. As we all eagerly await the end of a pandemic that has been devastatingly disruptive to the lives of everyone in the arts world, the question is whether electronic media projects will return to the ancillary, “nice to have” role they played in the pre-pandemic activity calendars and operating budgets for most orchestras. Alternatively, moving digital distribution of performing arts content to center stage as an institutional imperative could be added to the very short list of good things to come out of COVID-19. [S](#)

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Bronson and Kluger are recognized experts in the use of technology to accomplish strategic objectives in the arts and are consultants in this area to the League of American Orchestras and OPERA America and their members. Find more information on the League’s Music Distribution and Licensing resources at <https://americanorchestras.org/learn/music-distribution-and-licensing>.

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