



Aboriginal and Torres Strait Islander Art Economies project

The use and benefits of ebusiness to Aboriginal and Torres Strait Islander art centres

Summary of key findings from Bachelor of Business (Honours) in Marketing

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1. Background

This paper provides a summary of an Honours project investigating how Aboriginal and Torres Strait Islander staff in art centres use ebusiness and whether the practices they have adopted are of benefit. This research was identified as a priority of the Aboriginal and Torres Strait Islander Art Economies research project, part of the wider research program of the Cooperative Research Centre for Remote Economic Participation (CRC-REP). The overall purpose of the Art Economies research project is to contribute to the resilience of remote Aboriginal and Torres Strait Islander art businesses.

The study looked at ebusiness in Aboriginal and Torres Strait Islander art centres by asking three questions:

1. How is ebusiness currently being used in Aboriginal and Torres Strait Islander art centres?
- 2a. What are the benefits and opportunities of wider use of ebusiness in Aboriginal and Torres Strait Islander art centres?
- 2b. What are the drawbacks and barriers to wider use of ebusiness in Aboriginal and Torres Strait Islander art centres?
3. Which ebusiness practices in Aboriginal and Torres Strait Islander art centres are effective and which are ineffective?

2. Research design

Aboriginal and Torres Strait Islander art centres differ not just from conventional businesses in the wider art industry, but also from other businesses in the Aboriginal and Torres Strait Islander art industry, such as commercial galleries that sell Aboriginal art. Art centres have social, cultural and commercial roles. They are independent, community-owned organisations, located in geographically remote and culturally unique communities. This study sought insights from art centre staff to help understand the situations, actions and circumstances affecting ebusiness operations within art centres.

2.1 Eight case studies – 10% of remote area art centres

Art centres were chosen for this research based on the level of their ebusiness practices, their location and reputation and the collaboration capacity of the staff. A sample size of eight art centres (10% of remote area art centres) was identified.

In-depth interviews were conducted with nine Aboriginal and Torres Strait Islander art centre staff members to gain the data and insights needed to address the research objective. The research consulted six managers and three art centre staff. It utilised a qualitative, multiple case study approach. Semi-structured interviews were conducted by phone or in person, in Alice Springs, over a period of two months, between February and March 2014. The primary data shared by participants was in the form of observations, documents (e.g. strategic plans and past records) and electronic entities (e.g. statistics, video and websites).

Both strategic and operational matters were relevant to the study; this knowledge is usually held by the art centre manager. In some art centres the manager is the only employee, making and implementing all ebusiness decisions. In art centres with multiple employees, ebusiness strategy is usually set by the manager, while operational ebusiness activities are implemented by staff members.

3. Key findings

3.1 Ebusiness strategy

A key component to ebusiness is strategy, that is, the plans a business makes to achieve its goals (Laudon & Traver 2013).

The business plans reviewed in this research included either a dedicated section about ebusiness strategies, or an exploration of ebusiness strategies alongside more general marketing and promotion priorities. The strategies included elements such as an online pricing model, methods to reach new markets and focusing on niche audiences. A number of ebusiness activities were common to all business plans, such as the use of digital images, social networking, a customer database and online artists' profiles. At the same time, each art centre developed a unique ebusiness model, specific to the values of the organisation. It is clear that all art centres concentrated their ebusiness strategy on their website.

3.2 Key success factors

An analysis of studies by Zhang et al. (2012) and Quesenberry and Sykes (2008) revealed four categories of success for ebusiness: strategic factors, content factors, promotion factors and design factors (see the bulleted lists below). Components of all four success factors were evident in the ebusiness practices in the art centres. This suggests that the ebusiness approach being used in remote Aboriginal and Torres Strait Islander art centres is comparable to that in other small and medium-sized enterprises (SMEs).

Key success factors influencing effective ebusiness

Strategic factors	Content factors	Promotion factors	Design factors
<ul style="list-style-type: none">• Economic and financial justification• Conscious decision-making• Efficiently organised infrastructure• Consistent development and innovation• High commissions and upfront payment• Ability to take on commissions• Liberal return and credit policies• Products must be available• Products in high demand	<ul style="list-style-type: none">• Consistent updates and maintenance• Large variety and quantity of content• User-generated content• Interactive• Fast uploading• Attractive to content providers	<ul style="list-style-type: none">• Products receiving significant exposure• A significant member base• A diverse market environment• Word-of-mouth• Viral marketing• Online paid advertising	<ul style="list-style-type: none">• Attractive aesthetics• Practical• Vivid• Easy to navigate• Reliable and secure

Source: Quesenberry and Sykes (2008), Zhang et al. (2012)

3.3 Digital innovation

Websites in art centres were mainly used to enhance sales and provide information. Website information was about the community and its culture and the art centre and projects within it. The data identified additional purposes of the website, including showcasing artworks to retailers (which was a highly effective activity) and offering a variety of services through the website (e.g. registration to artists' workshops).

Art centres used a specialised online stock management system called SAM to manage stock, sales and a customer database and to send images directly to customers and to the art centre website. Participants indicated that they were not aware of all the functions that SAM is able to perform. However, managers of art centres want to utilise the ebusiness functions that SAM offers, and they see it as a means to improve their ebusiness performance.

Staff in art centres recognised the value of having a news page, blog or electronic newsletter as part of their ebusiness strategy, as well as the importance of regular website updates. Art centre websites offered online exhibitions and managed online fundraisers. Special promotional events were held through the website, particularly during the Christmas period, such as end-of-year sales and advertising special products.

Facebook has been used in Aboriginal and Torres Strait Islander art centres since 2010. Staff expected Facebook and other user-generated content (UGC) platforms to help them reach new audiences, engage customers, promote events and create viral marketing. However, participants mentioned that UGC platforms are not sales tools and that it is difficult to measure their effectiveness. In contrast, Lipiäinen and Karjaluoto (2013) argue that UGC platforms have the potential to generate sales after consistent customer engagement with the business. UGC platforms provide a means to broaden the market reach of art centres and help the business gain a competitive advantage by building niche markets.

Staff in art centres advocated a clean and clear website design and rated the aesthetic design of their website as important. Art centre website design was based on either staff design or on that of a web developer. The design was influenced by the artworks created in the art centre and by its branding.

The art centre websites analysed for this research all contained an egallery that let users browse and view artworks. Art centres selected artworks for their egallery based on the quality and diversity of the work. The findings show that art centres generally presented artworks in the low to middle price ranges, rather than presenting all their stock.

3.4 Uncommon ebusiness practices in art centres

Only limited advertising of the online environment was undertaken in Aboriginal and Torres Strait Islander art centres. While staff in art centres engaged in promotional activities – such as cross-linking to other organisations and placing links in their email signatures – they mostly did not invest in paid online advertising.

Ebusiness is moving ‘from being a PC-centric activity on the web to a mobile and tablet-based activity’ (Laudon & Traver 2013, p. 186). However, with the exception of a minority of art centres, where a new website was being developed at the time of the research, participants did not engage or invest in optimising their website for mobile devices although they were aware of the growing importance of this facility. A hesitant approach towards mobile technology development is in line with existing literature, which highlights the limited research available and the fast-moving nature of mobile technology (Becker et al. 2012, Yang 2012).

This research found that the websites of only two art centres had a shopping cart facility. Staff regarded this function as effective. The remaining participants perceived shopping carts as preventing personal contact with customers. However, this claim is not in line with existing research, which, for example, highlights that (young) audiences want to finalise art purchases online (Quesenberry & Sykes 2008, Zhang et al. 2012).

3.5 Positive feedback and exposure

Ebusiness improves the competitiveness of an enterprise and optimises costs (Wiengarten et al. 2013, Zhang et al. 2012). Staff in art centres believe that ebusiness has the potential to access and grow new markets; they reported positive feedback from customers about the online presence they had created.

Another ebusiness benefit is overcoming the art centre's isolation and giving customers virtual access to the art centre and its products. Customers are able to learn about the art centre and its community through the website and/or UGC information.

3.6 Lack of resources

This research found a number of ebusiness barriers, including slow or frequently interrupted internet connection (in very remote communities) and technical support not being readily available. Impractical content and image management systems, dated visual designs and unengaging customer interfaces were also identified as barriers.

Time constraints in managing ebusinesses were repeatedly mentioned by all participants. They also recognised that particular knowledge and skills are needed to operate advanced ebusiness systems. In some art centres, ebusiness knowledge was held by only one employee, and staying abreast of the rapid technological shifts disengaged other staff members. Participants believed that their websites were not effective enough primarily due to limited resources.

Although the websites in two art centres had been upgraded in the previous three years and staff were satisfied, staff in most of the other art centres experienced wastage of resources and a high failure rate in achieving design 'best practice'. Web design companies failed on numerous occasions to deliver the type of websites that were requested for Aboriginal and Torres Strait Islander art centres: highly specialised and visually attractive art websites.

Direct sales were offered through the websites of five art centres. However, such a facility requires a consistent quality and volume of artworks to be created, and there must be space in the art centre for storage of the items that are for sale online. Participants explained that they needed sufficient stock for online sales, on top of stock that was offered for sale through other channels. The stock for online sales needed to be stored separately to ensure availability.

3.7 Sales analysis

The research found that a maximum of 10% of the art centres' overall sales was generated by online sales. This supports the claim that established art collectors and buyers are less prepared to finalise purchases over the internet (Kennedy 2011, Quesenberry & Sykes 2008, The Economist 2013).

Staff in art centres wanted more analysis of their current ebusiness activities, particularly through customer feedback and statistics, in order to determine their effectiveness. As suggested in Figure 1, key conclusions from this study are that staff in art centres need to monitor and assess ebusiness activities, optimise their engagement with ebusiness and access more external support to do so.

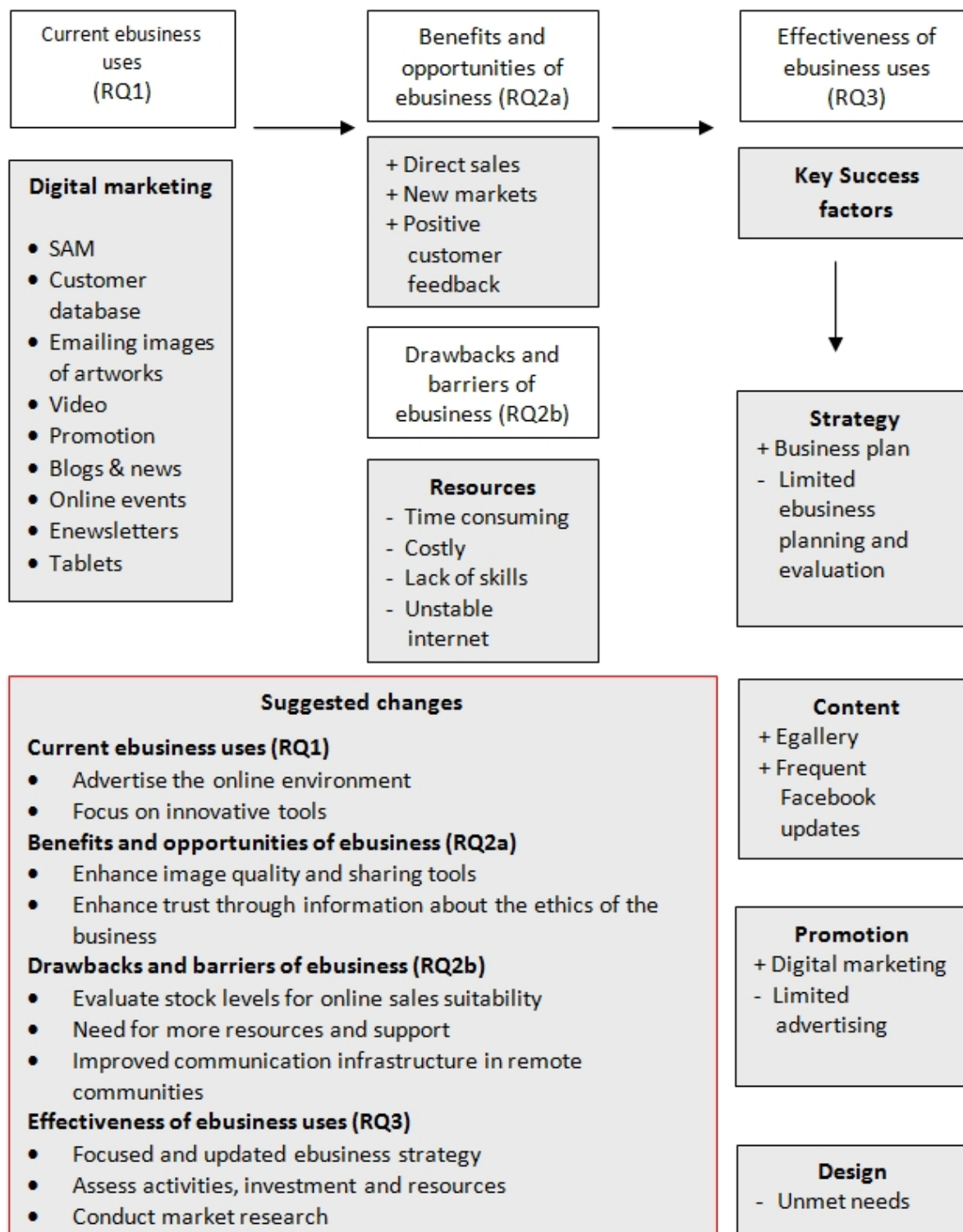


Figure 1: Results of the research by research question and success factors – ebusiness in Aboriginal and Torres Strait Islander art centres

4. Practical implementation and recommendations

4.1 Potential support by external agencies

- External agencies such as governments and peak bodies could develop a standard ebusiness plan and/or guide for art centres. These agencies could also provide a list of recommended website developers, in view of the failures and negative experiences staff in art centres had with website development. Financial support for art centre ebusiness should be provided only where it is clear that the art centre has ebusiness plans, goals and aspirations.
- Government departments and agencies such as the Department of Foreign Affairs and Trade and the Australian Trade Commission (Austrade) could assist in building audiences by promoting the art centre ebusinesses internationally. This can be done by translating art centre websites to key languages, marketing them overseas and providing art centres with a list of relevant international ebusinesses and potential partners.
- Governments can improve the communication infrastructure in Aboriginal and Torres Strait Islander communities by upgrading internet connectivity and improving remote area technical support. They can resource ebusiness development, maintenance and training, such as through additional funding for computer systems and education in new technology, market research and ebusiness marketing. Consultants and specialised support dedicated to art centre ebusiness are also needed that have a focus on strategic planning.

4.2 Changing ebusiness strategies in art centres

- Staff in art centres need to have a clear ebusiness purpose and need to understand what ebusiness strategies will give customers a reason to visit the website and buy. A focused strategic plan should detail the art centre's ebusiness activities, goals and outcomes. Strategies to broaden the market reach and achieve a competitive advantage through niche markets should be developed. These strategies are most likely part of the art centre's business or marketing plan and should describe ebusiness activities and outcomes. Other factors to consider include time frames, available resources, digital innovation and target markets.
- Staff in art centres need to maximise existing and straightforward ebusiness strategies, such as updating ebusiness content regularly, advertising their ebusiness environment, obtaining feedback from customers and evaluating the financial forecast of their ebusiness.
- Staff in art centres should assess their ebusiness practices through statistical measures (e.g. Google analytics) in order to gain a better understanding of their effectiveness. Staff can consider market research about their new and returning customers and the motives these customers have for purchasing again.
- Staff in art centres should evaluate stock levels when deciding if online sales are appropriate for their business. If engaging with online sales, they should have stock available continuously and ensure that suitable facilities are available for dispatch.
- Consumers seek information about authenticity and provenance when engaging with art centres. Aboriginal and Torres Strait Islander art centres have a unique place in the art market, and ebusiness practices should reflect this advantage in responding to customer preferences. Ensuring high quality provenance and ethical business practices will also enhance trust in the Aboriginal and Torres Strait Islander art industry.

- Staff in art centres could capitalise on their remote location by differentiating their ebusinesses from mainstream ebusinesses and transforming those weaknesses into selling points. Customers sympathise with the circumstances in remote communities and appreciate the authentic and unique nature of the art centres operating in them. For instance, the website of an art centre may advertise that response to online sales enquiries may take 24 hours due to the limited internet connection.
- Artworks presented on ebusinesses must be of high quality. Art centre websites should enhance trust through promoting both the artworks and the integrity of the art centre. Staff in art centres should consider presenting high quality artworks on their website without compromising other business priorities such as their relationships with commercial gallery partners. For instance, offering smaller artworks for online sales and/or using the art centre website to promote the artworks available in partner galleries.

4.3 New opportunities in digital marketing

- High quality images are essential to ebusiness. Additionally, new technology creates new opportunities, such as a three dimensional view and zooming functionalities for detailed pictures of artworks. Current technologies offer virtual reality interfaces that simulate real life environments, giving customers far more comprehensive information.
- Staff in art centres should consider new ebusiness marketing initiatives. For example, discounts can be offered to returning customers and particular consumer groups can be targeted for advertising. Current trends show that aside from Facebook there are other popular UGC platforms that are likely to effectively complement the art centre's marketing, for instance Instagram, a photo and video sharing interface operated through smartphones.
- Participants tended to update Facebook regularly but neglected their website's news page and other UGC platforms. This reinforces the importance of staff in art centres setting and maintaining clear ebusiness priorities, including focusing their resources on contemporary, effective interfaces such as Facebook, rather than on tools such as a news page on their websites.

5. Conclusion

The study presents new findings that correlate with and expand upon previous research. Staff in participating Aboriginal and Torres Strait Islander art centres described their strategic planning procedures, elaborated on their ebusiness activities and provided unique perspectives about ebusiness advantages and limitations. Future research could be broader in scope and scale than this research and is likely to identify further insights, such as investigating solutions that can optimise ebusiness in Aboriginal and Torres Strait Islander art centres.

Staff in Aboriginal and Torres Strait Islander art centres have adopted innovative digital technologies and implemented ebusiness solutions similar to SMEs from other industries. Cardamone (2007, p. 144) highlighted this:

Successful Indigenous implementation of e-commerce considers far more than online sales transactions. Rather, the Internet can contribute indirectly to economic opportunities by building reputation, interaction and cultural contexts around a cultural product, as well as connecting remote places to global domains.

However, as in other SMEs, staff in art centres also struggled with challenges such limited resources and skills and operating according to diverse priorities. However, despite these challenges ebusiness is a tool of growing importance to Aboriginal and Torres Strait Islander art centres. This summary provides findings that can improve and refine the way art centres manage and drive their ebusiness activities.

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