

*Planning for the Future*

**Statistical Profile:**  
*New Media Arts*

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## Introduction

New technologies have both an artistic and an ‘economic’ impact on the arts. The artistic impact is to allow greater communication, collaboration and fusion between artists and artistic styles, and to introduce new possibilities for artistic expression. The Digital Media Alliance Steering Group (1998) argues that new media technologies give arts audiences ‘a new, more interactive role’, ‘provide a free space in which to explore creativity and accomplishment without obvious judgement or established notions of what is right and wrong’ and encourage ‘social diversity and increase access to the arts’.

The ‘economic’ impact is to alter the way in which artistic ‘products’ are produced and exchanged. A value chain, such as the one set out in Figure 3.5 (attached) has been adopted in other chapters as a simple way of organising and representing data on the arts industries. New Media technologies allow the links in the value chain to be bypassed, a process jargonised as ‘disintermediation’. The effect of disintermediation is represented in the diagram in Exhibit 2.1 (attached).

A greater facility for disintermediation has caused many analysts to predict a mushrooming of direct manufacturer-to-consumer exchange (ie direct shopping on-line) and an associated atrophying of intermediate business<sup>1</sup>.

A different reality is, however, evident in the late 1990s. Coltman et al (1999) find that the greatest potential for e-commerce is business-to-business (B2B) rather than business-to-consumer (B2C). In 1999 the OECD found that on average 78 percent of the world’s e-commerce was B2B<sup>2</sup>.

Data presented here (figure N.3 under ‘Purchasing via the internet’) reinforces the slowness with which consumers are taking up the internet as a means of making purchases. Coltman et al (1999; 4) offer a reason why: ‘many products and services we purchase are ‘experience’ goods and have to be seen, felt or touched by customers before they can be appreciated.’ The experiential component of consumption seems particularly relevant to many artistic goods, such as artistic performances and visual arts/craft, where electronic reproductions are unable to faithfully reproduce the mood, atmosphere or emotion of artistic products. Music is, however, widely treated as an exception to this, with a lower level of resistance to musical transfer over new media technologies, particularly in contemporary music (Devinney et al, 2000; 9).

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<sup>1</sup> See, for example, Gilder (1994) quoted in Coltman et al (1999; 8).

<sup>2</sup> Coltman et al (1999; 2)

Although rarely mentioned, literature might similarly be considered an exception.

A more immediate impact of disintermediation on the arts industries is the circumventing of established mechanisms for collecting copyright royalties. Although copyright evasion is not a new issue, recent technological advances introduce new tests to copyright processes, as Echeverria et al (2000) note: 'People have been copying ever since it was possible—from the radio, from television, from media that they or friends purchased. However the combination of digital formats and the Internet have increased the scale of the practice. Technologies like Napster solve the social problem of bringing together people who have things with people who want things; the internet provides a way to share these things; compression standards like mp3 and MPEG variants make sharing efficient over current networks; storage devices like hard drives and CD-R and DVD-R recorders give people a place to put it all.'

The circumventing of copyright is likely to reduce the financial returns to artists/creators. The extent of evasion will determine the extent of disturbance to the arts industries. The outcomes are complex and far from predictable. Bracey et al (2000) consider the primary factors that will determine the extent of copyright evasion.

Overall, new technologies might be expected to promote further expansion in the arts industries. The National Office for the Information Economy's (NOIE) summary of the impact of new communications technologies on the media and entertainment industries is disappointingly reserved: 'it has been very difficult to ascribe specific sector changes to [the media and entertainment] sector in the context of this pilot study (NOIE, 2000; 14). Nevertheless, the study expects that the media and entertainment sector will expand as a result of the new technologies (NOIE 2000; ix). Data in the total arts chapter shows that the arts industries have been expanding despite relatively stable demand. New technologies may already be driving part of this expansion.

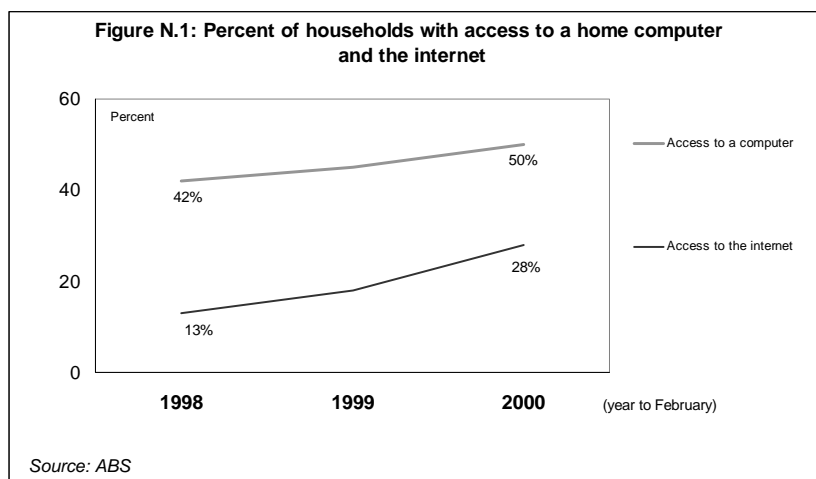
Ideally, a large part of the data in a chapter such as this would be on trends in cross-disciplinary, collaborative or hybrid arts and the uptake of new technologies in arts practice. Data is not, however, available on these trends in artistic practice. This statistical profile simply presents some data on trends in the uptake and use of communications technology generally.

# Data

## Consumers

### *Households with computers*

Half of Australia's households have a home computer and 28 percent have home internet access (ABS, 75/2000). Figure N.1 summarises indicators of the growth in exposure to and use of computing and internet technologies in Australia. The rate of growth in internet access is higher than for computer access and appears set to continue over the rest of 2000, given that 704,000 households surveyed by the ABS in November 1999 intended to acquire internet access for their computer within 12 months. This would place a conservative forecast for the proportion of households with internet access by the end of 2000 at 35 percent.



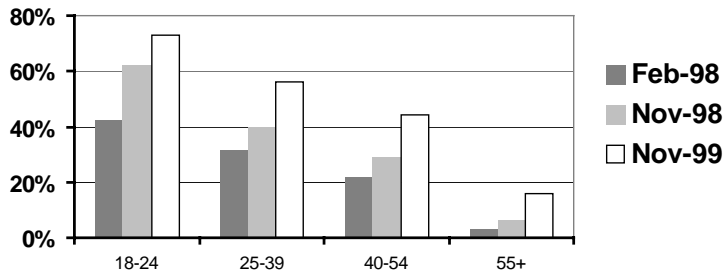
### *Accessing the internet*

The number of adults accessing the internet has grown rapidly along with this increase in availability. In the 12 months to February 2000, around 6 million adults (or 43 percent of the adult population) had accessed the internet. This is 43 percent higher than in the 12 months to August 1998, when the 4.2 million adults (or 32 percent of the population) accessed the internet (ABS, 8174.0).

### *Age demographic*

Internet usage declines with age. In the year to February 2000, 77 percent of 18-24 year-olds accessed the internet compared to 13 percent of adults aged 55 years or over (ABS, 75/2000). Figure N.2 shows that usage increased across all age groups between 1998 and 1999.

**Figure N.2: Percentage of Australians Accessing the Internet by Age Group**

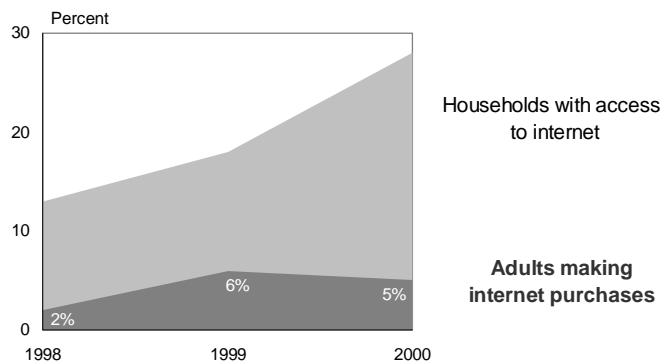


Source: NOIE

*Purchasing via the internet*

The ABS (75/2000) estimate that 740,000 adults used the internet to purchase or order goods or services for their own private use in the 12 months to February 2000. Consult (2000) put the figure at 1.5 million purchasers to June 2000, and estimate that online purchasing has grown from \$253 million in 1998 to \$920 million in 1999. Their forecast that volumes will continue to rise to \$10 billion in 2002 appears somewhat optimistic given ABS data that indicates that internet purchasing in 2000 is down on 1999 levels (figure N.3)<sup>3</sup>. Internet purchasing, it appears, is not set to grow at the rate of access or usage.

**Figure N.3: Use of internet by households 1998 to 2000**



Source: ABS

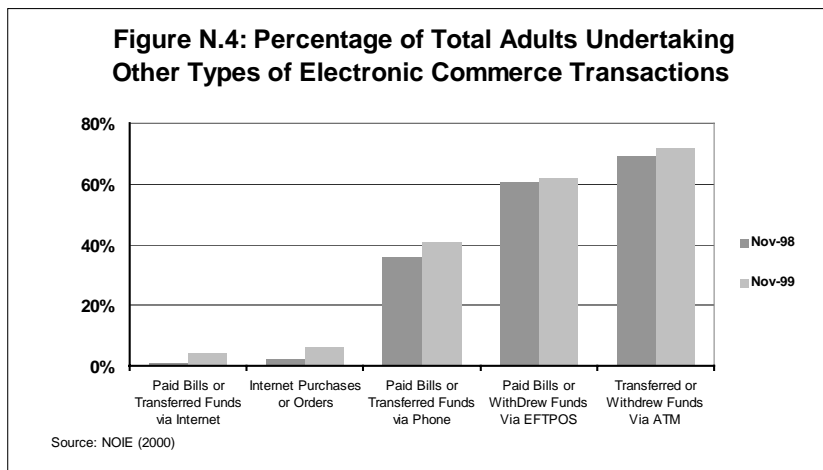
<sup>3</sup> The 1998 and 1999 figures are for the 12 months to August, the 2000 figure for the 12 months to February.

*What was purchased*

The most common item purchased over the internet is books. In the 12 months to August 1999, 43 percent of internet purchases were for books or magazines, 30 percent were for computer software/equipment and 17 percent were for music (ABS, 8147.0).

*Electronic transactions generally*

Figure N.4 shows that internet transactions are relatively unpopular compared to other forms of electronic transacting.



**Businesses**

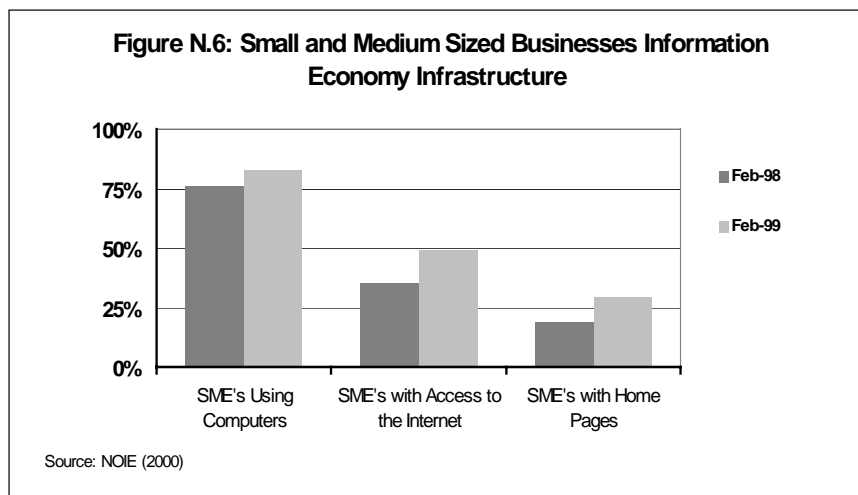
*Company location*

Figure N.5 shows that in 1998 the majority of internet purchases were from overseas companies, but in 1999 the majority were from Australian companies.



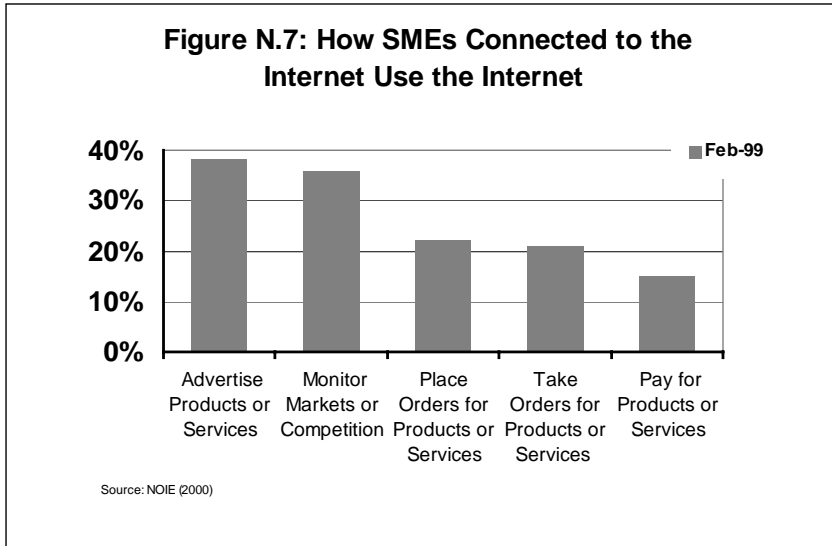
*Business use of computer-related technologies*

As figure N.6 indicates, over 80 percent of small and medium enterprises (SMEs) used computers in 1998, although only half had access to the internet and around a quarter had their own home page. SMEs are used on the assumption that they offer a more representative benchmark for arts organisations than total or larger organisations.



*Business use of internet*

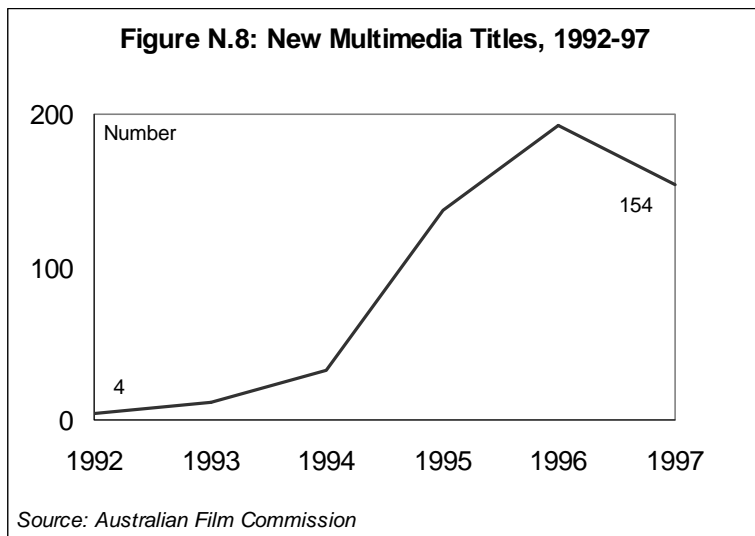
Figure N.7 shows how SMEs used the internet. The most common usage was advertising.



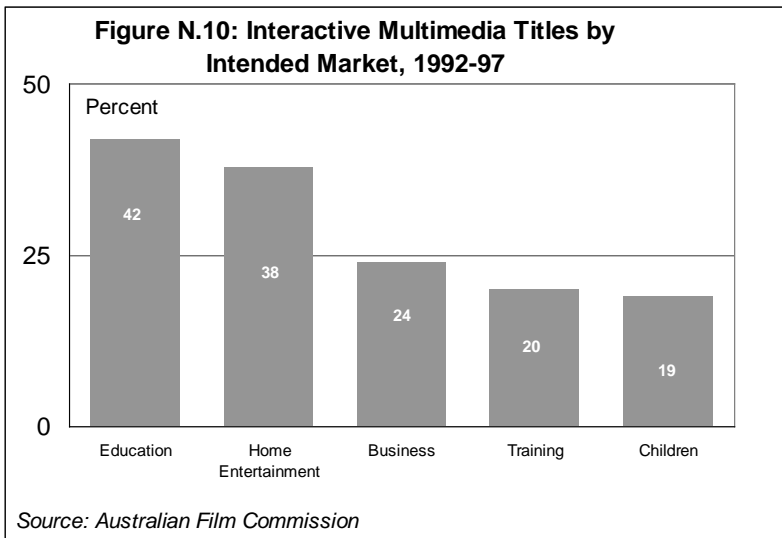
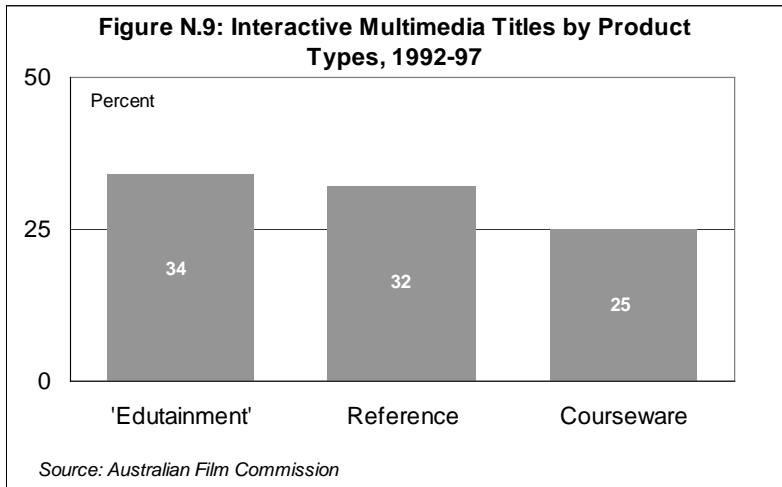
**Products**

*Interactive media titles*

Figure N.8 presents data from Australian Film Commission (1998) on the number of new interactive multimedia titles registered on the Commission’s multimedia catalogue. Interactive multimedia titles include both web sites and CD-ROMS, although 80 percent of titles in the catalogue are developed for CD-ROM.



Figures N.9 and N.10 show the interactive multimedia products categorised by type of title and by intended market.



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