

right angle studio



The Creative Industries Innovation Centre (CIIC) produced this feature article for its website, Creativeinnovation.net.au, to showcase the experiences and knowledge of an innovative Australian creative company.

Right Angle Studio is a new breed of digital publishing company with a business model that enables it to expand and collapse new business ventures with ease.

In 2004, Right Angle Studio published its first 'City Guide' called ThreeThousand.com.au, a weekly snapshot of Melbourne's lesser-known cultural happenings.

Funded by advertisers, ThreeThousand.com.au attracted a loyal audience, and their second title on Sydney, TwoThousand.com.au, followed one year later. Six years down the track and Right Angle publishes five City Guides, with a collective weekly audience of more than 50,000 people.

Today, Right Angle leverages its audience in order to expand beyond publishing into strategic insights/consumer research and marketing.

Founders (and brothers), Chris and Barrie Barton are part of a new generation of entrepreneurs dubbed 'Betapreneurs' by UK trend-forecasters LS:N Global. Betapreneurs rely

on online communities to beta test ideas quickly and cost-effectively. If audiences respond well, those ideas are expanded. If not, they can be collapsed quickly, minimising losses.

Many of the company's recent ventures adhere to this 'expand and collapse' philosophy. In 2005, it launched its first independent venue, Rooftop Cinema, in Melbourne, an initiative that created a real world environment that would appeal to virtual communities.

In 2010, Right Angle created 'The Pond' in Sydney – a real world restaurant/bar designed to promote Foster's Pure Blonde. For Tourism Victoria, it opened the Lost & Found Hotel in Melbourne, a temporary hotel room showcasing the city's design highlights. All three venues tapped into the company's 'inner urban' audience as a way of attracting publicity, patrons and revenue.

Creativeinnovation asked Barrie Barton to explain the strategy behind Right Angle's evolution...

What are your core services and products?

We work in three categories: 'Words', 'Thoughts' or 'Deeds'. Publishing sits at the heart of what we do, but we also provide strategic insights and consumer research; and we execute marketing campaigns and events to promote brands like MINI, ABSOLUT and Tourism Victoria.

The common thread is that everything we do speaks to an inner-urban audience of culturally minded, affluent people living in city areas. Whether it's digital publishing, or launching a venue, or devising marketing strategies for brands, everything we do is about understanding this

audience – it's how we connect with this audience that is varied.

Why did you launch Right Angle?

I was working at Moonlight Cinema as a marketing manager, but it was a very unhappy time because I'd taken a job I didn't know how to do. It can be very disillusioning working very hard for someone else without retaining ownership of your ideas. Later when I went to see a recruitment agency, they didn't know what I should do either. So my solution was to create my own role.

I launched www.threethousand.com.au with my brother Chris Barton, and it was born out of a love for Melbourne and the discrete social happenings there. After eight months my business partner, Francesco Nazzari, came on board and it was his remit to monetize the project.

At Right Angle, we're just trying to create something meaningful in our day jobs so that we're happy to go to work every day. I'm not driven by having a big house or bank balance. I see those things as a natural consequence of the work we love doing.

How did you launch your first online title, ThreeThousand.com.au?

We had no idea how to launch a digital publication, but sometimes when you don't have a template, you come up with a unique solution. Essentially we approached some designers and talked them into building the site for no money, and then we back-paid them when we started earning advertising revenue.

What were your start-up risks?

'Risk' implies you have something to lose, but I don't think we did. To start with, we found a few advertising sponsors who gave us enough money to pay the rent. We put our friends' email addresses into our database to get our readership going, which was a little dodgy because we were essentially spamming them.

Our launch strategy was to get 200 people into our database, and watch and see. Now we've got a database of 40,000 and a 60% open-rate for each newsletter. The industry average is about 22%. Approximately 200,000 people view our content every month.

How has digital technology shaped your business model?

The old entrepreneurial business model was about borrowing a large sum of money to launch a company, which would bust or boom. Today, it's more about beta-testing by using online networks to test and expand your ideas. In the digital space,

it's easy to try things out, and if they work, expand them. If they don't, collapse them.

This is very much our model. When Three Thousand was successful, it made sense to expand into other States. Now we're much better at launching in new markets, so the next step is launching our first City Guide overseas.

Companies who operate in the digital space are getting better at using their own networks to create a feedback loop. By inviting your customers or audience to participate in the development process by rating, critiquing or publicising, the developer gets a stronger sense of what appeals to the end-user and ultimately the audience feels like they're contributing to the end result.

Have any of your ideas or experiments failed? Did you lose money?

Some have gone better than others but I wouldn't say any have failed. That's quite a feat for a company with such a prolific output. We've never lost money on a project but in order to do that we have quite often lost our sanity.

Why did you launch Rooftop Cinema in 2006?

There's only so much you can do in the digital world – it leaves three senses untended. Human, visceral interactions are still important because online relationships are often quite shallow.

We consider our venues and experiential campaigns as real-world extensions of our online publications. In Melbourne, Rooftop Cinema is very much a real-world extension of ThreeThousand.com.au. In Sydney, The Pond had the same sense of humour, tone and audience as TwoThousand.com.au.

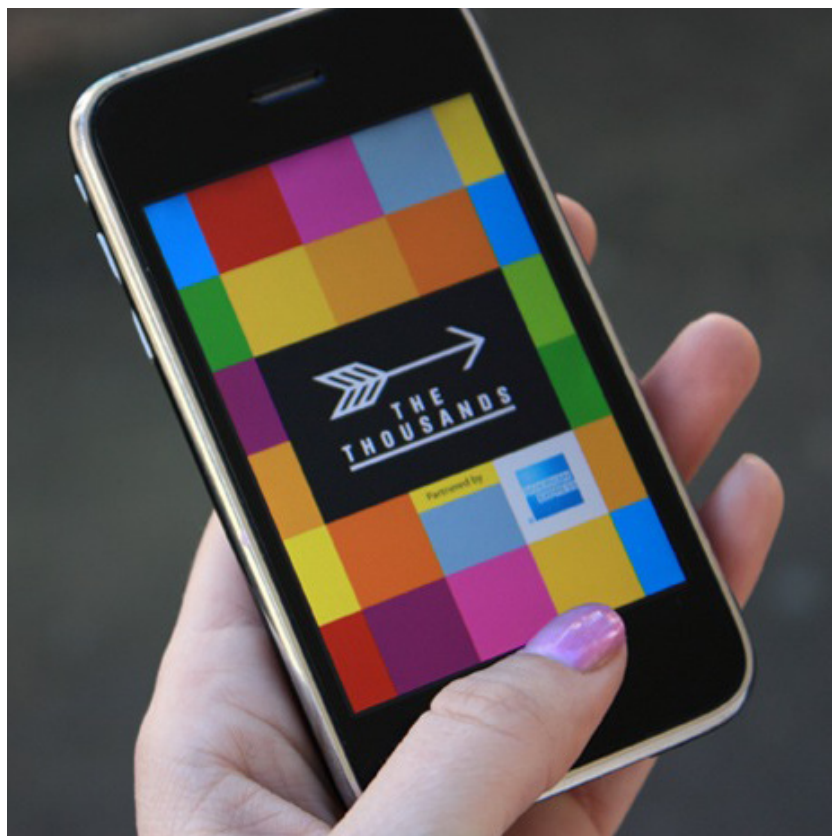
Have you ever sought capital investment?

We've always funded our own growth with advertising and sponsorship revenue. It cost \$1.5 million to build Rooftop Cinema, but we funded the entire thing through sponsorship. It cost many thousands of dollars to develop the City Guides iPhone application, but we covered development costs by signing American Express as a key sponsor.

How have you lured clients such as Tourism Victoria, Nike, Mini, Hermes, Absolut and Pure Blonde?

I think it's because we're young, organic and sincere. We talk to them as equals, which is refreshing because our clients are used to dealing with huge advertising and media agencies.

Case study



Cover image:
Rooftop Cinema,
Swanston St Melbourne

This page:
The Thousand's iPhone app,
by Right Angle Studio

What is your current turnover?

Our turnover is approximately \$2.5 million per annum. Around \$800,000 per annum is derived from our City Guides and custom publishing; \$1 million is generated by branded events; the rest comes from strategic insights and consumer research. In terms of profitability, our publishing division is the most profitable.

How many people do you employ?

We've got 10 staff in Melbourne, five in Sydney, two in Brisbane and part-timers in Perth and Adelaide who work as editors, digital producers and studio managers. We recently hired our first General Manager, and Chris Barton is our senior creative and my sounding board.

We're not cashed up like a big publisher, but people work here because they love the lifestyle. We have to reward people not just financially but emotionally – that's a big burden to bear sometimes because you become very invested in your employees' happiness. But we've only lost a couple of people in five years.

Looking back, is there anything you regret?

There are things we could have done differently, but that doesn't mean we regret them. The Pond was a very successful marketing tool for Pure Blonde and for Right Angle Studio. But it took almost two years to bring to life and was so stressful that by the time it launched, it was almost too late because the brand had become mainstream and The Pond

was such a cool niche idea.

We've gone down lots of paths that haven't eventuated because we often fall in love with ideas – it's a triumph of hope over logic. I've learned that sometimes you should just let things go. Knowing how to quit something is a real art.

To some extent, I've been a little short-sighted. There's no grand 10-year plan. We'll simply expand, collapse and shift our model as we find new ways to monetise our audience. We hope to extend ourselves as individuals by entering new projects in publishing, travel and events. Our biggest achievement is feeling like we're getting closer to that goal. When a venue like Rooftop Cinema is written about by Monocle or Wallpaper, that's a great feeling.

How do you track your company's performance?

Quantitatively through our revenue and site traffic. Qualitatively we keep a close eye on the creative caliber of our work and the emotional wellbeing of our staff. I guess that's not too scientific but really our business is about ideas, people and money.

What are the biggest traps for creators of digital/mobile content?

People fall in love with technology and forget that humans sit at the other end of the screen. We don't care much for technology. We come up with ideas that respond to basic human needs and use technology as a tool to satisfy them.

What trends are driving your business?

Granulation: That small things are more desirable than big things be it a Facebook group, a media product, an event or a venue. No one wants to be part of the new big thing.

Over-digitisation: People are seeking the real and tangible to offset their hyper-digital life.

Twinsuming: Peer-to-peer advocacy is driving brands much more so than advertising.

AT A GLANCE

Name: Right Angle

Sector: Digital/custom publishing, consumer research, brand strategy, experiential marketing

Launch: 2004

Director/founder: Barrie Barton

Total staff 2011: 17 full time

Titles/venues: twothousand.com.au (SYD), threethousand.com.au (MLB), fourthousand.com.au (BNE), fivethousand.com.au (ADL), sixthousand.com.au (PER), theinternetwork.com.au, iPhone App, Rooftop Cinema (Melbourne)

Article by Barbara Messer

ABOUT CIIC

The CIIC supports the business of creative enterprise. It is an Australian Government initiative, part of the Enterprise Connect program and is supported by the University of Technology, Sydney.

FIND OUT MORE

Visit www.creativeinnovation.net.au, www.enterpriseconnect.gov.au or call the CIIC on 02 8217 5000 to find out how we can help your creative business.