Eve of Disruption

History of Information 103
Geoff Nunberg

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History of Information

Eve of Disruption

2015
1980
1950
1900
1800
1700
1600
1200
600
400
0
500
3000
5000
30,000
50,000

year

week

manufacturer (oem)
distributor/wholesaler
supplier
logistics
retailer
Consequences of the Internet:

The 6 D's...

Disintermediation: Eliminating the middleman
Dematerializing informational goods
What future for the book?
Disintermediating publishing
Assignments
Why form matters
Affordances of material things
Will newspapers go under?
The disaggregation of content
What future for newspapers & news?
Eve of disruption

Borders Bookstore, Chicago, April 2012
Eve of disruption

“Why do you need to go to & Noble? Buy an iPad and dBarnes ownload your newspaper, download your book, download your magazine.”
Brown and Duguid's six D's

Demassification
Decentralization
Denationalization
Despatialization
Disintermediation
Disaggregation

And one more...

Dematerialization

The confluence of technological, legal, social, and market factors...
Disintermediation: "Cutting Out the Middleman"
Disintermediation before “disintermediation”

Obviously the way to reduce the cost of food is to eliminate the middleman...by co-operation—by combining the purchasing power of individuals, and dealing direct with the producer...Good Housekeeping 1912
"Cutting Out the Middleman"
Competition among technologies
The growth of e-commerce:

What proportion of US retail sales are online?

a. 7.5%
b. 21%
c. 32.3%
d. 46%
"Cutting Out the Middleman"

The growth of e-commerce:

What proportion of US retail sales are online?

a. 7.5%
b. 21%
c. 32.3%
d. 46%
What do we buy online?

Also:
Auto parts
beauty products
toys & hobbies
jewelry
Disintermediating Commerce

Limited or niche disintermediation

- Real estate for sale
- New automobiles
- Pet food
- Furniture

... but price information etc. is disintermediated in all markets
Mixed Retail Models

New models mix brick & mortar and online ordering, service, delivery, shopping etc.

Amazon Proves That Brick And Mortar Retail Will Not Die Off Completely
Dematerialization of Informational Goods
Dematerialization of Informational Goods
Disintermediating informational goods

E-commerce is dominant or major channel

- Downloadable products (software, mp3's, pornography)
- Travel/event tickets/etc.
- Public records
Dematerialization of Informational Goods

Stock certificates

Stock certificate for Dutch East India Company, 1606
When does paper matter?
What future for the book?
Books? Where we're going we don't need books

A clash of fetishisms


“Paper is just an object that [some] information has been sprayed onto in the past…” — Ted Nelson, ca. 1990

In the future, physical books will be of interest mainly to those "addicted to the look and feel of tree flakes encased in dead cow tree flakes encased in dead cow… old volumes could live out their days in safe and dignified retirement in climate-controlled book museums.” William Mitchell, Dean of the School of Architecture, MIT, 1996
Is the e-book inevitable?

Ebook sales continue to fall as younger generations drive appetite for print

Nielsen survey finds UK ebook sales declined by 4% in 2016, the second consecutive year digital has shrunk.

Book Sales by channel, 2011-2015
Why Form Matters
“THE BOOK”
books...
... and the books we actually read
The affordances of everyday things

Affordances: (perceived?) "action possibilities" latent in the environment

J. J. Gibson
Sorting out the affordances of new technologies

Material features of documents enable:

- Characteristic modes of interacting with documents
- Symbolic & iconic roles of documents
- Social practices that determine use & interpretation of documents
Beyond "twitchy little screens"

Material limits as features: the fixity of representation, interaction with the body

"My readers… will see in the tell-tale compression of the pages before them, that we are all hastening together to perfect felicity."

Jane Austen, in the final chapter of *Northanger Abbey*
“Twitchy little screens” and the future of the book

2000 Microsoft Reader debuts

2009 E-books begin to outsell paper

2016 Last print newspaper

2019 Paper books remain popular among collectors...

2020 Dictionary definition of book changes
The Epigraphic Book
Simulating the Epigraphic Book

What’s lost & gained online? Bookstores as showrooms…
Brick-and-mortar outlets hang in there

“While independent bookstores can't compete with Amazon or big box retailers on price or selection, the truth is they don't have to. That customers keep coming back despite other available options suggests they aren't looking for a bargain. They're looking for an experience…”
Brick-and-mortar outlets hang in there

While independent bookstores can't compete with Amazon or big box retailers on price or selection, the truth is they don't have to. That customers keep coming back despite other available options suggests they aren't looking for a bargain. They're looking for an experience…
A choice we have to make?
Disintermediating Publishing?
“…someone used the word *disintermediation*. I said, ‘Oh my God, that’s the end of the publishing business.’” At a time when a writer can post a novel online and watch the revenue pour in by direct deposit, the publishing industry’s skill at making books, selling them by hand to bookstores, and managing the distribution of the product threatens to become irrelevant. In Epstein’s vision, the writer may need a freelance editor, a publicist, and an agent who functions as a kind of business manager, but authors will keep a bigger share of the proceeds with no lumbering media corporation standing in the way.

Evan Hughes in *Wired*, 2013
...Evan Hughes writes in *Wired*: "In the long term, what publishers have to fear the most may not be Amazon but an idea it has helped engender—that the only truly necessary players in the game are the author and the reader.... At a time when a writer can post a novel online and watch the revenue pour in by direct deposit, the publishing industry’s skill at making books, selling them by hand to bookstores, and managing the distribution of the product threatens to become irrelevant. In [Jason] Epstein’s vision, the writer may need a freelance editor, a publicist, and an agent who functions as a kind of business manager, but authors will keep a bigger share of the proceeds with no lumbering media corporation standing in the way."

In a digital world, is it still necessary to have a separate firm or organization to perform the functions of traditional book publishers? If so, do you see a continuing role for publishers in some of these functions, or can they be undertaken by someone else —such as Amazon—or the authors themselves?
Yes, sort of...

…the evolution of the e-book and multimedia books….has presented [publishers] some worries as the “power in publishing might just be shifting in the authors' favour” (Connolly). Self-publishing has increased due to an increase in accessible formats and platforms, like Amazon. Even though these formats are expanding, there still should be some content oversight, and this must be done through a combined effort from publishing companies and corporations like Apple and Amazon. As Horowitz mentions, the benefits of publishing companies are their ability to “provide an imprimatur, a sort of quality control.” Along with this, amazon and apple have created platforms to reach the masses and provide more marketing and promotion than the traditional bookstore (Auletta).
Auletta claims that “No matter where consumers buy books, their belief that electronic media should cost less – that something you can’t hold simply isn’t worth as much money – will exert a powerful voice.” It takes us back to the conversation of pirating – what should and what should we not pay a lot of money for?… In a way it is good that any author gets to voice work through online systems, however the reader loses the writer’s confirmation of trustworthiness when the work is self-published. A publisher would make sure that the work is well fashioned, which is important to the reader, even for fictional literary work, such as that of Hugh Howey.
…traditional publishers are still needed…because, as Horowitz warns, self-published books are not vetted as heavily as books published by traditional means. Editing is an immensely important step in publishing -- one that often gets overlooked by self-published versions. …Hughes mentions that Steve Jobs said "people don’t read anymore" -- if people are no longer reading as much as they were in the past and every book they have the option to read contains grammatical slip-ups and other flaws, the level of literacy is bound to decline. …Until Amazon finds the means to copyedit books before authors publish them on their site, the role of traditional publishers will remain prominent.
...companies like Amazon and Apple are democratizing the e-book market, allowing the distribution of knowledge at very low costs. ... There evidently is a need for a publishing system, to maintain the quality of published content and helping authors through the whole publishing processes. However, artificial intelligent agents that analyze books and make suggestions to the authors could soon replace it. This could lead to a pipelined and automatized infrastructure that performs publisher’s main contributions to published content.
While the publisher concerns over the content, the digital market is primarily concerned over the profit. As Auletta stresses, “good publishers find and cultivate writers, some of whom do not initially have much commercial promise…. [but] self-published writer Connolly explains how the digital publishing world has allowed him to find a sizeable audience online and experiment the gamut of literary works through this way (while earning his fair share). A separate publishing firm may no longer be required in this digital market, but publishers are not necessarily irrelevant: it’s important to distinguish art (in this case, writing) and its goals among business goals…”
…I believe that in due time the traditional publisher will be obsolete. In a digital world, the author can distribute online, affordably market their books online, and hire freelance editors. For the less tech savvy, they can use services provided by distribution sites like Amazon and Apple. For example, author Ray Connolly decided to develop a website to distribute his work and market them on his own. Overall costs went down, which in turn reduced risk. More authors will opt for this route as the cost of a publisher begin to outweigh its benefits.
“Brands matter because authors think they do. The best brands attract the best authors — a virtuous circle, in which good authors strengthen brands and brands confer their aura on authors… Whether John Consumer knows anything about Duke University Press or HarperCollins is one thing, but the store where he shops certainly does…. The distribution channels, that is, are not “dumb pipes” but a series of value-added filters whose aim it is to place the books with the greatest possibility for sale before the consumer. The publisher’s brand serves as a key way to identify the best books.” Joseph Esposito, 2010

”[Fifty Shades of Gray] became a massive commercial success only after Random House got involved, placing giant stacks of paperbacks in bookstores everywhere and buying huge ads in the London Underground.” Evan Hughes
Revisiting an old battle

PD, 2/23:

not printers, nor booksellers
Whereas printers, booksellers and other persons have of late frequently taken the liberty of printing reprinting and publishing or causing to be printed reprinted and published Books and other writings without the consent of the authors or proprietors ... to their very great detriment. ... For preventing therefore such practices for the future and for the encouragement of learned men to compose and write useful books ... That from and after the tenth day of April 1710...
Will newspapers go under?
The affordances of newspapers
The affordances of newspapers

Spot the Out-of-Towner
The affordances of newspapers
"The newspaper model - putting text on paper - is becoming a dinosaur; much like the horse and buggy disappeared when the automobile came on the scene."
A Perfect Storm for the Old Media

Craigslist etc. divert classified advertising

News aggregators, blogs & social networks capture audience

National sources displace local sources online ("Last man standing")
A Perfect Storm for the "Old Media"

Competition from circulars, free dailies and weeklies (since 1950’s)

Increased online competition lowers ad rates
Precipitous declines in print circulation, advertising revenues, workers employed

Digital growth for some papers, or even paywalls, doesn’t take up the slack
Dire Predictions

Date of extinction
2017
2018
2029

Drop in newspaper circulation
The Disaggregation of Content

Unbundling the modularities imposed by physical packaging of informational goods.

Return of the “side”
The Disaggregation of Content

Specialized sites displace newspapers as sources of information about sports, business, entertainment, weather, listings, opinion, etc.

Personalization: the daily "me"
The Disaggregation of Content

The rise of "pay per view journalism"

Stories are "naked little creatures that have to go out into the world to stand and fight on their own." Gabriel Snyder, Newsweek

“The traffic game is over, and Buzzfeed has won.” Nick Denton
Competing for Clicks

Earlier this month, a couple of inventive young go-getters at BuzzFeed tied enough rubber bands around the center of a watermelon to make it explode. Nearly a million people watched the giant berry burst on Facebook Live. ...Traditional journalists everywhere saw themselves as the seeds, flying out of the frame. How do we compete with that? And if that’s the future of news and information, what’s next for our democracy? President Kardashian?

These days, news articles — be they about war, voting rights, the arts or immigration policy... are competing for attention against zany kitchen experiments; your friend’s daughter’s bat mitzvah; and that wild video of a train whipping through a ridiculously narrow alleyway in India.
At one point on an ordinary Friday, more than 800,000 people were watching two BuzzFeed employees trying to make a watermelon explode with rubber bands.

… Must all news outlets create their own page view-attracting watermelon trick to hook readers? It’s not even clear that exploding watermelons can, by themselves, save journalism. As Rutenberg notes, BuzzFeed appears to be having trouble meeting its revenue goals.

But the “core values” of the New York Times (and other top newspapers) to which Rutenberg refers have long included generous doses of the fun, the frivolous, the entertaining, the diverting and the exploding—just like BuzzFeed.

Jack Shafer, Politico
Competing for Clicks

The shockwave from the watermelon that BuzzFeed playfully detonated online last week has shaken New York Times media columnist Jim Rutenberg… Must all news outlets create their own page view-attracting watermelon trick to hook readers? It’s not even clear that exploding watermelons can, by themselves, save journalism. As Rutenberg notes, BuzzFeed appears to be having trouble meeting its revenue goals.

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Nothing new under *The Sun*

Not that the principle is new...
The Future of News
Where Americans get their news

But who is producing the news?
The Future of News

2008: "Free" newspaper readership exceeds paid readership

"We don't have a crisis of audience. We have a crisis of revenue."

"People are used to reading everything on the net for free, and that's going to have to change," Rupert Murdoch, 4/6/09
The Future of News

Economic models for digital newspapers or news gathering:

- advertising
- "pay wall" (WSJ, NYTimes) or "freemium" (NYT until recently)
- pay-per-view via microcredit
- monthly "all you can read" for group of publishers à la cable packages
- "tax" on ISP fees
- Subsidized by foundations & universities
- "Last man standing"
In sum

Digitization alters the material base…
But how things fall out depends on economic, social, and political setting…
“Conversion” goes genre by genre; digital and analog sit side-by-side
In our discussion of the debate between Google and Axel Springer, we briefly touched upon the potential Google has to turn user data over to the U.S. government. How might concerns about internet surveillance conducted by major technology companies be regarded in the Chinese political context? As a seemingly new system of centralized data collection and credit scoring of citizens emerges, what are some the trade-offs people might make for the sake of convenience and financial inclusion?
