Disintermediation, Dematerialization, Disaggregation and other Disruptions

History of Information 103
Geoff Nunberg

April 20, 2010
Eve of disruption
Eve of disruption

Congressman blames U.S. unemployment crisis on iPad

By Jason D. O'Grady | April 11, 2011, 1:23pm PDT

Summary
In the ranting manifesto, Jackson claims that the iPad is responsible for killing thousands of American publishing and retail jobs. He claims that Americans are losing their jobs to workers in China.

Topics
Apple iPad, Congressman, Unemployment, Corporate Communications, Marketing, Jason D. O'Grady

Blogger Info
Jason D. O'Grady

Why iPad app developer Inkling will make textbooks as we know them obsolete

Posted March 24, 2011 7:09pm by Kate Reagen

Inkling received financial backing from McGraw-Hill and Pearson--two of the largest names in the world of textbook publishing. Inkling is producing "textbooks. Now featuring features." How does this affect you? I'm glad you asked.

Always seems futile to start on this note, but I see no other choice. When the iPad launched, some of my friends and colleagues were among theizers, and I had very serious (and animated) discussions with them about the future uses and success of the iPad. Here we are at the beginning of a new age of technology. Right now, the book is omnipresent. But why carry a backpack full of notebooks and textbooks when you can carry an...
SAN FRANCISCO — Now that a judge has curtailed Google’s ambitions to create a giant digital bookstore and library, the company is left with few appealing options.

Creating a digital public library without Google's money

Google's settlement with authors and publishers has been tossed out, shining a spotlight on copyright law. Maybe we shouldn’t entrust that kind of project to a corporation anyway.
Consequences of the Internet:
  6 D's... and a 7th
  Disintermediation: Eliminating the middleman
  Dematerialization and the future of the book
  What future for newspapers & news?
    Disaggregation: things fall apart
  A crisis in scholarly publishing
Brown and Duguid's six D's

(Demassification)

Decentralization (PD 4/27)

Denationalization (GN 4/22)

Despacialization (PD 4/27)

Disintermediation

Disaggregation

And one more...

Dematerialization

The confluence of technological, legal, social, and market factors...
The Internet as Disintermediator
"Cutting Out the Middleman"

E-commerce is dominant or major channel

- Downloadable products (software, mp3's, pornography)
- Travel/event tickets/etc.
- Public records
"Cutting Out the Middleman"

Successful partial disintermediation

Books (new & used)
Some electronics & photo
Some apparel (c. 10-15%)
Rental real estate
Used automobiles

"Stuff"
Disintermediating Commerce

Transactional disintermediation
- Retail stocks & investment products (though transactions are online)
- Groceries

Limited or niche disintermediation
- Real estate for sale
- New automobiles
- Pet food

… but price information etc. is disintermediated in all markets
Dematerialization of Informational Goods

Outlook grim for Postal Service as revenue ebbs

Carolyn Lochhead, Chronicle Washington Bureau
Monday, April 19, 2010

(04-19) 04:00 PDT Washington -- The same forces that have threatened the newspaper and book publishing industries are aimed at the U.S. Postal Service, threatening much more than the Saturday mail.

MORE NEWS
- Adachi may look at thousands of...
Displacing Old Forms
Books? Where we're going we don't need books

A clash of fetishisms

"Nobody is going to sit down and read a novel on a twitchy little screen. Ever." — E. Annie Proulx

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

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' William Mitchell, Dean of the School of Architecture, MIT
... and the books we actually read
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
"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
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*
A necessary choice?
Does the future belong to ebooks?

Ebook sales

- 2008: 53m
- 2009: 140m
- 2010 (est): 500m

Jan., 2011 Amazon announces ebook sales exceed paperbacks.

But ebooks still account for only 10-15% of trade market.
Assignment

...Twentieth-century publishers generally performed several tasks: they have been gatekeepers who selected the most authoritative or readable works; they have been editors who checked, edited, and corrected manuscripts; they have handled production and design of volumes and overseen printing; they have marketed books, helping them to find their appropriate audience; they have distributed books to bookstores; and they have handled publicity and advertising.

In a digital world, is it necessary to have a separate firm or organization to perform these functions? If so, do you see a continuing role for publishers in some of these functions, or can they be undertaken by someone else? Be sure to make specific reference to the discussion in Auletta’s article of the roles of publishers and how they are now being questioned.
Much of what we read, what books we decide to actually purchase or pursue we hear about through word of mouth; book clubs, word of mouth, reviews in magazines or newspapers, and other social mediums tend to push us toward what we read. While publishers are helpful in their ability to get pieces of writing off the ground and into the hands (or computer screens) of consumers, their roles as publicists and marketers are dwindling as we become increasingly connected through the internet. There is, however, one aspect of publishing that Auletta discusses that I find indispensable--book advances... -Baily
I still think there is a need for separate firms … to act as a "gatekeeper" and support for authors, but probably not to the same extent as it was, say, in the 1980s. The consolidation of publishing houses … was accomplished partly in response to the rise of retail outlets like Barnes and Noble, but also to provide the same kind of services to authors only available through bigger (networked) companies. … Amazon, Google and Apple will thus take these functions from publishers, and make the market more efficient--Umberto Eco states that there are "too many books" in bookstores, and he may be correct. … Trisha
Assignment

I really do not see a need for publishers…. It really seems that a better technology came along maybe not to replace but definitely to make a primary resource….It just seems that publisher companies embarked on a business that they want to hold onto , but it is being washed away by the practicality that e-books can offer. For instance it was mentioned in the article that the publishers had a "lunch culture" and that such a culture was not understood by companies such as Google ,Amazon , and Apple whose marketing techniques relies on procedural probabilistic inference. The article also mentions that these latter companies have no experience with how to market or how to recruit editors. I believe such thing can be easily fixable… Edgardo
Even without considering e-books, I think publishing companies in their current form will soon be a thing of the past. Nearly everything that they do can be done by the authors, or by smaller companies, for far less money. …They are more often than not unskilled editors, as I have not read a book in years in which I did not find at least one typo. Also, even with programs as common as Microsoft Word, people are capable of formatting their own work. As far as production and design, inexpensive companies such as lulu.com provide a cheap solution for self-publication of both physical and digital books. As for marketing, having published a book myself, I know first-hand that most publishers are terrible at this unless paid a premium above and beyond their 50% cut. The public has become increasingly adept at marketing on its own… Samantha
A Case in Point: Dictionaries and Encyclopedias
Affordances of the online encyclopedia

Online form enables
- updating,
- easy search,
- linking to other articles & sites
- animations, multimedia, etc.
Features of the print encyclopedia

The Book as Furniture
Facilitates search, interaction with other applications, dynamic definition, corpus interaction, etc.
Presence of the Print Dictionary
Will newspapers go under?
A Perfect Storm for the "Old Media"

Craigslist etc. divert classified advertising
News aggregators, blogs & online sources capture audience
National sources displace local sources online ("Last man standing")
Increased competition lowers ad rates
The Disaggregation of Content

Unbundling the modularities imposed by physical packaging of informational goods.
"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."
End of the newspaper?

The Subway Fold

The New York Times subway fold. It's the hallmark of a true New Yorker — up there with the cab-hailing whistle and ordering your coffee "regular." Simply follow the instructions below and please, stand clear of the closing doors.

1. Pull the newspaper in half lengthwise, creating quadrants.

2. Pull again, horizontally, creating sections.

3. Fold and roll, as necessary, to read each portion of the page.

4. To read stories that fall in the center sections...

5. Fold continuation in half, lengthwise.

6. Flip back over, creating two lengthwise portions...

7. Then fold again into four parts.

8. To read stories that fall in the center sections...
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
Where Americans get their news

Local TV station: 78%
National network: 73%
Online sources: 54%
Radio news: 50%
Local newspaper: 50%
National newspaper: 17%

Online news users are wealthier, younger, better educated, whiter than other Internet users or general population, and far more likely to have broadband & wireless access.
(Pew survey, 2010)
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*

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**Nick Denton**

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Gawker "Big Board"
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 Disaggregation of Content

Not that the principle is new...
The Future of News

Economic models for digital newspapers or news gathering:

- advertising
- "pay wall" (WSJ) 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"
The crisis of scholarly publishing
The crisis of scholarly publishing

Journals should be easier than books to move to digital distribution

- Easy to read online or print out articles
- Production uses templates
- Predictable print runs
- Appeal to general disciplinary community
- One-time purchase decisions
  - Lower marketing costs per sale
  - Each annual renewal adds value
But university libraries are being squeezed

Journal publishers: the last colonialists?

Figure 4.4 Monograph and serial costs in ARL libraries, 1986–2000
The crisis of scholarly publishing

New models of subscription:
UC Berkeley – "a Springer-Verlag university"

Disaggregation of contents
Why don't scholars self-publish?


**Additional material:**
