



# Disintermediation, Dematerialization, Disaggregation and other Disruptions

## History of Information 103 Geoff Nunberg



**April 20, 2010** 

### **Eve of disruption**



### **Eve of disruption**



STIEG LARSSON

#### **Book Ruling Cuts Options for Google**

By CLAIRE CAIN MILLER Published: March 23, 2011

SAN FRANCISCO — Now that a judge has curtailed <u>Google</u>'s ambitions to create a giant digital bookstore and library, the company is left with few appealing options.

#### Add latimes.com

+ Go

Go to v Creating a digital public library without Google's money

allies 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.

#### Google & the Future of Books

Robert Darnton

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copyright, from the collections of major

How can we navigate through the information landscape that is only beginning to come into view? The question is more urgent than ever following the recent settlement between Google and the authors and publishers who were suing it for alleged breach of copyright. For the last four years, Google has been digitizing millions of books, including many covered by

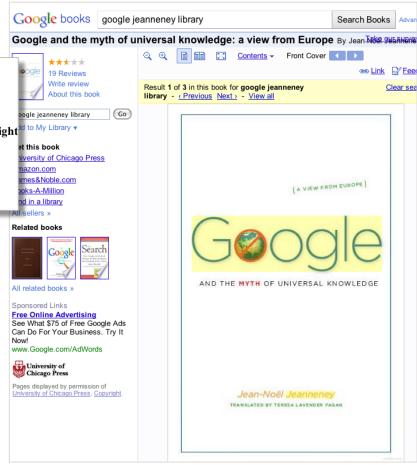


Read: NOW LATER

Mimmo Capone

The newly restored reference room of the library at the American Academy in Rome

### **Eve of disruption**



### Itinerary, 4/20

### Consequences of the Internet:

6 D's... and a 7th

Disintermediation: Eliminating the middleman

Dematerialization and the future of the book

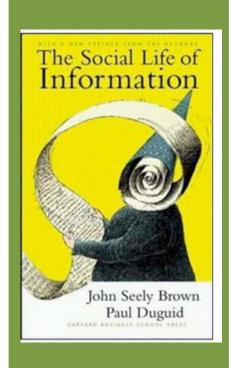
What future for newspapers & news?

Disaggregation: things fall apart

A crisis in scholarly publishing



### 6 D's and a 7th



### Brown and Duguid's six D's

(Demassification)

Decentralization (PD 4/27)

Denationalization (GN 4/22)

Despacialization (PD 4/27)

Disintermediation

Disaggregation

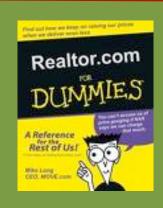
And one more...

**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

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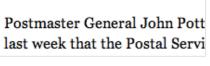






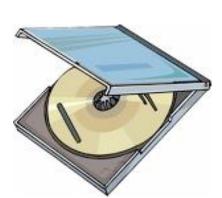
(04-19) 04:00 PDT Washington -- The same forces that have newspaper and book publishing industries are aimed at the U.S. threatening much more than the Saturday mail.

· Adachi may look at thousands of















## **Displacing Old Forms**









## Books? Where we're going we don't *need* books



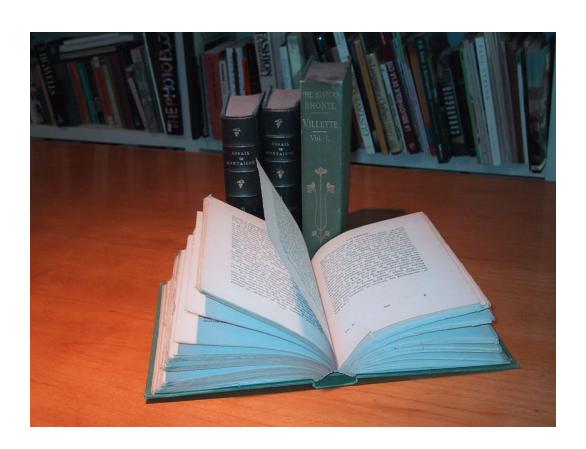


#### A clash of fetishisms

"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

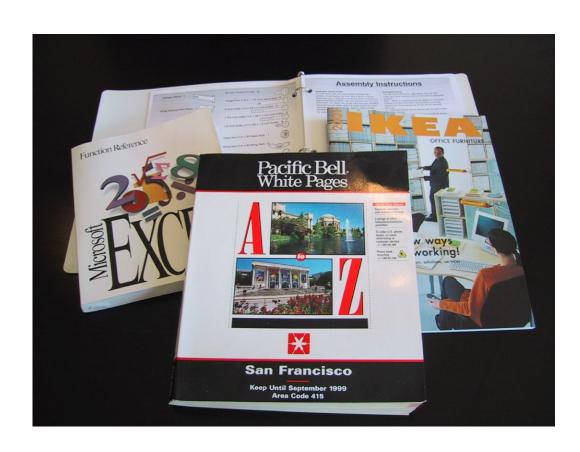


## . . . The Book



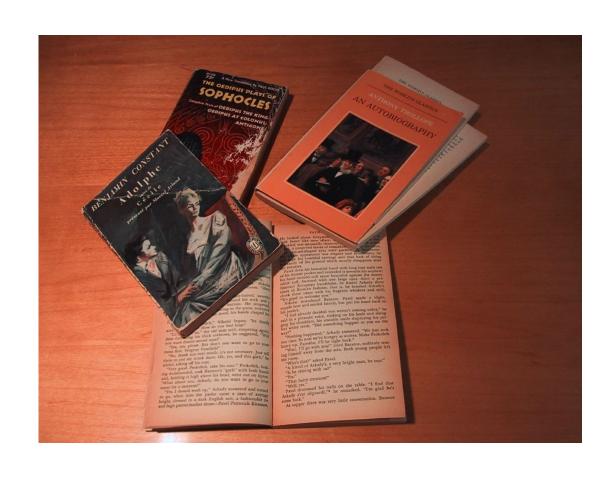


## books...





## ... and the books we actually read





## Sorting out the affordances of new technologies

#### Material features of documents enable:

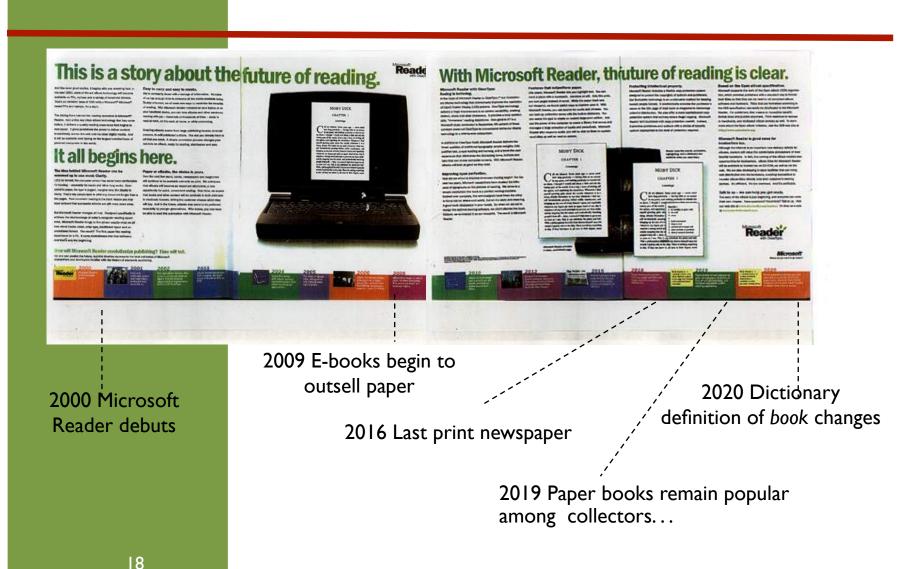
Characteristic modes of interacting with documents

Symbolic & iconic roles of documents

Social practices that determine use & interpretation of documents



## "Twitchy little screens" and the future of the book





### **Beyond "twitchy little screens"**

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

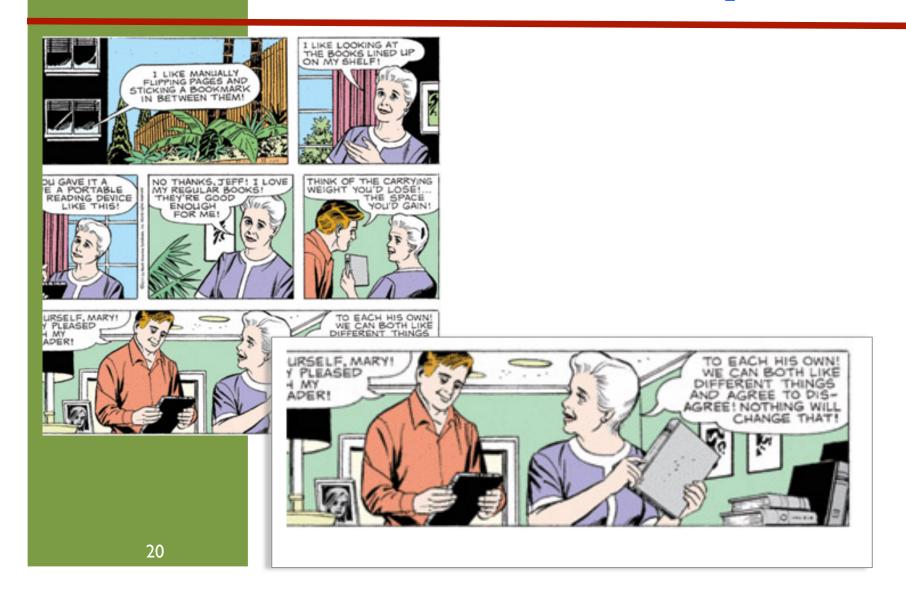


"My readers... will see in the tell-tale compression of the pages before them, that we are all hastening together to perfect felicity."

Jane Austen, in the final chapter of Northanger Abbey



### A necessary choice?





## Does the future belong to e-books?





#### **Ebook sales**

2008: 53m

2009: I40m

2010 (est): 500m

Jan., 2011 Amazon announces ebook sales exceed paperbacks.

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



...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



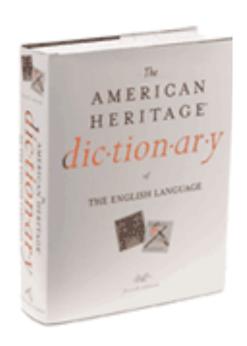
I really do not see a need for publishers.... It really seems that a better technology came along maybe not to replace but definitely to make a primary resource....It just seems that publisher companies embarked on a business that they want to hold onto , but it is being washed away by the practicality 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

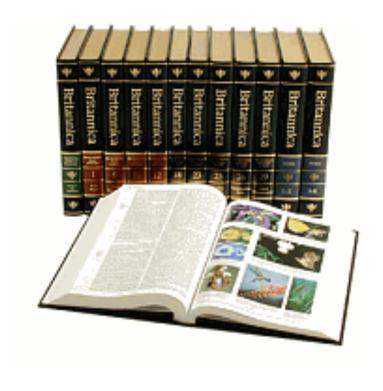


Even without considering e-books, I think publishing companies in their current form will soon be a thing of the past. Nearly everything that they do can be done by the authors, or by smaller companies, for far less money. ... They are more often than not unskilled editors, as I have not read a book 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 <a href="Lulu.com">Lulu.com</a> 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

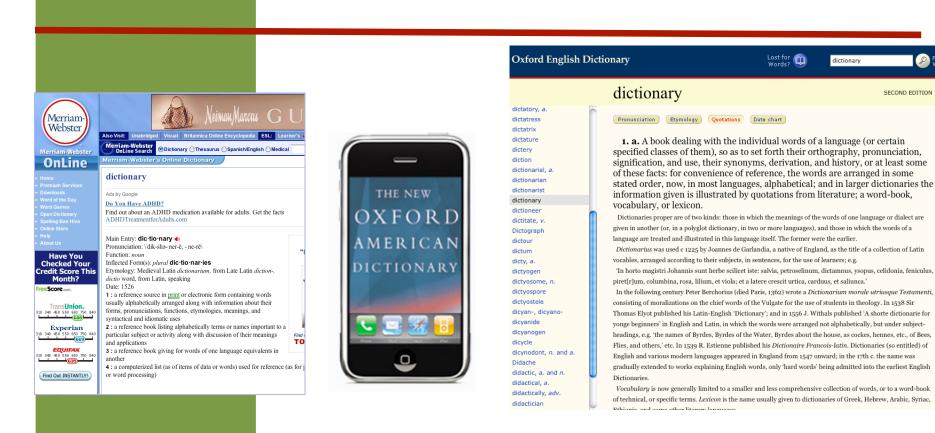


The Book as Furniture



### Affordances of online **Dictionaries**

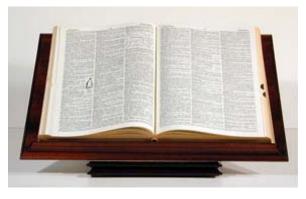
SECOND EDITION 198



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

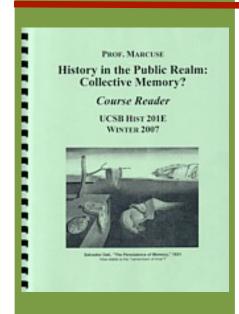
National sources displace local sources online ("Last man standing")

Increased competition lowers ad rates





### The Disaggregation of Content



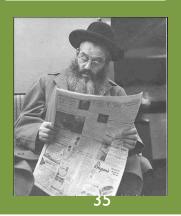
Unbundling the modularities imposed by physical packaging of informational goods.





### End of the newspaper?







"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 cabhailing whistle and ordering your coffee "regulah." Simply follow the instructions below and please, stand clear of the closing doors ...



1) Fold the newspaper in half, lengthwise, and create a crease down the middle fold.



1) Fold again, horizontally, creating quadrants.



3) Flip and fold, as necessary, to read



4) To jump to the continuation of an article, 5) Fold continuation in half, lengthwise.





6) To read stories that fall in the center sections ..



Fold back over, creating two lengthwise portions ...



8) Then fold again into four parts.





# ership 't have a crisis of audie 'revenue." re used to reading eve

**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)





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

Personalization: the daily "me"







Nick Denton

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





Gawker "Big Board"





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Taylor Momsen Did Not Write This Headline

Published: May 16, 2010

Guy from Glee Has 'Poop and Don't know who Taylor Momsen is? Neither do I, beyond that she is All Over My Bed'

- 2 Game of Thrones May Be the Best Soap Opera on TV
- This Is What Happens When You Tickle a Baby Penguin
- 4 Which Reality Star Used to Be a Call Girl?
- Sarah Palin Has Met Her UltimateEnemy
- The American Economy Is Collapsing Some More Today





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

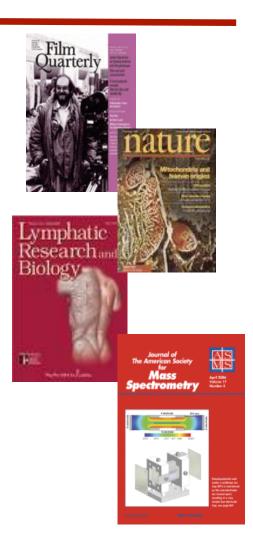
"tax" on ISP fees

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

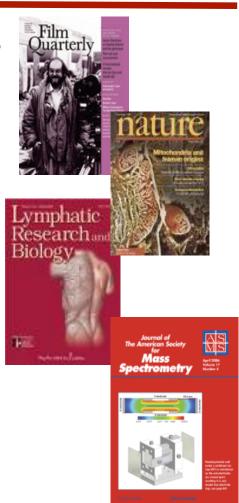
Predictible print runs

Appeal to general disciplinary community

One-time purchase decisions

Lower marketing costs per sale

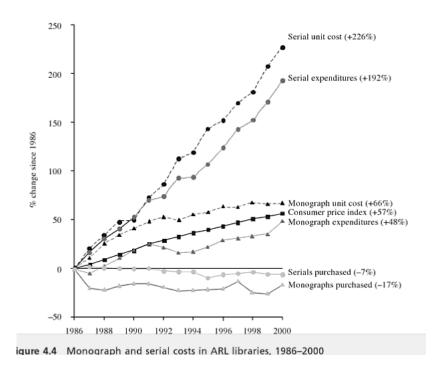
Each annual renewal adds value





## But university libraries are being squeezed

#### Journal publishers: the last colonialists?





## The crisis of scholarly publishing



The Evidence of Things Not Photographed: Slavery and Historical Memory in the British West Indies

usingle of sheers occurred as the new medium Brendy man to Iqlid. Specifically, the two measures would seem unreduce the ves would seem to be tween facility in separate historical forests. Sharey's occurrence ounded the even seems for the state of the second seems o

Despite this absence of photographs dating from the pre-emancipation or, and pelephole Secules of the initiates relationship between the camera and the production of modern forms of historical knowledge, some historical forms of the Angelophone Carlibbons have drawn on photograph—albeit ration of the Angelophone Carlibbons have drawn on polong-spik—albeit for the counts. It is this use of photographs arthrive to represent shavey in their accounts. It is this use of photographs arthrive to represent shavey in the West Indies in popular and schooling accounts that I reventing their interactions of counts yield remanagelous demandation proansform the visual imagastation of

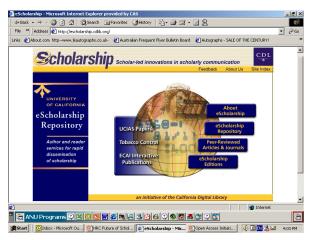
ASTATACY Recry as approximately cover as a cert in the bright Van Loria. In 1981, the subject place and other has a first depresentation because the phosphage that who have been been found to Depth the treat learner, some most their interface of denove proposed earlier to be been found to Depth the treat learner and the coverage of the coverage of

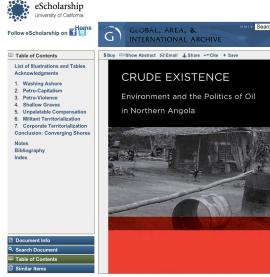
New models of subscription:

UC Berkeley – "a Springer-Verlag university"

Disaggregation of contents

Why don't scholars self-publish?







### Readings for 4/21

boyd, danah. (Forthcoming). "White Flight in Networked Publics? How Race and Class Shaped American Teen Engagement with MySpace and Facebook." In *Digital Race Anthology* (Eds. Lisa Nakamura and Peter Chow-White). Routledge.

Sunstein, Cass R. 2007. "The Polarization of Extremes." *The Chronicle Review*, Dec. 14.

#### **Additional material:**

Nunberg, Geoffrey. 2002. "Will the Internet Always Speak English?" *American Prospect*, Nov. 30.

DiMaggio, Paul, Eszter Hargittai, W. Russell Neuman, and John P. Robinson. 2001. "Social Implications of the Internet," *Annual Review of Sociology*. 27:307.