

Disintermediation, Dematerialization, Disaggregation Disruption



History of Information 103
Geoff Nunberg

April 17 2012



Eve of disruption





Eve of disruption

Congressman blames U.S. unemployment crisis on iPad

By Jason D. O'Grady | April 18, 2011, 1:23pm PDT

Summary

In the rambling 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 Communication, Marketing, Jason D. O'Grady

Blogger In Jason D. O'Grady

Jesse Jackson Jr. Blames The iPad For Killing Jobs



Would you sign my Kindle? App allows authors to hold eBook signings from anywhere in world

By DAILY MAIL REPORTER
Last updated at 3:22 PM on 18th April 2011

Comments (8) | Add to My Stories

With the rise of the eBook and demise of the High Street bookstore, author book signings had been at risk of going into decline.

The new eBook app is offering readers the chance to get their virtual books and e-books without them having to resort to writing on the outside of their cases.

The application allows fans to have the signature of their favourite writers on the page of their eBooks.



"Why do you need to go to Barnes & Noble? Buy an iPad and download your newspaper, download your book, download your magazine."

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

Posted March 24, 2011 7:00pm by Kyle Ripley Tags: iPad, Inklings, Education, Textbooks, developers

Apps mentioned:



Recommend

8 people recommend this. Be the first of your friends.

Buzz up!

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

It 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 the first to try it, and I had very serious (and animated) discussions with them about the future uses and excess of the iPad. Here we are at the beginning of a new age of technology. Right now, the book is commonplace. But why carry a backpack full of textbooks and notebooks when you can carry an





Eve of disruption

Book Ruling Cuts Options for Google

By CLARE CAIN MILLER
Published: March 23, 2011

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.

Add to **latimes.com**

Go to **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

E-MAIL SINGLE PAGE PRINT SHARE

Read: NOW LATER

1 2 3 ...

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 copyright, from the collections of major



Wikimedia Commons

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

Google books google jeanneney library Search Books

Google and the myth of universal knowledge: a view from Europe By Jean-Noël Jeanneney

★★★★★ 19 Reviews Write review About this book

Result 1 of 3 in this book for google jeanneney library - Previous Next - View all

Let this book University of Chicago Press Amazon.com Barnes & Noble.com Books-A-Million Find in a library All sellers »

Related books

Sponsored Links Free Online Advertising See What \$75 of Free Google Ads Can Do For Your Business. Try It Now! www.Google.com/AdWords

University of Chicago Press Pages displayed by permission of University of Chicago Press. Copyright

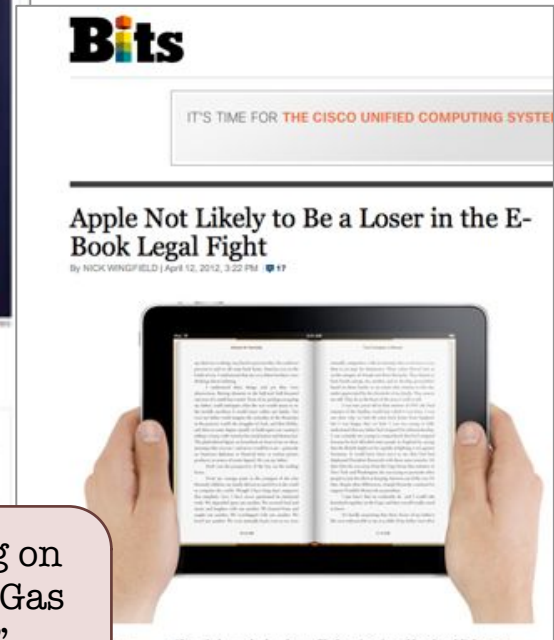
Google AND THE MYTH OF UNIVERSAL KNOWLEDGE Jean-Noël Jeanneney TRANSLATED BY TERESA L. KENNEDY PALAN



Eve of Destruction



NY Times, April 16, 2012



“...the modern equivalent of taking on Standard Oil but breaking up Ed’s Gas ‘N’ Groceries on Route 19 instead.”
David Carr



Itinerary, 4/17

Consequences of the Internet:

6 D's... and a 7th

Disintermediation: Eliminating the middleman

Dematerialization and the future of the book

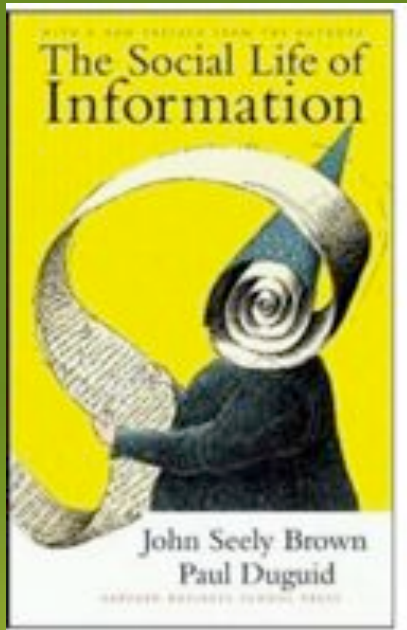
What future for newspapers & news?

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)

Despatialization (PD 4/27)

Disintermediation

Disaggregation

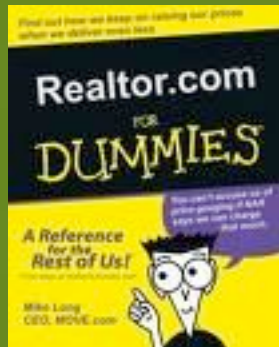
And one more...

Dematerialization

The confluence of technological, legal, social, and market factors...



The Internet as Disintermediator





"Cutting Out the Middleman"



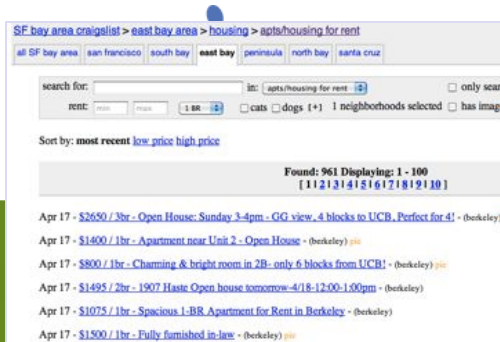
E-commerce is dominant or major channel

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"



DELL™

ebay
Motors™



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

Furniture

... 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

PRINT E-MAIL SHARE f COMMENTS (22) FONT SIZE

(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.

MORE NEWS

• Adachi may look at thousands of

Postmaster General John Pott
last week that the Postal Servi





WHO KILLED THE POSTAL SERVICE?



Outlook grim for Postal Service as revenue ebbs

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

PRINT E-MAIL SHARE COMMENTS (22) FONT SIZE

(04-19) 04:00 PDT Washington -- The same forces that have weakened newspaper and book publishing industries are aimed at the U.S. Postal Service.

The Economist

Log in Register Subscribe

Digital & mobile

World politics Business & finance Economics Science & technology Culture The World

The Post Office

Neither snow nor rain

Nor heat nor gloom of night stays these couriers. But the internet will

Aug 20th 2011 | LOS ANGELES | from the print edition

Like 241 Tweet 19

Figure 2: USPS First-Class Mail Volume (1970-2010)

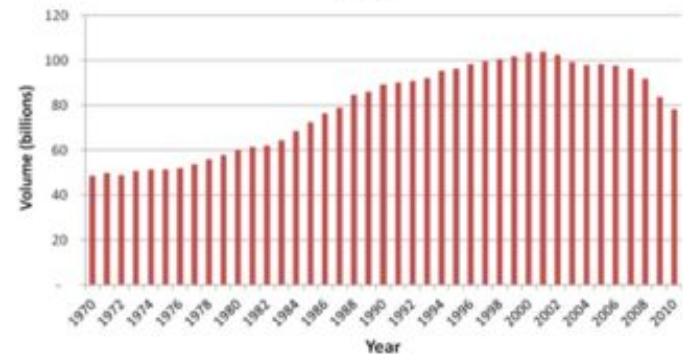
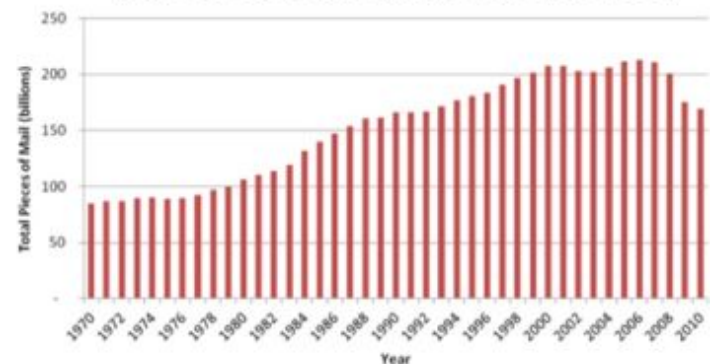


Figure 1: USPS Overall Mail Volume (1970-2010)



The Internet?
Labor costs?
Congress?



WHO KILLED THE POSTAL SERVICE?



U.S. Mail, by the Piece ...

Here is a tally of items delivered by the Postal Service to American households. On average, more than 320,000 pieces of mail were processed per minute last year.

TOTAL ADVERTISING MAIL

The great bulk of postal volume; in decline even before the recession.



MASS MAIL ADVERTISING

Growth of high-volume commercial "standard mail" is the Postal Service's great hope for survival.

TOTAL FIRST-CLASS MAIL

This continues to erode, as people turn to electronic means to pay bills and write letters. About 1.5 percent of advertising mail is sent first class — that, too, is falling.

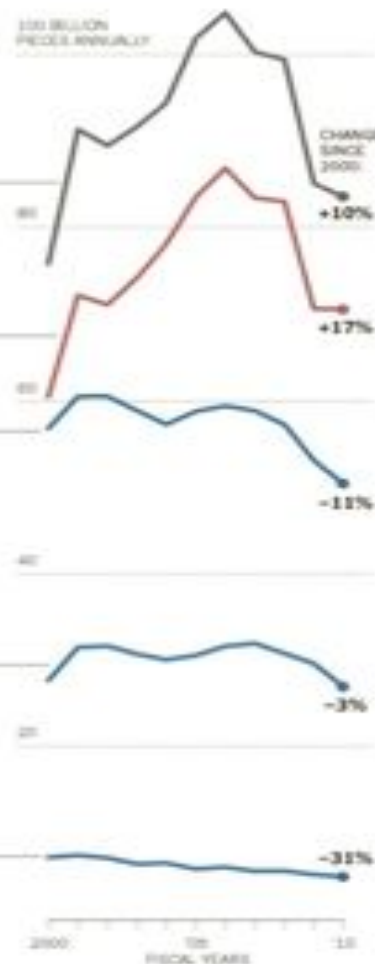
FIRST-CLASS MAIL: TRANSACTIONS

Bills, credit card statements, orders: Once people switch to electronic transactions, they rarely return to mail.



FIRST-CLASS MAIL: PERSONAL

This small segment — letters and greeting cards — is shrinking relentlessly.



Outlook grim for Postal Service as revenue ebbs

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

PRINT E-MAIL SHARE COMMENTS (202) FONT SIZE

(04-19) 04:00 PDT Washington — The same forces that have weakened the newspaper and book publishing industries are aimed at the U.S. Postal Service.

The Economist

Log in Register Subscribe

Digital & mobile

World politics Business & finance Economics Science & technology Culture The World

The Post Office

Neither snow nor rain

Nor heat nor gloom of night stays these couriers. But the internet will

Aug 20th 2011 | LOS ANGELES | from the print edition

Like 241 Tweet 19

The Internet?
Labor costs?
Congress?



Dematerialization: Displacing Old Forms





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

A clash of fetichisms

"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

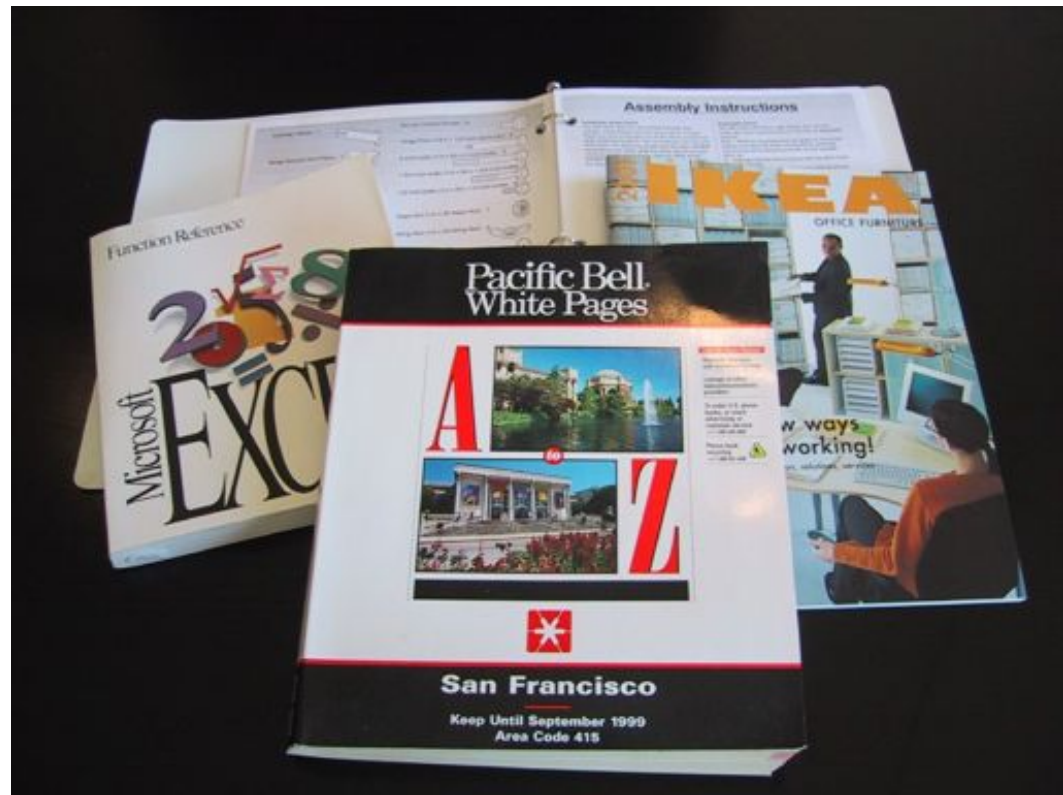


. . . THE BOOK





books. . .





... and the books we actually read





“Twitchy little screens” and the future of the book



2000 Microsoft Reader debuts

2009 E-books begin to outsell paper

2016 Last print newspaper

2020 Dictionary definition of *book* changes

2019 Paper books remain popular among collectors...



“Twitchy little screens” and the future of the book



2000 Microsoft Reader debuts

2009 E-books begin to outsell paper

2016 Last print newspaper

2020 Dictionary definition of *book* changes

A piece of history is gone – Microsoft Reader to be discontinued

August 15, 2011 | 9:57 am

AAAAAAA

Posted in: ereaders, Paul Biba

Tags: ereader, Microsoft, microsoft reader

2019 Paper books remain popular among collectors...



The affordances of everyday things

Affordance



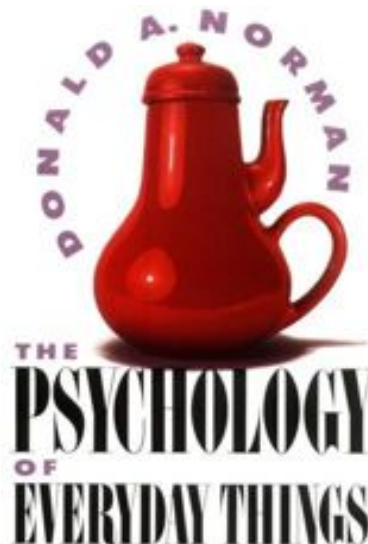
Picture closed apple unibody MacBook Pro

Fine line

Dint in the aluminium frame

Affordances: the only irregularity on the plain front of the notebook invites the user to place a finger. A gentle push opens the top part of the notebook like a clamshell. (The fine line strokes curiosity to find out if the object can get divided into 2 parts.)

Affordances: "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."

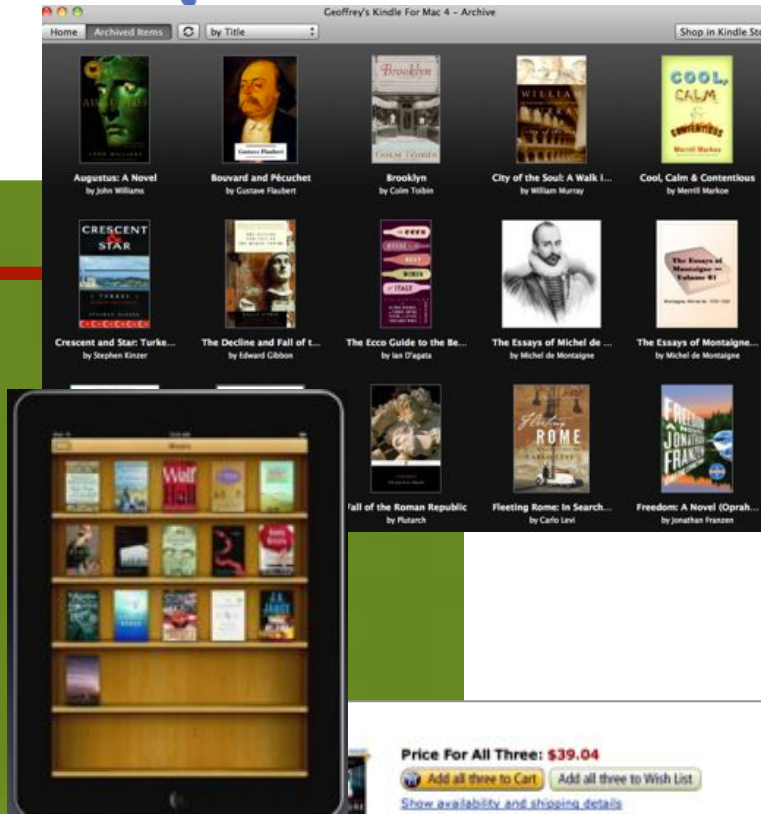
Jane Austen, in the final chapter of *Northanger Abbey*



The Epigraphic Book



The Epigraphic Book



- ☒ **This item:** The Social Life of Information by John Seely Brown Hardcover: \$15.78
 - ☒ Here Comes Everybody: The Power of Organizing Without Organizations by Clay Shirky Paperback: \$10.98
 - ☒ Convergence Culture: Where Old and New Media Collide by Henry Jenkins Paperback: \$12.38
- See a problem with buying these together? [Let us know.](#)

Customers Who Bought This Item Also Bought

<p>A New Culture of Learning: Cultivating the Mind and Spirit by Douglas Thomas ★★★★☆ (21) Paperback \$12.95</p>	<p>Here Comes Everybody: The Power of Organizing Without Organizations by Clay Shirky ★★★★☆ (75) Paperback \$10.98</p>	<p>Convergence Culture: Where Old and New Media Collide by Henry Jenkins ★★★★☆ (24) Paperback \$12.38</p>	<p>Remix: Making Art and Commerce Thrive in the Age of Copy by Lawrence Lessig ★★★★☆ (22) Paperback \$13.26</p>	<p>Managing Information Technology (7th Edition) by Carol V. Brown ★★★★☆ (15) Hardcover \$156.31</p>
---	---	--	--	---

Editorial Reviews

What's lost & gained online?
Bookstores as showrooms...



A choice we have to make?





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.



Katherine

...publishers are fighting a losing battle against these “agencies” like Apple and Amazon. ...There is no practical need for publishers except to adhere to the obsolete customs of print culture, which have persisted into the digital world simply for the reason that digital media is relatively new. The functions of a publisher come down to 4 major duties: To ensure that only the best and most polished books are published, to produce the physical book (production, design, printing, etc), to promote/advertise the author, and to sell the books to retailers. What would this process look like if, say, Amazon were to publish its own E-books? ...It would be in Amazon’s best interest to publish most, if not ALL, of the titles submitted by authors. How could Amazon possibly advertise the millions of books they’d produce? The answer is, they wouldn’t have to. Simply by giving the customers access to information on the most purchased titles, the best and most popular books would enjoy a meritocratic endorsement by the public.



Jesse

Operating under the assumption that we, as a society, do value having a class of professional, well-trained, resourceful, yet diverse writers, then we are facing a dire problem with the potential collapse of publishing. Both Apple and Amazon are attempting to edge publishing out in the medium sales, as they replace paper books with Kindle and iPad. Both have attempted to cut out the middle person, the publisher, and directly present author's work to the readers through eBooks. Yet, they have had little success. This attests to the continual importance of publishers. Granted, as Auletta has pointed out, many of the functions that the publishers perform, such as marketing and editing, have been outsourced to smaller firms; however, unless these electronic device giants are willing to branch out to a full-on content production business--i.e. becoming a publisher itself--they will never be able to fully replace publishers. Or else, as Auletta accurately drew the parallel with YouTube, there will be no more professionally produced content...



Diana

...Publishers have two major advantages over direct selling tactics seen through digital retailers and that is they can better promote and advertise author's books to acquire attention among a sea of millions of online books, and they adhere to a creative/author relationship culture that better cultivates novels and authors then a sales data, “produce, produce” culture of retailers....

A prominent reason that publishers are slow to focus on utilizing the digital retailers to their advantage is because they still focus a great deal of their time, money, and efforts to bookstores. Due to tactics of “windowing” (Auletta) to increase hard/paperbacks before eBooks ends up driving away customers when bookstores sellout. Also publishers push for the sales of books in stores which cost more which further pushes readers to purchase books at a cheaper price online/



Alexander

Because of their current business model and organization, traditional publishers have no place in today's digital world. "Brick-and-mortar" publishers are becoming obsolete because of they are fervently clinging to outdated rules in a game of business where the rules are constantly changing. The idea that you need to use and pay for a completely distinct organization of "ten editors... a sales manager, sales reps, a bookkeeper, a publicist, a president..." or some other combination of "eighteen layers of executives" in order to publish and sell a book has no place in a digital world. Not only does this add to additional overhead, which siphons profits as a manuscript moves down the development chain, but it's highly inefficient and completely unnecessary.

When, in a digital age, the correction of manuscripts can be contracted out; production and design of volumes and overseeing printing is almost irrelevant for digital books; and marketing and distributing books can be done instantaneously on demand, what need is there for a company whose service is based on these hallmarks? ...



Adam

There is indeed a place for publishers in the digital world. ... publishers should brand themselves as curators instead of as producers. In the digital world, publishers' role as "gatekeepers who select the most authoritative or readable works" is absolutely crucial. In order to continue their existence, however, they must be more than mere gatekeepers: they must be advocates. Similar to how individual museums are known for their strengths in particular areas, publishers should brand themselves as a place to go for work which is assured to be quality. In a world where literally anybody can publish what they've written, ... the job of the publisher should be to sift through everything that is out there, and, like a curator, promote what they think is worth promoting. Unlike movie and television studios which simply produce whatever they think is marketable, publishers should promote a work not out of a sense of marketability, but rather because they think that a work is worthy of promotion. Thus, people will begin to favor particular publishers over others and will associate the publishers curatorial brand with a particular type of work.



Will newspapers go under?





End of the newspaper?



THE NEWS BUSINESS

OUT OF PRINT

The death and life of the American newspaper.

BY ERIC ALTERMAN

MARCH 31, 2009

The American newspaper has been around for approximately three hundred years. Benjamin Harris's spirited *Public Occurrences, Both Foreign and Domestick* managed just one issue, in 1690, before the Massachusetts authorities closed it down. Harris had suggested a politically incorrect hard line on Indian removal and shocked local sensibilities by reporting that the King of



"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."

SHARE f in

« Previous McArdle | Next McArdle »

EMAIL PRINT

This is the End of the Newspaper Business

OCT 26 2009, 4:10 PM ET

The New York Times

March 17, 2010

I.H.T. OP-ED CONTRIBUTOR

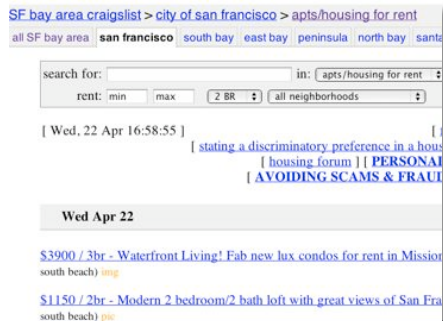
The End of Newspapers?

By MARIE BÉNILDE

Journalists are now in the same situation as steel workers in the 1970s: They are destined to disappear, but they don't know it.



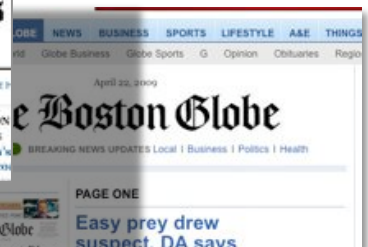
A Perfect Storm for the Old Media



Craigslist etc. divert classified advertising

News aggregators, blogs & online sources capture audience

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



A Perfect Storm for the "Old Media"



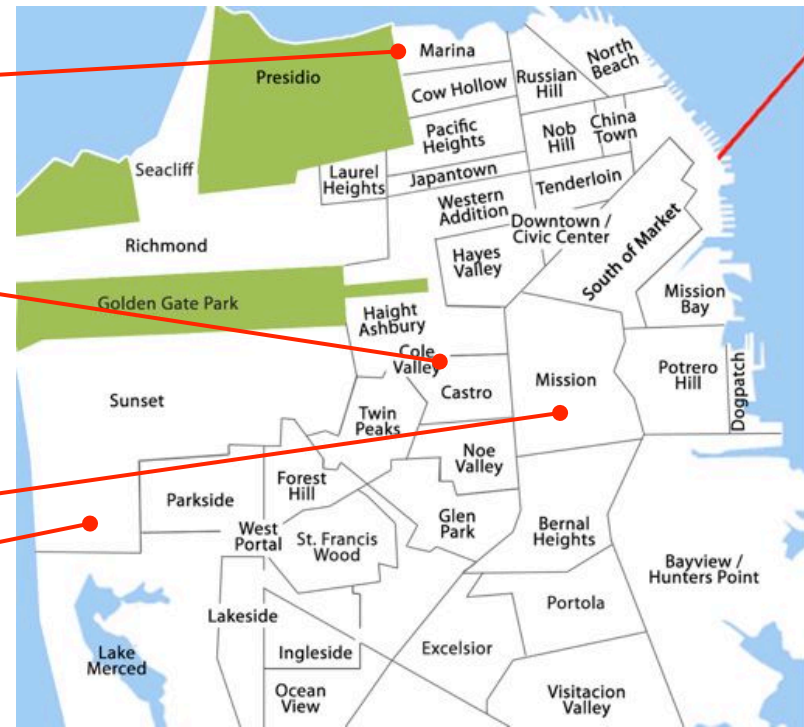
Birmingham Metro
(orig. Daily News)
1st UK freesheet 1984

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

Increased online competition lowers ad rates



Alternative Weeklies





The abyss?

BBC NEWS ONE-MINUTE WORLD NEWS

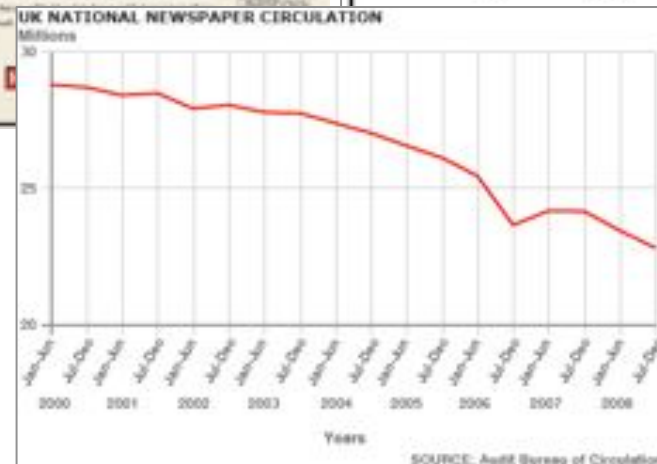
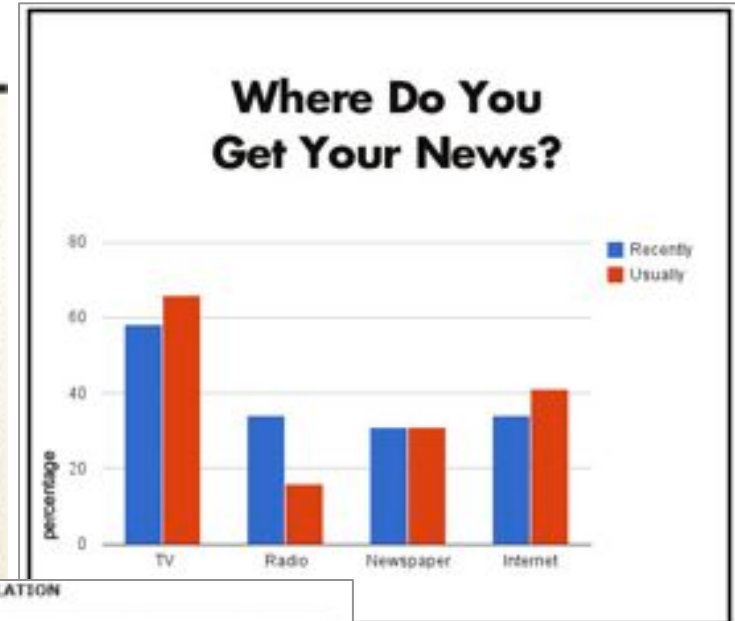
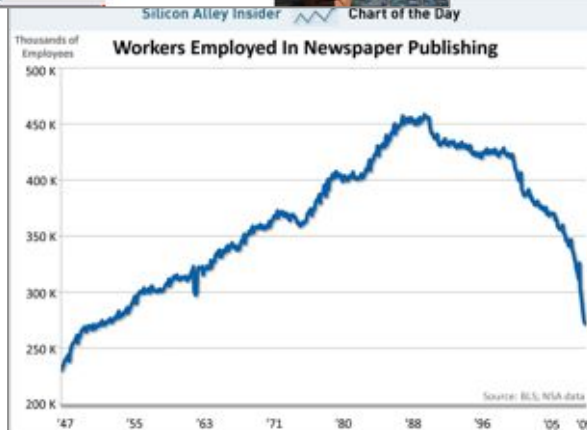
Page last updated at 14:18 GMT, Monday, 23 March 2009

E-mail this to a friend Printable version

Daily Mail group cuts 1,000 jobs

The Daily Mail and General Trust (DMGT) is to cut 1,000 jobs as the advertising slump continues to hurt newspapers.

Silicon Alley Insider **Chart of the Day**





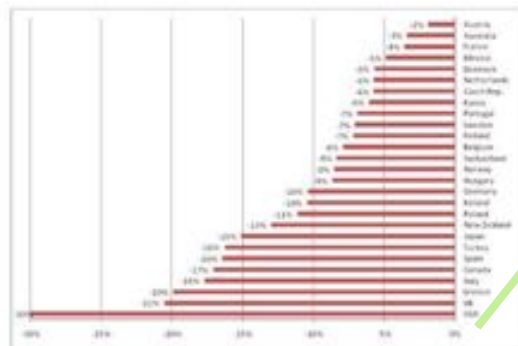
Dire Predictions

Date of extinction

2017

2018

2029

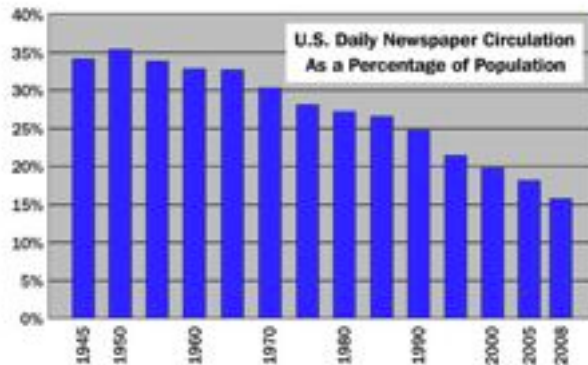
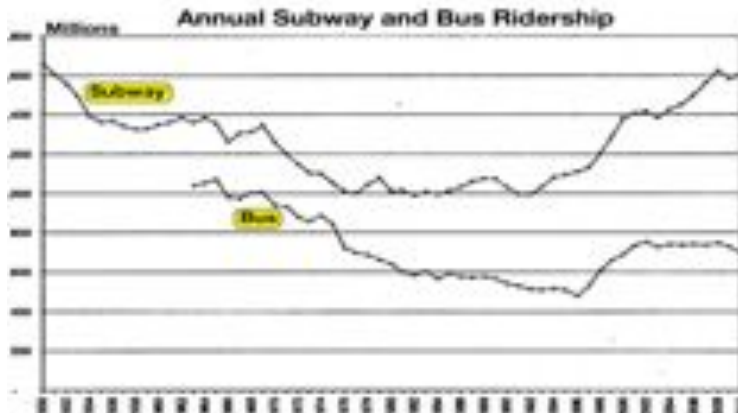


Drop in newspaper circulation





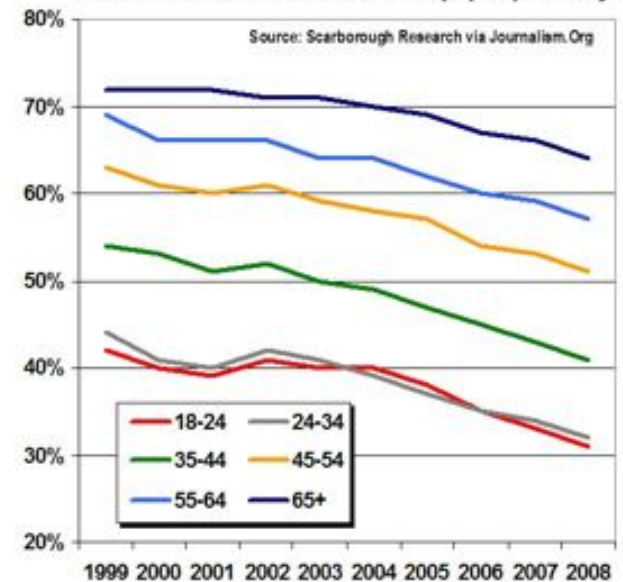
A long time coming...



Source: U.S. Census, Newspaper Association of America, Editor & Publisher

Waning interest

Percent of adults who read newspaper prior day





The affordances of newspapers



BLD017160 [RF] © www.visualphotos.com

Spot the Out-of-Towner



The affordances of newspapers



Spot the Out-of-Towner



The affordances of newspapers



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 “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.



2) Fold again, horizontally, creating quadrants.



3) Flip and fold, as necessary, to read each portion of the page.



4) To jump to the continuation of an article, turn to the continuation page.



5) Fold continuation in half, lengthwise.



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



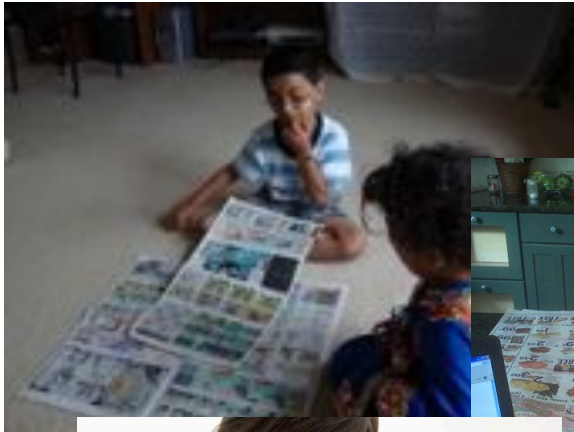
7) Fold back over, creating two lengthwise portions ...



8) Then fold again into four parts.



The affordances of newspapers





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%

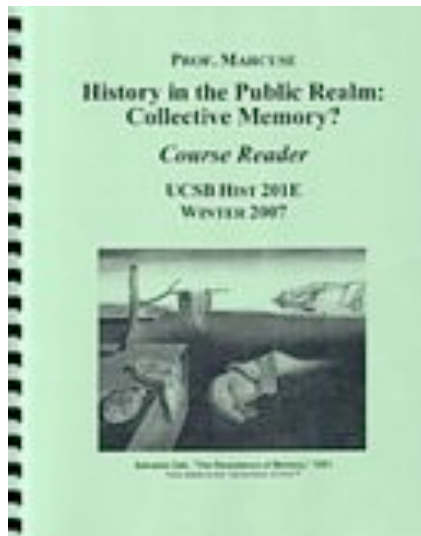
Online news users are wealthier, younger, better educated, whiter than other Internet users or general population, and far more likely to have broadband & wireless access.

(Pew survey, 2010)



The Disaggregation of Content

Unbundling the modularities imposed by physical packaging of informational goods.



Music > Rock > The Ukulele Orchestra of Great Britain

LIVE In London #1 (Live)



\$11.99 Buy Album ▾

Genre: Rock
Released: Oct 01, 2008
© The Ukulele Orchestra of Great Britain

CLEAN LYRICS

Top The Ukulele Or...
Songs Albums

1. The Good, the Bad and the Ugly
2. Life on Mars (simultaneous segue)

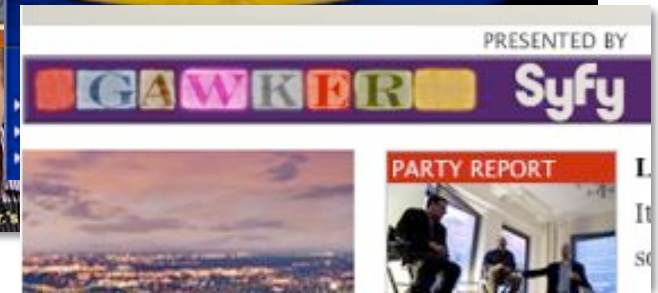
#	Name	Time	Popularity	Price
1	Running Wild	3:20		\$1.29 BUY ▾
2	Born to be Wild	3:19		\$1.29 BUY ▾
3	Misirlou	3:44		\$1.29 BUY ▾
4	Life on Mars (simultaneous segue)	3:47		\$1.29 BUY ▾
5	Anarchy in the UK	3:36		\$1.29 BUY ▾
6	Hot Tamales (They're Red Hot)	4:23		\$1.29 BUY ▾
7	Teenage Dirtbag	4:10		\$1.29 BUY ▾
8	Pinball Wizard	2:33		\$1.29 BUY ▾
9	In a Monastery Garden	3:43		\$1.29 BUY ▾
10	Yes Sir, I Can Boogie	2:26		\$1.29 BUY ▾
11	Satellite of Love	3:25		\$1.29 BUY ▾
12	Wuthering Heights	3:26		\$1.29 BUY ▾
13	Whistling Bach	1:46		\$1.29 BUY ▾
14	Sex and Drugs and Rock and Roll	3:03		\$1.29 BUY ▾
...



The Disaggregation of Content

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

Personalization: the daily "me"



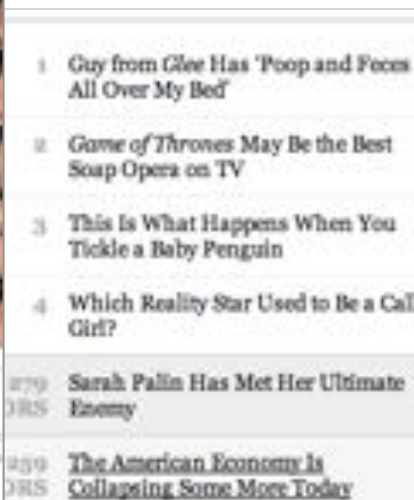


The Disaggregation of Content



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

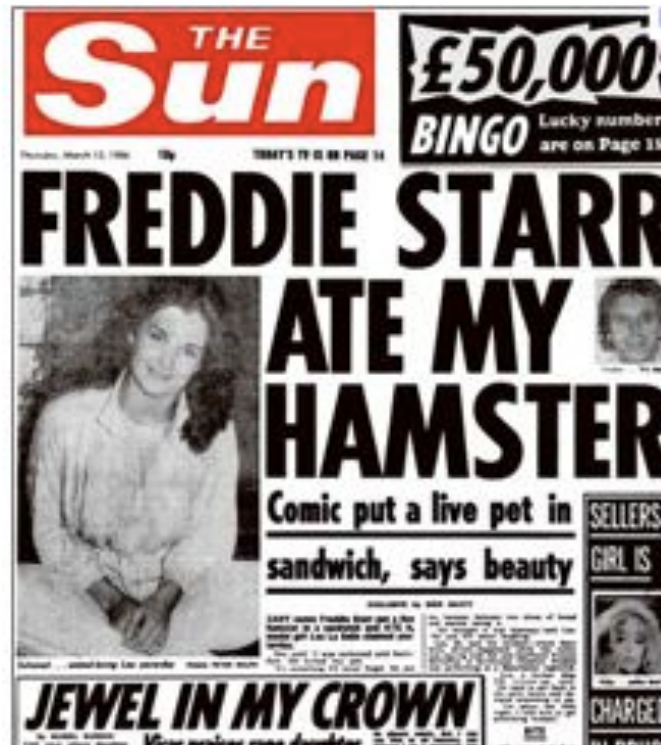


Gawker "Big Board"



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)

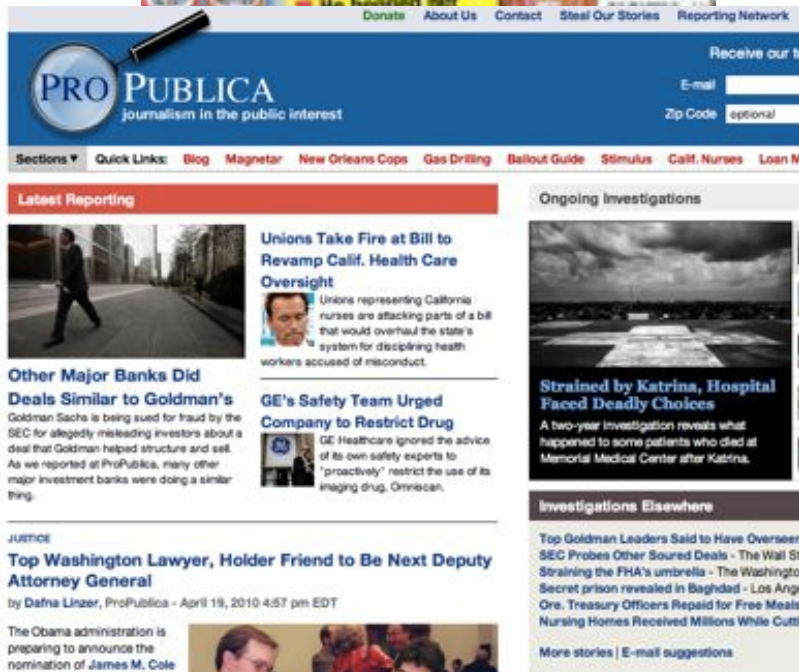
pay-per-view via microcredit

monthly "all you can read" for group of publishers à la cable packages

"tax" on ISP fees

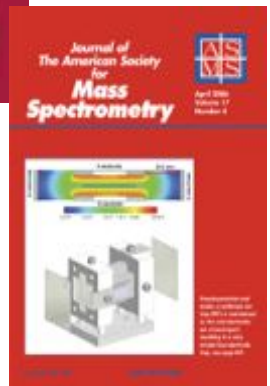
Subsidized by foundations & universities

"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

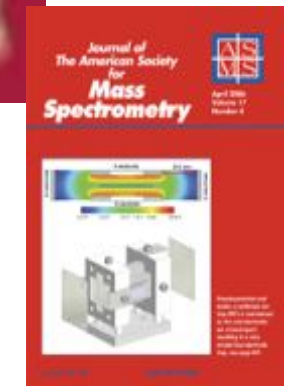
- Predictable print runs

- 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?

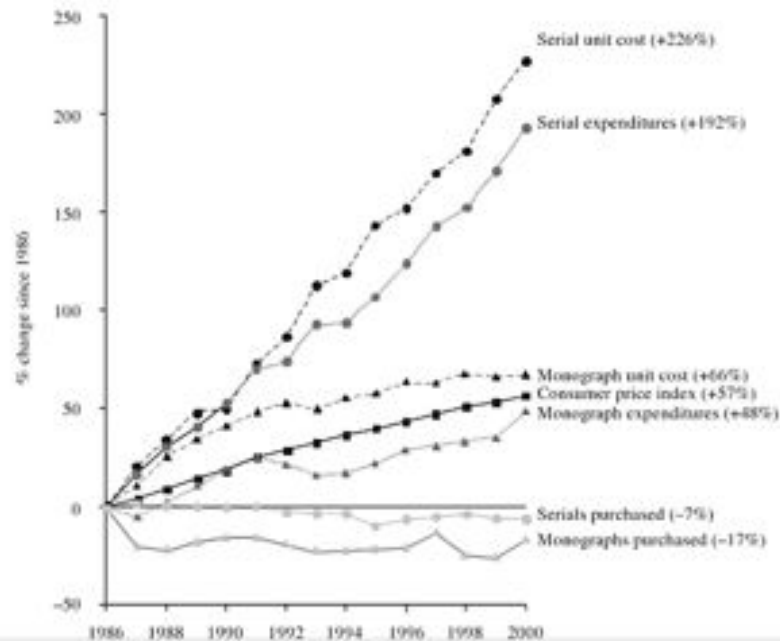


Figure 4.4 Monograph and serial costs in ARL libraries, 1986–2000



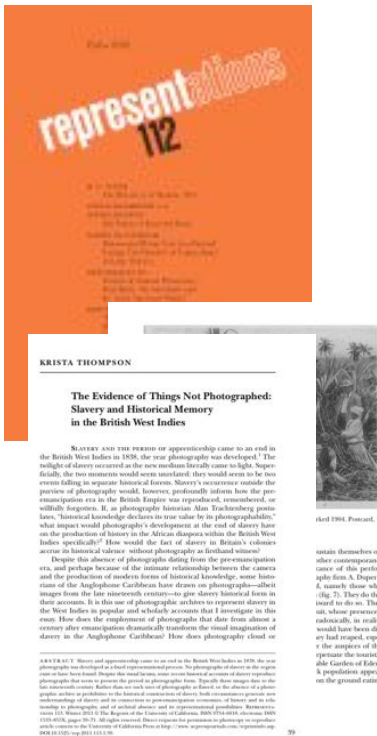
The crisis of scholarly publishing

New models of subscription:

UC Berkeley – "a Springer-Verlag university"

Disaggregation of contents

Why don't scholars self-publish?



David O'Neil, Portland.



Follow eScholarship on Home



Table of Contents

- List of Illustrations and Tables
- Acknowledgments
- 1. Washing Ashore
- 2. Petro-Capitalism
- 3. Petro-Violence
- 4. Shallow Graves
- 5. Unpalatable Compensation
- 6. Militant Territorialization
- 7. Corporate Territorialization
- Conclusion: Converging Shores

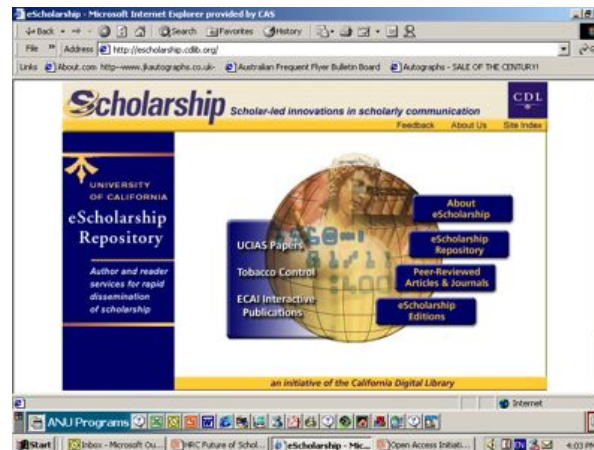
Notes
Bibliography
Index

Document Info

Search Document
Table of Contents
Similar Items

My Account

eScholarship is powered by the California Digital Library with The Berkeley Electronic Press





Readings: April 19

Social Implications of the Internet II

- Marshall, Alfred. 1920. "Industrial Organization, Continued. The Concentration of Industries in Particular Localities," book IV chapter X (section iv.x.1-15), in Principles of Economics. London, Macmillan & Co.
- Cairncross, Frances. 1995. "The Death of Distance," The Economist 336 (7934 30 September): 16-17.
- Young, Jeffrey R. 2012. "Badges' Earned Online Pose Challenge to Traditional College Diplomas," Chronicle of Higher Education, Monday Jan 9.

Additional:

- Hanford, Emily. 2012. "Don't Lecture Me."