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Users converging with creators: the rise of the Usators, the advent of distributed selection, and the attention economy's impact on music & media commerce – Gerd's Bottom Lines and Predictions May 2006

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Faced with the seemingly endless number of the subjects and issues when talking about the Future of Media, I recently wrote this short essay in an attempt to summarize the really important stuff, to focus on what *really* matters and to describe which trends and developments I think will have real impact.

1) **The advent of *usators*: not just receivers but also senders.** During the past 9-12 months, some of the people formerly known as *users or consumers* are now becoming creators, too. What's more, they are themselves *becoming content*, too. As evidenced in Youtube, Flickr, Myspace, Delicious, Pandora, Last.fm, LinkedIn and many other so-called Web2.0 ventures, many consumers of digital media are no longer just receivers - they may also become (re)-senders of content. This phenomena, of course, has vast consequences for broadcast media, in particular – Radio and TV will never be the same (read how the BBC wants to deal with this!). Consequently, the very definition of 'content' – and yes, the underlying traditional copyright mantra - is changing, too; being creative seems to be no longer reserved for expert producers or 'professionals'.

Some users now become *usators* (btw: a term I invented, solely for lack of better words), themselves producing content, remixing and mashing-up content - in fact, by doing this, they kind of become content, themselves, since they create their own values in this system, simply by the very fact of their participation (think EBay, Skype, myspace et al). It feels like the emergent 'art' of tagging, book-marking, collaborative filtering and online profiling is becoming just 'another type of content', one that would obviously not even exist without the users being in the system. Suddenly, media that engages and involves the users - i.e. that broadcasts not just *for*, but with or even *through* them- has a lot more momentum than one-way, top-down, or centrally-served media ever had. Myspace compared to MTV, YouTube compared to CBS, Boing-Boing compared to Reuters, Wikipedia compared to the Encyclopedia Britannica.

Media is now *also* 2-way, interactive and non-linear, with many new gradients between being a 'producer' and being a consumer - and 'also' is crucial word here since these developments are not really replacing Media1.0 as we know it: rather, these are shaping up to be additional options for the user, making for a larger menu to feast on. However, they do severely cut into the advertising revenues of 'old media' which is certainly a major concern and source of headaches for many media companies– but more on that a later time.

The result: content *is* king, but since 'content' now also implies the *User as Content* – in other words, the Usators's added value creations, we are facing a circular debate here,

so this is really a moot argument. The bottom line: engage your users the best you can, *and turn them into yet another tier of content*, and you will do well. Think professional media > prosumer media > amateur media, all next to each other, and interwoven in many new offerings such as DVDs, TV, and on-demand.

Prediction

The BBC will swiftly emerge as global media powerhouse by integrating Usators into their programming, across the board – and not just in the UK. A uniquely credible, trusted and truly global brand, the BBC will continue to blur the line between public and commercial broadcasting, and will be the first broadcaster to also be a one-stop digital media reseller.

2) Distributed Selection is around the corner.

User empowerment, beyond Darwin's wildest dreams. Now, in parallel to the professionals, the users and *usators* can also be the ones that decide on what's hot or not: fast and innovative user rating options, digital reputation schemes, tagging, bookmark sharing, and blogging in general all drive this new trend higher and higher. And again, it's not like the role or importance of professional programmers or editors is diminished, at all - it is just being supplemented (and therefore admittedly pressured) by another type of editor – the mass of people that may spend 5 seconds leaving a quick comment or tag. While I may not entirely subscribe to the 'wisdom of masses' theory, here, btw, but in music, in particular, I see solid value in averaging user ratings and tags – after all, this is how companies such as Gracenote have created a lot of powerful data.

Many of the what I call 'next-generation music companies' will be based on the belief that giving the users any and all power means that they will give it right back to you, in form of loyalty and support. In the very near future, these newcos will use public rating and tagging tools, and 'conversation-metering' to find out what's out there, where, and why, rather than trying to *tell* the listeners what they think they should pay attention to. A&R people will once again truly *listen* to the network buzz, and the art of 'metering the buzz' will be just as important as 'having an ear' for the music. We will see a whole new generation of music companies sourcing their acts from and in the Net, period – and this will, of course, be in close interaction to what happens in real-life, because the Net will very soon simply become all-pervasive reality, like water or electricity.

Prediction: new artists and bands will be 'born and raised' on digital networks *and* on the respective streets and stages around the world. Many fans and eager online talent scouts will do the work of 1000s part-time A&R (*artist & repertoire) managers.

Google will charge new bands to be found and heard by the 'right' people.

3) Not getting distribution but getting attention is what matters.

Having Distribution (or, in Radio, a frequency slot, or owning a cable or wireless network), is no longer a big deal, but being good at getting, retaining, and converting attention is. If you still think that simply having a network of retailers and outlets, or a popular radio frequency, or a high-powered cable network, or a highly-priced wireless license is going to make you king of the hill, by default, then... think again, because today, everyone has distribution – and many of them are using *your* expensive networks for free. Now, it's neither only owning the network *nor* only owning the content that would make you king, now it's what actually happens *within, on, through* and via your

network, or with your content. Read: the conversations, the interactions, the relationships - in other words, getting and retaining attention.

We are catapulted into a world that is no longer based *on* content or on distribution, but *around* content that is *already* distributed by default. In a way, we may have come full circle, back to what it used to be before there was any way to record and mass-distribute media: the experience is what matters, the meaning, the context, the relevance, not just the pure offering, in and of itself. What music is remembered without it's context, it's time and place?

Attentioneering

Marketing is therefore evolving into 'attentioneering'. New companies will pop up that will have their ears to the ground, and that will help 'the creatives', the media producers and owners to reach their users / usators by snagging their attention, at the right time and in the right place. I predict that media companies and creators will actually *pay* people to pay attention to them, i.e. users will get paid to download a track, watch a movie, play a game. This will be a rather bizarre but inevitable reversal of the ludicrous RIAA witch-hunting we are still witnessing today: download our music, talk to us, and we will give you a lot of good stuff for free.

4) In a much faster, more eclectic, and infinitely more diverse world where previously separated forms of media increasingly converge, a much shorter term of copyright is inevitable.

Look around you: our world is becoming a very mad place of seemingly contradictory trends that are happening at the same time. For example, nation-states or purely national concerns are starting to matter less and less, but at the same time, quasi-national 'tribal' or shall we say communal concerns such as energy, health and the environment are becoming equally important to people no matter where they live. Life keeps speeding up at a dizzying rate, and the media companies of the future *simply won't need* copyright terms of 75 years beyond the life of the author - we will have 8-15 generations of media users behind us by then, and plenty of money can be made from 25-30 years of exclusive ownership protection, I reckon. As content creators, writers, composers, and artists, we just need to get used to very fast moving media phenomena that will only exist in a 'moment' (in overall terms), and ride those waves while we can; then move on to be part of, or create, the next one.

In this context, clearly, improved opportunity recognition is a vastly desirable skill; much like Clive Davis and Ahmed Ertegun had (have?) a good ear for great songs and artists, the new trend-spotters and 'producer moguls' will have a nose for creating instant media explosions that are not just music, or just film / tv, or just games, but will constantly cross-over from one sector to the other. Trend spotters and *opportunity recognizers* will be (behind) the new Trumps, Gates's, Murdochs, Turners and Mottolas – look for new leaders to emerge that 'simply get it' and can smell a fit 18 months before it's actually here.

Prediction: Officially designated *Futurists* will become part of the strategy team within every major media company, within 12-18 months (I certainly like the idea!).

5) Mass markets morph into a mass of niche markets.

If you're American and over 50 years old, you may remember when 63% of your fellow-Americans faithfully watched "Gun Smoke" on the tube – the peak of the united-by-TV feeling and the tube-driven national identity. In music, when looking at Neil Young, Santana, Elvis, The Rolling Stones, The Beatles and other major music brands with global mass market appeal, I deduct that in addition to their obvious genius their vast success was also due to a severe distribution bottleneck that simply did not allow ubiquitous and economic access to *other* artists, as well. In other words, not all music by all artists was equally available (as it is today !!!), and while these artist were (are) truly fantastic artists, the lack of strong, niche-market driven competition - or using a Chris Anderson inspired term, 'viable longtail alternatives' - that people could also listen to, is part of what really created the mass markets that the record labels loved so much and grew fat on.

Today, *everyone's* taste is becoming more eclectic: many different kinds of food, new music from all over the world in an ever increasing melting-pot of styles, and the increasing global cross-pollenization of cultures is evident everywhere. The range of interest in media content now is as diverse as the crowd in a New York City subway car! In the future, while we will likely still have mega-stars of some sort, the days of ubiquitous, global and long-lasting media dominators such as The Beatles, Elton John or The Rolling Stones are long gone – the world has simply become more complex than that. In my opinion, this is not due to a lack of good artists, as is often alleged; it's simply a cultural development driven by technology - having more choices has unchained diversity, and therefore the \$\$\$ are spend more evenly. Not a bad thing for the 98% that never made it to the top!

My predictions:

2006: the next hot music style is *not* anglo-made (i.e. from the US or the UK) – in fact, this may already be here... in the shape of Reggaeton?

2007: the first Chinese music star breaks globally

2008: so-called 'world' music makes up more than 7% of the total industry turnover

6) Media is Conversation, 2-way.

The Media of the future is not the monolog passed down by the ueber-wardens of (B)(H)ollywood, it's not a sermon delivered from above, rather, it's a *conversation*. It's no longer all top-down, centrally-served, dispensed on a schedule, wrapped in remote-access-control-as-we-see-fit-software (even though.. some of it will be!). It may not even be A&R'ed, either - it's simply *grown*. It's not just from 'me the producer' to 'you the consumer'. It's also an interactive process, an on-going, 2-way conversation, not a stale and linear product. And: who can pirate (as in 'steal') a process? Who could steal conversations? Going forward, media companies are not just creators of content but also conversation curators, offering platforms for exchanges. This may mean that soon, the term 'broadcasting' becomes as meaning as the term "*record* company".

7) Marketing2.0

The burden is now on the media itself, i.e. what we create must be *found worthy*. It's no longer the consumer that is subjected to artificial scarcity mechanisms such as record distribution, or some default advertising programs that he/she has to suffer through. Users and *usators* are no longer targeted with weapons of mass advertising, rather, they now decide and tell us what they want to receive, who they may 'allow to find' them. In fact, as evident in much of the old-style, quasi-military advertising lingo ('targeting, penetration rate, launching a campaign...') we must now no longer assume that we need

to *conquer the customer*, to nail him while we can, to get his attention and squash him into submission i.e. get him to buy something they probably don't need. This old view of media has all too often been the idea of the customer as some kind of elusive enemy that needs to be pounced on the very moment we can see him.

In the future of media, effective advertising simply consists of boosting the enablement factor that the user enjoys, i.e. maybe even giving him the tools to switch you off – handing control over, fair and square. Mass advertising will diminish greatly as mass media shrinks and shrivels and as media is *both* becoming unbundled (i.e. songs rather than CDs, and clips rather than shows) and re-bundled (i.e. included in access subscriptions and other services).

To finish this off, here are various predictions (more to come...)

Google will launch an application that allows you to program your digital radios, TVs and mobile services via epg.google.com: search, find, program, get – all in one go.

Skype will launch a service that will see band and artists *paying* consumers to download and 'taste' their music and provide ratings and feedback to them - many music fans will make a living as professional music raters.

CNN will offer ad-hoc, live video and image feeds from camera-phone equipped 'stringers' from all over the world.

A consortium of Asian telcos and wireless operators led by **SK Telecom** will offer \$10 Billion+ per year to get a flat fee, all-you-can-eat license for music on digital networks.

Within 24 months, a compulsory digital music license will be tested in some **European** countries, followed by a pan-European scheme.

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