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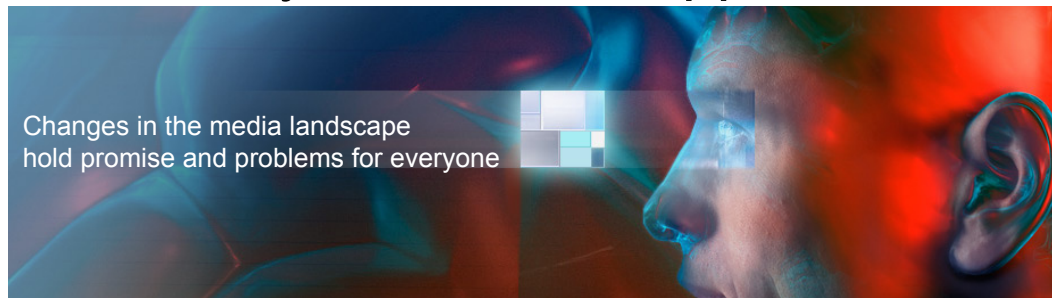
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## Blink and you miss the opportunities



Changes in the media landscape hold promise and problems for everyone

### Global lessons on the future of media, content and messaging

Traditional media channels are no longer the only means through which large audiences can be reached. CEOs, like JetBlue's David Neelman, post videos directly to YouTube. General Motors executives communicate directly to customers and other stakeholders through blogs. These days it seems as if every company, organization, and individual is navigating the new communications landscape and experimenting with blogs, video, and custom publishing.

Within this newly amorphous market segment of media, content, branding and messaging, [opportunity](#)<sup>1</sup> abounds. The following areas of change, the result of IBM's [Global Innovation Outlook](#)<sup>2</sup> discussions, are central to understanding and succeeding in the evolving media landscape for any organization and individual.

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1 "In five years, I don't think I'll be the Chief Executive Officer of my company anymore. I think I'll be something more like Chief Opportunity Officer. Because there are so many paths to go down, the hardest job will be deciding which one to choose."  
- Alok Kejriwal, founder and CEO of Mumbai-based Games2win

2 To date, more than 40 Global Innovation Outlook (GIO) "deep dive" meetings on six continents have brought together close to 500 influencers—IBM's own researchers and consultants, and other leaders in the worlds of business, politics, academia and non-profits—from dozens of countries. The GIO challenges some of the brightest minds on the planet to collaboratively address some of the most vexing issues on earth. For a truly global perspective specifically on the future of media and content, IBM convened nine GIO deep dives in seven cities across the globe.

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### Digital Content Creation

#### Creativity, content, ownership, community, streaming, broadband, distribution

Increasingly, we use the same tools to communicate with friends and family as we do for radio broadcasts, the nightly news, and the creation of great movies.



[Watch this video](#) (WMV, 1:16 min, 3.11MB)

[+ Read video transcript](#)

## Authenticity

**Achieving an authentic brand image is more critical, and more difficult, than ever**



In this age of marketing savvy and discriminating consumers, the ultimate brand image is one of [authenticity](#)<sup>1</sup>. But the harder companies try to manufacture an aura of authenticity, the more readily it is exposed as disingenuous.

While it's true that marketers have more channels than ever through which to deliver their branding messages, they have never had less control over how their products and services are perceived in the market. Brands get hijacked on a regular basis, sullied in seconds in the [blogosphere](#)<sup>2</sup> or in e-mail chain letters.

To turn this loss of control to an advantage, companies must first understand it. Many students and young consumers claim that authenticity comes not from a monologue, but through engagement in a dialogue. Consumers have grown weary of traditional marketing. In particular, the younger generation has found the world to be so full of [messaging](#)<sup>3</sup> that they desperately want to find something that's not designed to influence them. The best way for companies to achieve authenticity is to foster communities with customers, [engage them](#)<sup>4</sup> in conversations and address issues head on—which includes listening to their toughest critics without fear.

While brand loyalty has become an increasingly fleeting, and expensive, goal nowadays, it's important to remember that when this [new generation of consumers](#)<sup>5</sup> finds a brand they trust, they will freely associate themselves with it, posting it on their MySpace pages, crowing about it on their blogs, and building it into their online identity. When information on brands and products is passed along in this way, it's tremendously powerful.

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<sup>1</sup>“Authenticity is a store of value that generates trust, admiration and—in most cases—the extra boost needed for me to remove my credit card from its Tumi leather fortress. It's part experience, part conversation, part marketing, and zero parts brand or logo.” - Eric Hansen, 23 year-old graduate of the Syracuse University Newhouse School of Public Communications

<sup>2</sup> 1 blog created every second.  
9.2 new blog posts per second.

<sup>3</sup>“I'm not sure how many consumers believe in paid messaging anymore.”  
- Ajoy Krishnamurti, CEO, Sankalp Retail Value Stores

<sup>4</sup> \$1 million: budget to produce typical Super Bowl ad.  
\$12.79: budget to produce winner of Doritos® “Make-Your-Own” Super Bowl ad contest.

<sup>5</sup> In this new generation of dialogue between companies that sell things and people who buy them, consumers are actually creating advertisements, developing products, and refining the messaging of billion dollar companies. This begs the question: How should these people be compensated for their efforts? Though they are not official employees of these companies, they are undeniably providing a valuable service, not unlike the armies of expensive consultants and market analysts that these companies hire regularly.

## The Digital Persona

### Who should own your online identity?



Personalization. It's the holy grail of media and messaging in the Internet age. The vision at the dawn of the Web was of advertisements that know your name, news stories crafted specifically to your interests, and a world of unrelenting relevancy.

However, even with the advances made by media producers and advertisers, it often feels as if they're still [guessing](#)<sup>1</sup> who is on the receiving end of their content. Online marketing efforts often miss the mark because they're working with comparatively limited [data sets](#)<sup>2</sup>, with no ability to account for changes in taste, whim, and caprice. In short, they miss the human element.

But there is an alternative: the digital persona, where you control your own [personal data](#)<sup>3</sup>, license it out to trusted marketers and content providers, and update it as your needs change. For example, if you are getting married, you will want specific information that would aid in planning the wedding. But after the wedding, you may be looking for information about buying a home. To change the mix of content and ads you receive, you would simply update the personal preferences in your online marketing profile.

Some people call it a "digital locker," others know it as a digital marketing profile, or digital identity. Ultimately, consumers would be taking back control of their personal data and providing a very powerful, humanized marketing profile that marketers and content providers would love to access. In return, consumers would get more relevant advertising and perhaps even deals in exchange for keeping an accurate record.

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<sup>1</sup>Cost to reach customers across different advertising channels:

\$20: Yellow Pages

\$60: e-mail

\$70: direct mail

<sup>2</sup> Perhaps no single product of the digital age has had more influence over how content is currently consumed than cheap, plentiful storage. Today, 64 gigabytes of storage will run you about \$350 dollars, and comfortably fit in your pocket. You can store 21,000 songs on that amount of disk space. But by 2015, it is not unrealistic to assume that the same amount of money in dollars will get you a terabyte (1,000 gigabytes) of storage. That's 1.5 million books, 330,000 MP3s, or 185 Wikipedias in the palm of your hand. And enough storage to carry your entire digital persona with you wherever you go.

<sup>3</sup>"I think there's an opportunity for the end user to actually take more control and have some sort of commercial role and ownership of that personal data. The opportunity is around establishing the business model that enables the end user to both manage and commercialize their personal information in a way that creates value for multiple parties, i.e., the end user, the advertiser, and the content owner."

Charles Moore, head of innovation at Reuters

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## Context is King

### In the age of free content, the future (and the money) is in the context



These days, "content"—be it a newspaper article, movie, song, or piece of market research—is of limited and rapidly diminishing value. For this we have the Internet, its limitless cache of content and the ease with which that content can be shared to thank.

The digital age has made obtaining content nearly frictionless, creating a perception in the marketplace that content is free, or worth very little.

Perhaps that's why so many companies are focusing their efforts on the next ruler of the media landscape: [context](#)<sup>1</sup>. That is not to say that content is unimportant. But it is quickly becoming the commodity backbone around which contextual services can be built. In this regard, the media business is transitioning into a service model where the business value in large part comes from matching content with the best context to maximize impact.

As an example of new ways of [extracting value](#)<sup>2</sup> from content, consider Reuters, the global news organization, which has developed a service that trades stocks based on whether a company is receiving positive or negative treatment in the press. In milliseconds, software can scan the Reuters universe of news content, determine the overall sentiment of that news toward a particular company or industry, and place trades accordingly.

As [data analytics](#)<sup>3</sup> continue to be refined, and the ability to match complex and disparate data sets to an individual's preferences is developed, there are many opportunities for content producers to learn more about how their content is consumed and where its true value lies.

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<sup>1</sup>Context, as it applies to content, comes in many shapes and sizes. The basic definition is this: "any information that adds value to a piece of content, either for the producer or consumer, by affecting the delivery or consumption of said content." The most commonly understood example of adding context to content is location-based services. When you add information about an individual's physical location, it affects what kind of content they would like to consume (local restaurants, movie times, or news broadcasts) and how they would like to consume it (mobile phone, Web browser, etc.). If content is the "what," context is the "when," "where," and "how."

<sup>2</sup>"By tracking and discerning the content that individuals habitually read, and creating a user's 'personal DNA,' we can match the DNA of news stories to a user's preference, thereby increasing relevancy. You cannot possibly see everything on the Web, so when it comes to getting the right things, less is more."  
- John Snyder, founder of Grapeshot

<sup>3</sup>With advances in processing power and analytics software, the next ten years could see a revolutionary change in how we make sense of disparate data. Taking consumer or business data, making sense of it, and applying it in real time is an extremely powerful proposition. And the advances that are expected in this field will enable not only better personalization of content and marketing, but also predictive services for use in myriad business applications.

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## Going Mobile

### Can wireless communications bridge the digital divide?



It's easy to think that the Internet is pervasive worldwide. But, in fact, huge swaths of the globe are still without access to computers and the lines or cables that connect them to the Internet. This phenomenon is commonly known as the digital divide.

And while there have been many attempts to connect rural areas across the globe to the Internet, one aspect has perhaps not been as well thought out: Connecting is not the same as engaging.

When exploring issues around delivering content to the rural poor, mainly through the use of cheap laptop computers, there is a complicating factor. Even if you were able to connect the masses to the Internet, a large percentage of the impoverished are illiterate, and would find it difficult to master written language skills and a computer interface.

As it happens, some of the most undeveloped parts of the world are already beginning to experience [Internet connectivity](#)<sup>1</sup>—but they’re using mobile devices instead of cheap laptops or obsolete desktop computers. The mobile platform is clearly establishing itself as a superior bridge for the digital divide. The infrastructure is easier to build, the handsets are more affordable, and the interface is easier to master. The advantage of mobile devices over PCs is that they rely heavily on graphical interfaces, and do not require a mastery of written language to operate.

Developing a [visual language](#)<sup>2</sup> on mobile technology would make it more productive to people who lack reading and writing skills and even facilitate commerce between India, [China](#)<sup>3</sup>, Africa, and the rest of the world. Similarly an “Audio Web”—an Internet that could be navigated solely by voice commands—is worth exploring. Indeed, the mobile platform has the potential to connect, create markets, and build new wealth.

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<sup>1</sup>Wireless broadband speeds will make quantum leaps in the next 10 years. Imagine 100 megabits per second flowing to your cell phone or mobile device. That’s enough speed to stream music, movies, or a video conference. This wireless surge has major repercussions, not just for consumer media consumption, but also in enterprise data access. With immediate access to virtually any piece of data or content you could want, thousands of new business models become possible.

<sup>2</sup>“Today the real benefits of technology are not available to illiterate people. What we need is a universal language; a communication code which I suspect is going to be based on some visual icons, because that seems the easiest, and most universally recognizable way of being able to communicate with each other.”  
- Ranjan Kapur, country manager for India, WPP Group Plc.

<sup>3</sup>China sees itself playing a major role in the future of media and content creation and distribution—however it will have great challenges to overcome in this regard, most of them self-imposed by the fact that the media and the Internet are controlled by the state. China’s success in producing and disseminating content lies in its own hands. It has the world’s attention already—it’s only a matter of what it wants to say.



## VIDEO TRANSCRIPT

### Global Innovation Outlook 3.0: Digital Content Creation

**Anil Dash, Chief Evangelist , Six Apart, LTD.:**

People create because they can't not create. They love to make new things.

**Kevin Werbach, Professor, Wharton School:**

Amateurs can create content and distribute it so much more easily and so much more widely.

**Yair Landau, President, Sony Pictures Digital Entertainment:**

And a lot of that has to do frankly with the availability of broadband. You reach a certain level where enough of the population is online using broadband so that there's more and more video consumption that's a common experience on that platform.

**Anil Dash:**

So the same tools that we use to talk to our friends and family, are the tools that we use to make the nightly news, are the tools that we use to make the great movies and the books that we see...

**Dick Anderson, IBM General Manager, Media & Entertainment:**

The changes in digital content creation are permanent. They're going to continue, because the barriers to creating it have dropped so dramatically.

The business implications of these changes in digital content creation really go across all industries. And they'll be profound.

There will be significant new business models that are created out of this, and we're already seeing that.