The New New Media

Global lessons on the future of media, content, and messaging.
Change Is Good

In the evolving media landscape, opportunity abounds.

It used to be so easy. Back when there were just a handful of network television stations, one local newspaper, and a half dozen radio stations in each market, people knew where to get their content. And advertisers knew how to reach those people.

But technology has changed everything. 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—be it a billion-dollar multinational, a local government, or a person with a passion—is navigating the new communications
landscape and experimenting with blogs, video, and custom publishing. In this regard, we are all in it together. We are all content producers.

The disruptions facing the media industry are instructive to any organization.

This sentiment is what led IBM’s Global Innovation Outlook™ to explore opportunities for innovation within the newly amorphous market segment of media, content, branding, and messaging. (For more on the GIO, see About the GIO, page 43.) From the outset, it was clear that this focus area was about much more than just the media industry. Today, the lessons the media industry is learning the hard way are instructive to any organization.

As in any GIO exploration, our participants directed the course of conversation, choosing the specific areas they felt were ripe for innovation. Meetings took place in Helsinki, London, Los Angeles, Mumbai, New York, Seoul, and Shanghai, and several promising themes surfaced (see map, page 44). For instance, the idea that context is becoming more important than actual content. Or that achieving an authentic brand image is more critical, and more difficult, than ever. There were pleas for universal standards for content usage rights. And the hope that the mobile platform could serve as a bridge for the rural disenfranchised,
who are eager to connect with the rest of the world in this digital age.

Important regional differences became apparent throughout the GIO process. In Shanghai, for example, we heard a great deal about the need for all content to be of both educational and cultural value. In New York, we dove into the topic of piracy and the impact it is having on the established media industry. In Mumbai, there was endless optimism about the role India will play in the future of content creation and distribution.

Despite these differences, an overall consensus emerged, suggesting that out of all this disruption comes unprecedented opportunity. Or, as Alok Kejriwal, founder and CEO of Mumbai-based Games2win™, said, “In five years, I don’t think I’ll be the Chief Executive Officer of my company anymore. I’ll 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.”

This attitude, more than anything, highlights the importance of this GIO topic. The following essays, interviews, and contributions from “deep dive” participants are representative of our global conversations. Ultimately, this report is merely a jumping-off point for further exploration, collaboration when possible, and deeper understanding of the changes affecting every business and organization.
Authenticity

Viral anti-marketing, brand loyalty, and listening without fear.
It is a classic Catch 22: In this age of marketing savvy and discriminating consumers, the ultimate brand image is one of authenticity. But the harder companies try to manufacture an aura of authenticity, the more readily it is exposed as disingenuous.

While it is 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 on the blogosphere or in e-mail chain letters. It’s called viral anti-marketing, and it can change public perception of a product or company in a heartbeat. Anyone who’s watched a politician’s most embarrassing moment replayed millions of times on YouTube knows the devastating quickness with which an image can sour these days (see Walking the Fine Line of Viral Marketing, page 13).

To stave off this disturbing trend, companies must first understand it. Many students and young consumers claim that authenticity comes not from a monologue, but through engagement in a dialogue (see The Voice of Youth, opposite). Consumers have
The Voice of Youth

Authenticity, as it relates to brands, is a moving target. We asked Eric Hansen, a 23-year-old graduate of the Syracuse University Newhouse School of Public Communications, a GIO partner, to help define it for us. Here’s what he had to say:

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.

One of the most stressful aspects of modern human existence is defining one’s own identity. The brands I affiliate myself with have worked exhaustively to shape their identity through meaningful actions and innovative products/services. JetBlue is a perfect example.

One time I had to spend the night in an airport to get on an early JetBlue flight, and their employees brought me a blanket, pillow, and some refreshments for my unexpected slumber party. The authenticity of JetBlue shines not from the branded exteriors of their Airbuses, but from the plane interiors filled with leather seats for everybody and your channel of choice for the entire flight. When their experience was chilled by a catastrophic logistical failure, they spoke to me in an unvarnished tone on YouTube, where I could watch my fellow fliers respond in real time. They trusted me enough to understand that YouTube was a public dialogue, so I trust them with my airline endeavors.

“JetBlue trusted me enough to understand that YouTube was a public dialogue, so I trust them with my airline endeavors.”

—Eric Hansen, graduate of the Syracuse University Newhouse School of Public Communications
The Currency of Contribution

New models of compensation are needed in the generation of participation.

A now widely accepted aspect of the Internet age is that the communication between companies that sell things and the people who buy them has shifted from a monologue to a dialogue. Individuals are enjoying unprecedented say in the way in which their products and services are created and delivered. In some cases, consumers are actually creating advertisements, developing products, and refining the messaging of billion-dollar companies. All of which blurs the line between producer and consumer.

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. While many customers are happy to offer their services in exchange for mere recognition, can lawyers and requests for monetary remuneration be far behind?

As the level of participation continues to ratchet up, so too must the method of compensation. In some cases, recognition may be sufficient (like the director of the user-generated Doritos® commercial that played during the 2007 Super Bowl). But in other cases, something more substantial is needed, such as discounts, cash, or equity. In addition, a mechanism is needed to identify the most significant contributors to a brand or product, both from within a business and from the external ecosystem. If a marketplace for consumer participation were established, with definitive rules for the valuing of different kinds of participation, it would likely spur yet more participation and an overall increase in product quality.

Consumers are creating advertisements, developing products, and refining the messaging of billion-dollar companies.
grown weary of traditional marketing. In particular, the younger generation has found the world to be so full of messaging—whether it’s from companies trying to sell them something, politicians on the campaign trail, or their own parents—that they desperately want to find something real, something that’s not designed to influence them.

“Viral anti-marketing is engagement, as far as I’m concerned. We’ve embraced our toughest critics, engaged them in a dialogue, and addressed the issues they’ve cited. Our brand is stronger as a result.”

—Karen Becker, Senior Director of Corporate Marketing, Autodesk

Thus, with each successive generation of consumers, brand loyalty becomes an increasingly fleeting, and expensive, goal. However, when this new generation of consumers 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 identities. Though they are
fiercely skeptical of brand messaging, they are in fact the most branded generation ever. “There is tremendous power in the ‘trusted referral’ or ‘derivative impression,’” says Matt Jacobsen, head of market development at Facebook,™ referring to the impact that young people can have when they pass along information on brands and products.

So how do you achieve that kind of credibility with consumers—and keep it? For one thing, engage them in a conversation. And listen to your critics, without fear. “Viral anti-marketing is engagement, as far as I’m concerned,” said Karen Becker, senior director of corporate marketing at Autodesk.® “We’ve embraced our toughest critics, engaged them in a dialogue, and addressed the issues they’ve cited. Our brand is stronger as a result.”

One GIO participant went so far as to place its most outspoken critic on its board of advisors. While that may be a bit extreme, the truth is that these critics may be your best allies, providing more valuable feedback than the zealots who defend your products in the marketplace. Fostering communities of customers and critics, engaging them in conversations, and addressing issues head on is the best way to achieve authenticity.
Q&A

Walking the Fine Line of Viral Marketing

Ajoy Krishnamurti, CEO, Sankalp Retail Value Stores™, the Indian franchisee of the MyDollarStore™ chain, shares his thoughts on achieving an authentic brand.

GIO: When you rely on word of mouth to spread the message of your business, sometimes the wrong message can get spread around, too. Has that ever happened to you?
KRISHNAMURTI: The products that we price at 99 rupees (about U.S. $2.00) are actually significantly cheaper than they are in other markets. So what’s happened is that customers question whether the product is genuine. They say, “Are you sure the product is not life-expired?” That happens when you’re selling at 99 rupees. And for us that has been a fairly tough thing to combat, because customers are looking at a good thing negatively. They think that this kind of a price point is just not possible. And that is something we have to try and combat in some form or another.

GIO: But with no marketing or advertising budget, how do you combat that kind of viral anti-marketing?
KRISHNAMURTI: There are two things we have done. We realized we could have advertised the fact that all our goods are fresh, imported directly from the vendors, and so forth. But consumers expect a retailer to say all those things, even if they are selling junk. So we figured that the moment customers walk in, we needed to persuade them that what we are selling is good stuff. And so we offer an absolutely unconditional guarantee: If the customer is not satisfied, he or she can walk in with a half-empty jar of peanut butter and take something else instead. There are absolutely no questions asked. We don’t even ask for the cash receipt if we know the product is ours. They just bring the product back and take something else instead. And we started putting a stamp on the back of the cash receipt saying, “Goods once sold will be taken back,” because in India a standard thing is that goods, once sold, will not be taken back.

GIO: So instead of pushing a message on to the consumer, you’ve essentially changed your service offering to the consumer and allowed that to take hold in the market.

KRISHNAMURTI: Yes, I think we have had to, because if you look at what’s happening today, there are two realities. One is that I’m not sure how many consumers believe in paid messaging anymore. The second is the pervasiveness of unpaid messaging that’s happening in terms of word of mouth, whether it’s e-mails that go around, or the stuff that you see on blogs and customer reviews. You can’t influence that. You can hope to do your best and make sure that the customers are happy, and therefore they talk to other people about it.
CHAPTER 2
The Digital Persona

Who should own your online identity?
Personalization. It’s the holy grail of media and messaging in the Internet age, and it’s been promised in myriad ways to both content producers and consumers. 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 in this digital age, it often feels as if they’re still guessing who is on the receiving end of their content. The march toward the elusive “market of one” has been slower than many believed it would be. Online book retailers serve up suggestions “recommended for you” based on gifts you bought for your mother-in-law. Online video services assume you’re a conspiracy buff just because you once rented Oliver Stone’s *J.F.K.* Why do these marketing efforts, and the powerful algorithms that direct them, feel so off the mark? Mostly because they’re working with comparatively limited data sets, 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. This idea presupposes that a segment of the population wants to control its own personal data, license it out to

Cost to reach customers across different advertising channels:

- $8 Internet search
- $20 Yellow pages
- $60 E-mail
- $70 Direct mail
trusted marketers and content providers, and update it as their needs change. For example, if you are getting married, you will want specific articles and 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 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, the same information that is bought and sold hundreds of times over by countless companies. Consumers have already volunteered much of that data to dozens of disconnected service providers: the grocery store loyalty program, credit card companies, iTunes. These are all pieces of a digital puzzle that, when fit together, would make a more complete picture of your personal preferences. Add to that a personal level of control over the data, and you would have a very powerful, humanized

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**STORAGE**

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.
marketing profile, one that marketers and content producers would love to access.

For the consumer, considering how valuable that information is, wouldn’t it be nice to get something in return? Maybe not money, but at least more relevant advertising and deals in exchange for keeping an accurate record. By offering discounts and other incentives in exchange for access to your personal data, marketers could finally achieve that demographic of one.

Ultimately consumers can take back control of their personal information—the same information that is bought and sold hundreds of times over by countless companies.

There are plenty of challenges to the concept. For one thing, serendipity plays a huge role in both content consumption and advertising (see Defining the Digital Me, opposite). Also, content providers and marketers will have to overcome the privacy concerns of consumers being asked to volunteer personal information. They will inevitably fear abuses of that information, identity theft, and the like. But today’s consumers already offer up their personal data in bits and pieces all the time, and get very little in return. That data gets abused and misused (or worse: misinterpreted) on a daily basis. The digital persona would at least provide a way to take back some small measure of control over that data, and ultimately provide businesses with their coveted market of one.
Q&A
Defining the Digital Me

Charles Moore, Head of Innovation at Reuters, describes the benefits of the user-defined digital persona.

GIO: How do you define the “digital persona”?  
MOORE: It’s something along the lines of a centralized electronic record around the interest, behaviors, demographics, and other personal data relating to an individual online, both a mix of passively collected data, as well as proactively contributed data.

GIO: Would it be entirely up to the consumer to build and maintain this thing?  
MOORE: Not entirely, but I think the consumer has to have some strong role in what passive information they allow to be collected about them. So the consumer is in control, but is not responsible for all of the legwork in terms of data collection.

GIO: That opens up the philosophical question of who owns and controls the value of personal data.  
MOORE: I think that’s the nub of the matter and the potential opportunity here. I think most of this information already exists today, and I think most users aren’t aware of how much of their personal data is actually out there, being resold by the marketing database outfits or just being collected about them as they go about their everyday online surfing habits. So I think there’s an opportunity for the end user to actually take more control of that, 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.

GIO: What incentive would companies that control personal or marketing information on individuals have to contribute that information to this digital persona, or digital profile?  
MOORE: For the media owner to have access to a current user profile enables increased value at two levels. First, they can present customized content and create a more relevant user experience. But perhaps more important, through better user insight, the value of the advertising inventory rises with greater targeting.

GIO: Don’t end users still want some level of serendipity from the content they consume?  
MOORE: That’s an important point. I don’t think many consumers would ever want a 100 percent personalized world where they are in complete editorial control of all of the content that they consume. I think one of the things people like about some of the existing media forms, such as newspaper, is the editorial element and introducing content that they wouldn’t otherwise be exposed to or choose to read on a standalone basis. I think there’s probably a balance somewhere in the middle. The consumer will ultimately decide what that balance should be.
CHAPTER 3

Blog

From Wikipedia, the free encyclopedia

Wires have a life of their own. They twist and turn and tangle, and make themselves hard to get from almost any angle. But as we enter a wireless world, we will not weep for wires’ demise. They brought it on themselves.

J. W. Henderson

For other uses, see Blog "Blogger" redirects here.

A blog (a portmanteau of web in reverse chronological order) Blogs provide commentary or personal online diaries. A typical
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. That is not to say that content is unimportant. But it is quickly becoming the commodity backbone

**WHAT IS CONTEXT?**

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.”
What Would the Experts Do?

Steve Masiclat, Director of the New Media Master’s Program at Syracuse University, on the value of following an expert’s path through the Web.

We live in a sea of digital information right at our fingertips, but searching for it is an exercise in variable success and excess. The Internet has made publishers of millions. Everything is available to us all the time, and the amount of data doubles every five years. What we need is context, a schema that orders these vast amounts of information into related and comprehensible structures.

The problem with the way we create context today is that we use what experts call ontology, or data models. But what if that ontology has holes, as most do? Can you contextualize around missing data?

Expert Internet users, hunting for information, will systematically go about finding all the pieces they need to build a satisfactory understanding of a topic, using myriad sources. This is a behavior undertaken every day by thousands of Internet users with as many varying levels of success. Some find enough information to make sense of a story, but most do not. But what if those masses could see how a true expert went about achieving understanding of a topic?

What we need is the ability to see an expert path through a set of pages. If one could capture an expert’s context in the form of the path traversed and time spent on the search for meaning, one might have a picture of the missing contextual data needed to make the picture whole. One would definitely have a valuable new set of information; you would have both an expert’s information set and an ideal path through it.

Arguably, this is the service editors provide. But where newspaper editors worked by culling a limited set of stories into those deemed “newsworthy,” the Internet includes everything.

Information is a commodity and a low-cost one at that. The cry for context is really a cry for service built upon the commodity; a cry for the ability to tailor that data to specialized needs and turn it into intelligence. The most valuable service is the intelligence of an experienced data miner, and their traverses through the morass. If that path could be turned into an interactive, clickable, and clearly visible artifact, it would be a valuable addition to the universe of information. That’s a news object I’d subscribe to.

“Following the path of an experienced data miner as he traverses the Internet has tremendous value.”

—Steve Masiclat, Director of the New Media Master’s Program at Syracuse University
Not Necessarily the News

John Snyder, Founder of Grapeshot, explains his efforts to extract value from the flood of online news stories.

Fresh news is not always relevant news. And when there is a sea of information relentlessly beating upon our shores, how do we start to understand what should actually be read or acted upon?

A simple keyword search on a single company name in Google™ news can return an endless number of irrelevant hits. But there is an alternative: use all the keywords.

If one compares the 500 words in one story with the 480 words in another story, patterns begin to emerge. This analysis could be called the “DNA” of the story, and when you compare that DNA against the DNA of all other news stories, it defines the context of a story across the corpus of all stories. The “delta” across documents, when compared, starts to unlock intrinsic value in each document.

All of this can provide a benchmark for whether a story is anything different and new in terms of contextual content. Through this constant, real-time analysis, we can also determine which stories are “accelerating,” or increasing in aggregate importance throughout the Web. In this way we can distill the relevance of the news flow. It is this relevance that helps to define the news you and I should hear about. Plotting the trajectory of a story helps to separate the signal from the noise.

In addition, 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.

“The “delta” across documents, when compared, starts to unlock intrinsic value in each document.”

—John Snyder, Founder of Grapeshot
around which contextual services can be built. In this regard, the media business is transitioning into a service model, not unlike dozens of other industries in the search for higher margins.

For example, one network executive at the GIO meeting in New York was very keen on tracking content with some kind of technology that would report back usage information. Surprisingly, his primary concern was not fighting piracy, but rather discerning where the content had been, how it had been consumed, and how many people had consumed it. Some content, especially advertiser-supported content, would increase in value the more people consumed it. Other content, like a stock tip, would decrease in value as more people viewed it. In this case, context acts as a bridge between the intention of content, and its actual results. But where’s the business model?

“The money is there if you can connect ads with
people’s intent,” says John Snyder, the founder of a U.K.-based startup called Grapeshot™, which is developing software to help measure the “trajectory and velocity” of news stories on the Web to help advertisers connect with the right content at the right time. “Most places are unaware of the intent of their readers. Personalization has to reflect intent and context.”

DATA MINING

Data is everywhere. It’s universally accepted that humans do a great job of collecting data in the digital age. The problem is what to do with all of it. With advances in processing power and analytics software, the next 10 years could see a revolutionary change in how we make sense of disparate data. As we discussed in the essays on context and digital persona, 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, like Reuters is already doing. By using powerful analytics software to sift through the universe of data, businesses should be able to not only tell what has happened, but also what will happen.
Another example of distilling context from content comes from one of IBM’s GIO partners, Reuters. The global news organization has a new take on algorithmic trading, the automated trading platforms used by many Wall Street firms. Leveraging its relentless coverage of the world financial markets, Reuters has developed a service that trades stocks based on whether a company is receiving positive or negative treatment in the press. In milliseconds, the 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 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. That doesn’t make it any easier for the hundreds of media companies that have built billion-dollar businesses by creating and selling content. But it does provide a path to some much-needed new revenue sources.
CHAPTER 4
Going Mobile

Can wireless communications bridge the digital and economic divides?
It’s easy to think that the Internet is pervasive throughout this new, so-called flat world. But the truth is that huge swaths of the globe are still without access to computers and the telephone lines that connect them to the Internet. This phenomenon is commonly known as the digital divide. And while there have been many well-intentioned 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 supply the masses with computers, and connect them 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 at the same time.

As it happens, some of the most undeveloped parts of the world are already beginning to experience the connectivity of the Internet—but they are 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. For the most part they are still used largely for making voice calls, though the potential is far greater.

“It’s a pity if mobile phones are used only for voice telephony,” says Ranjan Kapur, the country manager in India for global advertising firm WPP™. Kapur has a passion for making mobile phones and the content they could provide to the rural poor more accessible. He believes that a universal iconic language could develop on the mobile platform, ushering in widespread adoption, and even facilitating commerce between India, China, Africa, and the rest of the world (see Iconic Literacy, page 33). “We need to find a way to make mobile telephones more productive.”

One way to make mobiles more useful to people who lack reading and writing skills would be to consider what an “Audio Web” would look like. Not the Web as we know it, converted into a phone, but an Internet that could be navigated solely through the use of voice. Information could be exchanged and transactions could be conducted exclusively through voice commands. Call it the “Spoken Web.” Real-time voice translation services

The mobile platform is clearly establishing itself as a superior bridge for the digital divide.
would also go a long way toward enabling communications and commerce between dialects and languages that have strong oral cultures, yet very little literacy.

Simply put, wireless has the potential to connect, create markets, and build new wealth. Besides delivering content that could spur regional businesses (like getting crop-specific information to improve yields), the mobile platform also has the potential to bring rural environments into the political fold, facilitate distance-learning, and dramatically improve healthcare through telemedicine.

At the same time, Westerners should not assume they know the type of content these rural regions need. The trick is getting enough handsets into the hands of the people, so they themselves can begin to create the content they need. Few could have predicted the Internet’s many uses before it was unleashed and placed into the hands of millions of users. There’s no reason to think the mobile platform will be any different.

**WIRELESS BROADBAND**

Get ready for the wireless streaming age. 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 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.
Q&A

Iconic Literacy

Ranjan Kapur, Country Manager for India, WPP Group plc., on visual languages and their potential for the rural masses.

GIO: What is driving the need for mobile communications in rural India?

KAPUR: In India we have about 625,000 villages. Almost 67 percent of our population (about 700 million people) live in rural areas. Distances are vast in this country, and these areas are disconnected from each other. We have in excess of 800 known dialects. And a dialect changes every 10 kilometers. Now you can imagine what that does for communication. Over 200 million people in India live in what I call “media dark” areas. They have no media available to them. No TV. No print. No radio.

GIO: What role does illiteracy play in keeping these folks disconnected?

KAPUR: Literacy is defined as an individual’s ability to read and write language, but literacy cannot and will never be a measure of intelligence. And neither is literacy a measure of an individual’s capability to communicate and/or conduct business. English itself is a very complicated language. That’s where this whole issue of visual icons comes in. Children today, young kids, three years old, who have not yet reached the level at which they can be called literate, are interacting with technology. They’re playing video games. What is their medium of interaction? It’s all visual.

GIO: Can this visual medium be scaled up, all the way from video games to complex communications?

KAPUR: We have to overcome this problem of educating the masses to be able to get the real benefits of technology. Today the real benefits of technology are not available to illiterate people. And I think that visual icons can probably overcome this issue. 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.

Take mobile telephony. Mobile telephony is growing at the rate somewhere between 6 and 7 million new phones per month in India, which means that we have somewhere between 75 and 90 million phones coming into the market every year. Half of them will be in the hands of a rural community that is considered illiterate. Literacy is not going to grow at the same pace as mobile telephony. The question is, can we develop a visual icon language that allows the rural community to actually interact through those visual icons to conduct commerce, conduct business, find enterprise solutions, and communicate with other people?
CHAPTER 5
Additional Perspectives

A possible solution to the piracy problem; China’s media ambitions; and the impact of virtual worlds on branding.
Content Bill of Rights
Universal standards for content usage rights could save the digital media business.

To consumers, current digital rights management solutions seem arbitrary, proprietary, and terribly inconvenient. And through its tireless (and justifiable) efforts to protect intellectual property, the media industry has inadvertently cultivated an adversarial relationship between itself and its potential customers. That’s no way to run a business.

Perhaps that’s why many media industry executives are intrigued by the concept of universal standards. These standards would define the way different types of content can be used, rather than the diverse DRM solutions in use today. The belief is that some kind of “content bill of rights” could more clearly define usage, reduce friction, and perhaps spur sales of digital content. Maybe even enough to save those businesses built around the creation and distribution of digital media.

In this new scenario, usage rights would be attached to a piece of content, not the device used to consume it or the mechanism used to deliver it. In other words, if you bought a digital copy of Disney’s *Pirates of the Caribbean,* you would own the right to view that movie in all its forms, regardless of whether you watched it on DVD, your iPod, your computer, or in a hotel room while on a business trip. If you misplaced the DVD, you would be able to download it again, no extra charge. The rules would be simple, fair, and universally applicable, creating an acceptable contract between the producers and consumers of content.

But more important, this content bill of rights, whatever form it ultimately takes, would be written collaboratively, through a combination of input from content producers, distributors, device manufacturers, and consumers.
Student participants in the GIO repeatedly bemoaned their lack of a voice in their relationship with the music industry. The students feel the industry treats them as the enemy. As a result, though moral high ground is actually with the industry, public sentiment is with consumers. But if consumers were given a voice—through open online forums, wikis, or other collaboration tools—in constructing the new rules of content consumption, perhaps that relationship could be repaired.

Despite widespread public opinion to the contrary, the media industry is not unreasonable in its demands. “There needs to be some platform where people can transfer content the way they want to but allow producers to monetize it,” said Andy Tseng, a general manager at Sony™ Electronics, an IBM GIO partner.

Usage rights would be attached to a piece of content, not the device used to consume it or the mechanism used to deliver it.

The content bill of rights would not solve the technical limitations of digital rights management; some consumers will always steal content if given the choice. But if the universal rights were widely understood and undeniably fair, it might encourage a greater percentage of consumers to pay for their content. And that alone would be a victory, of sorts, for the industry.
Regional Spotlight: China

With the eyes of the world upon it, China aims to tell its story.
These days, no matter what the topic, the whole world seems to want to know what impact China may have on it. And so it is with media and content.

Not surprisingly, China sees itself playing a major role in the future of media and content creation and distribution. What is surprising, however, is how strongly the Chinese feel about the purpose of that content.

“You have to take a long-term view,” said Lawrence Tse, a partner in Gobi Partners, an early-stage venture capital firm based in Shanghai and Beijing. “We’re not just talking about getting Chinese language content on the Internet, we’re looking at what kind of content can transcend language. Everyone in the world watches content from Hollywood. But can Chinese content tell the rest of the world about Chinese culture?”

Of course, Hollywood exported American culture incidentally, more as a byproduct of its success in the entertainment business than anything else. But in China there is a widespread sense that all content should have educational and cultural value. By becoming a leader in content creation, particularly by populating the Internet with Chinese language content, China could tell the world of its glorious past and bright future. But China will have great challenges to overcome in this regard, most of them self-imposed.

For one thing, the media and the Internet in China are controlled by the state. Some of our GIO participants complained that until artists and creative types feel comfortable expressing themselves without repercussions, content creation will never truly flourish in China. Without that artistic freedom, China will have a hard time duplicating the success of Hollywood. For this reason, and others, foreign investors will be hard to come by.

Can Chinese content tell the rest of the world about Chinese culture?

Ultimately, 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.
Virtual Uncertainty

Irving Wladawsky-Berger, Chairman Emeritus of the IBM Academy of Technology, on the impact of virtual worlds on the business landscape.
It’s not often that the media industry goes through major upheavals. There was the television back in the 1940s; the VCR in the 1970s; and of course, the Internet in the 1990s.

But now, in 2007, we are facing the second major upheaval in just the last decade. Before the dust has a chance to settle from the Internet revolution, we are already taking our initial steps into the next: the virtual world revolution.

Just like the World Wide Web is forcing content creators of all stripes to reconsider how they craft and distribute their messages, the rapidly developing virtual world, or 3D Internet, is changing the game again. This time, however, with the memory of how the Internet changed the media landscape still fresh in our minds, we have a chance to recognize and capitalize on this movement to virtual worlds, which is still in its most embryonic stages. Today’s virtual worlds are to the future of the Web what silent movies were to Hollywood: merely the first step in a wide-open world to come.

Virtual worlds are an entirely different medium than anything that has come before it. They are incredibly expressive, interactive, and personal. Therefore, content created for those worlds—and by content I mean everything from information, advertising, and interactive content to the traditional forms of media content—must be completely rethought. In virtual worlds, it’s less about consumerism, and more about expressionism. Ironically, the power of technology has created an extremely human element to these worlds. Any company looking to do business in these worlds had better keep that in mind, lest their message get misconstrued, ignored, or co-opted.

We are merely at the beginning of this revolution, and it is impossible to say what new platforms of content creation and distribution may arise over time. But businesses interested in branding and messaging in these worlds had better consider their new contextual surroundings.

**In virtual worlds, it’s less about consumerism and more about expressionism.**

and create campaigns that are sufficiently appropriate for the medium. Done right, virtual worlds present a compelling new medium for the old school media companies, the marketers that rely on them, and the consumers they both want to reach.
ABOUT THE GIO

In early 2004, IBM took an unprecedented step: We opened up our annual technology and business forecasting processes to the world with the first Global Innovation Outlook. We gathered our top researchers, consultants, and business leaders, armed them with the latest insights on emerging technical trends and socioeconomic shifts, and created a platform upon which our entire innovation ecosystem could join together to surface new and unforeseen opportunities for business and societal innovation.

The GIO is rooted in the belief that, in the early days of the 21st century, the very nature of innovation has changed. It is increasingly open, collaborative, multidisciplinary, and global. This shift means that the truly revolutionary innovations of our time—those that will create new markets, redefine old ones, and maybe even change the world for the better—require the participation and investment of multiple constituencies. The GIO challenges some of the brightest minds on the planet—from the worlds of business, politics, academia, and nonprofits—to collaboratively address some of the most vexing issues on earth.

This collaboration begins with a series of open, dynamic conversations called “deep dives.” To date, more than 40 GIO deep dives on six continents have brought together close to 500 influencers from dozens of countries. These free-form conversations, fueled by a diverse mix of expertise and perspectives, are inevitably candid and spirited. Collectively, they result in an explosion of ideas that spark new relationships, policy initiatives, and market opportunities for all involved. Previous topic areas have included the environment, healthcare, and transportation. For copies of reports from previous GIOs, please visit www.ibm.com/gio.
AROUND THE WORLD IN 60 DAYS

Pursuing a truly global perspective on the future of media and content, IBM convened nine GIO deep dives in seven cities across the globe. Here is a sampling of the regional findings from the GIO blog, which can be found at g.io.typepad.com.

**LONDON:**
Content, though shared and distributed in myriad new ways, has not substantially changed in hundreds of years.

**NEW YORK:**
Young people have no sympathy for the struggles of media companies trying to protect their copyrighted material. They don’t recognize the word “piracy.” They call it “sharing.”

**LOS ANGELES:**
Listening without fear to customers and critics is the only way to achieve an authentic brand.

**LONDON:**
Content, though shared and distributed in myriad new ways, has not substantially changed in hundreds of years.
HELSINKI:
Personal broadcasting could help individuals identify content and like-minded people in any location, creating spontaneous communities in real time.

SEOUL:
There is value in letting content providers know just what kind of content you’re in the mood for, like an instant-message status indicator for content.

SHANGHAI:
If China emerges as a global force in media and content production, it should use that position to educate the world about Chinese culture and values.

MUMBAI:
What if a universal, visual language—developed through the use of mobile devices—that could bridge the technology divide, not just in India, but in Central Asia and throughout Africa as well?
The GIO meetings on media and content brought together 142 ecosystem participants from 18 countries in seven cities. Contributors include representatives from the following companies and organizations:

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The worlds of media, content, branding, and messaging are changing so rapidly that it’s not unrealistic to think a startup could appear tomorrow and rewrite all the rules again by the end of this decade. That kind of change requires adaptability, a willingness to collaborate, and near constant innovation. That’s why the GIO ecosystem of businesses, academic institutions, and nonprofit groups that worked together to forge the preceding insights is already working to create market initiatives and thought leadership papers on these subjects and others.

For more information about the GIO and its outcomes, please visit our website at www.ibm.com/gio.