

CONVERGENCE, CHANGE, CUSTOMERS AND 'DISRUPTIVE TECHNOLOGIES'

By Nancy M. Davis

The forces of change are not driven by us, but by customers who want information where, when and how they want it," said Howard Finberg during Friday's media-convergence workshop.

Sponsored by The Media Center at the American Press Institute in Reston, Va., the pre-NEXPO workshop featured separate sessions for managers and technology specialists. Finberg, a Media Center senior fellow at and founder of the Digital Futurist Consultancy in Tempe, Ariz., said the newspaper industry sits at an "inflection point," where disruptive technologies surround the medium and demand that companies "throw off the existing culture and methods of doing business.

"Our customers are getting smarter. Their expectations are higher," he said. "They want to do business in their time, not yours," aided by "forces of disruption," such as cellular-



Howard Finberg, managing director of the Digital Futurist Consultancy, speaks during Friday's Media Center workshop on convergence.

data services, instant messaging and real-time businesses. Among the broad issues publishers must confront, he identified the following:

The Internet. Finberg predicts that Internet penetration will reach 71 percent of households by 2007, after 12 years of growth, and online ad spending will account for 6.8 percent of U.S. ad spending in all media by that time.

The rapid proliferation of broad-

band Internet access "changes the rules" because it alters consumer behavior, encouraging Americans to view the Internet as an always-on, "utilitarian resource."

Consumers with high-speed broadband Internet hookups constantly refer to Internet sites for information such as restaurant phone numbers. What are you doing to prepare for broadband customers? he asked. "How will you manage Internet games, for example?"

As devices merge functions, can you meet the universal remote challenge? Can you be all things to all digital devices? How well do you know your audience? How wired is your marketplace? And how well are you using your resources?

The home gateway. "A server to manage all your devices," might launch a new form of interactive advertising,

Finberg said, possibly taking newspapers "out of the equation."

Reading devices. Finberg said early tests on portable electronic tablets—for publishing and distributing books, magazines, newsletters and newspapers—were "inconclusive" because consumers didn't find them comfortable to read in bed, and because few titles were available. Nevertheless, innovators continue to test various kinds of reading devices such as the SoftBook, e-Reader, PocketPC, IBM's electronic-ink signs and tablet, and Microsoft Corp.'s TabletPC.

In a sales presentation for the TabletPC, designers predicted that receiving news via reading devices would supplant print newspapers by 2018.

Although Finberg sees a clear future in print for generations to come, he pushes publishers to think ahead: "What if this is a possible future? The physical form has the potential of changing." He lauds publishers and others experimenting with software that delivers newspaper pages to personal computers in Adobe's Portable Document Format.

And Finberg offered these rules to publishers experimenting with technology: Adoption always takes longer than predicted; consumers drive change; and experiments always cost more than expected. ❁

