

The New Media Cocktail

*How Convergence and the
Power of Niches Will
Change the Face of Media*

By Chip Griffin

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Introduction

I'm a media and information junkie. I consume gobs of content every day, most of it online now. I watch video, listen to podcasts, and read blogs and traditional media online. I subscribe to RSS feeds and email newsletters. I surf web sites to find serendipitous information. I devour magazines.

This is not new. As a kid, I would stay up late into the night reading and listening to AM talk radio (at least when the Boston Red Sox weren't playing on the West Coast). I'd catch a few hours of sleep, get up and listen to AM newsradio and read the newspaper before heading off to school. Upon arriving home, I would read the afternoon paper and watch the evening news. Once my parents got cable, I added CNN and C-SPAN.

As a college graduate, I began the day with four morning newspapers plus CNN and C-SPAN. When I worked on Capitol Hill, I was fortunate enough to have access to the raw AP feed – talk about a fire hose of information!

Later in my career, the web came into being. I could now read news from around the nation, and especially from back home in New England so I could stay on top of Boston sports and New Hampshire news. I remember the feeling of glee I had in the mid-1990s when I could watch cable news streams on my computer at work (before the cable networks realized the bandwidth of the era was too expensive to sustain that model).

Regular readers of my blog and listeners to my podcast understand that I'm very interested in the future of media. OK, obsessed is more like it, but that's what happens to junkies. Since the start of this year, and perhaps a bit before that, I have spent a considerable amount of time thinking about what the media of the future looks like and what the business implications are.

Put simply: **the rules of media are changing**. It's an exciting time to be looking at the media space. After spending countless hours reading and thinking about media, I concluded that the handwriting is on the wall for two compelling trends to emerge:

- Convergence
- Niches

I started writing a blog post about this topic to explain what I have been telling friends and colleagues for some time now. And then it spiraled out of control. Instead of a simple blog post, I wound up with an e-book. I have tried to keep it short, but I wanted to share my prediction for the future of media as clearly as I could.

Of course, not one of us knows for certain what the future holds, but here's my vision. I welcome your feedback because ultimately, like any good libation, the New Media Cocktail should generate conversation.

The New Media Cocktail

As the rules of media continue to change, a New Media Cocktail will emerge containing two powerful spirits: convergence and niches. The silos of text, audio, and video will cease to be separate and instead will unite as each is deployed on a story-by-story basis. Professional journalism and user-generated content will become intermingled. Content and applications will combine to create powerful information tools for consumers and businesses alike. And all of these powerful tools will be centered on niches, a potent organization of people with similar interests.

The American Heritage Dictionary says that to converge is to “to tend toward or achieve union or a common conclusion or result.” That’s precisely what the New Media Cocktail will contain – different things coming together to make a better whole. Think of it as you would a margarita: many people don’t like tequila or lime juice alone, but combine it together with other ingredients and you have a tasty concoction.

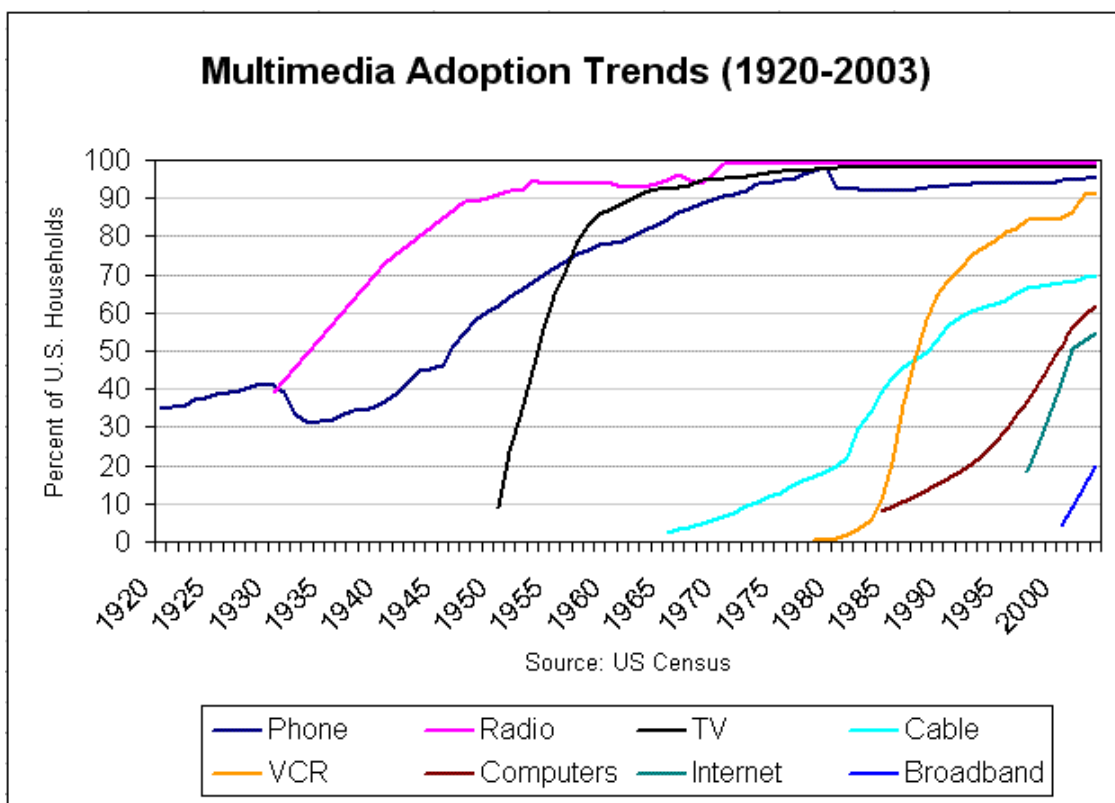
That’s precisely what will happen as old and new media alike recognize the trend towards convergence and begin to better meet the needs of information consumers. By following this principle and seeking to better serve niche audiences, content producers will thrive and prosper.

The Coming Tectonic Shift

Changes of significant magnitude in the media landscape have happened before. The printing press, telegraph, radio, television, cable and satellite TV, and the early World Wide Web have all had game-changing impacts. In that respect, the changing horizon should come neither as a surprise nor be overly troubling to the old media barons.

But the coming media earthquake will register a solid 9.0 on the Richter scale. Like most earthquakes in this country, the current infrastructure can largely handle it and the media creators, distributors, and audience will come out unscathed – shaken, perhaps, but unharmed. Those old media barons who fail to heed the warning and reinforce their aging structures with the best technology available today, may indeed crumble, however. In their place will rise gleaming new structures designed to better serve the needs of their owners and visitors.

The chart below demonstrates the tectonic shift occurring in the current media environment in terms of the percentage of American households taking advantage of the technology. The adoption of computers and the Internet are quickly converging on cable television. As we continue to approach a saturation point, the convergence of the various forms of media will become not only viable, but inevitable.



The New Media Cocktail examines the steps toward convergence and niche media already taking place, while also looking ahead to what the future will look like when these trends develop more fully. By understanding the underlying principles and looking ahead to the future, the appeal of this concoction will become obvious.

Chapter 1. The Rules of the Media Game are Changing

It's not your father's media anymore. Technology and information choices are radically altering the landscape and existing and future media must adapt and innovate to thrive. What follows are ten key principles that will shape the next generation media environment and set the table where the New Media Cocktail will be stirred.

1. Publishers are Broadcasters and Broadcasters are Publishers.

Media convergence has arrived. Newspapers are producing audio and video. TV and radio are producing print copy. Media outlets no longer find themselves constrained to one specific medium. Technology permits all media outlets to compete on each other's turf.

2. Column Inches and Broadcast Minutes are No Longer Limited.

It used to be that print reporters would see stories dropped because there weren't enough available column inches to print the article. TV and radio journalists would get squeezed out because an hour only has 60 minutes no matter how you slice it. Today, the web enables all media to publish and produce unlimited content. This is a blessing and curse because it means a lot more high quality material makes it into the public arena, but it is harder to kill low-quality stuff without telling the journalist that directly.

3. The Audience Can be a Partner in Content Creation.

When breaking news hits, the audience now contributes. Media outlets openly solicit still and video footage from cell phones or other portable devices for disasters and tragedies. Remember the student whose cell phone video footage made it on CNN in a seemingly endless loop after the Virginia Tech shooting? Local stations do the same thing for pictures of floods and other natural disasters. Even the print media has gotten into this game.

4. The Media Now Competes with Its Own Audience.

The rise of blogs, podcasts, and online video now mean that media outlets are competing with their own audiences. Anybody can create a podcast that competes with NPR, a blog that competes with the *Washington Post*, or a

video site that competes with CNN. Everyone can be a broadcaster and publisher, at low cost and with minimal effort.

5. Old Advertising/Revenue Models Will Be Replaced.

You can't put a 30-second pre-roll ad on every two-minute news story. Nobody sticks around to watch post-roll. Podcasts aren't radio, so the same ad structure doesn't work. Full-page display advertising? Not on a newspaper website! And classified advertising hasn't simply migrated to the web, the whole nature of it has changed. Where's the line between classifieds and eBay auctions? Between Craigslist and a yard sale? Similarly, despite ESPN's efforts, ISPs aren't typically going to pay to carry content. And subscription revenue models will need to be revamped to recognize the shifting landscape.

6. Archives are Valuable.

In the old days, the only people who cared about newspaper morgues and tape libraries were researchers, librarians, and other hard-core information professionals. Today, search engines can help open these archives up to a public hungry for information. Looking at old articles no longer requires microfiche or a subscription to a legacy research service. Digging up old video doesn't need to involve a call to a service that fetches a dusty videotape and copies it. Archives can be a source for ongoing traffic -- and thus revenue -- to media outlets.

7. Niches Have Increasing Value.

The old media paradigm precluded effective niche publications. A truly focused niche would likely have too few potential subscribers to justify a magazine. Certainly a radio or TV show would be unlikely to be devoted to these niches. But highly-targeted niches have real value for audiences, content creators, and marketers and can be exploited effectively in the new media world. Consumers increasingly want to see just the slice of information they're interested in. Generic national, international, business, and entertainment news increasingly becomes a boring commodity.

8. Unedited Content is Becoming More Common.

Stories are going online in print, audio, or video with less and less editing. As news cycles disappear and are replaced by the world of instant

information, credible journalists are posting to blogs and producing audio and video so quickly that editing would be impractical. Content producers must therefore trust their content creators to make sound editorial judgment by themselves on the fly.

9. News Cycles are Dead. Information is Instantaneous.

In the Edward R. Murrow/Walter Cronkite/David Brinkley era, news cycles lasted 24 hours until the next nightly newscast came on the air. Twenty-four hour cable news networks began to shrink the news cycle and Web 1.0 brought it down to mere hours. Today, the news cycle is dead. Information transmits instantaneously and responses often come before the news is completely made. In politics, a presidential debate doesn't even conclude anymore before detailed responses, rebuttals, attacks, and supplemental information has been made public. The "official" pundits have yet to offer their views on TV before the new media space has rendered judgment of their own.

10. Choices, Choices, and More Choices.

For those who thought that cable television ushered in an age of too many choices for consumers, welcome to the Media 2.0 world. There are now more information choices than there are products in a Wal-Mart Supercenter. (A Supercenter has about 116,000 different products on sale.) Even someone interested in a niche as focused as bacon can find 1,050 blogs tagged for that subject, according to Technorati's directory. (I'm sure that list has a lot of fat in it, but there's lots of meat as well -- OK, I couldn't help myself.)

Chapter 2. Convergence of Text, Audio, and Video

The web has already begun to break down the barriers erected by previous communication media. In the age of newspapers, television, and radio, each was limited by technology to communicate in a single manner with an audience. Today, the Internet enables content producers to combine the various media into one powerful communications platform.

The line between newspapers and TV blurs more every day. Heck, we may as well include radio in the mix. The new media universe on the web allows all forms of old media to encroach on each other's territory. The [Wall Street Journal](#) and other papers provide audio and video coverage on their websites (like [Walt Mossberg's column](#), for example). [MSNBC](#), [CNN](#), [ABC News](#), and the other networks all provide text coverage on their web sites. And radio stations provide text as well, while the others offer podcasts or other audio-only content.

Recognizing this, [Mark Cuban](#) calls for old school media to acknowledge reality and seek out more formal convergence.

Riddle me this Batman: Rupert Murdoch has figured out that Print and TV can be combined to be a vertical news organization and is willing to pay 5 billion dollars to do it. Why has no one else realized the value of combining big news brands and organizations ?

Why isn't a CBS News merging their news department with a NY Times and rebranding itself as the 6pm NY Times News ? Or with Time Magazine News ? Or NBC News and ???

Mini Media Mavens already realize this convergence is occurring and they're taking advantage of it. Think of all the podcasters and vodcasters who also blog. The likes of [Robert Scoble](#), [Jeff Jarvis](#), [Mike Arrington](#), and others are establishing their own media empires that blend text, audio, and video into a cohesive platform.

Old media is doing so, but slowly and reluctantly. Cuban's suggestion has been adopted in small measure by traditional players, but slowly with more of a "dip the toe in the water" feel. Newspapers, for instance, have arrangements with TV where they contribute content. The [Boston Globe](#), for

example, [co-brands some shows](#) on the [New England Sports Network](#) and supplies reporters as on-air personalities. Similarly, the *Washington Post* and MSNBC have an [arrangement](#) where the Post contributes to the network and its website.

Mark's thoughts come at the same time as the blogosphere is abuzz about the [significant layoffs](#) at the San Francisco Chronicle. It's not at all clear that convergence would help here (from afar it feels like bad business decisions got it to the point it is at), but it underscores the ongoing difficulties as traditional media try to evolve and adjust to the new media world.

[Cynthia Brumfield](#) at IP & Democracy thinks that newspapers should take their cues from the likes of those I noted above and argues:

in these days when [Om Malik](#), [Rafat Ali](#) and [Mike Arrington](#) can whip up profitable web-based publishing empires seemingly overnight (not really overnight in the case of Om and Rafat), why can't newspapers do the same thing? Or at least try to leverage the journalistic talent already on the payroll to forge new territories instead of letting that talent go?

If big traditional media outlets on television, radio, and in print were to take these lessons to heart, they would be able to evolve more rapidly. More importantly, however, they must learn not simply to follow the lead of the Mini Media Mavens, but to find ways to innovate on their own in order to return to the leadership spots they once held on the American media landscape.

Letting the User Choose

Among the “old media” some have begun to show an understanding for this new reality. For instance, ABCnews.com starts to demonstrate what is already happening in their recently re-launched web site. The front page includes a list of headlines with markers indicating the variety of content available for each story. Depending on timeliness and availability of alternate media formats, the user can select how to consume the information. But there's more to it than that.



The audience should have consumption choices, but part of it should be an editorial decision on how best to communicate information. The web enables content producers to make choices that were previously unavailable. The fact that column inches and broadcast minutes have effectively become unlimited in the online environment permits publishing lengthy original source documents, unedited or lightly edited interviews, and other forms of information that consumers may find valuable but which previously were impractical to share. But even so-called “bite size content” can come in the form that makes the most sense.

The Right Medium for the Message

Take, for example, Walt Mossberg’s weekly technology column in the *Wall Street Journal*. He frequently reviews gadgets for the newspaper. And while his text is compelling and informative, he also produces a brief video published on the Journal’s web site that does a much better job in conveying his points about the hardware or software he is reviewing. By combining his spoken word with the visual imagery, the audience has a much better understanding of the product and its plusses and minuses.



And that’s the future of online media: applying the correct medium for the message being conveyed. Artificial silos make no sense in a world where intelligent choices can be made. Even today there are blogs and webcasts that persist in the notion that they must be one or the other (including my own blog and podcast in some circumstances). In the future, smart content producers will take advantage of convergence even on the individual level to offer consumers a richer, more powerful, and more informative experience.

Making the Medium Choice

Marketer [Mitch Joel](#) talked earlier this year on his podcast, Six Pixels of Separation, about the difference between audio and video podcasts. Shortly thereafter, I heard John Furrier of [PodTech](#) talking about the same topic on a [podcast](#) with Heather Green of *BusinessWeek*.

In a blog post, I examined the question of how to choose the correct medium for the message. What follows is an updated excerpt of that post.

Relative Value. John Furrier made an interesting point when he said that he felt that there was a difference in the viral nature of various forms of social media vs. their engagement level. He said that video and blogs are more viral than podcasts, but that podcasts result in higher engagement than blogs and video has higher engagement than either. On the other hand, blogs are best at SEO (search engine optimization) value.

Web video has the potential to be more mainstream than podcasts and potentially even blogs, and numerous recent projects back this up. Consumers will be more willing to embrace this medium than the other two because it has a greater potential to be fun and engaging. Podcasts are likely to remain more of a niche tool -- though a valuable one because of their power to connect with an influential audience. And blogs will continue to gain traction, though they lack some of the entertainment potential of video.

Format Differences. Mitch Joel and others have pointed out that it is much harder to watch video than listen to a podcast. The number of opportunities to watch are smaller than the number to listen. In addition, video and blogs require greater attention from the audience, in most cases, whereas podcasts are more passive and support other simultaneous activity by the listener.

This suggests that podcasts can be longer than video and blogs must be kept relatively brief. To overcome those time/length limitations, they would need to be truly exceptional -- even indispensable -- content.

Monetization Potential. Furrier thought that podcasts would be the most difficult to monetize, with video being easier because advertisers like to be able to show their products. It is an argument that makes sense, though monetizing video still hasn't proven to be a wildly successful endeavor, but that day is coming. Blogs have certainly demonstrated some ability to be monetized and that trend will likely continue.

Conclusion. Different forms of media serve different purposes. Content creators should make sure that they deploy the correct medium for the goal they wish to achieve.

Chapter 3. User Content Meets Professional Journalism

The rise of user-generated content in recent years has been quite apparent. No longer are websites completely reliant on paid professionals to create all of the material disseminated to readers, listeners, and viewers. Instead, the audience itself serves as both contributor and consumer.

Sites like [Wikipedia](#) exist primarily because of the contributions of individual users who work hard to create informative content. Contributors seem to thrive on the satisfaction of sharing, while consumers obviously benefit from the vast treasure trove of information provided.

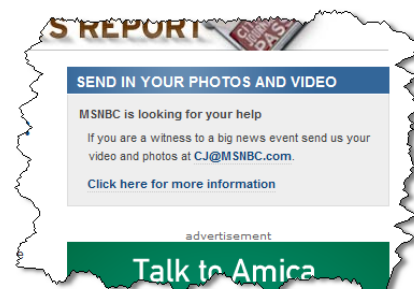
Users Help Aggregate Content

Users contribute significantly to the success of countless other web media properties as well. For instance, Digg derives virtually all of its value from the submissions of individual users who recommend content from around the web to highlight interesting stories and items. Although TechMeme uses a different method of aggregation, ultimately it depends on “user” content as well, in that it tracks the habits of individual bloggers to paint a picture of the hot stories in the technology community each day.

Old Media and New Media Converge

Traditional media organizations have even begun to solicit contributions from “citizen journalists” to incorporate into their existing coverage. A new newspaper was recently launched in Massachusetts called *Boston Now*. That publication incorporates blog posts in the print edition distributed citywide. In effect, convergence is being practiced wholeheartedly there, with the print and web properties serving almost seamlessly as extensions of each other and blending professional and citizen journalism.

While *Boston Now* may be at the leading edge of this movement in terms of its focus on convergence, plenty of other news outlets employ lesser versions of the same practice. Many TV stations now solicit photos and video from audience members in order to augment the coverage being provided on-the-air. These prove



especially useful in breaking news situations, like the Virginia Tech massacre where we saw cell phone video footage in a near endless-loop or in the case of natural disasters like floods where it may be impractical for a media outlet to capture the best pictures of the damage in a timely fashion without assistance from the public.

The progress in this area goes beyond breaking news. Recently, *BusinessWeek* picked up a [photo](#) posted on Flickr by blogger and social media evangelist Josh Hallett. Apparently an editor discovered it through a Google image search and felt that it would add to a story about new AT&T CEO Randall Stephenson.

Segregation Must End

Despite these advances, too often there remains a firm segregation between user-generated content and professional journalism. In the future, the blending will increase, perhaps to the extent that in the best cases it may be hard to see a bright line. That is not to say that they will become one and the same – that’s simply not possible. There will always be distinctions between what amateurs and professionals do, and there will always be a place for both. But as media properties do a better job of incorporating the two, it will no longer be that one has to go to one section to find professional copy and another to find user submissions.

Ultimately, sound editorial judgment makes the experience most valuable for information consumers. A solid editor can choose from the best user-generated content and professional journalism to enhance the flow of quality information to readers, listeners, and viewers. Why not provide users with the best possible information, regardless of who created it?

The Role of Professional Editing

Good editing can also help overcome some of the shortcomings of aggregation sites like Digg and TechMeme. While both do an admirable job of accomplishing their objectives without the intervention of editors, both could likely improve the value proposition offered to visitors by layering professional editing on top of their algorithms. Ensuring that the content provided always meets the highest standards and expectations of the audience can still be best

accomplished by human editors, rather than simple voting or other aggregation algorithms.

The Topix Example

Recently, the local news search/aggregator Topix decided to change the focus of their site from software-selected content to human editors and citizen journalism.

The homepage will become a hub of citizen-generated news (more Netscape.com-like in implementation than Digg), with easy-to-use tools for users to blog/vote stories onto the main and section pages.

Much like before, the site's focus is on zip-code based local news. Anyone can now submit local news for any U.S. zip code through the site or through mobiles. Participants can also become editors of the local pages.

This example very much demonstrates the convergence between technology, citizen journalism, and professional (or semi-professional) editing.

Chapter 4. Content and Applications Blend

The notion that media properties must be solely about neatly packaged content seems more antiquated by the day. It has often been said of Yahoo! that they can't decide whether to be a search portal or a media company. Indeed, some argue that Google is becoming a media company. Just as the bright line between professional and citizen journalism, and among the different types of media, blurs, so too does the line between media and other content-oriented sites.

The media of the future is about content and information, regardless of whether it shows up in a neat little package or comes in the form of some type of application. Effectively, the media of the future can be thought of as niche information portals that provide a mixture of content and tools to satisfy the needs of the typical visitor.

What Applications Matter on a Content Site?

Any application that enhances the value of a site by providing additional information or tools for digesting the content could play a valuable role for the audience. Remember, it is all about the user's experience. Any application that fits in this space would need to extend the value proposition and offer compelling reasons for the visitor to engage with it.

Imagine, for example, a site about fine dining that incorporates a directory or even a wiki focused on the chefs, sommeliers, and other personalities that make a difference in the restaurant industry. That would be a valuable addition to the site for gourmands as well as industry insiders. Yet it is an application with content that evolves over time – a living document if you will – rather than a package of several hundred words with a clear beginning, middle, and end.

Some Application Integration is Already Happening

Have you visited ESPN.com lately? Or virtually any major sports media website, for that matter. They all incorporate a variety of applications that supplement and complement their audio, video, and text. Whether you are looking for statistics or fantasy leagues, these media properties offer a wealth of

applications to enhance the visitor's experience and to make the site more "sticky" to encourage user loyalty.

Of course, it isn't simply sports sites that have taken this approach. Many financial publications online marry together columns and stories about investment-related topics with databases of stock information, press releases, SEC filings, and other information valuable to the audience that frequents those destinations. Other applications may enable users to track their portfolio or receive instant news alerts about specific topics of interest or import. Again, it is all about offering the visitor the information she is looking for.



Better Integration in the Next Generation of Media

As content producers and audiences become more sophisticated, the level of application integration with content will improve. It will no longer be the largest, most well-funded media properties that integrate applications and content for the value of the user. In fact, even individual blogs have taken small steps in this direction by integrating things like Feedburner "FeedFlares" which incorporate the ability to take action related to a specific blog post without considerable effort by the consumer.

Increasingly, content producers will understand the value that complementary applications provide to an audience and as the technology becomes more easily adopted, consumers will have additional tools available to them to enhance their information experience.

Chapter 5. The Power of Niches and Micro-niches

Wired magazine Editor Chris Anderson wrote an acclaimed article and subsequent book on the topic of the “Long Tail.” He argued succinctly: “Forget squeezing millions from a few megahits at the top of the charts. The future of entertainment is in the millions of niche markets at the shallow end of the bitstream.”



For those familiar with his work on the Long Tail, the example that probably sticks most in your mind is that of Amazon.com and how much of what it sells it sells in small quantities. Essentially, the Internet facilitates the presence of an audience for even the least-demanding niches.

The Best Content is Between the Head and the Tail

But what of the area that lies somewhere between the “hits” and the lonely end of the tail? A sweet spot exists between those two ends of the tail where the interested audience is underserved by existing media but large enough to come together as a community of interest. The hits are purely lowest common denominator stuff – the sort of things you will find in *USA Today*, *People Magazine*, and CNN.

At the end of the tail, there simply isn’t enough interest to create a community – or a profitable media property – around. But given the ability of the web to drive down production costs and facilitate distribution, a real market exists for those underserved niches that can be drawn to a powerful niche-oriented, converged media property. Some of these niches may exist fairly naturally. In other cases, it may be a matter of combining a few elements from the end of the Long Tail into an intelligent combination that combines a measurable audience with focused content.

The Web Raises Expectations

When was the last time you used Google to find something – no matter how obscure – and came up with absolutely nothing? Sure, there have probably been times when you haven't found precisely what you're looking for, but I'm talking about coming up with a complete goose egg. The fact is, that simply doesn't happen. There's likely at least one piece of content for even the oddest of oddball topics.

For better or for worse, this simple fact raises the expectations of consumers that the information they seek will be available. In many niches, there remains great room for improvement in the quality of the offerings. Savvy entrepreneurs will identify these niches and take a combined media approach to serving them. By partnering with these niche audiences and working hard to serve their needs, content producers will find that the future is not about manufacturing stories about the big names, but rather in meeting the needs of the marvelous middle that so often fails to draw enough attention.

Niches vs. Micro-niches

The old media world has attempted to address niches through targeted magazines and newsletters. Card collectors, knitters, philatelists, network administrators, and others have found various trade or hobby publications focused on them. But few of these thrive and most struggle to survive. In the future, these niches will be better served by a more sustainable cost structure, as well as the economies involved in converging the medium and the producers.

More significantly, convergence will facilitate that rise of micro-niches, much smaller than those considered by traditional media in the past. It will now be possible to serve subsets of existing niches more profitably because shared content production, simpler and more cost-effective distribution, and combined marketing will make these new media forms viable.

No longer will baseball card collectors need to share column inches with football collectors. Small network admins and large corporate IT pros can each have their own publication. And stamp collectors can follow their own special interests, rather than a mass media approach.

The more focused the micro-niche, the better the value for consumers, producers, and advertisers.

Chapter 6. Web 2.0 Makes this All Possible

The whole “Web 2.0” notion may be overused, but there are nevertheless overall trends in the Internet space that drive this move of the media toward convergence. Below are ten themes that provide the foundation for online communications in general, and ultimately media in particular.

Organizing the Unorganized. The power of the Internet to provide structure to niches enables communities of every kind to form easily. Support groups, specialized information, and sometimes obscure discussions are no more than a mouse click away. Companies are sprouting up to organize everything from parents and pets to coders and sports fans. (Hat tip to Scott Cleland of [Precursor](#) for helping gel this idea for me.)

Enhancing Consumer Choice. Chris Anderson’s [The Long Tail](#) explains how much easier it is for content producers to make their stuff available online to consumers. The hits may still rule, as [Lee Gomes](#) pointed out in the *Wall Street Journal*, but consumers can now access books, songs, and movies that would have otherwise been overlooked or out of reach in the past.

Empowering Individuals to Become the Media. A variety of tools have come together to enable virtually anyone to become part of the media. Podcasting, blogging, vlogging, and even consumer review sites put the power of publishing in the hands of average users. Services like [Lulu](#) even allow people to easily and affordably enter book publishing. And the traditional media has taken note and now uses these web publishing platforms for themselves – and the consumer generated content as information for its stories.

Facilitating Constant, Cheap Communication. People are more connected now than ever. Instant messaging, free VoIP, text messaging, and mobile email all make it simple and inexpensive to stay in touch 24/7/365. The opportunity to more easily communicate with each other – and with businesses – opens the door to new and better services that take advantage of constant connectedness.

Sharing with Friends. Unlike the “unorganized” mentioned above, friends typically have some organization to them. But Web 2.0 sites take advantage of technology to make it easier to share photos, build broader

networks, engage in broader conversations, and even develop new online friendships through services as varied as [MySpace](#), [World of Warcraft](#), and [Second Life](#).

Enabling a Multimedia Revolution. Cheap pipes and improved technologies make it that much easier for consumers to enjoy a rich multimedia experience from wherever they are. Whether it's the mobile [SlingBox](#) product making it possible to watch live TV on your cell phone, or a service designed to bring real movie choice to your widescreen TV at home, or a subscription music service, these technologies will change how you watch and listen, where you watch and listen, and what you watch and listen to.

Making it Easier to Find and Spend Online. Web 1.0 featured search engines like [Google](#) and portals like [Yahoo](#). (I still remember the very old days when you went to [akebono.stanford.edu](#) instead of Yahoo.com to find the portal that then resided on co-founder Jerry Yang's personal workstation.) Today there's so much information and so many products out there that the big players often don't make it easy to find niche items. So vertical search has popped up as an important tool to enable searching for specific categories of information. Jobs, news, video, coupons, products, photos, and myriad other categories have their own search engines. And services like [PayPal](#) and others make it easier to buy small amounts of content or products that would not have been feasible before. Continued work in the area of simplified micropayments will make it easier for consumers and producers alike to enjoy and build niche markets.

Democratizing Labor Markets. It used to be that to hire someone or find a contract worker a company would have to advertise in the paper or rely on word of mouth or a professional organization for a referral. Today, a wide range of services have popped up to match freelancers and job seekers with the companies that need their help. Services like [RentACoder](#) or [LogoWorks](#) and even [Amazon's Mechanical Turk](#) do a nice job of providing a marketplace to reduce the friction of the consultant and freelance process.

Breaking Down Geographic Barriers. Today it is just as likely that a worker in Homer, Alaska will get a gig as one in Manhattan, thanks to the democratization of labor markets. The tools of constant communication and prolific bandwidth make it easy to live and work where you want. Web 2.0 companies themselves no longer feel constrained to exist in traditional hotbeds

like Silicon Valley and Route 128. And though offshoring gets a bad name at times, it serves a real purpose for many companies and ultimately consumers. And it isn't just workers who benefit, communities of the interested span geographic boundaries. You're no longer limited to the local book or wine group, you can join one online and meet folks from across the country or even the globe.

Engaging the Individuals in Conversation with the Powerful. Never has it been easier for average people to engage in conversation with the powerful. Whether a CEO, a prominent member of the media, a presidential candidate, or these days even an A-list blogger, typical citizens have real access to a conversation with these powerful individuals. Blog comments, interactive chats, and other online forums provide an opportunity to empower people. These conversations improve the powerful by helping them better understand what matters and by getting great ideas. And it lessens the sense of frustration that many have had in the past about being unable to get their message across to those in power.

Chapter 7. Valuing Converged Content

As the converged media environment emerges, the audience will value the content more. But how does one monetize it? Should content be “free”? Simply put, there is no such thing as free content. Content providers receive value and consumers expend resources. It need not always be a pure and direct financial transaction, but ultimately producers and publishers are “paid” and the audience “pays.”

Lots of Thinking About “Free Content” Today

Media veteran Jeff Jarvis, who spends more time thinking about the future of media and content than most (other than perhaps PaidContent founder [Rafat Ali](#)), [wrote](#) about this recently when he said:

Who cares whether content wants to be free? It already is. Deal with it. ... I criticize publishers for still whining about circ revenue and not figuring out the ways to go with the flow and find their cash flow in new ways.

Ultimately, Jarvis and I are probably in a similar neighborhood of thinking on this, but I think it does a disservice for those of us who focus on these issues to talk about the need for content to be available for free. I realize it is semantics, but I have opined in the past on the [power of language](#), and I do believe that talking about content wanting to be free leaves many with the wrong impression -- namely, that content cannot be monetized.

[Jason Calacanis](#) has been a particular champion of financial compensation for those who create user-generated content, and indeed he did just that when he reinvented [Netscape](#) and sought to lure link contributors from rival sites like [Digg](#) and [reddit](#). And I support efforts to do that, though we must also acknowledge these content producers are already compensated in other ways.

[Matt McAlister](#) keyed off of something that [Dave Winer](#) recently wrote ("what we're doing now, in journalism, as with all other intermediated professions, is decentralizing") to conclude that this whole debate is moot.

[Umair Haque](#) and [John Hagel](#) have suggested in their investigations of edge economics that *any* job function that makes money off the friction of distribution of information is threatened.

This effectively ends the whole debate about whether content “wants to be free.” That doesn’t really matter. The question is more about how else can we remove friction from the flow of information.

What we really need is a better understanding of the value extraction and contribution process that goes on with all content. Ultimately, consumption of content results in a series of value-oriented transactions.

How Content Providers Get Paid

In each content transaction, those who provide, produce, and publish content receive some sort of payment, though not always financial. Some of the compensation models are listed below (with examples of what I mean by each)

- Direct monetary remuneration
 - subscription fees
 - advertising revenue
 - psychic value
- Emotional pleasure in sharing information/commentary
 - cathartic release of writing
 - satisfaction at publishing written material or releasing audio/video content
- Indirect revenue generation
 - improving individual/corporate profile and reputation
 - educating potential customers
- Professional development
 - learning through writing/producing
 - networking with like-minded individuals

How Consumers Pay for Content

Just as the producers get paid, so too must consumers pay. Indeed, in some cases the consumer pays in multiple ways for a single piece of content, even though the individual may not readily realize that fact. Examples include:

- Direct monetary payments
 - subscription fees
 - per-item charges (DVD/CD purchase rental, archived article fee, MP3 download, etc.)
- Indirect financial compensation
 - clicking on ads
 - visiting sponsors
 - buying products
- Contributing to psychic rewards
 - contributing comments
 - rating content
 - thanking the producer
- Magnifying the content value
 - sharing it with colleagues/friends by emailing, discussing, etc.
 - quoting the content in new works
- Personal sacrifice
 - time commitment

In addition to what I have outlined, you may want to check out Chris Garrett's excellent e-book on "[Killer Flagship Content](#)" in which he describes many of the benefits of creating blog content. Many of these translate into other media as well.

Content Isn't a Zero Sum Game

Even though content is not free, it isn't always a 1-to-1 transaction either. As you likely noticed from the lists above, what a consumer pays doesn't always match up precisely with what the producer receives. Moreover, this analysis considers neither how producers pay nor how consumers receive value. Ultimately, the best content is that which allows both the consumer and the producer to end up with a net increase in resources.

Content isn't free -- and it shouldn't be. Content producers must -- and do -- receive value for what they create and publish. Consumers must -- and do -- pay for what they read, watch, and listen to. We must recognize that these aren't all cash payments and receipts and that there are other ways to contribute and extract value in a content transaction.

But, please, let's end the whole "content wants to be free" meme that circulates regularly. As Jeff Jarvis has said, the debate needs to be about different things.

Chapter 8. Stirring the Cocktail

So how does this all come together, and is it really that much different than what's going on today?

Like most things in the media, these changes will all appear to be evolutionary at the time. In retrospect, a decade from now it will be clear it was a quiet revolution. If we have learned nothing else over the years, it is that media changes slowly – with the biggest players often resisting change until the bitter end.

But this time things appear to be different. Old media increasingly finds itself forced to innovate or perish. Pressure on subscriptions and advertising continue to mount and that spells trouble for the print media. Satellite, iPods, and online music sites force radio stations to find new ways of doing business. And the explosion of online video, not to mention cable and satellite TV channels, compels anyone in the video space to get creative quickly.

While many are beginning to bring together the various elements of the silos (text, audio, video, user-generated content, professional journalism, etc.), they remain silos within a site for the most part. Until media outlets begin to mix and match these silos depending on what is most appropriate for the information being conveyed, true convergence will not have been achieved.

Moreover, the niches in the marketplace remain seriously underserved and this represents a significant market opportunity for those media companies – whether old or upstart – that can identify and cater to the appropriate niches.

Just as every bartender has his own trick for making that special drink, so too will the New Media Cocktail be slightly different from one media outlet to another. But the key ingredients of convergence and niches must be there to make it a truly tasty concoction.

Bottoms up!

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Of course, any errors or omissions in *New Media Cocktail* are unintentional and entirely my own responsibility. I welcome any corrections or feedback.

About Chip Griffin

Chip Griffin currently serves as CEO of CustomScoop, a media intelligence company with offices in Concord, NH and Washington, DC. He is a serial entrepreneur and angel investor. Throughout the course of his career, he has been an entrepreneur, communicator, and technologist. With experience in government, a PR agency, a think tank, and several private companies, he has seen a little bit of everything. An evangelist for new media and online communications, Chip authors multiple blogs and hosts several podcasts.

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