Bob Garfield's 'Chaos Scenario'

A Look at the Marketing Industry's Coming Disaster

By Bob Garfield
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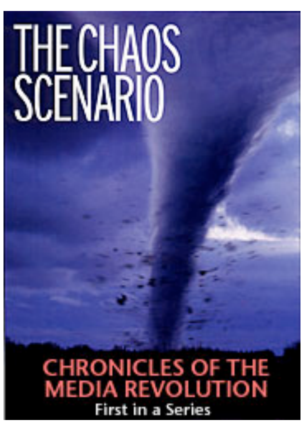
Meet George Jetson, circa 2020.

He doesn't have a personal hovercraft or a food computer, but the rest of the future is more futuristic than he thought. Spacely Sprockets and Cogswell Cogs are out of business. Digits are the new widgets.



What happens if the traditional marketing model collapses before a better alternative is established? Bob Garfield dares to confront the question.

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TV is gone
Over-the-air network TV is gone, along with program schedules, affiliate stations and hotel demand in Cannes in the third week of June. George, Jane, Judy and Elroy get their entertainment, and their news, any way they wish: TV, phone, camera, laptop, game console, MP3 player. They get to choose from what the Hollywood big boys have funded and distributed, or what the greater vlogosphere has percolated to their attention.

ABC, NBC and CBS are still major brands, but they surely aren't generating radio waves. Three initials never uttered, however, are CPM. They've long since been supplanted not just by ROI, but VOD, video on demand; P2P, the

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peer-to-peer Napsterization of content; DRM, the allocation of royalties for digital distribution of content; VOIP, Internet telephony; and RSS, the software that aggregates Web content for easy access by the user.

Branded Entertainment has long since been exposed as a false idol, because consumers got quickly fed up with their shows being contaminated by product placements. Satellite radio is a $4 billion 8-track tape player, stored on a high shelf in the garage, pushed aside by podcasting, which is free. The Upfront Market is an exhibit at the Smithsonian. The Super Bowl survived as the No. 1 pay-per-view event. *Survivor* didn't.

The space-age family of the future can still watch *CSI,* any episode they want, whenever they want, but not on any advertiser's dime -- unless they choose for their viewing costs to be subsidized. Yet advertisers know everything about them and understand virtually every move they make.

Marketers aren't adversaries

And the Jetsons don't fight it. In 2020, consumers understand that marketers aren't adversaries; they're intimates, sharing info for everybody's mutual benefit.

Yesiree, by George, it's a brave and exciting new world that the near future holds, a democratized, consumer-empowered, bottom-up, pull-not-push, lean forward and lean back universe that will improve the quantity and quality of entertainment options, create hitherto unimaginable marketing opportunities and efficiencies and, not incidentally, generate wealth that will make the current $250 billion domestic ad market seem like pin money.

Alas, the future -- near or not -- doesn't happen till later.

So let's return to contemporary business reality in the digital revolution, already in progress. Because in the intervening 15 years -- or 20 years, or five -- there are three more initials to consider: SOS.

Because revolutions by their nature are neither seamless nor smooth.

Collapse of old model

Because there is no reason to believe the collapse of the old media model will yield a plug-and-play new one.

On the contrary, there is nothing especially orderly about media's New World Order. At the moment it is a collection of technologies and ideas and vacant-lot bandwidth, a digital playground for visionaries and nerds.

So what happens when 30 Rock and Black Rock and the other towering edifices of network TV are rubble, and the vacant lot has yet to be developed?

Undeveloped and unprepared. Unprepared to lawfully deliver *CSI.* Unprepared to absorb $4 billion ad dollars, much less broadcast's $42 billion. Unprepared legally, technologically and even socially to pick up the pieces of the old world order.

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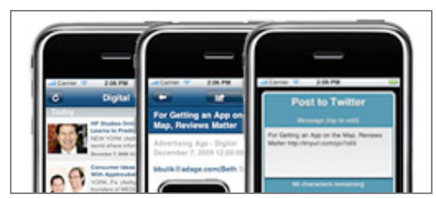

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Hold on. Let's change metaphors. Forget the construction site. Make it a space-age treadmill, cycling too fast for George Jetson to keep his footing. "Jane!" he pleads. "Stop this crazy thing!" But Jane can't stop it. Nobody can stop it, and nobody can quite hang on.

More

Ah, yes. The Chaos Scenario.

Downward spiral

The statistics are already getting tiresome, but let's review a few of the more salient ones, shall we?

According to Nielsen, network TV audience has eroded an average of 2% a year for a decade, although in the same period the U.S. population increased by 30 million.

In the last sweeps period, for the first time, cable commanded a larger audience than broadcast.

The cost of reaching 1,000 households in prime time has jumped from $7.64 in 1994 to $19.85 in 2004.

A 2000 Veronis Suhler Stevenson survey showed that Americans devoted an average of 866 hours to broadcast TV annually and 107 to the Internet, a ratio of 8:1. The projection for 2005 had the TV/Internet ratio at 785 hours to 200, or just under 4:1.

U.S. household broadband penetration has gone from 8% in March 2000 to an estimated 56% in March of this year, according to Nielsen/NetRatings.

70% of DVR users skip commercials

Five percent of U.S. homes are equipped with TiVo or other digital video recorders, and not only does time-shifting of favorite programs render network schedules irrelevant, 70% of DVR users skip past TV commercials.

Complicating problems, consolidation in the telecom industry and potential re-regulation of DTC drug advertising threaten billions in network ad revenue, jeopardizing the supply-demand quotient that has propped up network prices for five years. Meanwhile, there is the sword of Damocles called "cost." The reality-TV fad has enabled networks to fill their ever-more-irrelevant schedules and cast for hits with cheap programming. But how much longer will they last? Westerns and spy shows, superheroes and hospital dramas all once burned bright. Then they burned out.

What's ominous about that is not the inevitable end of the latest hot genre; it's the inevitable end of the profitability that has gone with it. And the downward spiral could begin at any moment. In fact, to switch metaphors once again, Shawn Burns, managing director of Wunderman, Paris, looks at the 2005 upfront and sees "the last strand of the rope bridge."

Mr. Burns, of course, makes a living preaching the wonders of segmentation and the bankruptcy of mass marketing. No wonder he observes with barely camouflaged glee that the efficiency pendulum has swung. "There's been research," he says, "that real cost of obtaining 30 seconds of the consumer's attention is the same in 2005 as it was *before the invention of television*."

Fraying rope

Emphasis his. Yes, he has a vested interest in being a doomsayer. He is by no means, however, the only one who sees the rope fraying.

"I still love and enjoy TV and believe it is very effective for advertisers," says Association of National Advertisers President Bob Liodice. "But we're killing it. We're gradually killing it with cost increases, the level of clutter, the quality of the creative that is out there."

"How can they continue to ask for more and more for fewer and fewer faces?" asks Geoffrey Frost, chief marketing officer of Motorola. "I don't believe that is sustainable. I believe there will be disruption. There's already disruption."

"It's an inevitable kind of slow collapse of the entire mass media advertising market," says J.D. Lasica, author of *Darknet: Remixing the Future of Entertainment* and president of the Social Media Group consultancy. "What we're seeing is that not only does television have to reinvent itself from the content point of view, it has to reinvent itself as an advertising medium."

Primitive standards
No mystery as to how, either. As technology increasingly enables fine targeting and interaction between marketer and consumer, the old measurement and deployment standards are primitive almost to the point of absurdity.

"The industry's key currency is basically reach, frequency, exposure and cost per thousand," says Rishad Tobaccowala, president of Internet media shop Starcom IP. "I'm not saying whether it's right or wrong but that's currently the currency. And where the currency ought to be is about outcomes, engagement and effectiveness. Because right now all I'm doing is I'm measuring how cheaply or how expensively I'm buying the pig. I'm not figuring out whether the hot dog tastes good."

None of this is lost on any sentient being in the media and marketing business. Any lingering denial most likely evaporated when Procter & Gamble Global Marketing Officer Jim Stengel -- he of the $5.5 billion marketing budget -- faced agency heads a year ago at the American Association of Advertising Agencies' Media Conference and declared the existing model "broken." But it's not just the ad model; it's the content model, as well. Writer and former venture capitalist Om Malik looks at TiVo and the video-on-demand horizon and is prepared to call in the backhoes for the institution of the prime-time schedule.

"Hasn't it collapsed already?" asks the author of *Broadbandits: Inside the $750 Billion Telecom Heist.* "Look at their viewership. Isn't it going down every day? I mean, we can pick and choose what foods we eat, what car we drive, what clothes we wear and what colognes we use. And some guy sitting in New York decides how I should watch?"

Consumer control
Point taken. As more control has been placed in the hands of the consumer, the consumer has shown every intention of exercising it. Especially in the coveted 18-34 cohort, viewers are fleeing TV and going online, where nobody need have their content dictated to them. But as to Mr. Malik's rhetorical question -- hasn't the old

model collapsed already --the answer happens to be:

No, it hasn't.

Network TV spending went up in 2004, by 10.7%. According to Jack Myers Report, last year's upfront market yielded a 15.4% increase across the four majors, and Mr. Myers projects a 4% increase for the top four in 2005. Yes: increase. There are many possible explanations for the phenomenon. One is habit; gigantic institutions tend not to rapidly adapt. Another is greed: the self-interest of the comfortably situated old guard to preserve the status quo. The third is supply and demand, upward pricing pressure from Viagra, et al, which engorged the marketplace with billions in new spending. The main factor, though, is that network TV audiences remain coveted, because -- shrinking though they are -- they represent the last vestige of mass media and marketing, or, as Motorola's Mr. Frost calls it, "the last surviving conglomeration of human beings in the living room."

Precisely, says David Poltrack, executive vice president of research at CBS, who sees incremental revenue opportunities in video-on-demand, but no end to the dominance of broadcast TV in the foreseeable future. "Unless the advertising community finds something to replace television advertising, I think the relative value of the top-quality inventory is always going to be appreciating relative to all the other options," he says. "Unless someone can come up with a more effective way of introducing a new product than broad-based advertising exposure, I think that business is always going to be there."

Which is why Motorola, whose nifty palm-sized Razr device represents the Jetsons' media future today, mainly used TV to introduce the gizmo to the world. Because there are still a few programs that catch the imagination of enough human beings in enough living rooms to represent a mass-marketing opportunity.

"I still believe in TV," Mr. Frost says. "People still watch it, and I love being associated with the right kind of programming that is different, that is appealing, that embodies the kind of innovation we want to stand for as a company."

'Teetering ecosystem'

On the other hand, he acknowledges that the financing of the "right kind of programming" -- not to mention the overwhelming majority of flops --depends on network revenue streams that could dry up quickly. "The teetering ecosystem behind all this stuff that allows people like us to sort of cherry-pick" for exceptional programs, he says, "may begin to find itself in serious trouble."

So while the old model hasn't necessarily collapsed, new-media gurus could be forgiven for seeing the beginning -- or middle -- of the end. Steven Rosenbaum, pioneer of citizen-produced TV and founder of MagnifyMedia, envisions a world of content created by and for individuals over broadband. He snorts at Mr. Poltrack's defense of the status quo.

"These guys," he says, "their job is to postpone the future."

Viacom split

Another skeptic apparently is Sumner Redstone, chairman of CBS parent Viacom. One week after Mr. Poltrack spoke to Ad Age, Mr.

Redstone announced his plan to split the company in two, presumably to reduce the drain of CBS and its other broadcast properties on the stock value of the company's faster-growing media assets.

So for the moment, let's assume that there is indeed major trouble ahead, that the law of diminishing returns will eventually kick in, that advertisers who've paid more and more for less and less will not pay indefinitely for nothing. Marketers will begin to abandon network TV. Ad prices will fall. Profitability will disappear. Program development will suffer, leading to more advertiser defection, and so on in a consuming vortex of ruin. But wait. The network refugees will not flee empty handed. They'll draw carts bearing steamer trunks stuffed with a quarter trillion dollars.

Then what? In the short run, obviously, more boom times for cable, and then:

Payday for the New World Order.

"A bit of it will go to this new emerging network which will be on the mobile phones," says Mr. Malik. "The next thing, you will see is the emergence of more Internet-based video advertising. ... There's going to be a lot of hit-and-miss in this but I think that's another area you'll see a lot of progress made. A third channel is ... Internet-enabled cable services. They're not home runs by any means but they're definite solid singles and doubles."

Economics of scale

No dingers? So what? The whole point of new media is small ball. Quit playing for the three-run homer and amass the singles and doubles. Because, says Starcom's Mr. Tobaccowala, "the key thing is economics of scale is going to disappear. That's really what the issue is. Our business has been built on the economics of scale. And instead we're going to go into the economics of re-aggregation. Which is how do you get 10, 20, 30, 40 thousand people instead of taking in 250 million and making them into 12 and 30 million dollar segments. How do you re-aggregate one at a time into the tens of thousands?"

Fragmentation, the bane of network TV and mass marketers everywhere, will become the Holy Grail, the opportunity to reach -- and have a conversation with -- small clusters of consumers who are consuming not what is force-fed them, but exactly what they want. Producers and broadcasters capitalized with billions of dollars will be on approximately equal footing with podcasters and video bloggers capitalized with $399.99 12-months same-as-cash from Best Buy. And just as DailyKos, Instapundit, Wonkette and Wil Wheaton have coalesced large followings in the cacophony of the blogosphere, some of the citizen-video programmers will find not just a voice but an audience.

Wait. Did I say "will find?" Make that "are finding."

"All of that is happening," says Drazen Pantic, founding member of videologging Web site unmediated.org, "In the last two or three years, we've had a silent revolution of consumer electronics. And broadband is coming. It's a huge proliferation in the last two years. And so people are going to start broadcasting from home and so on. You will have zillions of people, broadcasting for the audience of 10."

Except when it's much bigger than 10. A month ago, a little girl named Dylan Verdi posted a home movie on her father's Web site. PressThink.org's Jay Rosen dubbed her the world's youngest vlogger. The link went viral and, as her father Michael reports on his own videolog, "24 hours later 2,000 people had downloaded her video." It would have been much more, but he had to shut his site down so he wouldn't wind up penniless from bandwidth charges.

Web proves it can outdraw TV

The Internet has also demonstrated its ability to outdraw TV. JibJab satirical animations have been downloaded by the millions, for instance. And even TV programming has drawn better online than in its native habitat -- such as when comedian Jon Stewart went on CNN's *Crossfire* to assassinate Tucker Carlson live on cable.

"That episode got, what, 400,000 viewers maybe on big old powerful CNN?" says Jeff Jarvis, president of Advance.net, the online arm of Advance Publications, and author of the media blog BuzzMachine.com. "Well that same segment was copied onto the Internet, where it got at least 5 million views. So what's more powerful, the network CNN owns or the network no one owns? So now suddenly the distribution is exploded. Now on the Internet we can all swim in the same pool as content created by, you know, Universal or Disney. The tools are cheap and easy."

It is a beautiful thing: the total democratization of media, combined with the total addressability of marketing communications. We, the people, cease to be demographics. We become individuals again.

"Choice is a good thing," Mr. Jarvis says. "Choice is a proxy for power. The more choice we have the more power we have. The most important invention in the history of media was not the Guttenberg Press, it was the remote control. It gave us control over the consumption of media. Then came the cable box and the VCR and the TiVo and now come the means of creating content. Now I can create a radio show and put it on the Internet. Nyah, nyah, nyah."

Maybe it's "nyah, nyah, nyah -- take that Big Media." Or maybe it's "tra la, tra la -- what an empowering new world." Either way, it's underway.

Straight-to-Internet campaigns

On the advertising side, Google last year generated $3 billion in revenue, about the same as The New York Times Co. No surprise that Vonage, the Internet telephony carrier, is using the Internet to find subscribers, but Procter & Gamble put its money where Jim Stengel's mouth is by launching Prilosec OTC with 75% of its budget allocated off TV. American Express allocates 80% of its budget off the airwaves. The new Pepsi One campaign will use no TV whatsoever. (Not Capital One. Not Purina One. Pepsi One.) In the new-media laboratory called South Korea, where universal broadband is social policy and its penetration exceeds 80%, the Internet's share of ad spending is twice that of the U.S. TV, meanwhile, accounts for only 34.4%.

In the wake of BMW films, such diverse U.S. marketers as Amex, Burger King, Lincoln-Mercury and Motorola have created an ever-expanding universe of content/advertising hybrids, Webisodic short films to reach younger prospects online. Mercury's "The Lucky Ones" is so barren of product and brand messages it is scarcely advertising at all.

Netcasting, of course, also delivers pure programming, too. From the top down was the streaming, on Yahoo, of Kirstie Allie's new show, *Fat Actress.* From the bottom up, video logs -- or vlogs -- like Dylan Verdi's are being generated every day. At Rocketboom.com, chirpy, irreverent host Amanda Congdon delivers oddball news and snarky observations in a primitive studio (or maybe a one-bedroom). At J.D. Lasica's alpha Web site Ourmedia.com, citizen journalists and producers post their own news reports, animations, music videos and whatever else amuses them free of charge.

So that should be the answer: the seamless transition from TV to online, from mass media to micro media, from mass marketing to permission marketing. But not so fast. George Jetson does his vlogging in 2020. Om Malik says he believes the scenario could just as easily take place by 2010. But this is 2005. What if the rope bridge finally snaps, say, next year? Or the next?

It better hadn't. Because the future isn't quite ready.

Think: Yugoslavia.

Perhaps you are familiar with it. It used to be a country, ruled by an authoritarian criminal. Then it began to fragment. There went Slovenia, and Croatia next. Then Bosnia. Kosovo made its move, and in the ensuing madness, the regime collapsed. The unshakeable Slobodan Milosevic, who had fomented four wars in the name of Greater Serbia, was overthrown. Democracy! Empowered individuals! A new model!

And, five years later, unemployment is 32%. The average monthly income is $336. The prime minister was assassinated by organized criminals and the country's most notorious war-crimes suspect is at large. Unmediated.org's Mr. Pantic, formerly of Belgrade's freedom-fighting radio station B92, is only too familiar with the problem.

"There is no way," he says, "to make the transition into anything that is different or new or whatever without chaos. Because as with democracies you need five or six newly elected parliaments, you need to replace people who have ties with the old regime."

Change doesn't happen overnight
Likewise, he says, in the transition from old media to new: "The new paradigm is not going to be established overnight." There are too many obstacles.

BROADBAND PENETRATION It has catapulted to nearly 60%, but that is still a long way from 100%. In South Korea, where penetration exceeds 80%, online advertising does indeed have twice the share of the U.S. online industry, but it is still less than 5%.

CAPACITY "I don't think the interactive community has sufficient capacity to handle a seismic change in a transition from network to online," says the ANA's Mr. Liodice. "I don't think that's gonna happen." Online-marketing consultant Joseph Jaffe agrees. The author of the forthcoming *Life After the 30-Second Spot* doesn't believe there will ever be a dollar-for-dollar transfer of TV money to the Internet. But even 10% of all money now allocated to TV would more than double the total online spending. "You've got a handful of publisher properties that may be able to kind of cope initially," Mr. Jaffe says, "and then be able to at least kind of sustain that increased demand. But for the most part, when the tsunami hits, all hell's gonna break loose."

QUALITY Dylan Verdi is a cute little girl, but once the novelty of world's-youngest-vloggerdom wears off, there is no reason for anyone outside of her immediate family to watch her iMovies. "I mean you can put a lot of bad video clips that you shoot with your camera phone on the Web," says Mr. Malik, "but how many people want to watch that? If you're going to create a product for passive consumption it has to be good. I mean look at all the shows that fail. There is very low tolerance for bad television."

FINANCING "Where," Mr. Malik asks, "does the money come from to produce the programming of high enough quality to reach the audiences that are obviously going to be smaller than the status quo?" In a video-on-demand universe, networks may send along free samples of new shows to paying customers of existing ones, but absent vast reservoirs of ad revenue, the risk of program development may well be prohibitive. A collapse of the old model could create a Hollywood dustbowl.

LEGISLATION. Peer-to-peer software such as BitTorrent, which permits affordable transfer of large video files, also enables video piracy, and could be legislated or litigated into oblivion by a beleaguered Hollywood desperate to preserve the value of its backlist. Sen. Orrin Hatch, R-Utah, last year introduced an anti-p2p bill called the Inducing Infringement of Copyright Act of 2004 (Induce Act).

COST. As pricing in the search business has amply demonstrated, any influx of spending into the online space will drive prices upwards, potentially erasing the efficiencies promised by even the most ultra-targeted media buy. The metrics of reach may change radically, but not necessarily those of frequency. As Mr. Tobaccowala puts it, "Millions of people arrive at the Yahoo Homepage. What people don't realize is that they arrive one at a time."

SUITABILITY Content will be enormously diverse, agrees Forrest Research research director Chris Charron, but will it constitute a legitimate advertising medium? "A lot of people talk about these social networks and blogs and the blogosphere as being great ways to attract consumers and attract eyeballs and potentially good advertising opportunities, but history shows that is not the case, even recent history. Remember GeoCities? I think they were bought by Yahoo for $3 or $4 billion. Well, it never became a very viable advertising outlet and that's because it wasn't a great context for people to place ads. Advertisers weren't interested in putting it on a personal homepage for Chris Charron for my friends and relatives to see."

CONTENT DIVIDE Convergence means not only technological and economic disruption; it means social disruption. Cost of broadband and VOD programming will surely exceed $100 per month for each household, and most likely twice that, disenfranchising tens of millions of Americans and changing the dynamics of a shared popular culture. The idea of a vast digital underclass mocks the Internet's promise of the democratization of media.

Then, of course, there is the biggest monkey wrench in the works: the absurd lack of preparedness for anything other than the most deliberate evolution into a Jetsonian future.

"Even if all the technology were in place and scaled up to size," says Mr. Tobaccowala, "what isn't ready really is either clients, agencies, or the media companies. Because in effect what we have to change is the way we do business."

Oh, preparations are underway. Earlier this year, Rupert Murdoch's News Corp. retained McKinsey & Co. to figure out how to transition to this Internet thing -- which is something like nailing plywood to the windows when the hurricane makes landfall. News Corp. no doubt feels safe enough, because Fox network customers are still lining up to buy, partly because they know how to do that. GRPs are buggywhips that just feel so familiar and reassuring in their hands. No wonder Mr. Stengel is showing up at the 4A's revival tent preaching salvation: "If we believe that there's life beyond the 30-second spot," he demanded, "why are we still dependant on reach, frequency and advertising pre-market scores?"

Yahoo's gambit

So don't storm the Bastille just yet. Even the revolutionaries aren't quite organized for the revolution. Among those not quite ready for the end of prime time is Yahoo, which hired ABC programming chief Lloyd Braun to develop whatever content will be when content will come from the likes of Yahoo.

"The key for us," he told an iMedia Brand Summit in February, "is to be able to come up with that unique, signature, compelling content for the Internet, the way television has been able to do over the years."

Duh. As to what that might look like, he was a little bit fuzzy.

"What I'm not saying is that we're just going to be doing television shows on Yahoo, and we're going to be streaming them, so we're going to do our version of *Lost,* or our version of *Alias.* There's going to be a big place for video streaming and all of that, don't get me wrong, but I don't believe ultimately that the future of Internet content is by doing on the PC, or on mobile devices, what you can already get on your living room television set. We have to really get our arms around what those expectations are. What is the audience looking for when they go on the Internet?"

Yes, that would seem to be the question. But nobody has definitively answered it. That's why there are hand-wringing Cassandras like Jim Stengel and giddy opportunists like Wunderman's Shawn Burns.

But what if you are a direct marketer in what promises to be the Golden Age for direct marketing and a historic opportunity knocks and you lack the manpower to answer the door? Under the current circumstances, Mr. Burns says he'd first advise clients to scale up their Web capabilities by a factor of 10. But he concedes that in a Gold Rush economy, he doesn't know where all the Web designers would come from to do the work. That, of course, is the essence of the Chaos Scenario -- a critical shortage of resources and infrastructure.

It's almost comical to hear Starcom's Mr. Tobaccowala talk about the marketing landscape of the very near future.

"Expect to see a lot of event and store-based marketing," he says. "Expect people to actually go completely away from electronic media to experiential media, if you can call it that. So expect for instance Starbucks, bars, all kinds of things -- bathrooms, OK?"

Bathrooms? Jim Stengel has $5.5 billion burning a hole in his pocket, and he's supposed to invest it in bathrooms?

"That's exactly the point," says John Hayes, chief marketing officer for American Express. "There isn't the off-the-shelf capacity today. You have to create it. You have to build them. You have to come up with the ideas. To access the talent, you have to basically construct solutions."

Hence Amex's Jerry Seinfeld/Superman Webisodes and sponsored concerts Webcast to prospects. If the old model is broken, Mr. Hayes can't just sit around waiting for somebody else to fix it.

"As in any industry," he says, "those who are unprepared for change will obviously suffer the consequences."

That warning has to be pried from Mr. Hayes' lips, but it is a warning nonetheless -- sort of a reciprocal to another sort of warning. David Poltack, of CBS, may or may not be the spokesman for the status quo, but you can't miss the "You'll be sorry" quality to his caution about his notion of the chaos scenario should marketers abandon network TV.

An economic downfall?

"If they do," he says, "then the entire marketing system that perpetuates this economy will be weakened. And this is not a problem for just the broadcast television networks. This is a major problem for everyone who markets a product to the consumers in this country. Because there has been and there is not currently on the horizon anywhere near as effective a way to market products to the mass consumer marketplace. And if in fact that current system deteriorates to the point that advertisers and marketers abandon it, I don't see anything that's going to replace it and the entire marketing infrastructure and the economy is going to be diminished. And that's a lot bigger problem than just a network television program."

In other words, what's good for CBS is good for America.

The other possibility is the opposite: that what's bad for CBS, and for ABC and NBC and Fox and Conde Nast and the Gannett Co. is very good for America, because what emerges from the ruins will be superior in every way to what it replaced. Better for marketers, better for the economy and especially better for Mr. Jetson, who won't have a robot maid but very likely will have a million-channel universe.

As Rishad Tobaccowala elegantly concludes, "Those who come to destroy TV are those who are eventually going to save it."

And the world will rejoice, happily awash in electrons. But before the liberte, fraternite and egalite, beware. This is revolution, and first we will be awash in the blood of the old guard.

2 Comments

By jkrawl | Chicago, IL August 4, 2009 02:45:36 pm:

This article contains some interesting points that I never thought of before. Today, advertisers are paying more & more for less & less effectiveness. It is certainly inevitable, that if changes aren't made in mass media marketing, that consumer interest will fall and the structure will eventually collapse. However, we must realize that consumers aren't vanishing into oblivion; they have to be congregating somewhere else. The whole point of mass marketing is to find out where these consumers are gathering and attempt to exploit that. Right now, with the total democratization of media, and the whole web 2.0 social media emergence, the internet has captured a large percentage of the TV audience. Most companies are realizing that ad spending on the internet is reaping huge ROIs and could be much cheaper and effective. But, for now, it is important that media conglomerates continue to introduce new innovations into older forms of conventional advertising, so that these networks can remain profitable and grow.

Frank
http://www.absrocketpro.com
Permalink

By msbpodcast | Jersey City, NJ September 3, 2009 09:44:12 am:

While the book is correct (I received it a few days ago, :-) in many of its assumptions, it errs in thinking that the advertising industry is not itself in the same incredible internet-created peril.

The fact is that, while web site creation has become incredibly sophisticated, it costs less to get a nice, functional (and we'll get back to that word, functional,) web-site than to create a single ad for television, never mind get it broadcast.

While there is still room for advertising agencies, that room is much smaller, narrower and cheaper.

Functionality in broadcasting means shouting, trying to be heard above the din.

Functionality on the web means your clients can find you, can buy from you, can engage in a dialog with you.

What is the point of trying to be heard above the din again?

As more and more businesses discover the web, they are linking the fact that the internet enables an N:M dialog, a bunch of conversations.

That includes businesses that are using the media as well as the early adopters, those businesses who could never afford the media.

But the outlook for traditional media is much much worse that it look like upon reading the book.
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