

Conversational Media

Lessons from history suggest that developments on the internet and in mobile content will impact traditional media. Big media's challenge is to adapt to the increasingly peer-to-peer nature of communication as a part of its future.

Kim Weckström

Value added services in third generation cellular networks are perceived as new opportunities to deliver big media content to consumers. Sports results, news and celebrity gossip, and many other content categories are among the new candidates for mobile delivery. Handset manufacturers and carriers have started a race to join forces with marquee media brands. The Motorola-MTV deal announced in March 2003 is just one example.

If we take a look at the historical development of mass media, the migratory movement of content might not be from traditional media to mobile networks, but rather the other way around: mobile devices might dramatically reshape content formats in traditional media.

But focusing on mobile networks alone can be misleading. Mobile voice and data networks represent one part of a larger universe – the *hypernet*.

The hypernet emerges as a result of the ongoing convergence between the internet and the mobile networks. And

the largest space within the hypernet today is the *inbox universe*, i.e. the sum total of peer-to-peer messaging platforms: voice, SMS, MMS, email, instant messaging. In a grey area between the inbox universe and the *browsing universe* we have the *personal publishing universe* created by peer-to-group platforms such as chat, newsgroups, weblogs, and multiplayer online gaming.

The question is whether the hypernet will become a breeding ground for new content formats, media value chains, experience modes and information consumption patterns.

RAISING INDIVIDUAL VOICES

Until approximately 15 generations ago, rulings by a combination of physical transportation and oral recital were the messages for mass consumption. The mass communicational services of the feudal society were handled

by the official announcements on the public square by heralds and men of public office. The official decree, namely ruling issued by the ruler, was the format of information delivery. The church and the crown ran the duopoly of public speech, and addressed the populace in first singular of *pluralis majestatis*.

But the real embryo of the communications industries was in fact hidden in the elaborate business intelligence systems of the early trading houses of Europe. The commercial letter was the means of communication with specially assigned scribes – correspondents, at the trading posts all over the known world – dispatching letters that included information of weather, wind, exchange rates, market prices, political events and professional gossip to their trading chambers in Antwerp, Gent, Venice, Lübeck and the other commercial centres on the threshold of the modern age. These personally addressed letters were transformed into narrowcasts by the elders of the trading houses, who read them out loud to the merchants at the beginning of a trading session or a guild meeting.

Thanks to Gutenberg, there was a dramatic decrease in the need for manpower and associated transaction costs in mediated communications. The printing press enabled the mass distribution of any form of fact or fiction available. By dramatically decreasing the cost of reproducing documents, the printing press eliminated the main economic obstacle for delivering uniform messages to large parts of the population. The first obstacle now for industrialising communications was primarily illiteracy, and the second were the regulatory ambitions of the State and Church. The huge investments in mass education over a couple of centuries took care of the former, and successive constitutional revolutions got rid of the latter.

Illiterate merchants, or providers of services to the merchant class-driven economies, soon realised they had a considerable competitive handicap. They started investing

in cultural capital by sending their kids to school, accidentally giving birth to the cultured bourgeoisie. This in turn fuelled the rapid transformation of the educational system from an institution of reproducing the clergy to a system for mass-producing lay cultural scientific and vocational skills.

The printing press resulted in an explosion of inventive content formats. The product development of the early printers created new forms of printed matter – *druksache* – that soon had as many names as incarnations (Gazette, Blatt, Handelsavis, Avis, Zeitung, Underrättelser, Journal, Nachrichten etc). It took quite a while before the generic name – newspaper – became universally adopted. To put it simply, this new medium was a collage of existing communication formats for interpersonal communication. The early newspaper was a hotchpotch of the correspondent's letter, the small merchants letterhead, official protocols and miscellaneous official and private announcements.

The first advertisements read like a verbatim of the coppersmith's or the fishmonger's cries from his market stall to the by-passers.

All in all, the newspaper was a transcript of hundreds of person-to-person or person-to-group messages, industrially (re)produced for common consumption. The newspaper, like messages from alien civilisations, recontextualised the traders' messages that had been sent over long distances to their buyers and suppliers. The King's announcements of higher taxes, the vine merchants price and inventory list, the odd personal announcement of a rabbit-fur trader who got married to a candle-makers daughter – all was, through the miracle of rapidly declining reproduction costs, aggregated in one physical container for the first time. This resulted in a new artefact, an object for marvel in the courts and marketplaces; but it soon became a daily commodity and an ubiquitous ritual, which was part of

the flow of everyday life for most classes and cultures. The new communication vessel turned earlier communications value chains upside down. The trading houses commissioned correspondents. These had also managed the relationships to the end-users. They were a part of the privileges for members of their guilds and were not to be shared with outsiders. But suddenly the printer took charge. For him the content was just an added value gimmick that enabled him to increase the utilisation rate of his printing press between “real” jobs commissioned by the church and the kin, and the odd early publisher of books on trivial and frivolous matters.

But the printer soon realised the cash flow benefits of the prepaid subscription model, and hijacked the relationships to the end users – the members of the literate bourgeoisie – the rapidly expanding class of merchants and their service providers, bankers, teachers, manufacturers, layers, and the representatives of the early entertainment industries.

Soon the printer saw that the added value of branded content exceeded the market price value for the combined hours of the printers’ work, and printers with the largest and highest yielding subscription bases became full time publishers.

The newspaper created the first virtual marketplace where vendors met their buyers through mediation by communication technologies. The physical market was dissembled into individuals separated in time and space but united by the mediator – the mass-produced broadsheet.

THE DAWN OF INTUITIVE MEDIA

The HTML page visually resembles a printed page, and its two-dimensionality has obscured the fact that under its HTML surface resides a core of high-volume activities – peer-to-peer communication. The web-centric internet

has become a constellation in the much larger universe of the hypernet. And the stuff that the hypernet is made of is not HTML and XML code but interpersonal, peer-to-peer and peer-to-group communications.

Mass media cannot negotiate interpersonal encounters or transactions within themselves. Peer-to-peer communications and transactions are initiated in the thousands in the classified section of the newspaper but they are executed elsewhere.

In the hypernet the opposite is the case. The hypernet gives a fundamentally new meaning to the McLuhan cliché: the media is the message. And it also turns the concept of content on its head. The content is not the messages, the content is the sum total of active messengers.

Mass media and telecommunications are not born from any given set of interpersonal human needs. They came into being as result of converging industrial and cultural technologies added with the logic of marketplace.

The newspaper is a profoundly artificial and culturally highly complex invention. There never was anything intuitive about it. It took approximately 400 years to make it decodable for the majority of the human race. It takes years of socialisation for children and young adults to learn to navigate the “newspaper space”. And most of us will never master the intricate meanings of its entire daily content, from sports to stock market analysis.

Like the newspaper, the telephone was considered freakish when it was invented. It took a decade for the majority of people to learn to talk into an inanimate object. Compared to the newspaper, however, this was a blink of an eye. The mediated peer-to-peer communication technologies are highly intuitive in comparison with the newspaper. They are highly functional and easy to comprehend for any human being who has learned to utter his first words, and later write his first sentence. Just watch a three-year old playing around with a mobile handset.

Just as the newspaper restructured human and market relationships, redefined social spaces and gave rise to new industries and economies, the hypernet is transforming the logic of the industrial value creation, distribution and consumption of thought and matter.

As the mediated encounter of vendor and consumer is a key component of the communications industries, it has yet to be solved how these encounters could be organised and monetised in the hypernet. The nature of the answer will determine whether the hypernet will be a production and delivery platform for media and entertainment industries in the future.

Imagine a historical scenario where printers had not realised the added value of making trading house correspondence accessible for larger audiences and had not understood the advantages of the prepaid subscription. We would be living in a world with far less printers, and less published works – besides the bible, maybe a very expensive manual and the odd novel for circular distribution in the library system. That could equal a future scenario of added value services in the hypernet without vendor-buyer relationship provision in the equation.

Advertising never took hold in old telephone services, not only because it felt like an obtrusive invasion of private space, but because the business of telephone service provision could thrive without secondary revenue streams.

This has also been the case of mobile telephony until now. The real question is not whether mobile advertising is feasible. The real question is can a vendor–buyer relationship be cost-efficiently (cheaper than in traditional media) negotiated over the hypernet. Early signs indicate that they cannot in the way traditional media pundits would hope for. The world wide web has shown that a dual revenue stream media model cannot be applied to first generation interactive “media”. The reasons are at least two-fold: even though

the cost of physical content distribution approaches nil, the cost of audience aggregation is very high for a content publisher or aggregator (compared to traditional media). Secondly, the interactive user dialogue required for a session on a website does not allow encounters between vendors and their prospects that are cost efficient enough, compared with traditional media.

The newspaper has never been a platform for transacting, only for prospecting. The web has now demonstrated that as a system it is located at the other end of the value exchange process – as a platform for transactions i.e. commerce. The seller who has found his way to the web has already “been sold to”, he goes there only to choose the model and pay the bill. Too late for advertising euro investments. In the universe of voice calls, and mobile messaging, the vendor will probably have a far greater challenge to establish a relationship with potential prospects – everybody at the mobile interface is by definition involved in ongoing dialogues with each other.

The only option for the vendor is really to gain the right to directly access the prospects and engage them in a dialogue of his own. This transformation of the role of the marketer has already been described with terms such as “permission marketing” and “dialogue marketing”.

This requires a new set of social skills and communication management technologies compared to traditional mass marketing skills and techniques. The vendor will reach the prospect even further down the transaction spectrum, close to order confirmation or receiving MMS receipts for a transaction conducted elsewhere.

THE NEW TOOLS

The conquest of this space is already creating a completely new vocabulary and new conceptual tools. A key asset, considered unproblematic in the traditional media,

is what I like to call “addressing capital”. A newspaper has a high and relatively universal addressing capital in relationship to its constituency i.e. the subscription base. As a part of the subscription deal with the reader it not only can, but is also obliged to address the reader with high frequency and with a lot of information that translates to huge amounts of attention and time allocation from its subscriber. A bank has high addressing capital, and therefore it has the legitimacy to approach its customers with high frequency, and with high expectations for a swift and committed response, but only in matters concerning private or corporate finance. For a pizza vendor the situation is quite the opposite – except maybe for a small segment of hardcore gluttons. The problem for aspiring hypernet vendors is that the unsolicited pizza far outweigh the trusted daily providers of trusted subscribed services and products.

In the newspaper they all fit in nicely, without anyone screaming for regulatory help to keep the unsolicited messages out. In the peer-to-peer messaging space of the hypernet, they will be left in the rain.

The theoretical option is of course to transform a peer-to-peer relationship into a mass media relationship. That is exactly what the newspaper did 500 years ago. But unfortunately this can only happen by redefining the whole value chain in peer-to-peer communication service delivery. If a carrier could jump in at 1,000,000 ongoing voice calls and tell everybody simultaneously to shut up and listen, and only if they would shut up, and *really* listen, he would have turned his network into an instantaneous mass media vehicle.

We have seen this happening in the part of the hypernet we call email, and it threatens to render the service dysfunctional within the near future. Email marketing investments are rising dramatically, while the pull figures are decreasing as dramatically.

But if these efforts should succeed there would be quite a bit of irony in the success. If the mobile phone could successfully negotiate a traditional “advertising” mediated relationship between a vendor and a mass audience it would have ceased to be a phone. It would have turned itself into a “mobile media device”, dedicated for delivery of mass produced messages, just as the newspaper has been for 500 years.

And if the “mobile media device user” would hear a ring tone he would probably reach for his other pocket, not for the mobile media device, but to pick up his single-purpose “real phone”.

CAPTURING RELATIONSHIPS

The other aspect of the proliferation of peer-to-peer communications is the impact it will have on traditional media. The newspaper, and later radio and television, have shown a remarkable capacity to incorporate communication formats that preceded them, as well as formats that have come after their genesis.

The newspaper as we know it today, is completely a product of telecommunications and digital content production and management. The content formats of the paper, the feature interview – the news article, are results of the telegraph and the telephone. The classified section is a verbatim translation on thousands of phone calls or formatted submissions over the internet.

Thus, the new mobile value added services such as the picture and video message will probably, in one form or another, be embedded in print publications, in the television, and of course in the webspace, as picture and video logs.

Some researchers have claimed that the newspaper de facto is a frozen slice in time of hundreds of thousands dialogues. Every news article is a compound of tens of

verbal utterances between sources and publishers, aimed at readers outside the relationship. Every classified section is a chorus of voices from market stalls or urban mating calls of a varying degree of desperation.

Slowly big media are working towards capturing a part of the value chain where transactions between the individual

vendor and buyer are conducted, just as the e-commerce vendor on the hypernet is trying to work his way towards the other end, where relationships are initiated.

The one who captures the relationship will keep it for quite a while. Maybe not for 500 years, but at least long enough to keep the investor relations people happy.