

## A New World Means New Realities For Publishers

By Stephen J. Kerr

What happened?

That's what a lot of publishers have been asking themselves these days. "We use to be able to publish books and sell books in bookstores. But that economic model does not work like it used to." If this is the information age, why are publishers having to fight so hard to get their information and entertainment into a shrinking window in the marketplace?

The reason is that the Information Age is almost over. Just as the Agrarian Age and the Industrial Age came to a close, the Information Age, which has been upon us since the end of World War II, is also coming to a close.

What killed the Information Age? Take your pick. The internet, 200 television channels, 160 satellite radio channels, videogames, chain bookstores, Wal-Mart, digital printing, a failing educational system? It's all of these things and more. Not only in America but all around the world we have been bombarded with information and entertainment until our minds have shifted into neutral. It's not like Americans are spending less time consuming media. According to a recent study<sup>1</sup>, in 2007 it is estimated that the average American will spend 3,518 hours consuming media, including 1,555 hours in front of the TV. That equates to 146 days, or five months of our year absorbing media. According to Lee Rainie, director of the Pew Internet & American Life Project, "*In the past decade, the Internet and cellphones have changed the way people interact with each other, the way they work, the way they spend their leisure time.*" So, if you're waiting for the good old days of book publishing to come back – you can stop waiting – those days are over.

What happens when information and entertainment become so prevalent that they lose their market value? Information and entertainment are becoming so cheap to produce that they are becoming *commoditized*. And that is cutting the economic legs out from under the publishing industry.

And it is not just the book publishers that are feeling the effects. Newspaper and magazine executives feel it, television and radio programmers feel it and even movie producers can hear the footfalls of a dying era. Why do you think that publishing companies are consolidating at an accelerating rate? International media conglomerates that own movie, television, internet, radio and software assets are gobbling up publishing properties to feed their need for creative source material. Do we even know all the media assets the Bertelsmann, Viacom and News Corp own? They are on the vanguard of the revolution in information and entertainment marketing. Those publishers who realize the Information Age is coming to a close and are willing to make the serious changes to their organization will be the survivors.

So, what is eclipsing the Information Age?

***The Imagination Age.***

---

<sup>1</sup> Statistical Abstract of the United States, December 2006, with data supplied by Veronis Suhler Stevenson.

This is a term I first heard used by Dr. Michael Cox of the Federal Reserve Board in a speech he gave in Philadelphia in 2004. I recently spoke with Dr. Cox and he reiterated that all economic evidence points to a steady shift away from information sector employment and job growth. Jobs in publishing are declining while jobs for designers, architects, actors & directors, software engineers and photographers are all growing. The *Imagination Age* is marked by the recombination of media and content in new ways. Think pod-casts meets video conferencing meets instant messaging.

Books are too slow in the Imagination Age. They require a commitment and attention span that the new generation is simply not willing to invest. Despite what some may think, it is not that young people are lazy, stupid or uneducated – it is simply that they are too oversaturated with all media forms to sit down for long with just one. And it is not just young people that have this problem. Other than for your work...or when you were on vacation...when was the last time that you invested two or three hours in a book – simply for the pleasure of it. Putting books on electronic devices is not the solution – that does not solve the problem of competing for the time of harried adults in a multi-tasking, multi-media world.

The issue of personal time management along with the fact that more than 100,000 new books will be published this year into a retail and school market that is accepting fewer and fewer titles – has resulted in a major crisis in the publishing industry. If your books don't quickly find an audience at Barnes and Nobel or Borders and Wal-Mart and Costco won't take them – then where do you go? There is no significant independent bookstore market anymore and other mass merchants are not going to take a chance on a book that has not succeeded elsewhere. It's simple supply and demand economics. If the supply of information and entertainment in print form is growing exponentially while the demand (due to time constraints and market forces) is shrinking – the price of that information will have to fall. Resulting in lower sales and lower profits for publishers. This is true in all markets – consumer, educational and professional.

The coming Imagination Age offers publishers both an opportunity and obstacles to success. How do you take content like a novel and break it down into digestible bites for a time constrained audience? Well for one thing you don't put it into a 300 page book and ship it to the bookstores with a hope and a prayer. In the Imagination Age you will serialize it chapter by chapter and let your audience consume your content *their way* with animated graphics and intersecting story lines that can be followed up by the reader on the web or as audio downloads from Audible.com. In the Imagination Age you need to use *your* imagination to recombine words, graphics, music and film in new ways to reach the eyes, minds and hearts of your audience.

Changes like these happen slowly, not in leaps and bounds. Electronic sound chips are integrated into children's books, DVD's and CD's are included in the back panel of hard cover books, popular movies and television shows get serialized into graphic novels, web blogs become instant books...and more. Printed books will be around for another 100 years or so, but dedicated book publishers will cease to exist in their present form. They will evolve into purveyors of content on multi-platform structures.

As foreign as this might sound, it is not a bad thing. People will gain the opportunity to draw on a vast array of information and custom entertainment options at their fingertips. If you want to know what the current events and culture of Pakistan are while you're on the plane flying to Karachi – you will be able to. The information won't be out of date and it won't be from one biased source. If you want to know if the food at *Le Bistro Restaurant* at 49<sup>th</sup> and Park Avenue is worth the investment – you can get downloaded reviews straight from your in-dash GPS navigation unit or cellphone from patrons who ate there last night or the food critic at the *New York Times*. Think up-to-the-minute Zagat's – only with video and sound.

This is also good news for American business because we are extraordinarily good at using our imaginations to make money. Japan and Germany for example are struggling mightily with keeping their young people employed in the face of a loss of manufacturing jobs moving to China, Malaysia, Russia and Brazil. Believe it or not, the world relies on Americans to supply much of the imagination that drives the world economy.

When information becomes a universal and almost instantaneous commodity the sellers of information must control the source at the wellhead. That means managing the authors, artists and creators of information and entertainment.

It is time that publishers stop focusing their energies on putting printed words on paper and start managing the message in all its forms. Managing the message means controlling all forms of an author's works, be they in print, audio, video or live performance. Walt Disney coined the phrase, "Imagineer", and I think this most closely captures what a publisher will become in the Imagination Age. You don't publish – you disseminate. You nurture and manage an author's unique genius and creativity and collaborate with digital artists and technicians to disseminate their message to the marketplace. Entertainment and information evangelists.

Publishers and their editors will still face the same challenge of how to channel and craft the author's message into a more interesting and consumable form. Getting information and entertainment from the author's mind to the eventual consumer will always present unique challenges. These issues are compounded when you are trying to take raw creativity and reshape it for several different media. You will have to ask yourself how will this message play out on television or on satellite radio? Can this author speak at live events without a chaperone? The Imagination Age will present publishers with new problems that in the past only managers for the Rolling Stones or Howard Stern had to deal with.

Signs of the demise of the Information Age and the rise of the Imagination Age are all around us. Falling prices and outright piracy for books, music and videos. Falling subscriber rates for magazines and newspapers. An explosion in consumer choices. It's not just book publishing that is feeling the effects. All forms of media are undergoing these changes. Television shows are created and then canceled. Singers and musicians are ballyhooed and then forgotten. Movies are made and then shelved before they are ever seen. There is simply not enough consumer bandwidth to handle the oversupply of media that is being produced.

***"Okay, so what do I do about it?"***

It's those who recognize the changes in the marketplace and adjust their publishing programs to take advantage of this new world order who will be the survivors and evolve into the *Imagineers* of the 21<sup>st</sup> century.

No matter what you publish you must adjust your thinking to this new reality. If one published trail hiking guidebooks, that company could marry their print database to both digital video and GPS coordinates so that a hiker could lock onto specific flora and fauna information at every point on the trail. They could, for example, capture an image of a specific plant with their cell phone camera and look up its description and uses on their phone. This kind of utility from cell phones and other hand held devices is available right now.

Look to vertically integrate your present publishing program. That may mean that you only publish 7 or 8 new titles a year instead of 20 – but for the seven new titles that you *do* publish your company will manage the authors' public, radio and television appearances – you produce the audio-book, the documentary, a PBS special and host their website. Think about managing the entire communication process – not just the print component. If that means that you publish fewer books a year – so be it. There are too many books published now for the marketplace to absorb. Better to give full voice to a select few brilliant people than a whisper to an entire chorus.

In conclusion, vertically integrate your publishing program to serve all the needs of your audience, be they in person, digital, audio/visual or on paper. It does not matter what the retail, school or professional markets do. You are an *Imagineer*! You take information from the author's mind directly to his audience in *any* way that they want to consume it. In the *Imagination Age* you are a *media maestro* – orchestrating the message in all mediums and formats.