

FREEING THE FUTURE

WHAT EXACTLY ARE WE TRYING TO SAVE HERE, WONDERS HEATHER FORD

Chris Anderson's new book, *Free: The Future of a Radical Price*, has stoked the fire of a debate that seems to be never-ending in media circles. Anderson talks about how in the digital world, the most effective price is "zero" and that those who have recognised this are generating revenue from models like cross-subsidies (giving away a DVR to sell cable service) and freemiums (offering Flickr for free while selling the superior FlickrPro to serious users).

Anderson's book has angered (mostly traditional) media professionals whose business model seems to be threatened by such claims. In a post on Twitter (11 July 2009), *Mail&Guardian* publisher Trevor Ncube wrote: "We need to collectively recover from the cardinal sin of giving content for free and move to sustainable biz models."

Ncube's reaction is endemic to the traditional media sector around the world. Unlike Anderson, he does not equate a system where content is given away for free with a sustainable business model. People need to once again value the credible information that the media produces, he believes. *That* is the future.

How do we navigate through the clearly emotional defensiveness of big media and the utopian ideals of technologists to understand an age in which the media have, according to Anderson, "lost their monopoly on consumer attention" and are now flailing about trying to re-assert their value proposition in the midst of all the new competition?

What's the business model?

Anderson predicts that there will be a new role for professional journalists in the age of Free: "There may be more of them, not fewer, as the ability to participate in journalism extends beyond the credentialed halls of traditional media. But they may be paid far less, and for many it won't be a full-time job at all. Journalism as a profession will share the stage with journalism as an avocation. Meanwhile, others may use their skills to teach and organize amateurs to do a better job covering their own communities, becoming more editor/coach than writer. If so, leveraging the Free – paying people to get other people to write for non-monetary rewards – may not be the enemy of professional journalists. Instead, it may be their salvation."

Malcolm Gladwell, in a cutting review of Anderson's book (*New Yorker*, 6 July 2009) says: "His advice is pithy, his tone uncompromising, and his subject matter perfectly timed for a moment when old-line content providers are desperate for answers. That said, it is not entirely clear what distinction is being marked between 'paying people to get other people to write' and paying people to write. If you can afford to pay someone to get other people to write, why can't you pay people to write? It would be nice to know, as well, just how a business goes about reorganizing itself around getting people to work for 'non-monetary rewards'."

Anderson responds with a model from his own experience with a parenting blog called Geekdad which soon became too popular for him to manage on his own. "Wired.com makes good money selling ads on GeekDad (it's very popular with advertisers); Ken (the community manager) gets a nominal retainer, but has also managed to parlay GeekDad into a book deal and a life-long dream of being a writer; The other contributors largely write for free, although if one of their posts becomes insanely popular they'll get a few bucks. None of them are doing it for the money, but instead for the fun, audience and satisfaction of writing about something they love and getting read by a lot of people."

This, says Anderson, is "the difference between paying people to write' and paying people to get other people to write. Somewhere down the chain, the incentives go from monetary to non-monetary (attention, reputation, expression, etc)."

Anderson admits that this may not be the answer for every media business. He's right. The more plausible scenarios for tradi-

tional media are models that employ both free and paid services (not always in the article format), where the media recognises the value in providing information as a service, rather than believing that it has value in itself.

Intellectual property sharing

One scenario is where the business decides which content should be shared freely, and which should be bundled into a unique service offering that customers will be willing to pay for (also called the "freemium" model). Here, it makes sense for the free component to be free as in gratis as well as free as in liberty so that users are licensed to share the content with others on their own social media channels using open copyright licenses such as Creative Commons. By making the content free, the business can leverage the power of the network to advertise the site, thus building the value of the paid-for service.

Business diversification

Companies like ITWeb are doing well financially because they have an incredibly diversified business. Apart from reporting on their news site and various magazines, they also offer a digital press office service to IT companies, as well as running conferences and workshops around technology themes. In this way, companies like ITWeb are able to give away content for free on their websites, while cross-subsidising media products by being seen as the portal for all things IT-related in South Africa.

Hardware bundling

Gladwell begins his critique of *Free* by telling a story of how the *Dallas Morning News* approached Amazon with a licensing proposition for the Kindle. The publisher was shocked when he learned that Amazon wanted to take 70% of the subscription fee, declaring that this was not the business model that could save the beleaguered newspaper industry.

If devices like the Kindle gain more ground, making printed titles obsolete, then papers like the *Dallas Morning News* will either have to accept such revenue share, or else build their own hardware with which to ship their products.

What exactly are we trying to save here?

There doesn't seem to be much evidence to suggest that we'll pay for newspapers online in the same way that we used to pay for the print version. Someone will pay, but it may be advertisers or premium customers, for advertising, press offices or networking.

As for iron laws about the business models of future media, Gladwell is perhaps the most accurate here: "The only iron law here is the one too obvious to write a book about, which is that the digital age has so transformed the ways in which things are made and sold that there are no iron laws."

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