

Publishing in the Digital Age

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Introduction

We live in a world in which information is widespread. How can publishers survive given the fact that everyone can publish using the Internet. The reproduction- and distribution-cost is almost zero, and everybody wants the information for free. The problem is that the cost related to the creation of content is a fixed one and cannot be underestimated. The Napster-model has created a dangerous example. Can we find a good business model for the publishing industry of tomorrow?

Important Trends

Publishers are confronted with five important trends: individualism, virtual models, democratic technology, convergence and digitization.

Individualism

The individual has more power than ever. He or she wants the right information on time, on the right place, in the right form, at the best price. This has enormous effects on the value chain of the publishing industry. This chain consists of companies making, manipulating and publishing information. It all starts with knowing what kind of information is wanted by each individual reader. How many traditional publishing houses have profiles of their clients? In the marketing industry, we talk about Customer Relationship Management. In our industry we have to speak about Reader Relationship Management.

Virtual Models

People belong to communities. This is a central part of our social system. In the Internet-economy, publishers can create virtual communities of readers. In these communities publishers have the opportunity to deliver information on demand, completed by services. In a business-to-business market customers ask for added value. These communities are media rich.

Democratic Technology

The new software and hardware tools become cheaper and easier to use. In the past the printing and publishing industry was a fortress; nowadays it's a democratic system. Everyone can publish and print information on demand. The value chain becomes shorter. Can a publishing house limit itself to the publishing task or does it have to create new opportunities, like assuring the quality of information?

Convergence

We see convergence between:

- Media: print with noise, e-mailers with video, ...
- Supports: everything becomes a display.
- Members of the value chain: who is printing, publishing, creating?
- Actions: content, interaction and commerce come together in one mode.

Digitization

This is the *conditio sine qua non* for the other trends. Digitization makes it all happen. It effects the different product-market segments of the graphic industry. Every segment has to be analyzed in function of the target group, the type of content and the functionalities of the content. Example: stock market information for the business-to-business market with an important search-function will be electronically delivered. Digitization effects also the production process in a dramatic way: every graphic company must change from an analogue to a digital way of production. They must have another type of knowledge: IT. How can these firms get the necessary IT-knowledge? More partnerships are needed.

Publishing in the Digital Age

Publishing tomorrow means creating a business model based on seven focal points:

- Information must be combined with services. This is the way to create a community with added value. These services must generate revenue, next to advertisements.
- The publishing process starts with the consumer. He or she defines the need. The production process must be consumer-centric.
- The digital age means an all-the-time production. In the old model the production was serial.
- Creating communities is about welcoming and keeping the reader in a rich context of content. Virtual communities are some kind of self-learning entities
- Publishing houses must create databases of readers instead of databases of content..
- A strong brand is necessary to survive in the digital age. The publishing house must be recognized as the supplier of information.
- Information must be translated into knowledge.

Strategies

In this environment, driven by Internet, publishing houses must define new strategies based on the seven focal points: services, consumer-centric, all the time production, communities, database of readers, branding and knowledge. These elements are more important than the choice of the output (paper, wireless, web, ...). Of course, the production process must be organized in such a way that every output must be possible.

There is one sure thing: the new business model must be based on the existing one. It has no sense to abandon completely the traditional way of publishing. We have to combine the old and new ways. Working purely electronically is only possible in certain product-market segments, like the scientific world. In the business-to-consumer market there is and will be a strong need for paper based publishing. But publishing houses must be aware of the possibilities of the new printing technologies. Digital printing can create new opportunities to publish information for more targeted audiences. Combining the advantages of paper and electronic delivery is essential.

Publishing houses must be aware that they will encounter new competitors. These companies use the Internet for the distribution of their information in a cheap way. In the past that was impossible due to the high cost of printing or other reproduction and distribution methods. What is the difference between a publishing company specialized in legal information and a consulting firm with a very good interactive website, housing a lot of legal information? The consulting company creates a interesting virtual context and community with basic information. If there is a specific need, you have to contact the consultants. Information is combined with knowledge.

New Roles for Publishers

In the digital age, one can define some new roles:

- Creating content and delivering it to third parties, like portals.
- Information-clearing: the Internet has created an overload of information. The individual needs a partner who can select good information.

- Publishers can create a publishing-environment for the publisher in all of us.
- Supplier of information on demand based on individual profiles.

New roles are interesting and can be a rich experience, but publishers are economic players and must generate income. The last months have shown us that internet based publishing needs innovative business models.

Fee or Free

We must make a difference between a business-to-business market and a business-to-consumer market.

In the first type of market, it must be possible to charge customers for the use of information. Publishers must learn the essentials of digital rights management, combined with the technology of micro payments.

In the business-to-consumer market we have to admit that asking money for general information is extremely difficult. People pay for information published in a magazine or newspaper. The website gives additional material.

Conclusion

Working in the digital age needs a new publishing strategy. Like other industries, the publishing sector is an economic activity. Information must be created, manipulated and published. People will only pay for added value. If the Internet does not provide this added value, no income will be generated.

Biography

Dirk Salens (born 14 February 1963) has a degree in sociology and management. He has been active in the graphic arts industry for more than 13 years. First he worked for the Belgian Federation for the Graphic Arts Industry as an advisor. He is now managing director of the VIGC in Belgium.