

PLENARY ADDRESS

Stratigos Discusses the Impact of Web 2.0 and Social Computing on Publishing and Related Activities

by Steve Hardin



The co-founder of the leading research and advisory firm for the information and publishing industry discussed the trends and impacts of social computing and Web 2.0 at the Annual Meeting's first plenary session. Anthea Stratigos is the CEO of Outsell, Inc.

Web 2.0 is happening, Stratigos said, because of a convergence of individual traits, social and technological forces. She showed a slide outlining cycles of disruptive technologies, beginning with the printing press in 1455, and extending up to 2007. The changes are coming faster and faster.

These changes are creating “shift,” and “shifts happen,” as she illustrated with a *YouTube* video by the same name [1]. These are among the points made in the video: China has more honor students than North America has children. The Labor Department says the average person will have between 10 and 14 jobs by age 38. We're currently preparing students for jobs that don't exist, using technologies that haven't been developed.

While in the Web 1.0 world of 1993 a *New Yorker* cartoon [2] proclaimed, “On the Internet nobody knows you're a dog,” today's Web 2.0 features “dogster.” Not only does Web2.0 know you're a dog, but it knows your likes and knows the dog next door. It's all about social interaction, she said. It's a place where people, content and work come together to share. Individuals, consumers, business professionals and enterprises use Web 2.0 technologies

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to manifest themselves with social networks, mashups, user-generated content, community-sharing professional networking, expert networking and “crowdsourcing,” the use of a large group – sometimes the general public – to solve problems or develop products or simply converse and entertain.

The classic Web 2.0 enterprise, Stratigos said, is *Google*. It's quick, agile and global. Web 2.0 users want to be able to “unchain their charts,” to have their content without containers and take it with them. Standards for avatars are being developed so that *Second Life* participants can share with people in other virtual universes. Marketing is shifting too. There are new ways to gather customer input, such as *Facebook*, *Second Life* and even teen panels using cell phones, all doing what used to be traditional market research. *LEGO* is doing product development with its power users who have early access to designs. *Ducati* – an Italian motorcycle company – no longer has a marketing department, she said. It uses the web instead.

Growth in the established parts of the publishing and information provider industry is stalling in response to these events. They create pressure on costs, consolidation and new product development. Publishers are playing with new revenue/business models. Whether it's bundling, licensing, syndication, subscription, advertising or pay-per-view, the fundamental way publishers get revenue hasn't really changed. How do publishers move their content into a digital environment and deal with these revenue sources? Advertisers want more options, so demands on publishers are increasing. A number of revenue models have emerged online, including subscription (*Nature Publishing Group*), pay-per-answer (*InnoCentive*), pay-per-view (*ScienceDirect*), pay for software and tools (*Solucient*) and

the “freemium,” which features free basic features and premium charges for advanced features (Flickr).

Stratigos said these developments have affected the library environment, too. Information professionals are moving out of librarianship into other areas. There are opportunities to do more with less, but library technology adoption is not keeping pace with the curve. Libraries generally haven’t the resources to be on the leading edge, and the ability to work with these technologies isn’t always in place when needed. Still, libraries are playing with new experiences. She showed a screen from eVolver, the Denver Public Library’s space for teens, which lets the library meet teenagers where they are, instead of making them come to the library.

So, what does it all mean? Stratigos said some believe Web 3.0 or 4.0 will be 3-D. This development will have vast implications for how we think about seeking and using information. She said we’re living in “an extreme period of time”: it’s scary and it’s exhilarating. Our industry is going through the same sort of shift many other industries have gone through before.

Ubiquity and price pressure combine to produce product commoditization, creating a permanent shift in customer habits. For example, the news industry has changed because the way people get their news has changed. Her 14-year-old gets his information from Comcast. But he doesn’t know the authority of what he’s getting. Stratigos gets it from the next day’s *San Francisco Chronicle* – she has more information, but she’s late. The 14-year-old is the power user. Partners become competitors; competitors become partners. The news industry is trying to work with Yahoo and Google, something, she said, that wouldn’t have happened five years ago.

A new order emerges as industries respond to the changes; they go from product-centric to market-centric. Firms compete on scale, differentiation/focus or value-added. Marketing discipline emerges. Google and Yahoo are our Wal-Mart and Target. Thomson is our Home Depot or Office Max. Boutique information firms specialize, just as in retail.

It’s essential for businesses to become agile in their mindset and focus. They need to be able to change rapidly and develop new processes for developing information services and getting them out the door. To be successful, an information business needs to watch trends, differentiate

what it does and be a digital marketer delivering a digital experience.

Stratigos concluded by pointing out several things to watch. First, follow the money. Where money moves is where industries move. Watch consumers in general, especially their shopping habits. What happens with consumers around the web will show up in two years or less, and how consumers behave will drive how professionals behave. Think globally; we tend to be focused on the United States, but we should watch what’s happening in the world around us, especially in China and India. ■

Resources

Resources Mentioned in the Article

- [1] Frisch K., & McLeod, S. (2007, February 8). *Shift happens* [video]. www.youtube.com/watch?v=ijbl-363A2Q
- [2] Steiner, P. (1993, July 5). On the Internet nobody knows you're a dog [cartoon]. *New Yorker*, 69 (20), 61. Retrieved December 7, 2007, from www.unc.edu/depts/jomc/academics/dri/idog.html. Also available on other sites.

Websites Mentioned in the Article

Dogster: www.dogster.com
 Ducati: www.ducati.com
 eVolver: <http://teens.denverlibrary.org/>
 Facebook: www.facebook.com
 Flickr: www.flickr.com
 Google: www.google.com
 InnoCentive: www.innocentive.com
 LEGO: www.lego.com
 Nature Publishing Group: www.nature.com
 Outsell Inc.: www.outsellinc.com
 Science Direct: www.sciencedirect.com
 Second Life: www.secondlife.com
 Solucient: www.solucient.com
 Yahoo: www.yahoo.com