

Engaging content

Major media companies have grown and prospered by providing content in the form of books, magazines, and newspapers that inform, enlighten, and entertain. However, shifts in how people consume information, entertainment, and news are undermining traditional business models that subsidize the cost of creating content. The online world is now a major channel for the presentation and delivery of content. And it is content that engages readers that will help to re-invent media companies.

Content is social because we like to discuss and share what we learn or enjoy. Media companies should create environments and tools that make content discovery, consumption, and sharing a more social activity. The new media company will be decentralized in creation and production, and widely distributed in media consumption. The new media company will facilitate social and community interaction while offering a highly personalized music, entertainment and/or news experience.

The impression-based model (payment per viewing) is the enemy of big media companies in the new digital media environment. A banner ad loading on an information-barren page filled with “search bait” (content that attracts search engine traffic) is an ad impression the same as the one that loads next to expensive-to-produce content. The Internet is flooded with impressions.

An impression merely tells us that an ad appeared and may have been seen. Most of us have no recollection of 99.9 percent of them; they are an annoyance.

Big media companies can't make the argument that they are the only ones that can provide economies of scale, at least not when it comes to impressions. Any ad network can offer billions of impressions. Quality content can foster quality impressions.

Banner advertising, as we know it today, does not work for marketers. Large numbers of impressions, where ads show up next to content, does not offer the value marketers seek. People will not absorb marketing messages by osmosis. They must interact, not just react. Media companies that produce great content need new advertising formats that communicate added value to marketers.

Digital media enables new advertising formats and revenue streams that only media companies with quality content can leverage. By offering consumers content that they value, media companies earn the ability to ask for something in return. The key for those media companies offering high quality content should be to make sure that the something they are asking for is something that takes advantage of the medium and something that their competitors cannot ask for.

The two things that quality content producers have the ability to ask for are

- payment
- attention

It is important to create a payment system that fits with the way people consume media in a digital world. I may not read the entire *New York Times* online, so why should I pay for a subscription to the entire newspaper? I do value the articles I read, and I would be willing to pay for them. We need new business models that reflect this new reader reality.

Media companies must create ads that fully engage people's attention and take full advantage of the interactive and social nature of the digital world. When they deliver consumer attention to marketers' messaging, there will be a lot more for marketers than just an impression. There will be a relationship.

Even though social and mobile media are the real hot buttons right now, marketers are intimidated by the changes. Yet media companies know they do have to create more interaction because consumers of all ages are coming to expect them to, so they are coming around begrudgingly.

DID YOU HEAR?

- If 0.3 percent of the US were covered with photovoltaics with 10 percent efficiency, solar power could produce three times the country's needs, including the power for electric vehicles (MIT-Eni Research Center).
- An update to earlier research shows that 8 percent of the Internet user base account for 85 percent of all display ad clicks (comScore's Natural Born Clickers).
- According to a recent study, more than 20 percent of e-mail is not delivered to the consumer's inbox. The failure rate is even higher for B2B commercial e-mails (Return Path).
- A new forecast predicts that consumers will receive more than 9,000 e-mail marketing messages a year by 2014. This equates to about 25 messages a day, more than double the daily average that consumers receive today (Forrester Research).
- A survey finds that the vast majority (80 percent) of web users are concerned about the privacy of their personal information such as age, gender, income and web surfing habits (Burst Media).
- Children are increasingly using the Internet to look for further information on products they see in print and TV advertisements (MRI's American Kids Study).
- Ad cluttered websites not only annoy their audience, but consumers also state they have a less favorable opinion of an advertiser when its advertising appears on a web page perceived as cluttered (Burst Media).

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EDSF REPORT

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Design courtesy of Lightbulb Press, Inc.

Printing courtesy of Sir Speedy

Mailing Courtesy of InfoPrint Solutions Company

Price: \$50

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SHORT TAKES

Worldwide online advertising will continue to outpace traditional advertising revenues this year. A new report from IPG's Mediabrands' Magna Global says online advertising will climb 12.4 percent in 2010 to \$61.0 billion. Plus, it will grow 64 percent to over \$100 billion in five years. Magna says online advertising will rise by 11.7 percent in 2011, and an annual rate of 11.0 percent through 2015. Overall, worldwide advertising estimates have been pegged at low-to-mid-single-digit gains in 2010. North America will see a 12.3 percent rise in online advertising to \$27.2 billion in 2010, hitting \$45.2 billion in 2015. Currently, paid search continues to be one of the strongest components of all online advertising, accounting for roughly half of the \$29.8 billion in revenues worldwide. It is 16.5 percent over 2009 results. In North America, Magna estimates paid search to be at \$13.1 billion for 2010, a 16.4 percent gain. All other online advertising—display, e-mail, video—will grow more slowly (8.7 percent) higher, to get to \$31.2 billion worldwide. Latin America will continue to be the fastest-growing region, notes Magna—reaching \$3.5 billion of total supplier advertising revenue in 2015, on an annual rate of 13.3 percent growth over the next five years. China and Russia, the biggest markets, will experience the greatest gains.

The earliest known reference to medicinal pills dates to 10th century Arabic literature, long after Egyptians put medicinal agents in breads. The first patent for a tablet was granted in 1843. Today, the active ingredient is typically one-thousandth the volume of the pill, meaning 99.9 percent of a pill is filler material or agents that help patients digest the drug. Researchers at the University of Leeds, Durham University, and GlaxoSmithKline are experimenting with dissolving active ingredients into liquid form and using that liquid like ink to print pills to order. The group says this process works with only 0.5 percent of the medicines used in pills, but they hope to increase this figure to 40 percent. "Some active ingredients can be dissolved in a liquid, which then behaves like normal ink, so then the process is fairly straightforward," said Nik Kapur of Leeds' School of Mechanical Engineering. A medicine droplet is roughly 20 times the size of an ink droplet in a standard inkjet system. If drugs are delivered as ink on the surface of a tablet, they should be faster-acting because the pill wouldn't have to be broken down for the drug to enter the bloodstream.

Where will the consumers of the future be? Typically, kids express an interest in social networking sites around the age of 10. At that age, 44 percent of kids join online communities to connect with friends and other kids from school. Their desire to join these sites primarily stems from an interest in continuing conversations with their friends after school and on weekends, rather than from peer pressure. One-third also turn to social networking sites to communicate with family members online as well as to stay in touch with others separated by distance. As children progress through elementary school and solidify friendships, they want to move away from sites perceived as babyish and into more popular communities. Moms worry that their children may be exposed to inappropriate content and stranger danger, or involved in cyber-bullying behavior (23 percent) and nearly 70 percent retain control of where and when their 8-13-year-old children play. While moms allow their children access to popular social networking sites, they retain tight control over their child's activities.

The headmaster of a central Massachusetts school that eliminated books in its library says the move has worked well, turning the library into a magnet for students and faculty. The library at the Cushing Academy in Ashburnham is now "the most-used space on campus, with collaborative learning areas equipped with smart boards, sections for quiet study, and screens for data feeds from research sites," James Tracy said in a letter to the editor in the *Boston Globe*. "It has become the hub where students and faculty gather, learn, and explore together," he said, noting that the library increased its staff as it transitioned to a "digital format." Tracy also said, "Libraries have the potential to become a new, more dynamic learning environment, a vital public space where people can learn together and debate civilly, while fostering tangible and meaningful human relationships."

SOCIAL MEDIA MARKETING STILL EVOLVING

The Center for Media Research (news@mediapost.com) reported on a study by digital marketing firm White Horse about the role of social media in B2B marketing. It reported that only 18 percent of B2B companies say they have no current social media activity, compared to 14 percent for B2C. The degree of engagement varied widely, says the report. Nearly half of B2B marketers have only a basic social media presence, e.g., a Twitter and Facebook account or a company blog, and only one-third are engaged in social media day-to-day. The results of the study indicate that while some B2B marketers' social media engagement statistics are similar to those of B2C marketers, overall B2B marketers are less engaged in social media than their B2C counterparts.

The numbers confirm it. A combined 59 percent of B2B marketers have only a basic social media presence (45 percent) or are not actively engaged in social media marketing (14 percent). In contrast, a combined 44 percent of B2C marketers have only a basic social media presence (26 percent) or are not actively engaged (18 percent).

The biggest obstacle that B2B marketers face in pursuing social media initiatives, according to the study, is lack of executive buy-in. While B2B marketing departments eagerly embrace new ways to engage in the traditional practice of networking with prospects, more than one-third of B2B marketers report low executive support for social media, while only 9 percent for B2C marketers report this.

On the other end of the scale, however, deep and direct executive engagement is as typical of B2B marketers as it is for B2C. This reflects the ground-level nature of much of B2B marketing, in which executives often play an active role, concludes the report.

Results indicate that both B2B and B2C marketers have difficulty with executive social media buy-in. However, a much higher percentage of B2B marketers report low executive interest than B2C marketers. Twenty-three percent of B2B marketers report their executives are curious but need education, compared to 39 percent of B2C marketers. The two groups converge at the top level executives who support and are actively engaged in social media (14 percent of B2B and 13 percent of B2C).

Survey results indicate that while a sizable percentage of both B2B and B2C marketers have little or no social media engagement, the obstacles they face are somewhat different. The leading obstacles B2B marketers face, according to the report, are

- Insufficient personnel to maintain websites
- Lack of organizational knowledge
- Preference for traditional marketing
- Perceived irrelevance to their field
- Concerns over negative feedback

Insufficient personnel to maintain social sites is a top obstacle for B2B marketers, but was selected by a much higher 65 percent of B2C respondents. This was followed by a three-way tie between lack of organizational knowledge, need to prove ROI, and concerns over negative feedback (about 50 percent each).

Among B2B marketers using social media, significantly more are not measuring results, compared to only 10 percent of B2C marketers. Neither B2B nor B2C marketers are measuring direct ROI to any significant degree. The emerging consensus is that ROI is difficult to measure, given the multiple, complex influences that lead to purchase.

The report concludes that B2C companies generally obtain more value from their social media marketing efforts. Fifty-one percent of B2C companies have acquired a customer from Twitter, compared to 38 percent of B2B companies. The difference is most stark in customer acquisition figures for Facebook, from which 68 percent of B2C companies but only 33 percent of B2B companies have obtained a customer.

When it comes to professional social media network LinkedIn, notes the report, the usefulness trends reverse. Forty-five percent of B2B companies have obtained a customer from LinkedIn, compared to only 26 percent of B2C companies. Figures for company blog customer acquisition are closest in range, with 57 percent of B2C companies and 43 percent of B2B companies obtaining a customer through this channel.

All marketing organizations are only now trying to establish their strategies for social media. That is where their customers will be, and they will have to be there as well.

Special EDSF Rate to attend DOCUMENT Strategy Forum 2010

EDSF has negotiated a VIP rate for its supporters to attend DOCUMENT Strategy Forum, September 13-15th at the Hyatt Regency O'Hare, Chicago. EDSF supporters can save up to \$300 on conference registration or receive a FREE exhibit hall pass. To register as an EDSF VIP, visit www.edsf.org or call toll-free (866) 378-4991 and mention EDSF.

Special Bonus! DOCUMENT Strategy Forum is co-located with the BFMA Forms and Technology Conference. Conference attendees are given free crossover privileges to both conferences.

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The new Adopt-a-Scholar program is designed to support EDSF scholarships and attract donors who are interested in a more personal approach to educational support. Each participating donor will receive a thank you letter from the student receiving their specific donation, a copy of the student's photo, and a short profile about the student. This is a great opportunity for donors to connect in a very real way and see how their contribution makes a difference in the life of a student.

You can participate in the Adopt-a-Scholar program at any contribution level. To make a donation and Adopt-a-Scholar, visit www.edsf.org or contact Brenda Kai at brenda.kai@edsf.org.

DATA DNA REPOSITORY

In the year 2050, will you still be able to open Word 2010? Scientists have carried a time capsule through a labyrinth of tunnels and five security zones to a vault near the slopes of chic ski resort Gstaad. The sealed box containing the key to unpick defunct digital formats will be locked away for the next quarter of a century behind a 3-ton door that can resist nuclear attack at the data storage facility known as the Swiss Fort Knox.

Newton's and Einstein's notebooks can be read today. Most of Stephen Hawking's notes will be stored digitally, and we might not be able to access them all. The British Library's Adam Farquhar is one of two computer scientists and archivists entrusted with transferring the capsule, a culmination of the four-year "Planets" project, which draws on the expertise of 16 European libraries, archives, and research institutions to preserve the world's digital assets.

Around 100 gigabytes of data, equivalent to 24 tons of books, has already been created for every single individual on the planet, ranging from holiday pictures to health records. The total amounted to over one trillion CDs worth of data across the globe. As technological breakthroughs help people live longer, the lifespan of technology gets shorter. The European Union alone loses digital information worth at least three billion Euros every year because "older" data cannot be "read." The project hopes to preserve "data DNA," the information and tools to access and read historical digital material and prevent digital memory loss into the next century.

PAPER SOLAR CELLS

Scientists at the Massachusetts Institute of Technology have successfully coated paper with a solar cell—an organic semiconductor material—using a process similar to an inkjet printer. This then lowers the weight of solar panels.

The materials MIT researchers used were carbon-based dyes and the cells are about 1.5 percent to 2 percent efficient at converting sunlight to electricity. Any material could be used if it can be deposited at room temperature. Italian oil giant Eni is funding the research because the company believes that hydrocarbons will eventually run out.

The paper solar cells are one of many avenues being pursued around nanoscale materials. Layers of these materials can essentially be sprayed using different manufacturing techniques to make a thin-film solar cell on a plastic, paper, or metal foils. Silicon, the predominant material for solar cells, is durable and is made from abundant materials.

Researchers use a laser to blast light at nanomaterials for picoseconds. A picosecond is one trillionth of a second. The laser provides data on how the light excites electrons in the material, which provides clues as to whether it will make a good solar cell material. MIT is focusing much of its effort on quantum dots—tiny crystals that are only a few nanometers in size. A human hair is about 50,000 to 100,000 nanometers thick. By using different materials and sizes, researchers can fine-tune the colors of light that quantum dots can absorb, a way of isolating good candidates for quantum dot solar cells.

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