

Is It All Things Good for the Digital Medium?

By Edward F. Nesta

Not a day goes by that someone or some media does not broach the subject of print versus digital. It seems that for the print media the statement, 'Rumors of my demise are greatly exaggerated' is appropriate, but none-the-less human nature loves a good fight.

We continue to apply pressure on both the print and digital mediums. The pressure on the digital medium is in the form of 'success pressure' due its technology and processes still in their infancy. The print media has a mature technology and process business model, that is, with respect to marketing, advertising, and sales; while the digital/Internet is still developing a business model. We need not kid ourselves that the Internet is a free medium, nothing that is good is free, especially if you consider the processes such as eBusiness and eCommerce that keeps the money flowing. Yes, the bottom-line is very strong for the digital medium with revenues continuing to soar as money is moved from print to digital. So, is it all things good for the digital medium?

The issue from my perspective is not will print disappear, but how will a very targeted and discrete digital market be able to provide the required Return-on-Investment (ROI) to sustain and justify itself. This may sound a bit confusing, but let us take a look at the accepted norm of print and its ROI for advertisers.

Print medium has components such as a circulation number, a specific publication timeframe (i.e. weekly, monthly, bi-monthly), and a specific market segment that they target (i.e. sports, cooking, technology), and this has become an accepted positioning for companies who place ads in print media. Now the question arises, with so many distractions to one's attention span caused by computers, cell phones, etc., are the magazines actually being read like they were in the past, and are the specific advertisements actually being viewed? With all this said, companies looking to advertise in print do not question this series of components (circulation, publication timeframe, and market segment), as they have become accepted tried-and-true values. This is not to say that this is bad, but we tend not to challenge this positioning, and in many cases there is no detailed data to support beyond the components mentioned.

Okay, digital comes along and we are more informed about the technology and its ability to decipher data down to the individual bits-and-bites. Therefore, we are demanding more information from our resellers, distributors, and direct marketing relationships. The push to prove ROI from digital expenditures is heightened. Companies are demanding access to information and data from intermediaries to help them target their products for future sales, but the intermediary owns this data and they may not wish to dispense with the details. In addition, the numbers from digital may not have the cache of those of print, for example print can say they have a circulation of over 200,000, while the digital market reports the actual reads of an article, which could be, for example, 1000 readers for a week timeframe. The significant difference in numbers may seem substantial, but is it? The 200,000 distribution is a one-time distribution and then the print medium is shelved, but the digital medium has a longer 'shelf-live' and the actual readers are people who are specifically selecting a digital medium to learn more about a product, thus they are more of a tangible sales lead. Thus, a tangible lead is a powerful piece of data, and in effect, it is the lifeline for companies and intermediaries.

Currently there is a false comfort level in the digital market as more and more revenue flows into this growing segment, but at some point it will level off just like the decline in print will level off. This is when the ROI battles will intensify, though the pressures on the digital medium will still be more. The pressure will not be just due to increased revenues, but due to the continued data

explosion.

Additional data will lead to more ways to read into what is, can, and may be happening to the way a consumer is relating to a product. The digital medium is a fragmented market and thus there will be a growth of industry and process specific technology solutions and service providers to implement and interpret the data.

So, print will survive though smaller and with a tighter market presence, while digital will continue to confuse the consumer, intermediary, and product companies as new solutions and processes are developed and marketed.

In the pursuit of data utopia, there will be some strange business bedfellows and some hard battles fought within the digital medium. So, will we be lamenting about 'The good old print years'? Okay, let's not get carried away.

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