

The chumpification of publishers continues

Premise:

Publishers hastened their own demise when they put their content on the internet for free. Artificial intelligence is one more nail in the coffin.

To follow along with the argument, think of the history of the internet in these stages.

1. The worldwide web. Independent websites were connected by an informal and disorganized network of links. Publisher revenue depended on ads, which depended on traffic, which depended on good link strategies. Publisher content was available on a branded site.

Publishers were chumps by accepting and encouraging the assumption that content should be free, supported by advertising.

2. The search engine. Content continues to be housed on individual websites, but readers can query a search engine and get a list of the most relevant content rather than relying on links. Search engine results still point to websites where the information is housed. It's "out there," but finding it has been centralized.

Publishers were chumps because Google amassed billions using their content. Publishers often paid to play the game.

3. Facebook. Content continues to sit on independent websites, but *it's also fed into walled gardens like Facebook*. Publishers get chump change for their content and Facebook makes billions. The model is "all your customers become our customers." Content isn't organized by brand, but by a network of friends and by whatever algorithm makes Facebook the most money (using content created by other people).

Publishers were chumps because they allowed sites like Facebook to use their content to build someone else's business model.

4. AI. This is just the next logical step, but it also represents an important change. Before AI, it mattered where content came from. After AI, it doesn't. It's not indexed by a search engine, recommended by friends, or identified by a brand in any way. It's sucked into a language model that gives the user an answer without any reference to the source.

Publishers' original sin has come home to roost. This was the inevitable result of putting content on the internet for free.

The advent of AI-generated content raises some interesting questions.

- Would this trajectory have been avoided if publishers had not exposed their content in the first place?
- Did publishers make the right decision anyway? Maybe they were chumps, but they got some revenue as they rode the wave into the sharp rocks on the shore.
- Can we put the genie back in the bottle? If publishers now choose to protect their content with paywalls and thereby starve AI of professional information, will that devalue AI engines to the point that people will prefer information from humans?
- Is there a revenue model where the people who create the content that feeds the AI model get some benefit for the answer produced by the AI?

“The publisher of the gaps”

There's an old argument called “the God of the gaps” that says we used to need gods to explain thunder and famine and life, but as we advance in our knowledge of the world, God is required for fewer and fewer things.

Something analogous is going on with publishers.

When I started in publishing, a publisher could make a living simply by collecting documents from a federal agency and distributing them to interested parties.

The internet destroyed that model because anybody could get the text for free. Publishers had to add value to the text: answering questions, creating checklists and charts, and explaining what the documents meant and what they required.

Rick Rockelli, an old colleague, explained this as NTAP: news, text, analysis, and planning. He argued we should get away from news and text and focus on analysis and planning. That was a good strategy back then.

Now, AI is infringing on those areas as well. **Publishers continue to retreat into irrelevance as technology limits what value they can add.**

Do you want to know the difference between a Roth and a traditional IRA? ChatGPT can tell you. Why do we need publishers?

Perhaps God's plight can offer a suggestion. Publishers should focus on the personal, not the mechanical.

Publishers need to major in things that computers can't do (yet), which is to look at the big picture and provide context. A computer can answer a question, but can it give advice? Can it see trends and make forecasts?

Takeaways:

- The areas where publishers can add value is shrinking.
- Don't look for diminishing niches. Think more broadly.

If not today, then maybe next week. While there are still gaps, publishers need to find and fill them.

Think creatively about all the possible ways that people need information and focus on the things a computer isn't good at. Or at least on those things where people don't trust a computer to do it.

The Pareto Principle for publishers

20% of causes

80% of effects

Vilfredo Pareto tells us that **20 percent of causes account for 80 percent of effects**. It's eerie how often that ratio applies, but rather than worrying about the metaphysics of it, **publishers should consider how to modify their strategies based on how this might play out in their businesses**, like ...

- **80% of revenue may come from 20% of content.** Identify and focus on this high-performing content.
- **80% of website traffic may come from 20% of pages.** Optimize those pages – both for SEO, and for stickiness.
- **80% of top-performing pages may come from 20% of your authors.** Incentivize those authors to create more content.
- **80% of customer complaints may come from 20% of products or services.** Identify and address these issues to improve customer satisfaction and retention.
- **80% of sales may come from 20% of your distribution channels.** Focus on those channels.

Quick thoughts

- **Try removing the word “webinar” from your marketing.** It doesn't convey any great benefit, and some people claim it suppresses response rates.
- **Did you notice the scent?** Recent print issues of *The Krehbiel Letter* have had a scent. The value of such a thing doesn't depend on whether anyone notices it, but on whether it enhances the experience – even without the reader's knowledge. Some people would want proof that it had an effect. The truth is that we can't measure everything, and sometimes we just have to take a good guess.
- **Repeat back what you think you heard.** When dealing with people schooled in a different discipline (like marketers speaking to tech people), it's essential that both sides repeat back what they think they heard to avoid miscommunication. Make this part of your standard operating procedure for such meetings.

The use and misuse of demographics

Publishers should be wary of trend analysis that doesn't take demographics into account

because it can lead to a skewed understanding of the audience and their preferences. For example, Booktok might seem like a great way to get "crowdsourced" information about what people want in books, until you look up the demographics of Booktok, which may not represent your target market.

Takeaways:

- It doesn't matter what "audiences" want. It matters what *your audience* wants.

A publisher may think that a certain topic is trending based on data from a specific demographic, but that trend may not be applicable to the publisher's market as a whole.

In the same way, "understanding Generation Z" seems a little silly to me. **The alleged characteristics of an entire group are less relevant to a publisher than the subpopulation the publisher wants to target.**

For example, nobody really writes a magazine "for women." They write a magazine for English-speaking women, in a certain age range, probably of a certain socioeconomic status, who read magazines. And they probably define their market much more carefully than that. So even though "women in general" might trend in a certain direction, a given "women's magazine" might go in a different direction.

Alternatives to words on a page

After reading a suggestion that audio content makes readers more loyal, I started thinking about alternatives to words on a page. Here's a partial list. Try to incorporate these and other concepts into your content creation.

Other ways to convey information – beyond text.

Audio
Video
Charts
Graphs
Quizzes

Infographics
Outlines
Checklists
Forms
Polls

Surveys
Podcasts
Micro-learning
User-generated content
Data visualization

Yes, I eat my own cooking. Look up *The Krehbiel Letter* podcast or try <https://www.youtube.com/@krehbielgroup>

**Email or call if you want to discuss these or other issues.
greg@krehbielgroup.com**